

Seagate Technology plc
Form DEF 14A
September 11, 2013

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Seagate Technology Public Limited Company

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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 - (4) Proposed maximum aggregate value of transaction:
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September 11, 2013

Dear Fellow Shareholder:

We would like to invite you to attend the 2013 Annual General Meeting of Shareholders (the "2013 Annual General Meeting" or "2013 AGM") of Seagate Technology plc ("Seagate" or the "Company"), which will be held at 9:30 a.m. Pacific Time on Wednesday, October 30, 2013, at the Company's offices at 10200 S. De Anza Blvd., Cupertino, CA, 95014.

The purposes of the 2013 Annual General Meeting are to: (i) elect the twelve board members listed in this Proxy Statement; (ii) approve the Seagate Technology plc Amended and Restated Executive Officer Performance Bonus Plan; (iii) determine the price range at which the Company can re- issue treasury shares off-market; (iv) authorize the holding of the next Annual General Meeting outside of Ireland; (v) hold an advisory vote on executive compensation; (vi) amend the Company's Articles of Association, and (vii) ratify, in a non-binding vote, the appointment of Ernst & Young as our independent auditors for our 2014 fiscal year and authorize, in a binding vote, the Audit Committee of the board of directors to set the auditors' remuneration.

We will also present the Company's Irish Statutory Accounts for the fiscal year ended June 28, 2013 and the reports of the directors and auditors thereon.

The board of directors (the "Board") recommends that you vote for each of the twelve director nominees nominated by our Board and that you vote "for" all of the other proposals to be put forward at the meeting.

The proxy materials are being furnished to the shareholders of Seagate in connection with the solicitation of proxies by the Board for use at the 2013 Annual General Meeting, and at any adjournment thereof, for the purposes set forth in the accompanying Notice of 2013 Annual General Meeting of Shareholders.

Your vote is important. Please take a moment to vote your shares in accordance with the instructions provided, even if you plan to attend the meeting, or appoint a proxy to vote your shares by using the Internet or by telephone, as described in the attached Proxy Statement, so that your shares may be represented at the 2013 Annual General Meeting.

The Notice of 2013 Annual General Meeting of Shareholders included in this Proxy Statement includes instructions on how to vote your shares.

Thank you for your continued support.

Sincerely,

Stephen J. Luczo
*Chairman, President and Chief Executive
Officer*

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SEAGATE TECHNOLOGY PUBLIC LIMITED COMPANY

**NOTICE OF 2013 ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON WEDNESDAY, OCTOBER 30, 2013**

Notice is hereby given that the 2013 Annual General Meeting of Shareholders (the "2013 Annual General Meeting" or "2013 AGM") of Seagate Technology plc ("Seagate" or the "Company") will be held at 9:30 a.m. Pacific Time on Wednesday, October 30, 2013, at the Company's offices at 10200 S. De Anza Blvd., Cupertino, CA, 95014. The purposes of the 2013 Annual General Meeting are:

- (1) By separate resolutions, to elect as directors the following individuals who shall retire in accordance with the Articles of Association and, being eligible, offer themselves for election:

(a) Stephen J. Luczo	(b) Frank J. Biondi, Jr.	(c) Michael R. Cannon
(d) Mei-Wei Cheng	(e) William T. Coleman	(f) Jay L. Geldmacher
(g) Dr. Seh-Woong Jeong	(h) Lydia M. Marshall	(i) Kristen M. Onken
(j) Dr. Chong Sup Park	(k) Gregorio Reyes	(l) Edward J. Zander
- (2) To approve the Seagate Technology plc Amended and Restated Executive Officer Performance Bonus Plan;
- (3) To determine the price range at which the Company can re-issue treasury shares off-market (*Special Resolution*);
- (4) To authorize holding the 2014 Annual General Meeting of Shareholders of the Company at a location outside of Ireland;
- (5) To approve, in a non-binding advisory vote, the Company's named executive officer compensation;
- (6) By separate resolutions, to amend the Company's Articles of Association to (a) remove restrictions on holding general meetings outside of the U.S., (b) clarify the right of members to appoint one or more proxies, (c) provide for escheatment in accordance with U.S. law, and (d) clarify the mechanism used by the Company to effect share repurchases (*Special Resolutions*);
- (7) To ratify, in a non-binding vote, the appointment of Ernst & Young as the independent auditors of the Company for the fiscal year ending June 27, 2014 and to authorize, in a binding vote, the Audit Committee of the Board to set the auditors' remuneration; and
- (8)

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To transact any other business that may properly come before the meeting and any adjournment or postponement of the meeting.

The foregoing items, including the votes required in respect of each (including in the case of Proposals 3 and 6(a) to 6(d), each of which is being proposed as a special resolution), are more fully described in (and the full text of each proposal is set out in) the Proxy Statement accompanying this Notice of Annual General Meeting of Shareholders.

During the 2013 Annual General Meeting, management will present the Company's Irish Statutory Accounts for the fiscal year ended June 28, 2013 ("fiscal year 2013"), and the reports of the directors and auditors thereon.

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Seagate's Board has set September 4, 2013 as the record date for the 2013 AGM. Only registered holders of Seagate's ordinary shares at 5 p.m. Eastern time on that date are entitled to receive notice of the 2013 AGM and to attend and vote at the 2013 AGM.

In connection with the 2013 AGM, and in accordance with Seagate's Articles of Association, we will be relying on the U.S. Securities and Exchange Commission ("SEC") rule that allows companies to furnish proxy materials over the Internet instead of mailing printed copies of those materials to each shareholder. As a result, we are sending our shareholders a Notice of Internet Availability of Proxy Materials (the "Notice of Internet Availability") instead of a paper copy of our Proxy Statement, our Irish Statutory Accounts for fiscal year 2013, and our Annual Report on Form 10-K for fiscal year 2013 (collectively, the "Proxy Materials"). We believe that this process allows us to provide our shareholders with the information they need in a timely manner, while reducing the environmental impact and lowering the costs of printing and distribution of our Proxy Materials. The Notice of Internet Availability also contains instructions on how to request a paper copy of the Proxy Materials, as well as a form of proxy card or voting instruction card. If you have previously elected to receive our Proxy Materials electronically, you will continue to receive these materials via email unless you elect otherwise. A full printed set of our Proxy Materials will be mailed to you automatically only if you have previously made a permanent election to receive our Proxy Materials in printed form.

This Proxy Statement contains additional information on how to attend the meeting and vote your shares in person. To vote your shares, you will need the number included in the box on the proxy card accompanying this Proxy Statement. Any registered shareholder entitled to attend and vote at the 2013 AGM may appoint one or more proxies, who need not be a registered shareholder(s) of the Company.

THE PRESENCE AT THE MEETING, IN PERSON OR BY PROXY, OF ONE OR MORE SHAREHOLDERS WHO HOLD SHARES REPRESENTING NOT LESS THAN A MAJORITY OF THE ISSUED AND OUTSTANDING SHARES ENTITLED TO VOTE AT THE MEETING SHALL CONSTITUTE A QUORUM. YOUR VOTE IS IMPORTANT. TO ENSURE YOUR REPRESENTATION AT THE MEETING, PLEASE SUBMIT YOUR PROXY AS PROMPTLY AS POSSIBLE. IF YOU ARE A SHAREHOLDER WHO IS ENTITLED TO ATTEND THE MEETING AND VOTE, THEN YOU ARE ALSO ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND, SPEAK AND VOTE ON YOUR BEHALF. THIS PROXY IS NOT REQUIRED TO BE A SHAREHOLDER OF THE COMPANY. IF YOU ATTEND THE MEETING, YOU MAY VOTE IN PERSON BY FOLLOWING THE INSTRUCTIONS IN THE ATTACHED PROXY STATEMENT, EVEN IF YOU HAVE RETURNED A PROXY. Our Proxy Materials are available free of charge to shareholders at www.proxyvote.com.

By order of the Board of Directors,

Kenneth M. Massaroni
*Executive Vice President, General Counsel,
Chief Administrative Officer and Company Secretary*
38/39 Fitzwilliam Square
Dublin 2
Ireland
+353 1 234-3136

September 11, 2013

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**PROXY STATEMENT
FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF
SEAGATE TECHNOLOGY PUBLIC LIMITED COMPANY
OCTOBER 30, 2013**

GENERAL INFORMATION

The board of directors (the "Board") of Seagate Technology plc ("Seagate" or the "Company") is soliciting your proxy for use at the 2013 Annual General Meeting of Shareholders (the "2013 Annual General Meeting" or "2013 AGM"), to be held on Wednesday, October 30, 2013, at the Company's offices at 10200 S. De Anza Blvd., Cupertino, CA 95014 at 9:30 a.m. Pacific Time, and at any postponement or adjournment of the meeting. The Proxy Statement and related materials are first being distributed and made available to the shareholders of the Company on or about September 18, 2013. Seagate is incorporated and organized under the laws of Ireland, and maintains its registered office in Ireland at 38/39 Fitzwilliam Square, Dublin 2, Ireland. Seagate's telephone number at that address is +353 (1) 234-3136.

You may contact our Investor Relations department by telephone in the United States at +1 (408) 658-1222; by e-mail at stx@seagate.com; or by mail at Seagate Technology plc, Investor Relations, 10200 S. De Anza Boulevard, Cupertino, California 95014. Our website address is www.seagate.com. Information contained on, or accessible through, our website is not a part of this Proxy Statement.

References in this Proxy Statement to "we", "our", "Seagate", "us" and "the Company" are to Seagate Technology plc and/or, where appropriate, its predecessor, Seagate Technology, an exempted company incorporated with limited liability under the laws of the Cayman Islands.

Who Can Attend and Vote; Votes Per Share. Our only outstanding class of voting securities is our ordinary shares, par value \$0.00001 per share. All persons who are registered holders of our ordinary shares at 5 p.m. Eastern Time on September 4, 2013, the record date for the 2013 AGM (the "Record Date"), will be entitled to notice of, and to vote at, the 2013 AGM. As of the close of business on the Record Date, there were 357,064,849 outstanding ordinary shares.

Each shareholder of record will be entitled on a poll to one vote per ordinary share on all matters submitted to a vote of shareholders, so long as those shares are represented at the 2013 AGM in person or by proxy. Your shares will be represented if you attend and vote at the 2013 AGM or if you submit a properly completed proxy. You can attend and vote at the meeting even if you have completed and submitted a form of proxy.

Meeting Attendance. If you wish to attend the 2013 Annual General Meeting in person, you will need to bring your proof of identification along with your proof of share ownership. If your shares are held beneficially in the name of a bank, broker or other holder of record, you may bring a bank or brokerage account statement as your proof of ownership of Seagate shares. For directions to the

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meeting, please contact our Investor Relations department by telephone at +1 (408) 658-1222 or by email at stx@seagate.com.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on October 30, 2013:

Internet Availability of Proxy Materials. On or around September 18, 2013, we mailed to our shareholders (other than those who previously requested electronic or paper delivery) a Notice of Internet Availability of Proxy Materials (the "Notice of Internet Availability"), directing shareholders to a website, www.proxyvote.com, where they may access our proxy materials free of charge, including this Proxy Statement, our Irish Statutory Accounts for the fiscal year ended June 28, 2013 ("fiscal year 2013"), and our Annual Report on Form 10-K for fiscal year 2013 (collectively, the "Proxy Materials"). The Notice of Internet Availability directs shareholders to a website where they may access the Proxy Materials and view instructions on how to vote online. If you prefer to receive a paper copy of our Proxy Materials, please follow the instructions included in the Notice of Internet Availability. If you have previously elected to receive our Proxy Materials electronically, you will continue to receive these materials via email unless you elect otherwise. You will need the 12-digit control number on your Proxy Card in order to access the Proxy Materials on www.proxyvote.com. A full printed set of our Proxy Materials will be mailed to you automatically only if you have previously made a permanent election to receive our Proxy Materials in printed form.

How to Vote; Submitting Your Proxy. The Board recommends that you vote your shares:

"FOR" Proposals 1(a) to 1(l) to elect each of the twelve (12) director nominees;

"FOR" Proposal 2 to approve the Seagate Technology plc Amended and Restated Executive Officer Performance Bonus Plan;

"FOR" Proposal 3 to authorize the price range at which Seagate can re-issue treasury shares off-market (*Special Resolution*);

"FOR" Proposal 4 to authorize holding the 2014 Annual General Meeting of Shareholders at a location outside of Ireland;

"FOR" Proposal 5 to approve, in a non-binding advisory vote, the compensation of our named executive officers;

"FOR" Proposals 6(a) to 6(d) to approve each of the four amendments to the Company's Articles of Association (*Special Resolutions*); and

"FOR" Proposal 7 to ratify, in a non-binding vote, the appointment of Ernst & Young as the independent auditors for our 2014 fiscal year and to authorize, in a binding vote, the Audit Committee of the Board to set the auditors' remuneration.

By completing and submitting your proxy, you are legally designating the individual or individuals named by you in the proxy card or, if you do not name your proxy or proxies, Dr. Chong Sup Park and/or Kenneth M. Massaroni (the "Proxy Holders") to vote your shares in accordance with the instructions you have indicated on the proxy. If you sign and return your proxy without designating any individual named by you and do not indicate how your shares are to be voted, then the Proxy Holders will vote as the Board recommends on each proposal. It is not expected that any additional matters will be brought before the 2013 AGM, but if other matters are properly presented at the 2013 AGM or any adjournment or postponement thereof, the Proxy Holders will have your authority to vote your shares in their discretion on such matters.

Shares Registered Directly in the Name of the Shareholder. If you hold our ordinary shares registered directly in your name in our register of shareholders, you may vote by Internet or telephone, by returning a signed proxy card, or by voting in person at the 2013 AGM. Specific instructions for registered shareholders are set forth in the proxy card enclosed herewith.

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Shares Registered in the Name of a Nominee. If your shares are held in a stock brokerage account or by a broker, bank, or other nominee in "street name", you are considered the beneficial owner of those shares, and these Proxy Materials are being forwarded to you by your broker, bank, or nominee, who is the holder of record of those shares. As the beneficial owner, you have the right to direct your broker, bank or other nominee on how to vote the shares in your account. Your broker, bank, or nominee has enclosed with these Proxy Materials, or will send to you, a voting instruction form for you to use to direct how your shares should be voted. If you do not receive the voting instruction form, please contact your broker, bank or other nominee directly. Many brokers or banks also offer voting by Internet or telephone. Please refer to your voting instruction form for instructions on the voting methods offered by your broker or bank. As a beneficial owner of ordinary shares, you are also invited to attend the 2013 AGM. In order to be admitted to the 2013 AGM, you must bring a letter or account statement showing that you beneficially own the shares held by the broker, bank or nominee. However, since you are not the shareholder of record, you may not vote those shares in person at the 2013 AGM unless you request and receive a valid proxy from your broker, bank, or nominee.

Revoking Your Proxy. If you hold shares registered directly in your name, you may revoke your proxy at any time before it is voted at the 2013 AGM by: (1) sending a signed revocation thereof to Seagate Technology plc at 38/39 Fitzwilliam Square, Dublin 2, Ireland, Attention: Corporate Secretary, which we must receive by 5:00 p.m., Irish Time, on October 28, 2013; (2) submitting a later dated proxy, which we must receive by mail by 5:00 p.m., Irish Time, on October 28, 2013, or online or by telephone by 11:59 p.m., Eastern Time, on October 29, 2013; or (3) voting your shares in person at the 2013 AGM.

If you are not a registered holder but your shares are registered in the name of a nominee, you must contact the nominee to revoke your proxy, since attending the 2013 AGM alone will not revoke any proxy.

Proxy Solicitation. We will bear all costs and expenses of soliciting proxies from shareholders. We have retained a proxy solicitation firm, Morrow and Co. ("Morrow"), to aid us in the solicitation process. We will pay Morrow its customary fee, estimated to be \$9,500, plus reasonable out-of-pocket expenses incurred in the solicitation process. Seagate or its agent will distribute proxy materials to brokers, custodians, nominees, fiduciaries and other record holders and request that they forward materials to the beneficial owners and request authority for the exercise of proxies. In such cases, upon request, we will reimburse such record holders for their reasonable out-of-pocket expenses incurred in connection with the solicitation. If you choose to vote over the Internet, you are responsible for any Internet access charges you may incur. Our directors, officers and selected other employees may also solicit proxies by telephone, facsimile, or e-mail or in person. No additional compensation will be paid to directors, officers, or other employees of Seagate for their services in soliciting proxies for the 2013 AGM.

Quorum, Voting Requirements and Broker Non-Votes. In order to establish a quorum at the 2013 AGM, there must be one or more shareholders present in person or by proxy holding not less than a majority of the issued and outstanding shares of the Company entitled to vote at the meeting. For purposes of determining a quorum, abstentions and "broker non-votes" are counted as present and entitled to vote. Generally, brokers have discretionary power to vote your shares with respect to "routine" matters, but they do not have discretionary power to vote your shares on "non-routine" matters. A "broker non-vote" occurs when a nominee (such as a broker) holding shares for a beneficial owner is not entitled to vote on a particular proposal because the nominee does not have discretionary voting power for that proposal and has not received instructions from the beneficial owner on how to vote those shares. For each of the proposals being considered at the 2013 AGM, approval of the proposal requires the affirmative vote of a simple majority of the votes cast, except for Proposal 3 (determination of the price range at which the Company can re-issue shares off-market that it acquires

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as treasury shares) and Proposals 6(a) to 6(d) (amendments to our Articles of Association), each of which requires the affirmative vote of not less than 75% of the votes cast. With respect to Proposals 6(a) to 6(d), each special resolution setting forth an amendment is subject to a separate vote. If a proposal to adopt a special resolution does not receive the required affirmative vote of not less than 75% of the votes cast, then the corresponding amendment to the Company's Articles of Association will not be adopted. Approval of any special resolution is not contingent on approval of any other special resolution being proposed.

With respect to Proposals 1(a) through 1(l), the affirmative vote of a majority of all the votes cast by holders of ordinary shares represented in person or by proxy at the 2013 AGM is necessary to approve the election of each of the director nominees, each of whose election is subject to a separate vote. If the proposal for the appointment of a director nominee does not receive the required majority of the votes cast, then that director will not be appointed and the position on the Board that would have been filled by the director nominee will, except in limited circumstances, become vacant. The Board has the ability to fill the vacancy in accordance with the Company's Articles of Association, subject to re-appointment by the Company's shareholders at the next annual general meeting of shareholders. Notwithstanding the requirement that a director nominee requires a majority of the votes cast, Irish law requires a minimum of two directors at all times. Therefore, in the event that an election results in either only one or no directors receiving the required majority vote, either the nominee or each of the two nominees, as appropriate, receiving the greatest number of votes in favor of his or her election shall, in accordance with the Articles of Association, hold office until his or her successor shall be elected.

Abstentions and "broker non-votes". If you are a beneficial owner of shares and your bank or brokerage firm does not receive instructions from you about how your shares are to be voted, one of two things can happen, depending on the type of proposal. We believe that proposals 3, 4 and 7 will be considered routine, which means that the bank or brokerage firm that holds your shares may vote your shares in its discretion on these proposals if you do not provide voting instructions to your bank or brokerage firm. This is known as "broker discretionary voting." However, we note that proposals 1 (the election of directors), 2 (the approval of the Seagate Technology plc Amended and Restated Executive Officer Performance Bonus Plan), 5 (the non-binding advisory vote on executive compensation) and 6 (amendments to our Articles of Association) are considered "non-routine" matters. Accordingly, if you do not provide instructions on how your shares are to be voted on proposals 1(a) to 1(l), 2, 5 or 6(a) to 6(d), the bank or brokerage firm will not be entitled to vote your shares with respect to these proposals. This is called a "broker non-vote."

Abstentions and "broker non-votes" will not be considered votes properly cast at the 2013 Annual General Meeting. Because all of the proposals will be determined based only on the votes properly cast at the 2013 Annual General Meeting, abstentions and "broker non-votes" will not have any effect on the outcome of these proposals.

We strongly encourage you to submit your proxy and exercise your right to vote as a shareholder.

Voting Procedures and Tabulation. We have selected an inspector of elections to act at the 2013 AGM and to make a written report thereof. Prior to the 2013 AGM, the inspector will sign an oath to perform his duties in an impartial manner and according to the best of his ability. The inspector will ascertain the number of ordinary shares outstanding, determine the ordinary shares represented at the 2013 AGM and the validity of proxies and ballots, count all votes and ballots, and perform certain other duties. The determination of the inspector as to the validity of proxies will be final and binding.

PRESENTATION OF IRISH STATUTORY ACCOUNTS

The Company's Irish Statutory Accounts for fiscal year 2013, including the reports of the directors and auditors thereon, will be presented at the 2013 Annual General Meeting. The Company's Irish Statutory Accounts have been approved by the Board. There is no requirement under Irish law that such statements be approved by shareholders, and no such approval will be sought at the 2013 Annual General Meeting. The Company's Irish Statutory Accounts are available with the Proxy Materials at www.proxyvote.com.

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PROPOSALS 1(A) 1(L) ELECTION OF DIRECTORS

(Ordinary Resolutions)

Upon the recommendation of the Nominating and Corporate Governance Committee, the Board has nominated twelve nominees for election at the 2013 AGM. Our Board's nominees are Messrs. Luczo, Biondi, Cannon, Cheng, Coleman, Geldmacher, Reyes and Zander, Ms. Marshall, Ms. Onken, and Drs. Jeong and Park.

Each of the Board's nominees is currently serving as a director of Seagate.

Under our Articles of Association, the Board may have not less than two or more than twelve members. We currently have twelve directors serving on our Board, each of whom will stand for election at the 2013 AGM. The holders of our ordinary shares have the right to elect the twelve members to the Board to serve until the 2014 Annual General Meeting of Shareholders (the "2014 AGM").

If the proposal for the appointment of a director nominee does not receive the required majority of the votes cast, then that director will not be appointed and the position on the Board that would have been filled by the director nominee will, except in limited circumstances, become vacant. The Board has the ability to fill the vacancy in accordance with the Company's Articles of Association, subject to re-appointment by the Company's shareholders at the next Annual General Meeting of Shareholders. Notwithstanding the requirement that a director nominee requires a majority of the votes cast, as Irish law requires a minimum of two directors at all times, in the event that an election results in either only one or no directors receiving the required majority vote, either the nominee or each of the two nominees, as appropriate, receiving the greatest number of votes in favor of his or her election shall, in accordance with the Company's Articles of Association, hold office until his or her successor shall be elected.

If any nominee becomes unwilling or unable to serve as a director, then the Board will either propose a substitute nominee (and the Proxy Holders will vote for the appointment of the proposed nominee) or determine to reduce the size of the Board.

Director Changes

Mei-Wei Cheng joined the Board, effective as of July 25, 2012.

Board Composition

As a leading provider of electronic storage products, our business involves an operational structure that operates on a global scale and encompasses design, manufacturing, sales and marketing functions in a context characterized by highly advanced technology and manufacturing techniques, rapid product life cycles, periods of imbalance between supply and demand, periodic price erosion and intensely competitive markets.

The Nominating and Corporate Governance Committee is responsible for reviewing and assessing with the Board the appropriate skills, experience and background sought of Board members in the context of our dynamic business and the then-current membership on the Board. This assessment of skills, experience and background takes into consideration the changes in the Company's business and other trends, as well as the portfolio of skills and experience of current and prospective Board members. The Nominating and Corporate Governance Committee and the Board review and assess the continued relevance of, and emphasis on, these factors as part of the Board's annual self-assessment process and in connection with candidate searches to determine if they are effective in helping to satisfy the Board's goal of creating and sustaining a Board that can appropriately support and oversee the Company's activities.

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We do not expect or intend that each director will have the same background, skills, and experience; rather, we believe the Company and its shareholders are best served by a Board that has a variety of skills, backgrounds and experiences. Our Board, therefore, seeks a diverse portfolio of qualifications to assist the Board in its oversight of our business and operations. Key skills and experience that the Nominating and Corporate Governance Committee and our Board consider important for our directors to have include one or more of the following:

Senior Leadership Experience. Directors who are or have served in senior leadership positions are important to us, as they bring a depth of experience and perspective in analyzing important operational and policy issues, and then shaping and overseeing the execution of responsive strategies. These directors' insights and guidance, and their ability to assess and respond to situations encountered in serving on our Board, may be enhanced if their leadership experience has been developed at organizations that operate on a global scale, face significant competition, and/or involve technology or other rapidly evolving business models.

Public Company Board Experience. Directors who have served on other public company boards can offer advice and insights with regard to the dynamics and operation of a public company board of directors; the relations of a board to the Chief Executive Officer ("CEO") and other management personnel; the importance of particular agenda and oversight matters; and oversight of the changing mix of strategic, operational, and compliance related matters.

Financial Expertise. Knowledge of financial markets, financing and funding operations, and accounting and financial reporting processes is important because it assists our directors in understanding, advising, and overseeing our capital structure, financing and investment activities, financial reporting, and internal control of such activities.

International Expertise. Seagate is a global organization with research and development, manufacturing, assembly-and-test facilities, sales and other offices in many countries. Directors with global expertise can provide a useful business and cultural perspective.

Industry or Technical Expertise. We are a technology company; therefore, education or experience in relevant technology is useful in understanding our research and development efforts, competing technologies, the various products and processes that we develop, our manufacturing and assembly-and-test operations, and the markets in which we compete.

Business Development Expertise. Directors who have a background in business development, mergers and acquisitions ("M&A") and commercial transactions can provide insight into developing and implementing strategies for growing our business through strategic combinations.

Government Experience. Directors who have served in government positions can provide experience and insight into working constructively with governments around the world.

Each director nominee's biography notes his or her relevant experience, background, and skills relative to the qualifications we consider important.

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The Board recommends that you vote "FOR" each of the following nominees:

Name	Position with the Company	Age (as of the Record Date)	Seagate Board Member Since
Stephen J. Luczo	Chairman, President, and Chief Executive Officer	56	2000
Frank J. Biondi, Jr.	Director	68	2005
Michael R. Cannon	Director	60	2011
Mei-Wei Cheng	Director	63	2012
William T. Coleman	Director	65	2012
Jay L. Geldmacher	Director	57	2012
Dr. Seh-Woong Jeong	Director	50	2012
Lydia M. Marshall	Director	64	2004
Kristen M. Onken	Director	63	2011
Dr. Chong Sup Park	Director	65	2006
Gregorio Reyes	Director	72	2004
Edward J. Zander	Director	66	2009

Directors' Principal Occupation, Business Experience, Qualifications and Directorships.

Stephen J. Luczo has been a director of Seagate since 2000. Mr. Luczo has served as President and CEO since January 2009, and continues to serve as Chairman of the Board. Mr. Luczo joined Seagate in October 1993 as Senior Vice President of Corporate Development. In September 1997, he was promoted to President and Chief Operating Officer of Seagate Technology, Inc. and, in July 1998, he was promoted to CEO at which time he joined the Board as a director of Seagate Technology, Inc. He was appointed Chairman of the Board in 2002. Mr. Luczo resigned as CEO effective as of July 2004, but retained his position as Chairman of the Board. He served as non-employee Chairman from October 2006 to January 2009. From October 2006 until he rejoined us in January 2009, Mr. Luczo was a private investor. Prior to joining Seagate in 1993, Mr. Luczo was Senior Managing Director of the Global Technology Group of Bear, Stearns & Co. Inc., an investment banking firm, from February 1992 to October 1993. In May 2012, Mr. Luczo was appointed to the board of directors of Microsoft Corporation and currently serves on its Audit, Compensation, and Demand Review Committees.

As our President and CEO, Mr. Luczo brings to the Board significant senior leadership, global experience and knowledge of competitive strategy, technology and competition. As President and CEO, Mr. Luczo has direct responsibility for the Company's strategy and operations. With his early career based in investment banking, Mr. Luczo also brings to the Board significant business development, M&A, and financial experience related to business and financial issues facing large companies.

Frank J. Biondi, Jr. has been a director of Seagate since 2005, and is Senior Managing Director of WaterView Advisors LLC, a private equity fund specializing in media, a position he has held since June 1999. He was Chairman and CEO of Universal Studios from April 1996 through November 1998. Mr. Biondi previously served as President and CEO of Viacom, Inc. from July 1987 through January 1996, and was a member of the Viacom board of directors. Mr. Biondi currently serves on the boards of directors of Amgen, Inc., Hasbro, Inc., Cablevision Systems Corporation and RealD, Inc. Within the past five years, Mr. Biondi has served as a member of the board of directors of Yahoo!, Inc.

As Senior Managing Director of a private equity firm, and as a former CEO of several companies with substantial media experience, Mr. Biondi brings to our Board significant senior leadership experience, and financial and industry expertise. Mr. Biondi's board service with other public companies provides cross-board experience.

Michael R. Cannon has been a director of Seagate since 2011. Mr. Cannon served as President, Global Operations of Dell Inc. from February 2007 until his retirement in January 2009, and as a consultant to Dell Inc. from January 2009 until January 2011. Prior to joining Dell Inc., Mr. Cannon

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was the President, Chief Executive Officer and a member of the board of directors of Solectron Corp., an electronic manufacturing services company, from January 2003 until February 2007. From July 1996 until January 2003, Mr. Cannon served as the Chief Executive Officer of Maxtor Corporation ("Maxtor"), a disk drive and storage systems manufacturer. He served on Maxtor's board of directors from July 1996 until Seagate acquired Maxtor in May 2006. Prior to joining Maxtor, Mr. Cannon held senior management positions at IBM. Mr. Cannon served on the Board from October 2006 until February 2007 and on the board of directors of Elster Group SE from September 2010 through August 2012. He has served on the board of directors of Adobe Systems since 2003 and on the board of directors of Lam Research Corporation since February 2011. He was appointed to the Board of Directors of Dialog Semiconductor plc in February 2013 and serves on its Compensation Committee and Nominating and Governance Committee. Mr. Cannon has extensive industry expertise, including expertise in the disk drive business that is invaluable to our Board.

Mr. Cannon brings financial and operational expertise to our Board through his service as a public company President, CEO and member of boards of directors, and his previous senior management positions. In addition, he has significant leadership experience due to his experience as a senior executive with other companies.

Mei-Wei Cheng has been a director of Seagate since 2012. Mr. Cheng currently serves as CEO of Siemens North East Asia and President and CEO of Siemens Ltd., China, which position he has held since July 2010. Prior to joining Siemens in May 2010, he was Chairman and CEO of Ford Motor Company (China) Ltd. from 1998 to 2008, as well as a Corporate Vice President of Ford Motor Company, and served as Executive Chairman of Ford Motor Company (China), as well as Group Vice president of Ford Motor Company from 2009 to 2010. Previously, Mr. Cheng held executive positions at General Electric Corporation (GE), including Corporate Vice President, Regional Executive and President of GE Appliance Asia, and Chairman and CEO of GE (China) Ltd. He began his career at AT&T, where he last served as President of AT&T China. Within the past five years, Mr. Cheng has served as a member of the board of directors of Diebold, Inc.

Mr. Cheng brings management and operational expertise to our Board through his current and former service as a senior level executive in the Asia region with several large multi-national corporations. In addition, his board service provides cross-board experience which supplements his significant international executive-level leadership experience.

William T. Coleman has been a director since 2012. He has been a partner with Alsop Louie Partners, a venture capital firm that invests in early stage technology, since June of 2010 and has been serving as the Chairman and CEO of Resilient Network Systems, Inc. ("Resilient") since January 2013. Before joining Alsop Louie, Mr. Coleman was founder, Chairman of the Board and Chief Executive Officer of Cassatt Corporation from September 2003 to June 2009. Between June 2009 and June 2010, Mr. Coleman was a private investor.

Mr. Coleman previously founded BEA Systems, Inc., an enterprise application and service infrastructure software provider, where he served as Chairman of the Board from 1995 until 2002 and Chief Executive Officer from 1995 to October 2001. Prior to BEA, Mr. Coleman held various executive management positions at Sun Microsystems, Inc. He currently sits on the boards of directors of iControl, Inc., Framehawk, Inc. and Resilient. Within the past five years, Mr. Coleman has also served on the boards of directors of Palm, Inc. and Symantec Corp.

As a partner of a private equity firm and former founder and/or CEO of several technology companies, Mr. Coleman brings to our Board significant senior leadership experience, as well as financial and industry expertise. Mr. Coleman's board service with other private and public companies provides cross-board experience.

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Jay L. Geldmacher has been a director since 2012. He currently serves as a director of Owens-Illinois, Inc., a manufacturer of glass containers, which position he has held since 2008; he also serves as a member of the Audit Committee and the Nominating and Corporate Governance Committee of Owens-Illinois. Since 2007, Mr. Geldmacher has served as Executive Vice President of Emerson Electric Company and President of Emerson Network Power's Embedded Computing & Power Group, which designs, manufactures and distributes embedded computing and embedded power products, systems and solutions. From 2006 to 2007, he served as Group Vice President and President of Emerson Network Power's Embedded Computing & Power Group. From 1998 to 2006, he served as President of Astec Power Solutions, an Emerson subsidiary, and from 1996 to 1998, he served as President of Astec Standard Power, another Emerson subsidiary. Mr. Geldmacher has also served on the board of the University of Arizona Business School since 2002.

As a senior-level executive and public company board member, Mr. Geldmacher brings operational and financial expertise to our Board, as well as significant senior leadership experience. Mr. Geldmacher's board service with Owens-Illinois provides cross-board experience.

Dr. Seh-Woong Jeong has been a director since 2012. He is currently Executive Vice President of the Sales and Marketing team for the Systems LSI Division of Samsung Electronics Co., Ltd. ("Samsung"), which designs and manufactures logic and analog integrated circuit devices. Dr. Jeong has held the position of Executive Vice President of the Sales and Marketing team since 2011 and has held various other positions at Samsung since 1993.

Dr. Jeong is the appointee of Samsung pursuant to the terms of the Shareholder Agreement entered into with Samsung, previously filed on August 17, 2011 as an exhibit to Seagate's Annual Report on Form 10-K for the fiscal year ended July 1, 2011. The Shareholder Agreement provides, among other things, that Samsung has the right to appoint one representative to the Board so long as Samsung and its affiliates hold at least 7% of Seagate's outstanding ordinary shares. Dr. Jeong brings to the Board international senior leadership and industry experience from his career as a senior-level executive at Samsung.

Lydia M. Marshall has been a director of Seagate since 2004. Ms. Marshall is retired from Versura, Inc., an internet-based higher education finance company that she founded. She served as Chair and CEO of Versura, Inc. from 1999 until 2004. Previously, she was Managing Director of Rockport Capital Incorporated from 1997 to 1999, Executive Vice President Marketing of Sallie Mae from 1993 to 1997, and Senior Vice President heading Sallie Mae's Institutional and Public Finance and Strategic Planning Divisions from 1985 to 1993.

Ms. Marshall is a member of the board of directors of Nationwide Mutual Insurance Company. Within the past five years, Ms. Marshall has served as a member of the board of directors of Nationwide Financial Services, Inc.

As a former board chair and CEO, and having held other senior management positions with other companies, Ms. Marshall brings to our Board significant senior leadership experience and financial expertise. Ms. Marshall's board service with other public companies provides cross-board experience.

Kristen M. Onken has been a director of Seagate since 2011. She also served on the board of Biosensors International Group, Ltd. from September 2006 through July 2008 and on the board of Silicon Laboratories Inc. from September 2007 through April 2013. Ms. Onken served as Senior Vice President, Finance, and Chief Financial Officer of Logitech International, S.A. from February 1999 through May 2006. From September 1996 to February 1999, Ms. Onken served as Vice President of Finance at Fujitsu PC Corporation. Ms. Onken held various positions at Sun Microsystems Inc. from 1991 through 1996.

Ms. Onken brings financial and operational expertise to our Board through her service as a public company CFO and senior-level executive at several technology companies, as well as her service as a public company board member. Ms. Onken's board service with other public companies provides cross-board experience.

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Dr. Chong Sup Park has been a director of Seagate since 2006. Prior to joining Seagate's Board, Dr. Park served as Chairman and CEO of Maxtor from November 2004 until May 2006, as Chairman of Maxtor's board of directors from May 1998 until May 2006, and as a member of its board from February 1994 to May 2006. Maxtor was acquired by Seagate in May 2006. Dr. Park served as Investment Partner and Senior Advisor at H&Q Asia Pacific, a private equity firm, from April 2004 until September 2004, and as a Managing Director for the firm from November 2002 to March 2004. Prior to joining H&Q Asia Pacific, Dr. Park served as President and CEO of Hynix Semiconductor Inc. from March 2000 to May 2002, and from June 2000 to May 2002 he also served as its Chairman.

Dr. Park has been a member of the board of directors of Computer Sciences Corporation since July 2007. Within the past five years, Dr. Park has also served as a member of the boards of directors of SMART Modular Technologies, Inc., Brooks Automation, Inc., Enphase Energy, Inc. and Ballard Power Systems, Inc.

As a former board chair and CEO, and having held other senior management positions with other companies, Dr. Park brings to our Board significant senior leadership experience, financial and international expertise. In addition, Dr. Park has extensive industry expertise, including expertise in the disk drive business that is invaluable to our Board. Dr. Park's board service with other public companies provides cross-board experience.

Gregorio Reyes has been a director since 2004. Mr. Reyes has been a private investor and management consultant since 1994. Mr. Reyes began his career in the semiconductor industry with National Semiconductor Corporation in 1962, followed by executive positions with Motorola, Inc., Fairchild Semiconductor and Eaton Corporation. From 1981 to 1984, he was President and CEO of National Micronetics, Inc., a provider of hard disc magnetic recording head products for the data storage industry. Between 1986 and 1990, he was Chairman and CEO of American Semiconductor Equipment Technologies. Mr. Reyes co-founded Sunward Technologies in 1985 and served as its non-executive Chairman from 1985 to 1990, and its Chairman and CEO from 1990 until 1994. Mr. Reyes currently serves as non-executive Chairman of LSI Corporation, and non-executive Chairman of Dialog Semiconductor plc.

Mr. Reyes brings senior leadership and industry expertise to our Board from his career as a senior executive of technology companies. He brings cross-board experience from his service on other public company boards.

Edward J. Zander has been a director since 2009. Mr. Zander served as Chairman and CEO of Motorola, Inc. from January 2004 until January 2008, when he retired as CEO and continued as Chairman. He resigned as Chairman in May 2008. Prior to joining Motorola, Mr. Zander was a managing director of Silver Lake Partners, a leading private equity fund focused on investments in technology industries from July 2003 to December 2003. Mr. Zander was President and COO of Sun Microsystems Inc., a leading provider of hardware, software and services for networks, from October 1987 until June 2002. Mr. Zander has served as a member of the board of directors of NetSuite, Inc. since 2009. He previously served on our Board from November 2002 to October 2004. Within the past five years, Mr. Zander has served as a member of the board of directors of Netezza Corporation.

Mr. Zander brings senior leadership and industry expertise to our Board from his career as a senior executive of technology companies, and financial expertise from his prior private equity experience. He brings cross-board experience from his service on other public company boards.

There is no family relationship between any of the directors or our executive officers, nor are any of our directors or executive officers party to any legal proceedings adverse to us.

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Vote Required; Recommendation of the Board of Directors

The affirmative vote of a majority of all the votes cast by holders of ordinary shares represented in person or by proxy at the 2013 AGM is necessary to approve the election of each of the director nominees.

THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE ELECTION OF EACH OF THE TWELVE (12) NOMINEES LISTED ABOVE.

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CORPORATE GOVERNANCE

Corporate Governance Guidelines. Our Board has adopted corporate governance guidelines to clarify how it exercises its responsibilities. The Corporate Governance Guidelines are summarized below, and are also available on the Corporate Governance section of our website at <http://www.seagate.com/about/investors/#corporate-governance>. You may also request a copy in print from: Investor Relations, Seagate Technology plc, 10200 S. De Anza Boulevard, Cupertino, California 95014.

The Nominating and Corporate Governance Committee is responsible for overseeing the Corporate Governance Guidelines, and reviews the Guidelines at least annually and makes recommendations to the Board concerning corporate governance matters. The Board may amend any of the Corporate Governance Guidelines at any time, with or without public notice, as it determines necessary or appropriate in the exercise of the Board's judgment or fiduciary duties.

Among other matters, the Corporate Governance Guidelines include the following items concerning the Board:

The Board believes that there should be at least a majority of independent directors on the Board.

All directors stand for election every year.

The Board does not have a mandatory retirement age for directors and, because the Nominating and Corporate Governance Committee annually evaluates director nominees for the following year, the Board has decided not to adopt arbitrary term limits for its directors.

Directors with significant job changes are required to submit an offer of resignation from the Board to the Nominating and Corporate Governance Committee, which then evaluates whether the individual continues to satisfy the Board's membership criteria in light of his or her new occupational status, and makes a recommendation to the Board for its decision whether or not to accept the director's resignation.

Non-management directors are generally limited to service on four public company boards, in addition to service on the Company's Board, while members of the Audit Committee are generally limited to service on three public company boards (including the Company). Our CEO is limited to service on one public company board, in addition to service on our Board.

The Board generally believes that the offices of Chairman and CEO should be held by separate persons, to aid in the oversight of management, unless it is in the best interests of the Company that the same person hold both offices. Notwithstanding the Board's general policy, the Board believes that the interests of the Company are currently best served by Mr. Luczo holding the offices of both Chairman and CEO (see "Board Leadership Structure," below).

The Board periodically selects a director, who must be independent, to serve as the Lead Independent Director. The Lead Independent Director coordinates the activities of the other non-management directors, presides over meetings of the Board at which the Chairman of the Board is not present and each executive session of independent directors, serves as liaison between the Chairman of the Board and the independent directors, approves meeting schedules and agendas for the Board, has authority to call meetings of the independent directors, and is available for consultation and direct communication if requested by major shareholders.

The Board encourages directors to own shares of the Company. We require that each non-management board member own shares of the Company, as described in this Proxy Statement under the heading "Share Ownership Guidelines", below.

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The Board has regularly scheduled presentations that augment its perspective on key business matters, including financial, operating and strategic reports regarding the Company's short-and long-term business objectives.

At least annually, the Board evaluates the performance of the CEO. For a discussion of the relationship between performance and compensation, please see the Compensation Discussion & Analysis (the "CD&A"), set forth in this Proxy Statement.

The Nominating and Corporate Governance Committee manages a process whereby the Board and its committees are subject to a periodic evaluation and self-assessment.

In addition, the Board's annual agenda includes reviewing the long-term strategic planning, risk management, and succession planning of the Company. The Board also receives a report, at least annually, from management on succession planning and management development, and annually reviews the performance of senior management.

Our Board works with management to provide appropriate orientation and continuing education for directors. The orientation is designed to familiarize new directors with our businesses, strategies, and challenges. Continuing education may include a mix of in-house and third party presentations and programs, and the Company will, upon authorization of the Chair of the Nominating and Corporate Governance Committee, reimburse directors for reasonable expenses related to attendance at appropriate outside continuing education programs.

Board Leadership Structure

The Board generally believes that the offices of Chairman and CEO should be held by separate persons to aid in the oversight of management, unless it is in the best interests of the Company that the same person hold both offices. On January 12, 2009, the Chairman of the Board, Stephen J. Luczo, was appointed as President and CEO. The Board believes that our current leadership structure – a combined Chairman and CEO, together with a Lead Independent Director, active and strong non-employee directors, and Board committees constituted with independent directors – is the most effective structure for the Company at this time.

The combination of the Chairman and CEO roles allows one person to speak for and lead the Company and the Board. In addition, our Lead Independent Director facilitates effective oversight by an independent board. We believe the CEO is in the best position to focus our independent directors' attention on the issues of greatest importance to the Company and its shareholders. We believe our overall corporate governance policies and practices, combined with the strength of our independent directors, minimize any potential conflicts that may result from combining the roles of Chairman and CEO.

Historically, the Chair of the Nominating and Corporate Governance Committee served as the Lead Independent Director. In July 2011, the Board decoupled the role of Lead Independent Director from the Chairmanship of the Nominating and Corporate Governance Committee, and determined to periodically rotate the role of Lead Independent Director among the independent directors of the Board for so long as the Chairman of the Board is not independent. The Board elected Dr. Park to serve as the new Lead Independent Director at the Board's first executive session after the annual general meeting of shareholders for the fiscal year ended July 1, 2011 (the "2011 Annual General Meeting" or "2011 AGM"). The Lead Independent Director coordinates the activities of the other non-management directors, presides over meetings of the Board at which the Chairman of the Board is not present and at each executive session, facilitates the CEO evaluation process, serves as liaison between the Chairman of the Board and the independent directors, approves meeting schedules and agendas for the Board, has authority to call meetings of the independent directors, and is available for consultation and direct communication if requested by major shareholders.

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Our independent directors meet without management present at each regularly scheduled Board meeting. If the Board convenes a special meeting, the independent directors will meet in executive session if circumstances warrant. For more information on executive sessions of the Board, please see the section entitled "Executive Sessions of the Independent Directors and Lead Independent Director" below.

Board Meetings, Committees and Attendance. The Board meets regularly during the year and holds special meetings whenever circumstances require. During fiscal year 2013, the Board held five meetings. All directors attended at least 75 percent of the aggregate number of meetings of the Board and of the committees of which they were members held during their tenure with us during fiscal year 2013.

Annual General Meeting of Shareholders. We encourage and expect all of the directors to attend each Annual General Meeting of Shareholders. To that end, and to the extent reasonably practicable, we regularly schedule a meeting of the Board on the same day as the Annual General Meeting of Shareholders. All directors who were serving at the time of the Company's 2012 Annual General Meeting and who were standing for election attended that meeting (either in person or by phone).

The Board has a standing Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee, and Finance Committee (together, the "Committees"). The Committees are accountable to the full Board. The table below provides the current membership for each of the Committees as of the record date of September 4, 2013, and the number of meetings held during fiscal year 2013.

Director	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee	Finance Committee
Frank J. Biondi, Jr.				C
Michael R. Cannon				
Mei-Wei Cheng				
William T. Coleman				
Jay L. Geldmacher				
Seh-Woong Jeong				
Stephen J. Luczo				
Lydia M. Marshall			C	
Kristen M. Onken	C			
Chong Sup Park ⁽¹⁾				
Gregorio Reyes				
Edward J. Zander		C		
Number of meetings in fiscal year 2013	5	10	4	4

C = Chair of the Committee

(1) Dr. Park is the Board's Lead Independent Director.

The functions performed by these Committees, which are set forth in more detail in their respective charters, are summarized below. Please visit the Corporate Governance section of our website at <http://www.seagate.com/about/investors/#corporate-governance>, where the charters of the Committees are available. You may also request a copy in print by contacting Investor Relations by telephone in the United States at +1 (408) 658-1222, by e-mail at stx@seagate.com, and by mail at Seagate Technology plc, 10200 S. De Anza Boulevard, Cupertino, California 95014.

The Board has determined that each of the directors serving on the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee satisfies the applicable NASDAQ Global Select Market ("NASDAQ") and SEC standards for independence, as

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discussed in more detail under the heading "Director Independence", below. In addition, all of the members of the Finance Committee are independent.

Audit Committee. The Audit Committee represents and assists the Board in fulfilling its oversight responsibilities relating to the Company's financial statements and financial reporting process, the qualifications, independence and performance of the Company's independent auditors, the performance of the Company's internal audit function, the Company's enterprise risk management oversight, and the Company's compliance with legal and regulatory requirements. The Audit Committee has a charter, a copy of which is available on our website under Committee Charters at <http://www.seagate.com/about/investors/#corporate-governance>. The Board has determined that each of Mr. Coleman, Dr. Park and Ms. Onken is an audit committee financial expert, and that all current members of the Audit Committee meet the applicable NASDAQ and SEC standards for independence and membership of the Audit Committee, as discussed under the heading "Director Independence", below.

Compensation Committee. The Compensation Committee reviews and establishes compensation of the Company's executive officers ("Executives"), evaluates the Company's programs and practices relating to leadership development, and oversees the administration of the Company's share-based and certain other compensation plans, all with a view toward maximizing long-term shareholder value. The Compensation Committee has a charter, which was amended on April 23, 2013, and a copy of this amended charter is available on our website under Committee Charters at <http://www.seagate.com/about/investors/#corporate-governance>. The Compensation Committee may form subcommittees composed of two or more of its members for any purpose that the Committee deems appropriate and may delegate to such subcommittee(s) such power and authority as it deems appropriate.

The Board has determined that all current members of the Compensation Committee meet the applicable NASDAQ and SEC standards for independence and membership on the Compensation Committee, as discussed under the heading "Director Independence," below. The Compensation Committee may engage outside compensation consultants, and engaged Frederic W. Cook & Company ("F.W. Cook") during fiscal year 2013 to advise it with respect to executive compensation and related matters. Additional information on the Compensation Committee's processes and procedures for considering and determining executive compensation, as well as the services provided by F.W. Cook during fiscal year 2013, is contained in the CD&A section of this Proxy Statement.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee reviews and assesses the composition of the Board, assists in identifying potential new candidates for director positions (please see discussion about Board composition, above), recommends candidates for election as director, and provides a leadership role with respect to the corporate governance of the Company. The Nominating and Corporate Governance Committee has a charter, a copy of which is available on our website under Committee Charters at <http://www.seagate.com/about/investors/#corporate-governance>.

The Nominating and Corporate Governance Committee considers candidates for director positions who are recommended by its members, by other Board members, by shareholders and by management, as well as those identified by any third party search firms retained by the Nominating and Corporate Governance Committee to assist in identifying and evaluating possible candidates. The Nominating and Corporate Governance Committee evaluates director candidates recommended by shareholders in the same way that it evaluates candidates recommended by its members, other members of the Board, or other parties as enumerated in the previous sentence. The Nominating and Corporate Governance Committee considers all aspects of a candidate's qualifications in the context of the needs of the Company at that point in time, with a view to maintaining a Board with a diversity of experience and perspectives. Consideration of new directors typically involves a series of internal discussions, review of information concerning candidates, and interviews with selected candidates. While the Board has not adopted a formal policy with regard to the consideration of diversity in identifying director nominees,

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the Nominating and Corporate Governance Committee and the Board believe that considering diversity is consistent with the goal of creating a board of directors that best serves the needs of the Company and the interests of shareholders, and it is one of the many factors they consider when identifying individuals for Board membership.

Shareholders wishing to submit recommendations for director candidates to the Nominating and Corporate Governance Committee must, as provided for in the Company's Articles of Association, provide the following information in writing to the attention of our Corporate Secretary by certified or registered mail:

the name, address, and biography of the candidate, and an indication of whether the candidate has expressed a willingness to serve;

the name, address, and phone number of the shareholder or group of shareholders making the recommendation; and

the number of ordinary shares beneficially owned by the shareholder or group of shareholders making the recommendation, the length of time held, and, to the extent any shareholder is not a registered holder of such securities, proof of such ownership.

Finance Committee. The Finance Committee is comprised of independent Board members and is responsible for assisting the Board in reviewing, and making recommendations to the Board regarding, the Company's cash, financial and tax positions and strategy, including: cash management plans and activities; capital structure and strategies; capital asset plan and requirements and capital expenditures; equity and/or debt financing and other financing strategies; the Company's dividend policy, share repurchase programs, securities issuances; and corporate development plans. The Finance Committee may also evaluate and authorize management to enter into potential strategic or financial transactions in amounts up to \$100 million. The Finance Committee may review similar transactions in excess of \$100 million, and make a recommendation to the full Board in connection therewith. The Finance Committee has a charter, a copy of which is available on our website under Committee Charters at <http://www.seagate.com/about/investors/#corporate-governance>.

Executive Sessions of the Independent Directors and Lead Independent Director. Our independent directors meet without management present at each regularly scheduled Board meeting. If the Board convenes a special meeting, the independent directors will meet in executive session if circumstances warrant. The Chair of the Nominating and Corporate Governance Committee has historically served as the Lead Independent Director. In July 2011, the Board decoupled the role of Lead Independent Director from the Chairmanship of the Nominating and Corporate Governance Committee, and determined to periodically rotate the role of Lead Independent Director among the independent directors of the Board for so long as the Chairman of the Board is not independent. The Board elected Dr. Park to serve as the current Lead Independent Director at its first executive session after the 2011 AGM. The Lead Independent Director presides over the executive sessions, leads the annual Board self-assessment and conducts interviews to confirm the continued qualification and willingness to serve of each director prior to the time at which directors are nominated for election at each Annual General Meeting of Shareholders.

During fiscal year 2013, the independent directors met in executive session four times.

Director Independence. Our Board currently includes ten independent directors. To be considered independent under the NASDAQ listing standards and the Corporate Governance Guidelines adopted by the Board, a director may not be employed by the Company or engage in specified types of business dealings with the Company, among other requirements. In addition, as required by NASDAQ listing standards, the Board must determine, as to each independent director, that no relationship exists which, in the opinion of the Board, would interfere with his or her exercise of independent judgment in

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carrying out the responsibilities of a director. In making these determinations, the Board reviews and discusses information provided by the directors and by the Company with regard to each director's business and personal activities as they relate to the Company and the Company's management.

In assessing director independence, the Nominating and Corporate Governance Committee and the full Board review relevant transactions, relationships and arrangements that may affect the independence of our Board members. The Board has made the determination that transactions or relationships between Seagate and an entity where a director serves as a non-management director and/or is the beneficial owner, directly or indirectly, of less than 10% of the entity, or where a director serves on a non-management advisory board of, or in a non-employee advisory capacity to, such entity are presumed immaterial for the purposes of assessing a director's independence.

Additionally, the Board's independence determinations included reviewing: (1) Seagate's investment in StorONE Ltd., a company in which Seagate has an ownership interest of approximately 5%, and where Mr. Zander serves on the advisory board and has a personal ownership interest of approximately 1%; (2) Seagate's ordinary course business transactions with Emerson Electric Co. and its subsidiaries, where Mr. Geldmacher is a senior-level employee but not an executive officer of, partner in, or a controlling shareholder of, such company and has no direct or indirect material interest in such transactions; and (3) Seagate's ordinary course business transactions with Siemens AG and its subsidiaries, where Mr. Cheng is a senior-level employee but not an executive officer of, partner in, or a controlling shareholder of, such company and has no direct or indirect material interest in such transactions.

Following the review of these transactions, the information provided by the directors and the Company to the Board, and other relevant standards, the Board determined that each of Messrs. Biondi, Cannon, Cheng, Coleman, Geldmacher, Reyes, Zander, Ms. Marshall, Ms. Onken and Dr. Park is an independent director under the NASDAQ rules and the Company's Corporate Governance Guidelines. The Board has further determined that no member of the Compensation Committee has any affiliation with the Company and its subsidiaries and affiliates that could impair such member's exercise of independent judgment and that each member of the Compensation Committee is independent under NASDAQ rules applicable to compensation committee members and the independence standards set forth in the Company's Compensation Committee Charter, as amended in April 2013. The Board has also determined that all members of the Audit Committee are independent under Rule 10A-3 under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), and the Company's Audit Committee Charter. Mr. Luczo is an employee of the Company, and therefore not considered independent. In addition, Dr. Jeong is an employee of Samsung and is not considered independent due to the ongoing business relationship between Seagate and Samsung, and Samsung's significant shareholding in Seagate.

Shareholder Communications with the Board. The Annual General Meeting of Shareholders provides an opportunity each year for the shareholders to ask questions of, or otherwise communicate directly with, members of the Board on matters relevant to Seagate. In addition, shareholders and other interested parties may communicate with any or all of our directors, including the Lead Independent Director and/or the non-management or independent directors as a group, by transmitting correspondence to the director(s) by mail or by facsimile as follows:

Seagate Technology plc
Attention: Corporate Secretary
38/39 Fitzwilliam Square
Dublin 2
Ireland
Fax: +353 1 661-2040

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The Corporate Secretary shall transmit, as soon as practicable, such communications to the identified director addressee(s), unless there are legal or other considerations that mitigate against further transmission of the communication, as determined by the Corporate Secretary. In that regard, certain items that are unrelated to the duties and responsibilities of the Board will not be forwarded by the Corporate Secretary, such as business solicitations or advertisements, junk mail and mass mailings, new product suggestions, product complaints, product inquiries, resumes and other forms of job inquiries, spam, and surveys. In addition, material that is unduly hostile, threatening, illegal or similarly unsuitable will be excluded. However, the Board or individual directors so addressed shall be advised of any such communication withheld as soon as practicable.

Code of Ethics. The Board has adopted a Code of Ethics that is applicable to all of our directors, officers and employees, including our CEO, CFO, and Principal Accounting Officer. A copy of our Code of Ethics is available through our website at <http://www.seagate.com/about/investors/#corporate-governance> or in print to any shareholder who requests it from: Investor Relations, Seagate Technology plc, 10200 S. De Anza Boulevard, Cupertino, California 95014. We will post amendments to the Code of Ethics or waivers of the Code of Ethics for directors and executive officers, as and when they arise, through our website at <http://www.seagate.com/about/investors/#corporate-governance>.

The Board's Role in Risk Oversight at Seagate

One of the Board's functions is oversight of risk management at the Company. Risk is inherent in business, and the Board seeks to understand risk in conjunction with the activities of the Board and its Committees. The Board and its committees oversee an enterprise-wide approach to risk management designed to support the achievement of organizational objectives, to improve long-term organizational performance, and enhance shareholder value. A fundamental part of risk management is not only understanding the risks a company faces, and what steps management is taking to manage those risks, but also understanding what level of risk is appropriate for the Company. The involvement of the full Board in setting the Company's business strategy is a key part of its assessment of management's tolerance for risk as well as a determination of what constitutes an appropriate level of risk for the Company. Management presented a full review of the Company's enterprise risk management programs, covering the entire business, to the Board twice during the 2013 fiscal year.

While the Board has the ultimate responsibility for the oversight of the risk management processes, various Committees of the Board also have responsibility for risk management. In particular, the Audit Committee focuses on financial and enterprise-wide risk, including internal controls, the Compensation Committee receives and evaluates a report on the Company's compensation policy risks, and the Finance Committee is responsible for reviewing the Company's capital structure.

Risk Assessment of Compensation Programs

Consistent with applicable SEC disclosure requirements, we have assessed the Company's compensation programs, including our executive compensation programs, and have concluded that our compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on the Company.

Seagate's management, with assistance from F.W. Cook, the Compensation Committee's external consultant, conducted a risk assessment that included a detailed qualitative and quantitative analysis of our compensation and benefit programs in which employees at all levels of the organization may participate, including our named executive officers ("NEOs"). Based on our assessment, we believe that our compensation and benefit programs have been appropriately designed to attract and retain talent and properly incentivize employees to act in the best interests of the Company. Our programs are generally designed to pay for performance and provide incentive-based compensation. The programs

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also contain various features to ensure our employees, including our NEOs, are not encouraged to take unnecessary risks in managing our business. These features include:

oversight of programs (or components of programs) by independent Committees of the Board, including the Compensation Committee;

discretion provided to the Compensation Committee (including negative discretion) to set targets, monitor performance and determine final incentive award payouts;

oversight of programs (or components of programs) by a broad-based group of functions within the organization, including our human resources, finance and legal departments;

a variety of programs that provide focus on both short- and long-term goals and that provide a balanced mixture of cash and equity compensation;

customary caps on the maximum payouts available under short-term incentive programs;

incentives focused primarily on the use of financial metrics based on the annual business plan approved by the Board;

service-based vesting conditions with respect to equity-based awards to require multi-year share holdings;

the significant long-term ownership position in the Company (as reinforced by share ownership guidelines) held by certain of our key NEOs; and

the pay recovery policy applicable to NEO incentive awards which provides for recoupment of incentive compensation in the event of fraud or misconduct related to a restatement of financial results.

We discussed the findings of our risk assessment with the Compensation Committee. Based upon the assessment, we believe that our compensation policies and practices do not encourage excessive or unnecessary risk-taking.

Share Ownership Guidelines

Members of the Board are subject to the director share ownership requirements which were established, and from time to time are updated, to more closely link directors' interests with those of our shareholders. (See "Compensation Discussion and Analysis Share Ownership Guidelines" on page 52 of this Proxy Statement for a discussion of the share ownership requirements for our Executives.)

Fiscal Year 2013 Share Ownership Guidelines

At its meeting on July 27, 2010, the Board approved amended share ownership guidelines for its non-management directors, which became effective on July 27, 2010, and which require that each non-management board member own that number of shares equal in value to four times the annual board retainer, measured quarterly based on the quarter closing share price. The Board determined that this guideline, based on a multiple equal to four times its cash retainer, was aligned with market practice. At its meeting on April 27, 2011, the Compensation Committee amended the guidelines to provide that shares owned directly or indirectly, including unvested restricted shares and restricted share units, will be counted in the determination of whether the non-management director share ownership guidelines have been satisfied. On April 25, 2012, the guidelines were further amended to permit directors to sell such number of shares as may be necessary to cover the tax liability associated with the vesting or exercise of equity awards.

Table of Contents**COMPENSATION OF DIRECTORS**

The Board approved the compensation for our non-management directors at its meeting on April 27, 2011, as set forth below. In addition, on July 25, 2012, the Board approved an increase in the cash retainer for board service from \$72,000 to \$80,000 per year, and an increase in the value of the annual equity-based award for non-management directors from \$200,000 to \$250,000; these changes became effective on October 24, 2012. At its meeting on July 24, 2013, the Board approved an increase in the cash retainer of the Audit Committee chair from \$30,000 to \$35,000, and an increase in the cash retainer of the Compensation Committee chair from \$20,000 to \$30,000, effective as of October 30, 2013. Seagate does not pay management directors for board service in addition to their regular employee compensation. While Seagate would pay the retainer disclosed below to a non-management director serving as the Chairperson of the Board, Mr. Luczo is currently serving in that position and therefore does not receive such retainer. Further, Dr. Jeong, as the Samsung appointee to our Board, does not receive any compensation from Seagate except for reimbursement for out-of-pocket expenses incurred in connection with attending meetings of the Board.

Cash Compensation

Board or Board Committee	Membership	Retainer as of October 24, 2012
Board of Directors	Non-executive	\$ 150,000
	Chairperson	
	Member	\$ 80,000
Audit Committee	Chairperson	\$ 30,000
	Member	\$ 15,000
	Chairperson	\$ 20,000
Compensation Committee	Member	\$ 10,000
	Chairperson	\$ 20,000
Nominating and Corporate Governance Committee	Chairperson	\$ 20,000
	Member	\$ 10,000
Finance Committee	Chairperson	\$ 20,000
	Member	\$ 10,000
Lead Independent Director		\$ 30,000

Fiscal Year 2013 Director Equity Compensation Program

Unless otherwise determined by the Board, each newly appointed or elected non-management director receives an initial restricted share unit award equal in number to \$250,000 divided by the average closing share price for the quarter prior to the award, rounded to the nearest whole share. If the appointment occurred other than in connection with the annual election of directors at an Annual General Meeting of Shareholders, or AGM, this dollar amount would be pro-rated for the year of appointment. If, prior to commencement of Board service, the new director was an officer or member of the board of directors of an entity acquired by Seagate, the Board could award a lesser number of restricted share units. The grant date for each such award is the date of the director's election or appointment. Generally, each restricted share unit award will vest on the earlier of the one-year anniversary of the grant date or the day prior to the next election of directors at an AGM. All restricted share unit awards will become fully vested in the event of a "Change of Control" of Seagate (as such term is defined in the Seagate Technology plc 2012 Equity Incentive Plan (the "2012 Plan")).

Each year at the AGM, unless otherwise determined by the Board, each non-management director who is elected to the Board automatically receives a restricted share unit award equal in number to \$250,000 divided by the average closing share price for the quarter prior to the grant, rounded to the nearest share. The grant date for each such award will generally be the date of the AGM. Each restricted share unit award will vest on the earlier of the one-year anniversary of the grant date or the

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day prior to the next election of directors at the AGM. All restricted share unit grants will become fully vested in the event of a "Change of Control" of Seagate (as such term is defined in the 2012 Plan).

In addition to the annual director compensation and committee retainers paid to our independent non-management directors, all members of the Board are reimbursed for their reasonable out-of-pocket travel expenses incurred in attending meetings of the Board and its Committees; no additional compensation is provided for attending Board or Committee meetings. Effective as of January 1, 2011, Board members were no longer eligible to participate in the Company's nonqualified deferred compensation plan. (For a description of the plan, see "Compensation Discussion and Analysis Nonqualified Deferred Compensation Plan" elsewhere in this Proxy Statement.)

Director Compensation for Fiscal Year 2013

The table below summarizes the compensation paid or awarded to our non-management directors for fiscal year 2013.

	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) ⁽²⁾	Option Awards (\$)	Total (\$)
Frank J. Biondi, Jr.	103,971	228,110		332,081
Michael R. Cannon	95,697	228,110		323,807
Mei Wei Cheng	81,819	276,968		358,787
William T. Coleman	107,944	228,110		336,054
Jay L. Geldmacher	102,053	228,110		330,163
Seh-Woong Jeong ⁽¹⁾				
Lydia M. Marshall	107,451	228,110		335,561
Kristen M. Onken	110,122	228,110		338,232
Chong Sup Park ⁽³⁾	132,451	228,110		360,561
Gregorio Reyes	102,451	228,110		330,561
Edward J. Zander	97,451	228,110		325,561

- (1) Pursuant to the terms of the shareholder agreement with Samsung Electronics Co., Ltd. ("Samsung"), Dr. Jeong does not receive any compensation for his service on the Board except reimbursement of out-of-pocket expenses.
- (2) The amounts shown represent the aggregate grant date fair value of restricted share unit awards granted in fiscal year 2013 for financial reporting purposes pursuant to the provisions of Financial Accounting Standards Board's Accounting Standards Codification (ASC) Topic 718, Compensation Stock-Compensation ("ASC 718"). Such amounts do not represent amounts paid to or realized by the non-management director. See Note 11, "Compensation" of the Notes to Consolidated Financial Statements in the Company's Annual Report on Form 10-K for fiscal year 2013 regarding assumptions underlying valuation of equity awards. Additional information regarding the restricted share units awarded to or held by each non-management director on the last day of fiscal year 2013 is set forth in the table below.
- (3) Dr. Park serves as the Lead Independent Director for the Board.

Director	Number of RSUs Granted in Fiscal Year 2013 ^(a)	Aggregate Number of RSUs held as of 6/28/13	Aggregate Number of Restricted Shares held as of 6/28/13	Aggregate Number of Options held as of 6/28/13
Frank J. Biondi, Jr.	8,235	8,235	1,250	11,251
Michael R. Cannon	8,235	8,235		
Mei Wei Cheng	10,092	8,235		
William T. Coleman	8,235	8,235		
Jay L. Geldmacher	8,235	8,235		
Seh-Woong Jeong ^(b)				
Lydia M. Marshall	8,235	8,235	1,250	10,626
Kristen M. Onken	8,235	8,235		
Chong Sup Park	8,235	8,235	1,250	1,251
Gregorio Reyes	8,235	8,235	1,250	1,459
Edward J. Zander	8,235	8,235	1,250	65,000

- (a) On October 24, 2012, each non-management director then serving was granted 8,235 restricted share units ("RSUs") with a per share grant date fair value of \$27.70; we did not grant any restricted shares or options to our non-management directors during fiscal year 2013.
- (b) Pursuant to the terms of the shareholder agreement with Samsung, Dr. Jeong does not receive any compensation for his service on the Board except reimbursement of out-of-pocket expenses.

Table of Contents**SECURITY OWNERSHIP OF DIRECTORS, DIRECTOR NOMINEES, EXECUTIVE OFFICERS
AND CERTAIN BENEFICIAL OWNERS**

The following table sets forth information regarding the beneficial ownership of our outstanding ordinary shares on September 4, 2013, except as noted below, by (1) each person who is known by us to beneficially own more than five percent of our outstanding voting securities, (2) each director, nominee and NEO and (3) all of our directors and Executives as a group. We have determined beneficial ownership in accordance with the rules of the SEC. To our knowledge, unless it is otherwise stated in the footnotes, each person listed below has sole voting and investment power with respect to his or her shares beneficially owned, subject to applicable community property laws. For purposes of the table below, a person or group of persons is deemed to have "beneficial ownership" of any shares that such person has the right to acquire within 60 days of September 4, 2013.

Name and Address of Beneficial Owner	Number of Ordinary Shares Beneficially Owned	Percentage of Class Beneficially Owned ⁽¹⁾
Greater than five percent holders:		
Samsung Electronics Co., Ltd. Samsung Electronics Bldg., 1320-10, Seocho 2-dong, Seocho-gu, Seoul 137-857, Korea	45,239,490 ⁽²⁾	12.67%
FMR LLC 82 Devonshire Street Boston, MA 02109	31,879,424 ⁽³⁾	8.93%
Vanguard Group, Inc. 100 Vanguard Blvd., Malvern, PA 19355	22,855,845 ⁽⁴⁾	6.40%
Clearbridge Investments, LLC 620 8th Ave. New York, NY 10018	19,056,988 ⁽⁵⁾	5.34%

*

Less than 1% of Seagate's ordinary shares outstanding.

- (1) Percentage of class beneficially owned is based on 357,064,849 ordinary shares outstanding as of September 4, 2013. Each ordinary share is entitled to one vote. Ordinary shares issuable upon the exercise of options currently exercisable or exercisable within 60 days of September 4, 2013, restricted share units ("RSUs") and performance share units ("PSUs") vesting within 60 days of September 4, 2013, and all restricted shares and performance shares, are deemed outstanding for the purpose of computing the percentage ownership of the person holding such options, RSUs, PSUs, restricted shares and/or performance shares, but are not deemed outstanding for computing the percentage of any other person or group.
- (2) Based solely on information reported by Samsung Electronics Co., Ltd. on the Schedule 13D filed with the SEC on December 20, 2011 and reporting ownership as of December 19, 2011. Samsung Electronics Co., Ltd. has sole voting and sole dispositive power over 45,239,490 ordinary shares.
- (3) Based solely on information reported by FMR LLC ("FMR") on the fourth amendment to Schedule 13G filed with the SEC on February 14, 2013 and reporting ownership as of December 31, 2012. FMR has sole voting power over 299,931 ordinary shares and sole dispositive power over 31,879,424 ordinary shares.
- (4) Based solely on information reported by The Vanguard Group, Inc. ("Vanguard") on the Schedule 13G filed with the SEC on February 14, 2013, and reporting ownership as of December 31, 2012. Vanguard has sole voting power over 559,458 ordinary shares, sole dispositive power over 22,334,630 ordinary shares and shared dispositive power over 521,215 ordinary shares.
- (5) Based solely on information reported by Clearbridge Investments, LLC ("Clearbridge") on the Schedule 13G filed with the SEC on February 14, 2013, and reporting ownership as of December 31, 2012. Clearbridge has sole voting power over 18,933,542 ordinary shares and sole dispositive power over 19,056,988 ordinary shares.

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Name and Address of Beneficial Owner	Number of Ordinary Shares Beneficially Owned	Percentage of Class Beneficially Owned ⁽¹⁾
Directors and named executive officers:		
Stephen J. Luczo	2,264,769 ⁽⁶⁾	*
Patrick J. O'Malley	614,111 ⁽⁷⁾	*
Albert A. Pimentel	571,918 ⁽⁸⁾	*
Kenneth M. Massaroni	84,595 ⁽⁹⁾	*
Robert W. Whitmore	117,471 ⁽¹⁰⁾	*
Frank J. Biondi, Jr.	54,682 ⁽¹¹⁾	*
Michael R. Cannon	35,078 ⁽¹²⁾	*
Mei-Wei Cheng	9,189 ⁽¹³⁾	*
William T. Coleman	18,564 ⁽¹⁴⁾	*
Jay L. Geldmacher	10,811 ⁽¹⁵⁾	*
Seh-Woong Jeong	⁽¹⁶⁾	*
Lydia M. Marshall	46,747 ⁽¹⁷⁾	*
Kristen M. Onken	16,859 ⁽¹⁸⁾	*
Chong Sup Park	42,052 ⁽¹⁹⁾	*
Gregorio Reyes	10,944 ⁽²⁰⁾	*
Edward J. Zander	119,071 ⁽²¹⁾	*
All directors and Executives as a group (21 persons) ⁽²²⁾	4,506,887	1.26%

*

Less than 1% of Seagate's ordinary shares outstanding.

- (6) Includes 545,269 ordinary shares subject to options that are currently exercisable or which will become exercisable within 60 days of September 4, 2013, 65,000 PSUs vesting within 60 days of September 4, 2013, and 1,654,500 ordinary shares held by the Stephen J. Luczo Revocable Trust. Mr. Luczo holds PSUs pursuant to which he is eligible to vest in up to an additional 305,560 ordinary shares within 60 days of September 4, 2013.
- (7) Includes 143,433 ordinary shares subject to options that are currently exercisable or which will become exercisable within 60 days of September 4, 2013, 20,625 PSUs vesting within 60 days of September 4, 2013, 8,000 performance shares and 1,389 ordinary shares held directly by Mr. O'Malley, and 440,664 ordinary shares held by the Patrick J. O'Malley III Separate Property Trust. Mr. O'Malley holds PSUs pursuant to which he is eligible to vest in up to an additional 44,440 ordinary shares within 60 days of September 4, 2013.
- (8) Includes 450,520 ordinary shares subject to options that are currently exercisable or which will become exercisable within 60 days of September 4, 2013, 6,000 PSUs vesting within 60 days of September 4, 2013, and 55,500 performance shares and 1,250 restricted shares, held directly by Mr. Pimentel and 58,648 ordinary shares held by the Pimentel Family Trust.
- (9) Includes 35,593 ordinary shares subject to options that are currently exercisable or which will become exercisable within 60 days of September 4, 2013, 23,000 PSUs and 2,550 RSUs vesting within 60 days of September 4, 2013 and 23,452 ordinary shares held directly by Mr. Massaroni. Mr. Massaroni holds PSUs pursuant to which he is eligible to vest in up to an additional 12,600 ordinary shares within 60 days of September 4, 2013.
- (10) Includes 27,916 ordinary shares subject to options that are currently exercisable or which will become exercisable within 60 days of September 4, 2013, 20,625 PSUs vesting within 60 days of September 4, 2013, and 8,000 performance shares and 60,930 ordinary shares held directly by Mr. Whitmore. Mr. Whitmore holds PSUs pursuant to which he is eligible to vest in up to an additional 44,400 ordinary shares within 60 days of September 4, 2013. Mr. Whitmore ceased to be an executive officer of the Company effective as of July 1, 2013.
- (11) Includes 11,251 ordinary shares subject to options that are currently exercisable or which will become exercisable within 60 days of September 4, 2013, 8,325 RSUs vesting within 60 days of September 4, 2013, 1,250 restricted shares and 10,748 ordinary shares held directly by Mr. Biondi, and 23,198 ordinary shares held by the Biondi Family Trust.
- (12) Includes 8,325 RSUs vesting within 60 days of September 4, 2013, 19,958 ordinary shares held directly by Mr. Cannon and 6,885 ordinary shares held by the Michael R. Cannon Trust.

(13)

Includes 8,325 RSUs vesting within 60 days of September 4, 2013 and 954 ordinary shares held directly by Mr. Cheng.

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- (14) Includes 8,325 RSUs vesting within 60 days of September 4, 2013, 9,876 ordinary shares held directly by Mr. Coleman and 453 ordinary shares held through Mr. Coleman's 401(k) plan.
- (15) Includes 8,325 RSUs vesting within 60 days of September 4, 2013 and 2,576 ordinary shares held directly by Mr. Geldmacher.
- (16) Mr. Jeong does not have beneficial ownership of any ordinary shares as defined by SEC rules.
- (17) Includes 10,626 ordinary shares subject to options that are currently exercisable or which will become exercisable within 60 days of September 4, 2013, 8,325 RSUs vesting within 60 days of September 4, 2013, and 1,250 restricted shares and 26,636 ordinary shares held directly by Ms. Marshall.
- (18) Includes 8,325 RSUs vesting within 60 days of September 4, 2013 and 8,624 ordinary shares held directly by Ms. Onken.
- (19) Includes 1,251 ordinary shares subject to options that are currently exercisable or which will become exercisable within 60 days of September 4, 2013, 8,325 RSUs vesting within 60 days of September 4, 2013, and 1,250 restricted shares and 31,316 ordinary shares held by the Park Family Trust.
- (20) Includes 1,459 ordinary shares subject to options that are currently exercisable or which will become exercisable within 60 days of September 4, 2013, 8,325 RSUs vesting within 60 days of September 4, 2013, and 1,250 restricted shares held directly by Mr. Reyes.
- (21) Includes 65,000 ordinary shares subject to options that are currently exercisable or which will become exercisable within 60 days of September 4, 2013, 8,325 RSUs vesting within 60 days of September 4, 2013, 1,250 restricted shares held directly by Mr. Zander, 41,196 ordinary shares held by Zanadu Capital Partners, LP and 3,390 ordinary shares held by the Edward and Mona Zander Living Trust.
- (22) Executives, other than our NEOs, hold PSUs pursuant to which they are eligible to vest in up to an additional 128,540 ordinary shares within 60 days of September 4, 2013.

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**PROPOSAL 2 TO APPROVE THE SEAGATE TECHNOLOGY PLC AMENDED AND RESTATED
EXECUTIVE OFFICER PERFORMANCE BONUS PLAN**

(Ordinary Resolution)

Introduction

The Board is seeking the approval of our shareholders of the Amended and Restated Seagate Technology plc Executive Officer Performance Bonus Plan (the "EOPB") to govern the award and payment of bonuses to our executive officers. The Board has adopted the EOPB subject to the approval of our shareholders; the EOPB is an amendment and restatement of the Seagate Technology Executive Officer Performance Bonus Plan (the "EPB") effective as of June 28, 2008. Our shareholders approved the EPB at our 2008 Annual General Meeting.

Purpose of the EOPB

The purpose of the EOPB is to motivate our executive officers and reward them for producing results that increase shareholder value, and to encourage individual and team behavior that helps us achieve both short- and long-term corporate objectives. The bonuses awarded under the EOPB are intended to be "qualified performance-based compensation" under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder. In general, Section 162(m) of the Code (as interpreted by IRS Notice 2007-49) imposes a limit on corporate tax deductions for compensation in excess of \$1 million per year paid by a public company to its chief executive officer and the three other most highly compensated executive officers, other than the chief financial officer (each referred to in Section 162(m) of the Code as a "covered employee"). An exception to this \$1 million limitation is provided for "qualified performance-based compensation" that satisfies certain conditions set forth in Section 162(m) of the Code and the regulations promulgated thereunder. Following initial shareholder approval, the material terms of any such qualified performance-based compensation must be re-approved by shareholders every five years.

Accordingly, the EOPB is being submitted to our shareholders for approval so that payments under the EOPB may be eligible to qualify as "qualified performance-based compensation." In the event the EOPB is not approved by our shareholders, it will remain in effect in accordance with its terms. Therefore, if the EOPB is not approved by our shareholders, we will continue to pay bonuses under the EOPB, but any such payments will not be eligible to qualify as "qualified performance-based compensation" and thus payments to a Section 162(m) "covered employee" may not be deductible by us for income tax purposes. The Board believes it is in Seagate's best interests to provide for a bonus plan under which bonus awards paid to our executives can qualify as "qualified performance-based compensation" for deductibility under Section 162(m) of the Code in order to maximize the Company's income tax deductions.

Proposed Amendments Included in the EOPB

The EOPB is an amendment and restatement of the EPB. The principal amendments to the EPB reflected in the EOPB are to (1) provide flexibility to the Compensation Committee and the independent members of the Board, as applicable, to set a performance period that may be longer or shorter than the Company's fiscal year; (2) amend the categories of performance targets on which the achievement of a bonus award may be based, as well as the mechanism for the appropriate adjustment of an evaluation under a performance target to mitigate the effects of, among other things, unusual or extraordinary events, to generally conform to the list and methodology set forth in the Seagate Technology plc 2012 Equity Incentive Plan, which plan was approved by shareholders at the 2011 Annual General Meeting, (3) increase the maximum bonus award payable to any participant under the EOPB in any fiscal year from \$10,000,000 to \$15,000,000, in order to accommodate the possibility that a performance period may be shorter or longer than a fiscal year, and which maximum amount is in

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line with potential maximum payments under bonus plans maintained by companies of similar size and complexity within our industry, and (4) clarify that a bonus award will not be paid to a participant following termination of employment unless such participant is otherwise eligible to receive a full or partial bonus award under the terms of the Fifth Amended and Restated Executive Severance and Change in Control Plan.

In the event that the EOPB is not approved by our shareholders, then any amounts paid under the EOPB will not be eligible for the "qualified performance-based compensation" exemption under Code Section 162(m). The terms of the EOPB are described in more detail below under "Description of the EOPB" and are reflected in the full text of the EOPB, a copy of which is attached hereto as Annex A.

Description of the EOPB

The following information includes a summary of certain provisions of the EOPB, and reflects the amendments described above. This summary, however, does not purport to describe every detail of the EOPB and is qualified in all respects by reference to the full text of the EOPB, a copy of which is attached hereto as Annex A.

Bonus Awards to Participants

Eligibility. Our CEO and any other executive of the Company who is subject to the requirements of Section 16 of the Securities Exchange Act of 1934, as amended, who remains continuously employed as an executive officer from the first day of the applicable performance period (or, if later, from his or her first day of employment or eligibility to participate in the EOPB) through and including the last day of the applicable performance period and who is selected to participate in the EOPB for such performance period by the Compensation Committee (references to the Compensation Committee in this section shall mean the independent members of the Board to the extent such directors make any determinations with respect to the compensation of our Chief Executive Officer) is eligible for a bonus award for such performance period under the EOPB. Currently there are five executive officers, including our CEO, who are eligible to participate in the EOPB, and the Compensation Committee has approved each of those executives to participate in the EOPB for fiscal year 2014.

Performance Criteria. Each participant's bonus will be based on the achievement of one or more performance targets, as determined by the Compensation Committee for each performance period. The performance targets for a performance period will be based on any one or more of the following objective business criteria, either individually or in any combination, applied to either Seagate as a whole or to a business unit or subsidiary, and measured over the performance period, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group or index, in each case as the Compensation Committee determines: (a) pre- and after-tax income; (b) operating income; (c) net operating income or profit (before or after taxes); (d) net earnings; (e) net income (before or after taxes); (f) operating margin; (g) gross margin; (h) cash flow (before or after dividends); (i) earnings per share; (j) return on equity; (k) return on assets, net assets, investments or capital employed; (l) revenue; (m) market share; (n) cost reductions or savings; (o) funds from operations; (p) total shareholder return; (q) share price; (r) earnings before any one or more of the following items: interest, taxes, depreciation or amortization; (s) market capitalization; (t) economic value added; (u) operating ratio; (v) product development or release schedules; (w) new product innovation; (x) implementation of the Company's critical processes or projects; (y) customer service or customer satisfaction; (z) product quality measures; (aa) days sales outstanding or working capital management; (bb) inventory or inventory turns; (cc) pre-tax profit and/or (dd) cost reductions.

Adjustments. The EOPB will provide that the Compensation Committee may determine to adjust any of the foregoing performance targets as follows to: (a) exclude restructuring and/or other nonrecurring charges; (b) exclude exchange rate effects, as applicable, for non-U.S. dollar denominated

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net sales and operating earnings; (c) exclude the effects of changes to generally accepted accounting principles required by the U.S. Financial Accounting Standards Board, as well as changes in accounting standards promulgated by other accounting standards setters to the extent applicable (for example, resulting from future potential voluntary or mandatory adoption of International Financial Reporting Standards); (d) exclude the effects of any statutory adjustments to corporate tax rates; (e) exclude the effects of any "extraordinary items" as determined under generally accepted accounting principles; (f) exclude any other unusual, non-recurring gain or loss or other extraordinary item; (g) respond to any unusual or extraordinary transaction, event or development; (h) respond to changes in applicable laws, regulations, and/or accounting principles; (i) exclude the dilutive or accretive effects of acquisitions or joint ventures; (j) exclude the effect of any change in the outstanding shares by reason of any share dividend or split, share repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to shareholders other than regular cash dividends; (k) reflect the effect of a corporate transaction, such as a merger, consolidation, separation (including a spin-off or other distribution of stock or property by a corporation), or reorganization (whether or not such reorganization comes within the definition of such terms of Section 368 of the Code); and (l) reflect the effect of any partial or completed corporate liquidation.

Bonus Amount. In the event an individual is selected or approved by the Compensation Committee to participate in the EOPB, the Compensation Committee will establish one or more objectively determinable performance targets, based on one or more of the criteria listed above, for the performance period at issue. Achievement of specified levels above a threshold performance target may result in a bonus award to the participant in an amount equal to a pre-established fixed dollar amount or a fixed percentage of the participant's annual base salary as in effect as of the last day of such performance period, as determined by the Compensation Committee. The Compensation Committee may also establish specified levels of the performance targets and the bonus award to be paid at each such specified level. The Compensation Committee has absolute discretion to determine whether or not a bonus award is granted and may, even if specified performance targets are met, determine not to pay a bonus award to a participant or to pay a participant a bonus in a lesser amount (but does not have discretion to increase the amount of a bonus award). Although the specific bonuses that may be paid to participants in the EOPB for any performance period are not determinable at this time, the maximum bonus that may be paid to a participant under the EOPB in respect of any performance period will not exceed \$10,000,000 and in any case will not exceed \$15,000,000 in any fiscal year. The bonus award for any participant is based on the achievement of specified levels of performance at or above the performance threshold. Prior to the payment of a bonus award to a participant, the Compensation Committee will certify in writing the level of the performance attained. The Compensation Committee will also determine the actual bonus award to be paid to each participant.

Performance-Based Compensation. With respect to any bonus award payable under the EOPB, the performance targets applicable to such bonus award will be established in writing by the Compensation Committee for the performance period to which such bonus award relates. To the extent permitted under Section 162(m)(4)(C) of the Code, and the regulations promulgated thereunder, such performance targets may be established in writing by the Compensation Committee not later than 90 days after the commencement of the period of service to which the performance targets relate, so long as the outcome is substantially uncertain at the time the Compensation Committee actually establishes the performance targets. In no event will the performance targets be established after 25% of the period of service (as scheduled in good faith at the time the performance targets are established) has elapsed. No bonus award which is intended to qualify as "qualified performance-based compensation," within the meaning of Section 162(m) of the Code, and the regulations promulgated thereunder, will be paid to a participant unless and until the Compensation Committee makes a certification in writing with respect to the level of performance attained for the performance period to

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which such bonus award relates, as required by Section 162(m) of the Code, and the regulations promulgated thereunder.

Termination of Employment. A participant who, whether voluntarily or involuntarily, is terminated or demoted or otherwise ceases to be an executive officer at any time during a performance period will not be eligible to receive a partial year bonus award; similarly, a participant who is terminated, whether voluntarily or involuntarily, following the end of a performance period but before bonuses are generally paid to other eligible participants will not be eligible to receive the year-end bonus award. However, in the event of a participant's death or disability, or in the event of a change in ownership or control of the Company, the Compensation Committee may, in its sole discretion, provide partial year bonus awards to affected participants. Notwithstanding the foregoing, in the event of a "qualifying termination of employment" (within the meaning of the Fifth Amended and Restated Executive Severance and Change in Control Plan), a participant may have rights to receive a pro-rata bonus award and/or a prior year bonus award under the terms of that plan (see page 61 "Compensation of Named Executive Officers Potential Payments Upon Termination or Change in Control").

General

Payment of Bonuses. Each bonus award shall be paid in cash. Payment shall be made no later than the 15th day of the third month following the end of the performance period to which such bonus award relates (subject to a valid election made by an eligible executive in accordance with Section 409A of the Code, and the regulations promulgated thereunder, with respect to the deferral of all or a portion of his or her bonus).

Effective Date. The EOPB will be effective as of the first day of our fiscal year 2014, subject to approval by the shareholders of the Company at the AGM.

Administration and Interpretation. The EOPB will be administered by the Compensation Committee (or, if applicable, a sub-committee thereof), which shall consist solely of two or more directors who are considered "outside directors" for purposes of Section 162(m) of the Code, and the regulations promulgated thereunder. The Compensation Committee will have the absolute authority to administer and interpret the EOPB, and all actions taken, and all determinations made, by the Compensation Committee or the Board in good faith shall be binding on all parties.

Amendment. The EOPB may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Board or the Compensation Committee, subject to any requirement for shareholder approval, but no amendment, modification, suspension or termination will be made that materially adversely affects bonus awards previously made to a participant without his or her consent.

Shareholder Approval. The EOPB is subject to the approval of our shareholders. In the event the EOPB is not approved, bonuses will continue to be paid under the EOPB, but such bonuses will not qualify as "qualified performance-based compensation" for deductibility under Section 162(m) of the Code. Accordingly, any portion of a bonus paid to any "covered employee" (*i.e.*, our CEO and the three other most highly compensated executive officers, other than the CFO), that, together with all other non-qualified-performance-based compensation received by such "covered employee" in a fiscal year, exceeds \$1,000,000, may not be deductible under Section 162(m) of the Code.

Future awards under the EOPB to our executive officers will be made at the discretion of the Compensation Committee. At this time, therefore, the benefits that may be received by our executive officers cannot be determined. Please see the "Non-Equity Incentive Plan Compensation" column in the Summary Compensation Table on page 57, which sets forth the benefits earned under the EPB in fiscal year 2013. The Compensation Committee recently established the bonus targets and performance criteria for the participating executive officers under the EOPB for fiscal year 2014, which targets and

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criteria are generally consistent with those set forth in the Compensation Discussion & Analysis section of this Proxy Statement (see "Annual Bonus Plan" on page 47).

Vote Required; Recommendation of the Board of Directors

The affirmative vote of a majority of all the votes cast by holders of ordinary shares represented in person or by proxy at the 2013 AGM is necessary to approve the Seagate Technology plc Amended and Restated Executive Officer Performance Bonus Plan.

THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" APPROVAL OF THE SEAGATE TECHNOLOGY PLC AMENDED AND RESTATED EXECUTIVE OFFICER PERFORMANCE BONUS PLAN.

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**PROPOSAL 3 DETERMINATION OF THE PRICE RANGE AT WHICH SEAGATE
CAN RE-ISSUE SHARES OFF-MARKET THAT IT ACQUIRES AS TREASURY SHARES**

(Special Resolution)

Under Irish law, our shareholders must authorize the price range at which Seagate may re-issue in off-market transactions any shares purchased or redeemed by it and not canceled ("Treasury Shares"). In this proposal, that price range is expressed as a percentage of the minimum and maximum of the prevailing market price. Under Irish law, this authorization cannot exceed eighteen months. Accordingly, if adopted, this authority will expire on the close of business on April 30, 2015, unless a renewed authority is approved at the Company's 2014 AGM. Except in respect of Treasury Shares being reissued at nominal value to satisfy an obligation under an employee share scheme or share incentive plan, the authority being sought from our shareholders provides that the minimum and maximum prices at which a Treasury Share may be re-issued are 90% to 120%, respectively, of the closing market price of our ordinary shares on the NASDAQ Global Select Market on the day preceding the day on which the relevant share is re-issued. Any re-issuance of Treasury Shares off-market will only be at price levels that the Board considers to be in the best interests of our shareholders.

Approval of this proposal, which will be passed as a special resolution, requires the affirmative vote of at least 75% of the votes cast. The text of the resolution in respect of Proposal 3 is as follows:

"RESOLVED, that for purposes of Section 209 of the Companies Act of 1990, the re-issue price at which any treasury shares (as defined by Section 209 of the Companies Act of 1990) held by the Company may be reissued off-market shall be as follows:

(a) The maximum price at which a treasury share may be re-issued off-market shall be an amount equal to 120% of the closing price on the NASDAQ Global Select Market ("NASDAQ") for shares of that class on the day preceding the day on which the relevant share is re-issued by Seagate.

(b) The minimum price at which a treasury share may be re-issued shall be the nominal value of the share where such a share is required to satisfy an obligation under an employee share scheme (as defined under Section 2(1) of the Companies (Amendment) Act 1983) or any share incentive plan operated by Seagate or, in all other cases, an amount equal to 90% of the closing price on the NASDAQ for shares of that class on the day preceding the day on which the relevant share is re-issued by Seagate.

(c) The re-issue price range as determined by paragraphs (a) and (b) shall expire eighteen months from the date of the passing of this resolution, unless previously varied, revoked or renewed in accordance with the provisions of Section 209 of the Companies Act 1990."

Vote Required; Recommendation of the Board of Directors

The affirmative vote of at least 75% of the votes cast by holders of ordinary shares represented in person or by proxy at the 2013 AGM is necessary to approve Proposal 3 regarding the price range at which Seagate may re-issue any Treasury Shares in off-market transactions.

**THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" PROPOSAL 3 REGARDING THE
DETERMINATION OF THE PRICE RANGE AT WHICH SEAGATE CAN RE-ISSUE TREASURY SHARES IN OFF-MARKET
TRANSACTIONS.**

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PROPOSAL 4 AUTHORIZATION TO HOLD THE 2014 ANNUAL GENERAL MEETING OF SHAREHOLDERS OF SEAGATE AT A LOCATION OUTSIDE OF IRELAND

(Ordinary Resolution)

Under Section 140 of the Companies Act, 1963 and in accordance with Article 71 of the Company's Articles of Association, the shareholders of the Company may authorize the holding of any Annual General Meeting of Shareholders at a location outside of Ireland. The Board may determine to hold the Annual General Meeting of Shareholders for the fiscal year ending June 27, 2014 (the "2014 Annual General Meeting") outside of Ireland, and is therefore asking our shareholders to authorize holding the 2014 Annual General Meeting of Shareholders at a location outside of Ireland.

The text of the resolution in respect of Proposal 4 is as follows:

"RESOLVED, that the Annual General Meeting of Shareholders for the fiscal year ending June 27, 2014 may be held at such place outside Ireland as may be determined by the Directors."

Vote Required; Recommendation of the Board of Directors

The affirmative vote of a majority of the votes cast by holders of ordinary shares represented in person or by proxy at the 2013 AGM is necessary to approve the holding of the 2014 Annual General Meeting outside of Ireland.

THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE AUTHORIZATION TO HOLD THE 2014 ANNUAL GENERAL MEETING OF SHAREHOLDERS OF SEAGATE AT A LOCATION OUTSIDE OF IRELAND.

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**PROPOSAL 5 NON-BINDING ADVISORY VOTE ON THE COMPANY'S
EXECUTIVE COMPENSATION POLICIES AND PROCEDURES**

(Ordinary Resolution)

In accordance with the requirements of Section 14A of the Exchange Act (which was added by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act")) and related rules of the SEC, we are including in this Proxy Statement a proposal, subject to a non-binding, advisory shareholder vote, to approve our executive compensation policies and procedures as described in the Compensation Discussion and Analysis section of this Proxy Statement. This proposal, commonly known as a "Say-on-Pay" proposal, gives you as a shareholder the opportunity to express your views on the compensation paid to our named executive officers through the following resolution. The Company currently intends to hold such votes on an annual basis. Accordingly, the next such vote will be held at the Company's 2014 Annual General Meeting. The text of the resolution in respect of Proposal 5 is as follows:

"RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby approved."

Because your vote is advisory, it will not be binding upon the Board; however, the Board and the Compensation Committee will take into account the outcome of the vote when considering future executive compensation arrangements. At our 2012 Annual General Meeting, a majority of our shareholders voted to approve our executive compensation arrangements. As described in detail under the heading "Compensation Discussion and Analysis," below, our executive compensation programs are designed to attract, motivate and retain our Executives, who are critical to our success. Under these programs, our named executive officers are rewarded for the achievement of strategic and financial goals, which are expected to result in increased shareholder value.

Fiscal Year 2013 Compensation Program Highlights

Cash compensation tied to performance. At least half of our Executive cash compensation opportunity is based on Company and individual performance. The cash compensation of our named executive officers has fluctuated from year to year, reflecting the Company's financial results. In addition, we have implemented a cap on annual bonus funding.

Long-term equity incentive compensation tied to performance. A significant element of our executive compensation programs is tied to Company performance through grants of performance share awards and performance share unit awards for which vesting exclusively depends on: (i) for our threshold performance shares and units, our earnings per share; (ii) for our other performance shares and units granted to our named executive officers (including our Chief Executive Officer), on a combination of multi-year return on invested capital and relative total shareholder return, and (iii) for performance options and performance units granted to our Chief Executive Officer, achievement of a minimum 40% increase in total shareholder return for at least 30 consecutive trading days over a three-year performance period.

Compensation unrelated to performance is limited. Seagate does not have executive employment agreements, guaranteed incentive awards, "golden parachutes," single-trigger change of control severance provisions, executive pensions or tax-gross ups for its Executives.

Share Ownership Guidelines. Our share ownership guidelines for Executives directly tie executive performance and retained value from our shares to the value returned to our shareholders.

THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" PROPOSAL 5 APPROVING THE COMPANY'S EXECUTIVE COMPENSATION POLICIES AND PROCEDURES AS DESCRIBED IN THE COMPENSATION DISCUSSION AND ANALYSIS SECTION OF THIS PROXY STATEMENT.

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PROPOSALS 6(A) 6(D) AMENDMENT OF THE COMPANY'S ARTICLES OF ASSOCIATION

(Special Resolutions)

We are an Irish company and our Articles of Association are those of an Irish company. We are, however, listed on the NASDAQ Global Select Market and subject to regulation by the U.S. Securities and Exchange Commission (the "SEC"). In addition, a large number of our shares are held by members resident in the U.S. and we are, therefore, subject to certain U.S. state law requirements. The amendments to our Articles of Association proposed below are intended to allow us to more efficiently discharge our obligations under both Irish and U.S. law. If approved, each of the proposed amendments would take effect immediately following shareholder approval of such amendment. Each special resolution setting forth an amendment is subject to a separate vote. If a proposal to adopt a special resolution does not receive the required affirmative vote of at least 75% of the votes cast, then the corresponding amendment to the Company's Articles of Association will not be adopted. Approval of any special resolution is not contingent on approval of any other special resolution being proposed.

Resolution 6(a) Amendment to Remove Restrictions on Holding the AGM Outside the U.S.

Article 71 of our Articles of Association provides that our AGM may be held outside the U.S. no more than once in every four years. Irish law requires that shareholder approval be obtained where annual general meetings are to be held outside of Ireland. As a consequence, under our current Articles of Association, we are obligated to seek shareholder approval of a special resolution authorizing us to delete the provision in our Articles of Association that requires us to hold the AGM in the U.S. at least three times out of four. We are not required under any applicable Irish, U.S. federal or state law to maintain the restrictions on AGM location imposed by Article 71.

The proposed amendment to our Articles of Association would remove restrictions on holding the AGM outside of the U.S. This amendment is intended to increase Seagate's flexibility in deciding the location of the AGM.

The text of Resolution 6(a) is as follows:

"RESOLVED, that the Company's Articles of Association be and hereby are amended by the deletion of the struck-through language below in Article 71:

Article 71. The Board may whenever it thinks fit, and shall, on the requisition in writing of Members holding such number of Shares as is prescribed by, and made in accordance with the Companies Acts, proceed to convene a general meeting of the Company. All general meetings other than annual general meetings shall be called extraordinary general meetings. Subject always to section 140 of the 1963 Act and the necessary Member approvals, all general meetings of the Company may be held at such place, either inside or outside of Ireland, as determined by the Board, ~~provided, that in the case of annual general meetings, for as long as Shares are registered pursuant to Section 12(b) or 12(g) of the Securities Exchange Act of 1934, of the United States of America (the "Exchange Act") and the Company is subject to the reporting requirements of the Exchange Act, not more than one (1) in every four (4) of such meetings shall be held outside of the United States of America.~~"

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Resolution 6(b) Amendment to Clarify Shareholders' Right to Appoint Multiple Proxies

Under Irish law, members are entitled to appoint one or more proxies to vote their shares and attend general meetings of shareholders on such member's behalf. The proposed amendment to our Articles of Association would clarify the right of members to appoint more than one proxy as permitted by Irish law.

The text of Resolution 6(b) is as follows:

"RESOLVED, that the Company's Articles of Association be and hereby are amended by the insertion into Article 77 of the underlined language below and deletion of the struck-through language below:

Article 77. There shall appear with reasonable prominence in every notice of general meetings of the Company a statement that a Member entitled to attend and vote is entitled to appoint ~~a proxy~~ one or more proxies to attend and vote instead of him and that ~~any~~ proxy need not be a Member of the Company."

Resolution 6(c) Amendment to Provide for Escheatment in Accordance with U.S. Laws

Because a majority of our shares are held by members resident in the U.S., it is reasonably likely that, from time to time, we will be called upon to comply with U.S. state laws relating to unclaimed property. Property becomes unclaimed when, among other things, its owner cannot be located after the lapse of a designated period of time. Our stock transfer agent maintains information regarding addresses of our registered members and is typically responsible for disseminating shareholder communications as well as dividend payments. For various reasons, the transfer agent occasionally has outdated or incorrect addresses for some shareholders on file. As a result, such shareholders do not receive dividend and other payments to which they are entitled. Pursuant to SEC regulations, our transfer agent is required to conduct searches to try to locate such lost shareholders and also to file information regarding lost shareholders with the SEC. If the transfer agent is unable to locate a shareholder prior to the expiration of the applicable U.S. state's escheatment period, the issuer must turn over that shareholder's assets to the applicable state's unclaimed property administrator. The "applicable state" is usually the last known state of residence of the shareholder.

The proposed amendment to our Articles of Association explicitly acknowledges our obligation to comply with U.S. laws relating to unclaimed property and is intended to allow us to more efficiently discharge our obligations under both Irish and U.S. law.

The proposed amendment to our Articles of Association includes changes to certain Articles as follows:

Current Articles 176 through 188 shall be renumbered sequentially as Articles 181 through 193;

Any reference to the current Articles 176 through 188 shall be amended to reflect the amended sequential numbering of Articles 181 through 193.

The text of Resolution 6(c) is as follows:

"RESOLVED, that the Company's Articles of Association be and hereby are amended by the insertion of the following Articles 176, 177, 178, 179 and 180 and, as a result of the insertion of the following articles, the current Articles 176 through 188 are amended by their sequential renumbering as

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Articles 181 through 193 and any reference to the current Articles 176 through 188 shall be amended to reflect this sequential renumbering:

- Article 176. The Company shall be entitled to sell at the best price reasonably obtainable any share or stock of a member or any share or stock to which a person is entitled by transmission if and provided that:
- (1) for a period of twelve years (not less than three dividends having been declared and paid) no cheque or warrant sent by the Company through the post in a prepaid letter addressed to the member or to the person entitled by transmission to the share or stock at his address on the Register or other last known address entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the member or the person entitled by transmission; and
 - (2) on or after expiry of that period of twelve years the Company has given notice by advertisement in a leading Dublin newspaper and a newspaper circulating in the area in which the address referred to in paragraph (1) of article 176 is located of its intention to sell such share or stock; and
 - (3) the Company has not during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the member or person entitled by transmission; and
 - (4) if so required by the roles of any securities exchange upon which the shares in question are listed for the time being, notice has been given to that exchange of the Company's intention to make such sale.
- Article 177. To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such share or stock and such instrument of transfer shall be as effective as if it had been executed by the registered Holder of or person entitled by transmission to such share or stock. The Company shall account to the member or other person entitled to such share or stock for the net proceeds of such sale by carrying all monies in respect thereof to a separate account which shall be a permanent debt of the Company and the Company shall be deemed to be a debtor and not a trustee in respect thereof for such member or other person. Monies carried to such separate account may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.
- Article 178. To the extent necessary in order to comply with any laws or regulations to which the Company is subject in relation to escheatment, abandonment of property or other similar or analogous laws or regulations ("**Applicable Escheatment Laws**"), the Company may deal with any share of any member and any unclaimed cash payments relating to such share in any manner which it sees fit, including (but not limited to) transferring or selling such share and transferring to third parties any unclaimed cash payments relating to such share.

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Article 179. The Company may only exercise the powers granted to it in article 176 above in circumstances where it has complied with, or procured compliance with, the required procedures (as set out in the Applicable Escheatment Laws) with respect to attempting to identify and locate the relevant member of the Company.

Article 180. Any stock transfer form to be executed by the Company in order to sell or transfer a share pursuant to article 176 may be executed in accordance with Article 28."

Resolution 6(d) Amendment to Clarify the Company's Mechanism for Effecting Share Repurchases

The Company effects share repurchases by the mechanism contained within Article 11 of the Company's Articles of Association. Because Article 11 contains potentially unclear language, the proposed amendment to our Articles of Association would clarify the mechanism utilized by the Company to effect share repurchases.

The text of Resolution 6(d) is as follows:

"RESOLVED, that the Company's Articles of Association be and hereby are amended by the insertion into Article 11 of the underlined language below and deletion of the struck-through language below:

Article 11. An Ordinary Share shall be ~~converted into~~ deemed to be a Redeemable Share on, and from the time of, the existence or creation of an agreement, transaction or trade between the Company and any third party pursuant to which the Company acquires or will acquire Ordinary Shares, or an interest in Ordinary Shares, from ~~the relevant~~ such third party. In these circumstances, the acquisition of such Shares or interest in Shares by the Company shall constitute the redemption of a Redeemable Share in accordance with Part XI of the 1990 Act."

THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" EACH OF PROPOSALS 6(A) 6(D) APPROVING THE COMPANY'S PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION.

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**PROPOSAL 7 NON-BINDING RATIFICATION OF APPOINTMENT OF ERNST & YOUNG
AND BINDING AUTHORIZATION OF AUDIT COMMITTEE TO SET AUDITORS' REMUNERATION**

(Ordinary Resolution)

Ernst & Young served as our independent auditors for the fiscal year ended June 28, 2013. The Audit Committee has selected and appointed Ernst & Young to audit the financial statements of Seagate for the fiscal year ending June 27, 2014 ("fiscal year 2014"). The Board, upon the recommendation of the Audit Committee, is asking our shareholders to ratify, in a non-binding vote, the appointment of Ernst & Young as our independent auditors for fiscal year 2014 and to authorize, in a binding vote, the Board, acting through the Audit Committee, to set the independent auditor's remuneration. Although ratification is not required by our Memorandum and Articles of Association or otherwise, the Board is submitting the selection of Ernst & Young to our shareholders for ratification because we value our shareholders' views on the Company's independent auditors as a matter of good corporate practice. If the appointment of Ernst & Young is not ratified, the Audit Committee will reconsider whether or not to retain Ernst & Young.

A representative of Ernst & Young is expected to be present at the 2013 AGM and he or she will have the opportunity to make a statement, if he or she so desires, and is expected to be available to respond to any appropriate questions from shareholders.

Vote Required; Recommendation of the Board of Directors

The affirmative vote of a majority of all the votes cast by holders of ordinary shares represented in person or by proxy at the 2013 AGM is necessary to ratify the appointment of Ernst & Young as the independent auditors of Seagate for fiscal year 2014 and to authorize the Audit Committee of the Board to set the auditors' remuneration.

THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" PROPOSAL 7 FOR THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG AS THE INDEPENDENT AUDITORS OF SEAGATE FOR FISCAL YEAR 2014 AND THE AUTHORIZATION OF THE AUDIT COMMITTEE OF THE BOARD TO SET THE AUDITORS' REMUNERATION.

Table of Contents**INFORMATION ABOUT THE INDEPENDENT AUDITORS****Fees Paid to Independent Auditors**

The aggregate fees paid or accrued by us for professional services provided by Ernst & Young in fiscal years ended June 28, 2013 and June 29, 2012 are set forth below.

	Fiscal Year	
	2013	2012
	(In thousands)	
Audit Fees	\$ 5,555	\$ 5,153
Audit-Related Fees	276	474
Tax Fees	148	97
All Other Fees	7	8
Total	\$ 5,986	\$ 5,732

Audit Fees. This category consists of professional services provided in connection with the integrated audit of our annual consolidated financial statements and the audit of internal control over financial reporting, the review of our unaudited quarterly consolidated financial statements, and audit services that are normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings or engagements for those fiscal years. The fees for fiscal year 2013 included audit activities related to the acquisition of LaCie SA and services in connection with our debt offerings, and in fiscal year 2012 included audit activities related to the acquisition of Samsung's hard drive business.

Audit-Related Fees. This category consists of assurance and related services provided by Ernst & Young that were reasonably related to the performance of the audit or review of our consolidated financial statements and which are not reported above under "Audit Fees". For fiscal years 2013 and 2012, this category includes: pension plan and grant or similar audits, agreed upon procedures engagements, and advisement on accounting matters that arose during those years in connection with the preparation of our annual and quarterly consolidated financial statements and fees related to due diligence procedures.

Tax Fees. This category consists primarily of professional services provided by Ernst & Young for tax compliance for fiscal years 2013 and 2012.

All Other Fees. This category consists of fees for the use of Ernst & Young's online accounting research tool and iXBRL tagging services performed for fiscal years 2013 and 2012.

In fiscal years 2013 and 2012, all audit, audit-related, tax and all other fees were pre-approved by the Audit Committee. Under the SEC rules, subject to certain permitted de minimis criteria, pre-approval is required for all professional services rendered by the Company's principal accountant. We are in compliance with these SEC rules. In making its recommendation to ratify the appointment of Ernst & Young as our independent auditors for fiscal year 2014, the Audit Committee considered whether the services provided to us by Ernst & Young are compatible with maintaining the independence of Ernst & Young from us. The Audit Committee has determined that the provision of these services by Ernst & Young is compatible with maintaining that independence.

Pre-Approval of Services by Independent Auditors

The Audit Committee pre-approves all audit and other permitted non-audit services provided to us by our independent auditors. These services may include audit services, audit-related services, tax services and other permissible non-audit services. The Audit Committee may also pre-approve particular services on a case-by-case basis. The Audit Committee has delegated the authority to grant pre-approvals to the Audit Committee Chair when the full Audit Committee is unable to do so. These pre-approvals are reviewed by the full Audit Committee at its next regular meeting. Our independent auditors and senior management periodically report to the Audit Committee regarding the extent of services provided by the independent auditors.

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REPORT OF THE AUDIT COMMITTEE

Our management is responsible for preparing and presenting our financial statements, and our independent auditors, Ernst & Young, are responsible for performing an independent audit of our annual consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States) and for auditing the effectiveness of our internal control over financial reporting as of the end of our fiscal year. One of the Audit Committee responsibilities is to monitor and oversee these processes. In connection with the preparation of the financial statements as of and for the fiscal year ended June 28, 2013, the Audit Committee performed the following tasks:

- (1) reviewed and discussed the audited financial statements for fiscal year 2013 with management and with Ernst & Young;
- (2) reviewed and discussed with management its assessment and report on the effectiveness of our internal control over financial reporting as of June 28, 2013, which it made using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control Integrated Framework;
- (3) reviewed and discussed with Ernst & Young its attestation report on the effectiveness of our internal control over financial reporting as of June 28, 2013, which report was included in our Annual Report on Form 10-K for the fiscal year ended June 28, 2013;
- (4) discussed with Ernst & Young the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T, including Ernst & Young's judgment about the quality, in addition to the acceptability, of our accounting principles and underlying estimates in our financial statements; and
- (5) received the written disclosures and the letter from Ernst & Young required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence, and discussed with the independent accountants the independent accountant's independence.

Based upon these reviews and discussions, the Audit Committee recommended, and the Board approved, that our audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended June 28, 2013, for filing with the SEC.

Respectfully submitted,
THE AUDIT COMMITTEE

Kristen M. Onken, Chair
William T. Coleman
Dr. Chong Sup Park
Gregorio Reyes

August 5, 2013

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Revenues for fiscal year 2013 were \$14.4 billion, which represented a 4% decrease from revenues of \$14.9 billion in fiscal year 2012 due to a decrease in our average selling price per unit. We shipped 226 million units during fiscal year 2013, which represented a 1% increase over the prior fiscal year. Gross margin as a percentage of revenue decreased from 31% in fiscal year 2012 to 27% in fiscal year 2013. In fiscal year 2013, we generated operating cash flow of \$3.0 billion, used approximately \$1.7 billion to repurchase 54 million of our ordinary shares and used \$786 million for capital expenditures. We also paid approximately \$1.2 billion for the repurchase and early redemption of long term debt, as well approximately \$500 million of shareholder dividends. The following table presents certain key financial metrics for the past three fiscal years:

	Fiscal 2013 (in millions except EPS)	Fiscal 2012 (in millions except EPS)	Fiscal 2011 (in millions except EPS)
Units shipped	226	224	199
Revenues	\$ 14,351	\$ 14,939	\$ 10,971
Gross margin	\$ 3,940	\$ 4,684	\$ 2,146
Operating income	\$ 2,091	\$ 3,108	\$ 806
Net income	\$ 1,838	\$ 2,862	\$ 511
Diluted earnings per share	\$ 4.81	\$ 6.49	\$ 1.09

2013 Executive Compensation Highlights

The key compensation decisions for fiscal year 2013 were as follows:

Continued the general philosophy and structure of our executive compensation programs, emphasizing strong alignment between executive pay and corporate financial performance, as approved by a substantial majority of our shareholders at the 2012 Annual General Meeting pursuant to the "Say-on-Pay" advisory vote;

No increase in base pay for our NEOs except Messrs. Luczo and Massaroni. Mr. Luczo's base salary was increased by 2.5% (for the first time since FY2010) and Mr. Massaroni's base salary was increased by 9%. These increases were in recognition of competitive market practice and executive performance.

No increase in the annual bonus opportunity for our NEOs, with actual annual bonus payout at 141% of target as a result of strong financial performance during fiscal year 2013; and

Long-term equity incentives delivered in the form of options and performance-based equity awards to enhance long-term strategic incentives for our NEOs that promote alignment with shareholder interests.

Pay Practices Aligned with Shareholder Interests

Our compensation philosophy is supported by several specific elements designed to align our executive compensation programs with long-term shareholder interests, including the following:

Our NEOs have no employment agreements and are not guaranteed salary increases or bonus payments;

Over 89% of our NEO total annual targeted compensation is "at risk";

A cap of 200% of the target bonus opportunity for funding under the annual bonus plan;

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In fiscal year 2013, a majority of our long-term equity incentive awards were granted in the form of performance-based restricted share units, whose vesting is dependent upon the achievement of pre-established performance objectives, including return on invested capital, relative total shareholder return and adjusted earnings per share (as described in further detail in this Proxy Statement);

In fiscal year 2013, our CEO received additional long-term equity incentive awards that were intended to incentivize an appropriate level of financial performance over a period of several years; the awards included performance-vesting options and performance-vesting restricted share units, in each case vesting upon the achievement of at least a 40% increase in total shareholder return for a minimum of 30 consecutive trading days, measured over the three-year period from August 1, 2012 through July 31, 2015, and subject to our CEO's continued employment through the end of the three-year period;

No defined benefit pension plan or supplemental executive pension plan;

No "single trigger" payouts under our severance and change in control plan, with market-competitive levels of severance benefits;

No excise tax reimbursements or tax "gross-ups" in connection with a change in control;

Share ownership guidelines for officers and directors, including the requirement for our NEOs to hold a number of shares approximately equal to a multiple of 3 to 6 times their annual salary;

No repricing of options without shareholder approval;

A "clawback" policy that permits us to recoup cash and equity awards in the event that our financial results are required to be restated due to the fraud or willful misconduct of an executive; and

No payment of dividends on unvested performance shares until vesting, and no payment of dividend equivalents on unvested performance share units ("PSUs").

2013 Corporate Governance Highlights

In addition to implementing performance-based pay practices designed to align our compensation programs with shareholder interests, we also endeavor to maintain good governance standards, including with respect to the oversight of our executive compensation policies and practices. The following key policies and practices were in effect during the 2013 fiscal year:

We maintain a non-classified Board structure, such that all Board members are elected annually by a majority vote of our shareholders;

Our Compensation Committee retained an independent compensation consultant, F.W. Cook, who performed no other work for Seagate or any member of the Compensation Committee;

On April 23, 2013, the Board adopted a revised Compensation Committee Charter to take into account the revised Nasdaq independence requirements for compensation committee members, as well as the rules for enhanced review of the independence of compensation consultants and advisors retained by the Compensation Committee and of any related conflicts of interest;

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We prohibit our directors, Executives and all other employees from engaging in short-term investment activity in our securities (such as trading in or writing options, arbitrage trading or "day trading") or in hedging and other monetization transactions with respect to our securities; we likewise caution such persons against establishing margin accounts or pledging their Seagate shares; in fiscal year 2013, we also updated our policy relating to the establishment and operation of 10b5-1 plans; and

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Our Compensation Committee directs an annual risk assessment of our compensation programs to ensure that our programs and practices do not create risks that are reasonably likely to have a material adverse effect on the Company.

Named Executive Officers

The NEOs for fiscal year 2013 are:

Name	Job Title
Stephen J. Luczo	Chairman, President and Chief Executive Officer
Patrick J. O'Malley	Executive Vice President and Chief Financial Officer
Robert W. Whitmore	Executive Vice President and Chief Technology Officer
Albert A. Pimentel	Executive Vice President and Chief Sales and Marketing Officer
Kenneth M. Massaroni	Executive Vice President, General Counsel, Corporate Secretary and Chief Administrative Officer

Our Executive Compensation Strategy

Our executive compensation strategy is designed to drive high performance, strengthen our market position, and increase shareholder value. The goals of our executive compensation programs are to:

- attract and retain talented leaders through competitive pay programs;
- motivate Executives to achieve and exceed business objectives as approved by the Board;
- align Executive and shareholder interests to optimize shareholder return with acceptable risk; and
- manage total compensation costs in support of our financial performance.

Our Executive Compensation Programs

Compensation Element	Designed to Reward	Relationship to Compensation Strategy
Base Salary	Related job experience, knowledge of Seagate and our industry, and continued dedicated employment with sustained performance	Attract and retain talented Executives through competitive pay programs
Annual Incentive <i>Executive Officer Performance Bonus Plan</i>	Achievement of Company annual financial and operational goals	Motivate Executives to achieve and exceed annual business objectives
Long-term Equity Incentives <i>Equity Awards</i>	Increased shareholder value through achievement of long-term strategic goals such as revenue growth, return on invested capital and total shareholder return relative to peers	Align Executive and shareholder interests to optimize shareholder return Motivate Executives to achieve and exceed long-term business objectives

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Role of Our Compensation Committee

The Compensation Committee is responsible to our Board for overseeing the development and administration of our compensation and benefits policies and programs. The Compensation Committee, which consists of independent directors, is responsible for the review and approval of all aspects of our executive compensation programs and approving all compensation recommendations for our Executives, including:

review and approval of corporate incentive goals and objectives relevant to compensation;

evaluation of executive performance results in light of such goals and objectives;

evaluation of the competitiveness of each Executive's total compensation package; and

approval of any changes to the total compensation package, including base salary, annual and long-term incentive award opportunities, share ownership guidelines and retention programs.

The Compensation Committee recommends to the independent directors of the Board any material changes to compensation, compensation plans and equity grants specific to our CEO and the independent directors of the Board determine the overall compensation package of our CEO. The Compensation Committee is supported in its work by our Senior Vice President of Human Resources, her staff and an executive compensation consultant, as described below.

Role of the Compensation Consultant

The Compensation Committee retained F.W. Cook, its own independent consultant, for advice and counsel throughout fiscal year 2013 to provide an external review of compensation proposals and to help align compensation to our executive compensation strategy. F.W. Cook's consulting during fiscal year 2013 included oversight on the risk assessment of compensation programs directed by the Compensation Committee, as well as consultation in support of the Compensation Committee's decisions regarding compensation programs involving NEOs, including salary changes, determination of equity awards, annual incentive plan design, severance plan revisions and share ownership guidelines. F.W. Cook also developed recommendations to the Compensation Committee for changes to the compensation of our CEO.

F.W. Cook also provided advice to the Compensation Committee regarding non-employee director compensation. F.W. Cook is not permitted to provide services to Company management except as directed by the Compensation Committee, and did not provide any such services in fiscal year 2013. The Compensation Committee retains sole authority to hire the compensation consultant, approve its compensation, determine the nature and scope of its services, evaluate its performance and terminate its engagement.

In connection with its engagement of F.W. Cook, the Compensation Committee considered various factors bearing upon F.W. Cook's independence including, but not limited to, the amount of fees received by F.W. Cook from Seagate as a percentage of F.W. Cook's total revenue, F.W. Cook's policies and procedures designed to prevent conflicts of interest, and the existence of any business or personal relationship that could impact F.W. Cook's independence. After reviewing these and other factors, the Compensation Committee determined that F.W. Cook was independent and that its engagement did not present any conflicts of interest.

Role of our CEO and Management in the Decision-Making Process

Within the framework of the compensation programs approved by the Compensation Committee and based on management's review of market competitive practices, each year our CEO, Mr. Luczo, recommends the amount of base salary increase (if any), the amount of the annual incentive bonus opportunity and the long-term incentive award value for our Executives, including the other NEOs.

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These recommendations are based upon his assessment of each Executive's performance, as well as the Company's performance as a whole, and individual retention considerations. The Compensation Committee reviews Mr. Luczo's recommendations and approves our Executives' compensation, including any changes to such compensation, as it determines in its sole discretion. Mr. Luczo does not play any role with respect to any matter affecting his own compensation.

Our Senior Vice President of Human Resources, along with members of her staff, assists the Compensation Committee in its review of our executive compensation plans and programs, including providing market data on competitive pay practices, program design and changes in the corporate governance landscape concerning executive compensation matters.

Prior Year's Say-on-Pay Vote

At the 2012 Annual General Meeting, the Company's shareholders cast a non-binding advisory vote regarding the compensation of the Company's named executive officers as disclosed in the 2012 Proxy Statement. Shareholders overwhelmingly approved the proposal with more than 99% of the votes cast in favor of our executive compensation programs (excluding abstentions). The Compensation Committee appreciates the shareholders' strong support of the Company's compensation philosophy and objectives, which reaffirms to the Board the appropriateness and effectiveness of the Company's executive compensation programs, including continued emphasis on programs that reward our Executives for generating sustainable profitability and delivering long-term value for our shareholders. No changes were made to the Company's executive compensation strategy in fiscal year 2013. The Board and the Compensation Committee will continue to consider the results of the Company's "Say-on-Pay" votes when making future compensation decisions for the NEOs.

In light of the voting results of the 2011 AGM with respect to the frequency of shareholder votes on executive compensation, where a majority (88.9%) of votes were cast for "Say-on-Pay" proposals to occur every year, the Board decided that the Company will hold an annual advisory vote on the compensation of NEOs until the next required vote on the frequency of "Say-on-Pay" proposals. Accordingly, we currently expect to hold the next shareholder vote on the frequency of "Say-on-Pay" proposals at the Company's 2017 Annual General Meeting of Shareholders.

Executive Market Comparison Peer Group

The Compensation Committee reviews NEO assignments and establishes ranges for each element of executive pay after reviewing similar information for a defined group of companies (the "NEO Peer Group") that compete for similar executive talent. The Compensation Committee relies on analyses of disclosures and published surveys of compensation among the NEO Peer Group companies when considering compensation for Executives in similar roles.

As part of our annual review cycle, the Compensation Committee reviewed the NEO Peer Group and made no changes to the selection criteria for fiscal year 2013. Peer group companies were selected based on a similar industry classification (as defined by Global Industry Classification Standard (GICS) 4520 Technology Hardware and Equipment or 4530 Semiconductors and Semiconductor Equipment, excluding companies that are not subject to U.S. securities reporting requirements and wholesale

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distributors), having a minimum market value of \$3 billion, and \$4-\$35 billion in trailing twelve-month sales. Specifically, for fiscal year 2013, the NEO Peer Group included the following companies:

Peer Group for Fiscal Year 2013

Company Name	Sales		Market Value (\$M)
	TTM ⁽¹⁾ (\$M)	FYE ⁽²⁾ (\$M)	
Advanced Micro Devices Inc.	\$ 6,526	\$ 6,494	\$ 4,030
Applied Materials Inc.	\$ 11,222	\$ 9,549	\$ 16,232
Broadcom Corp.	\$ 7,515	\$ 6,818	\$ 17,540
Corning Inc.	\$ 7,768	\$ 6,632	\$ 22,458
EMC Corp.	\$ 19,322	\$ 17,015	\$ 49,999
Flextronics International Ltd.	\$ 30,284	\$ 28,680	\$ 4,802
Freescale Semiconductor Holdings I Ltd.	\$ 4,741	\$ 4,458	\$ 3,239
Harris Corp.	\$ 5,980	\$ 5,925	\$ 4,372
Jabil Circuit Inc.	\$ 16,519	\$ 16,519	\$ 4,280
Juniper Networks Inc.	\$ 4,518	\$ 4,093	\$ 13,042
Micron Technology Inc.	\$ 8,788	\$ 8,788	\$ 5,521
Motorola Solutions Inc.	\$ 11,707	\$ 19,282	\$ 15,271
NetApp Inc.	\$ 5,427	\$ 5,123	\$ 15,090
QUALCOMM Inc.	\$ 13,391	\$ 10,991	\$ 86,675
SanDisk Corp.	\$ 5,413	\$ 4,827	\$ 12,122
TE Connectivity Ltd.	\$ 13,538	\$ 12,070	\$ 15,407
Texas Instruments Inc.	\$ 13,840	\$ 13,966	\$ 35,503
Western Digital Corp.	\$ 9,824	\$ 9,526	\$ 6,228
Xerox Corp.	\$ 22,638	\$ 21,633	\$ 11,346
Peer Group Median	\$ 9,824	\$ 9,526	\$ 13,042
Peer Group Average	\$ 11,524	\$ 11,178	\$ 18,061
Seagate Technology plc	\$ 11,085	\$ 10,971	\$ 6,781

(1) Trailing twelve-month sales available as of October 31, 2011.

(2) Sales for last completed fiscal year available as of October 31, 2011.

How We Determine Individual Compensation Amounts

As discussed above in greater detail under the heading "Role of our CEO and Management in the Decision-Making Process," Mr. Luczo and the Senior VP of Human Resources review with the Compensation Committee all compensation elements for our NEOs at least annually, and the Compensation Committee determines the value of each compensation element as described below. The proportion of each pay element value (i.e., the compensation mix) relative to total compensation varies by individual, although for all NEOs the largest portion of pay is variable and contingent on our financial performance. Variations in the compensation mix among NEOs reflect differences in scope of responsibility as well as NEO Peer Group market data. Mr. Luczo's total annual target compensation is higher than the other NEOs' total annual target compensation, reflecting the significantly greater job scope, level of responsibility and impact on business performance for our CEO compared with other NEOs, as well as the fact that a greater portion of Mr. Luczo's total annual target compensation is "at risk." The Compensation Committee has determined this differential is consistent with that found among our NEO Peer Group companies. For fiscal year 2013, the mix of total annual target compensation for Mr. Luczo was 6% annual base salary, 8% target annual incentive and 86% long-term equity incentives, and the average mix of total annual target compensation for our other NEOs was 18% annual base salary, 18% target annual incentive and 64% long-term equity incentives.

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Total Annual Target Compensation Mix

Mr. Luczo

**Other NEOs
(Average)**

While we do not specifically benchmark the total annual compensation of our Executives to a particular market percentile, the total annual target compensation (including base salary, target annual incentive and long-term incentives) for the NEOs generally falls between the 50th and 60th percentiles for similar positions within the NEO Peer Group. We believe that this range for the total executive pay opportunity is necessary to attract and retain top leadership talent in a competitive labor market in our industry segment, particularly in light of the uncertainty as to actual amount of pay that each NEO can earn given the volatility of our business. Due to our emphasis on performance-based pay, the amounts actually received by our NEOs are heavily dependent on the Company's financial performance.

While we considered the practices and performance of the NEO Peer Group companies in setting compensation targets for our NEOs under our compensation programs, we did not compare our performance with the performance of the NEO Peer Group companies when evaluating salary levels or determining the size of particular incentive awards. In addition, the percentile target represents only a targeted range, and the actual target amounts and compensation mix vary for each NEO on the basis of various factors, none of which is specifically weighted, including the importance of the position to our organization, length of service, overall retention value, internal pay equity, and projected future value of the total compensation package.

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Base Salary

Base salaries are the fixed annual cash amounts paid to our NEOs on a biweekly basis. In reviewing and determining base salaries, the Compensation Committee considers:

competitive market levels for comparable positions in the NEO Peer Group;

related experience;

internal pay equity;

expected future contributions;

overall ability to influence our financial performance and the strategic impact of the role; and

the ease or difficulty of replacing the incumbent.

The strategic positioning for our NEOs' base salaries is the 50th percentile of the NEO Peer Group. Salaries are reviewed annually and may be revised to reflect significant changes in the scope of an NEO's responsibilities and/or market conditions. Our goal is to be competitive with respect to base salary while distinguishing ourselves from the NEO Peer Group by providing a greater emphasis on compensating our Executives through the use of performance-based incentives, consistent with our strategy of motivating Executives to achieve and exceed annual and multi-year business objectives.

During fiscal year 2013, Mr. Luczo's base salary was increased from \$1,024,000 to \$1,050,000 and Mr. Massaroni's base salary was increased from \$500,000 to \$550,000 to maintain a competitive market salary at approximately the median range for their respective positions, and to reflect the Committee's and Board's assessment of the Executives' performance. The base salaries of the other NEOs were not changed during fiscal year 2013.

Annual Bonus Plan

All NEOs participate in our shareholder-approved Executive Officer Performance Bonus Plan ("EPB"), which is designed to promote achievement of our annual financial and operational goals as approved by the Compensation Committee. The general target bonus for each NEO reflects competitive market levels for comparable positions in the NEO Peer Group at the 60th percentile, as well as internal pay equity considerations. Actual payments under the EPB may be above or below this level, based on performance results. Individual awards paid to each NEO following the end of the performance period are determined by the Compensation Committee after certifying our financial and operational performance. The Compensation Committee, together with the independent directors of the Board, determine the material terms of Mr. Luczo's bonus opportunity under the EPB, including the amount of Mr. Luczo's target bonus opportunity, and the payout level based on performance results.

On August 27, 2012, the Compensation Committee authorized the performance metrics and funding targets to be used for calculating annual bonus awards for each Executive for fiscal year 2013 under the EPB. Funding of the EPB for fiscal year 2013 was determined based on the Company's performance with respect to the following metrics for fiscal year 2013:

revenues,

operating margin (defined as adjusted earnings before interest, taxes and bonus, divided by revenues), and

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a quality metric, referred to as Reliability Quality Competitiveness Best in Class ("RQC BiC"), which is a measure of how our key customers view Seagate's product quality compared with the product quality of our competitors.

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While we track many operational and strategic performance goals throughout the year, operating margin and revenue together are considered an important measure of our success in achieving profitable growth and were selected for fiscal year 2013 to continue to align payouts under the EPB with the Company's profitability year over year. Adjustments to earnings for purposes of determining the operating margin excluded the impact of non-operating activities and material, unusual or nonrecurring gains and losses, accounting charges or other extraordinary events which were not budgeted and/or foreseen at the time the performance targets were established, and included estimated interest expenses, taxes and variable cash compensation. The adjustments are reviewed and approved by the Compensation Committee. RQC BiC was retained as a modifier to the overall bonus funding calculation for fiscal year 2013 because quality is considered a critical part of our overall business performance.

The combination of the three performance metrics noted above was used to determine the applicable percentage of our annual revenues that would be allocated to the overall bonus pool to be used for the payment of bonuses to all eligible employees, including to our Executives under the EPB. For purposes of illustration, the range of overall bonus funding as a percentage of target for fiscal year 2013, assuming annual revenues of \$17.5 billion and the achievement of the minimum level of RQC BiC of 80%, would be as indicated below for the achievement of operating margin at the threshold, target and maximum levels for fiscal year 2013:

Performance Level	Operating Margin	Funding as % of Target
Threshold	12.0%	50%
Target	15.0%	100%
Maximum	21.0%	200%

Actual funding is determined based on the adjusted operating margin, the level of revenues and RQC BiC actually achieved during fiscal year 2013. Once the Company achieves or exceeds the threshold operating margin, the combination of actual operating margin and revenues determines preliminary funding. This amount is then modified by a factor based on the actual RQC BiC results, with up to 25% of the funding "at risk" if we do not achieve the minimum RQC BiC in each of our five key markets each quarter.

The funded amount, once approved by the Committee, is allocated among eligible participants. Funding for individual bonuses paid to our NEOs is based upon each executive's target bonus expressed as a percentage of base salary. For fiscal year 2013, Mr. Luczo had a target bonus equal to 150% of his annual base salary (reflecting that a larger portion of his total annual target compensation is "at risk" than is the case of the other NEOs) and the other NEOs had a target bonus equal to 100% of their individual annual base salaries. The Compensation Committee, with respect to all NEOs except our CEO, and the independent directors of the Board, with respect to our CEO, retain the discretion to reduce the amount of the bonus payout based on their overall assessment of the Company's performance generally, including factors such as revenues, profitability, product quality, cost containment and expense management, market share, strategic objectives and legal and regulatory compliance.

Our performance for fiscal year 2013 exceeded our targeted performance. As a result, funding was set at 141% of target, on the basis of achievement of adjusted operating margin of 17.4%, revenues of \$14.4 billion and an RQC BiC modifier of 95%.

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Long-Term Equity Incentives

In fiscal year 2013, the Compensation Committee awarded equity awards to the NEOs under the terms of our 2012 Equity Incentive Plan, as amended (the "2012 Plan"). The 2012 Plan is designed to:

focus Executives on achieving longer-term business performance goals;

provide significant reward potential for outstanding cumulative performance by the Company;

enhance the Company's ability to attract and retain highly talented Executives; and

provide the Executive team with an opportunity for greater equity ownership and related incentives to increase shareholder return.

The Compensation Committee approves annual guidelines to help determine the type and size of equity awards for all Executives, and generally targets between the 50th and 75th percentiles for comparable positions in the NEO Peer Group. Our equity award guidelines and mix of the type of awards granted are based on an analysis of the retention and motivational value of unvested equity, the practices of NEO Peer Group companies in awarding equity for similar positions (including equity mix and award values), potential impact on earnings, the pool of available shares, and shareholder dilution. In determining the award for each NEO, the Compensation Committee also considers the Company's goals for retaining the Executive for the long-term and the following factors related to each NEO including:

potential future contributions to the Company's overall success;

past equity award history;

potential future value (holding power) of unvested equity; and

in the case of our CEO, total shareholder return.

NEOs are awarded equity on an annual basis, generally in mid-September, as part of our annual award cycle. For fiscal year 2013, all NEOs' annual equity awards consisted of a mix of Time Vesting Options, Threshold Performance Share Units and Performance Share Units (as defined and described more fully below), reflecting a strong emphasis on pay for performance and the alignment of interests between our NEOs and our shareholders. The CEO's equity awards also included performance-vesting options ("TSR Options") and performance-vesting restricted share units ("TSR Performance Share Units") whose vesting was based on the achievement of at least a 40% increase in total shareholder return ("TSR"), for a minimum of 30 consecutive trading days, as more fully described below.

The mix of long-term equity incentives (20% options and 80% performance-based restricted share units) reflected the Compensation Committee's review and assessment of market practices at peer companies, as well as its determination that a mix of options and full-value equity awards would provide an appropriate blend of incentives to sustain and improve the Company's financial performance and shareholder value.

The mix and number of equity awards granted to our CEO during fiscal year 2013 were intended to provide an appropriate incentive to drive company performance over a period of several years, thereby increasing total shareholder value. As a result, more than 90% of the CEO's equity compensation will only be earned if performance-vesting conditions and long-term service requirements are met. The fiscal year 2013 equity grants were intended to serve as the equity incentive award for a period of two fiscal years, such that it is not anticipated that any additional equity incentive awards will be granted to our CEO for fiscal year 2014.

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Options

Time-Vesting Options

Options generally vest over four years and have a seven-year term. Options are awarded with an exercise price equal to the fair market value of the Company's ordinary shares on the grant date. Fair market value is defined as the closing price of the Company's ordinary shares on NASDAQ on the grant date. The grant date and vesting schedule for options granted to our NEOs are generally the same as for other employees receiving options during the annual award process, but may be different in the case of a new hire or change in position.

TSR Performance-Vesting Options

For fiscal year 2013, we granted our CEO performance-vesting options (the "TSR Options") that cliff vest after three years, contingent on continued service and the attainment of at least a 40% TSR, inclusive of dividends and share price appreciation, over the three-year performance period from August 1, 2012 through July 31, 2015. The minimum 40% TSR must be sustained for a minimum of 30 consecutive trading days for the performance condition to be satisfied. The TSR Options have a seven-year term. On July 23, 2013, the Compensation Committee certified that the performance target for the TSR Options had been achieved; therefore, subject to our CEO's continuous service through the end of the three-year vesting period, the TSR Options will vest on the third anniversary of their grant date.

Share Awards

Restricted Shares and Restricted Share Units

Restricted shares ("RS") and restricted share units ("RSUs") generally vest in equal annual installments over four years, contingent on continued service. Due to the strong emphasis on pay for performance, our NEOs are not eligible to receive RS or RSUs; all outstanding RS or RSU awards to current NEOs were granted prior to their current position or when the NEO was serving as a non-employee member of the Board. We believe that long-term equity awards made to our NEOs should consist only of options and performance-vesting shares or units.

Threshold Performance Shares and Threshold Performance Share Units

Threshold performance shares ("TPS") and threshold performance share units ("TPSUs") are equity awards with a maximum seven-year vesting period, contingent on continued service and the achievement of specified performance goals. TPS awards were first granted in the fiscal year ended June 27, 2008 ("fiscal year 2008"), with up to 25% of the award vesting on the second anniversary of the grant date, and 25% per year thereafter. TPS awards were granted in the fiscal year ended July 3, 2009 and in fiscal year 2011, with 25% annual vesting starting on the first anniversary of the grant date and 25% per year thereafter, subject to the satisfaction of the applicable performance goal, as discussed below. Beginning in fiscal year 2012, our NEOs were granted TPSU awards in lieu of TPS awards in order to facilitate the global administration of our equity programs; however, the vesting criteria for this type of award remained substantially the same as in prior years. Each TPSU represents the right to receive one of our ordinary shares. Under the terms of the TPSU award agreement, no dividend equivalent payments will be made on any of the ordinary shares underlying the TPSUs.

For each tranche of a TPS or TPSU award that is eligible to vest on a vesting date, vesting is contingent on the Company achieving a threshold adjusted earnings per share ("AEPS") goal of \$1.00 for the fiscal year prior to the fiscal year in which the vesting date occurs. If the threshold goal is not achieved, vesting of that tranche is delayed to the next scheduled vesting date for which the AEPS goal is achieved. Unvested awards from prior years may vest cumulatively on the scheduled vesting date for

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a future year within the seven-year vesting period if the annual AEPS threshold for that year is achieved. For example, if AEPS performance prior to the first vesting date is below threshold, then vesting will be delayed. If the AEPS threshold is achieved prior to the second vesting opportunity, then 50% of the award will vest (25% from the first vesting date and 25% from the second vesting date due to the cumulative feature of the award). TPS and TPSU awards may become fully vested as early as four years from the grant date (five years in the case of TPS awards granted in fiscal year 2008) and, as noted above, remain eligible to vest for up to seven years following the grant date. If the AEPS threshold level has not been met by the end of the seven-year period, any unvested TPS or TPSUs will be forfeited. While still uncertain, vesting for these awards is considered likely if the NEO remains employed throughout the seven-year performance period due to the cumulative vesting feature. For market comparison purposes, we compare the value of TPS and TPSU awards for our NEOs with time-based RS or RSUs awarded by other companies in the NEO Peer Group. For purposes of the TPS and TPSU awards, AEPS is based on diluted earnings per share, calculated in accordance with US GAAP, excluding the impact of non-operating activities and material, unusual or nonrecurring gains and losses, accounting charges or other extraordinary events which were not foreseen at the time the performance target was established, and includes estimated interest expenses, taxes and variable compensation.

Our AEPS performance for fiscal year 2013 was above the \$1.00 AEPS threshold; therefore, an additional 25% of each of the outstanding TPS and TPSU awards will vest on their next scheduled vesting date following the end of fiscal year 2013.

Performance Share Units

Performance share units ("PSUs") are performance-based RSUs that vest after the end of a three-year performance period, subject to continued employment and the achievement of annual return on invested capital ("ROIC") over the performance period, modified by a factor based on the Company's relative total shareholder return percentile compared with a selected peer group, defined below. ROIC was selected as a key metric because of its ability to measure the efficiency of our use of capital and delivery of earnings above investment, considered a critical factor in the Company's long-term success. The final ROIC metric is calculated as the average annual ROIC over the prior three fiscal years. Annual ROIC is calculated as (i) adjusted operating income multiplied by 1 minus the average tax rate, divided by (ii) (x) net plant, property and equipment plus total current assets minus cash, minus (y) total current liabilities. Adjustments to operating income exclude the impact of non-operating activities and material, unusual or nonrecurring gains and losses, accounting charges or other extraordinary events which were not foreseen at the time the performance target was established. In addition, the relative TSR metric rewards financial performance as measured by the change in our share price and the dividends declared during the performance period relative to the performance of the select group of peers. Payout of the targeted number of PSUs will be achieved if target ROIC is attained over the three-year measurement period and relative TSR is at least at the median of the selected peer group. The number of PSUs that will be earned will be determined on the basis of actual ROIC achieved, calculated by linear interpolation between a preset minimum and maximum, and increased or decreased on the basis of whether the relative TSR achieved is below median, between the 50th to 75th percentile, or above the 75th percentile in relation to the selected peer group.

Each PSU represents the right to receive one of our ordinary shares. The Compensation Committee will determine the number of PSUs that will vest at the end of the three-year performance period according to a pre-established vesting matrix. Assuming the minimum performance threshold is achieved, the actual number of ordinary shares that may vest ranges from 30% of the target number of PSUs (for ROIC of 55.5% of target and relative TSR below the selected peer group median) to 200% of the target number of PSUs (for ROIC in excess of 144.4% of target and relative TSR equal to or

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above the 75th percentile of the selected peer group). Under the terms of the PSU award agreement, no dividend equivalent payments will be made on any of the ordinary shares underlying the PSUs.

The selected peer group for PSUs awarded in September 2012 included a broader range of companies than the NEO Peer Group to allow for comparison of our performance against a wider subset of technology companies than the companies with whom we frequently compete for executive talent. The selected peer group for purposes of measuring our relative TSR performance consisted of the 27 companies listed in the table below, meeting the following criteria:

Similar industry classification (defined as companies in Global Industry Classification Standard (GICS) 4520 Technology Hardware and Equipment or 4530 Semiconductors and Semiconductor Equipment), excluding companies that are not subject to U.S. securities reporting requirements and wholesale distributors, and

Trailing twelve-month sales at least \$4 billion.

PSU Peer Group

Advanced Micro Devices, Inc.	Juniper Networks, Inc.
Apple Inc.	Lexmark International Inc.
Applied Materials Inc	Micron Technology Inc.
Broadcom Corp.	Motorola Solutions Inc.
Cisco Systems, Inc.	NCR Corp
Corning Inc.	NetApp, Inc.
Dell Inc.	QUALCOMM Incorporated
EMC Corporation	SanDisk Corp.
Flextronics International Ltd.	Sanmina-Sci Corp
Freescale Semiconductor Holding	TE Connectivity Ltd.
Harris Corp.	Texas Instruments Inc.
Hewlett-Packard Company	Western Digital Corp.
Intel Corporation	Xerox Corp.
Jabil Circuit Inc.	

As the certification of our financial performance could not be completed in advance of the filing date of this Proxy Statement, the vesting of these awards (if any) will be disclosed on Form 8-K within four business days following written certification by the Compensation Committee.

TSR Performance Share Units

For fiscal year 2013, in addition to the TSR Options, we granted our CEO performance-vesting restricted share units (the "TSR PSUs") that cliff vest after three years, contingent on continued service and the attainment of at least a 40% TSR, inclusive of dividends and share price appreciation, over the three-year performance period from August 1, 2012 through July 31, 2015. The minimum 40% TSR must be sustained for a minimum of 30 consecutive trading days for the performance condition to be satisfied. On July 23, 2013, the Compensation Committee certified that the performance target for the TSR PSUs had been achieved; therefore, subject to our CEO's continuous service through the end of the three-year vesting period, the TSR PSUs will vest on the third anniversary of their grant date.

Share Ownership Guidelines

We established share ownership guidelines to ensure that our NEOs hold a meaningful equity stake in the Company and, by doing so, to link their interests with those of our shareholders. Shares

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directly or indirectly owned (for example, through a trust), along with unvested restricted shares and RSUs that do not have a performance requirement, are included in the calculation of ordinary shares owned for purposes of the ownership guidelines, but time-based and performance-based options, unvested TPS, unvested TPSUs, unvested performance shares, unvested PSUs and unvested TSR PSUs are not counted until they are exercised or vested, as applicable. NEOs are expected to meet the ownership requirements within five years of becoming subject to the guidelines. NEOs are measured against the applicable guideline on the last day of each fiscal year, and the results are reported to the Compensation Committee.

To address share price volatility and to ensure NEOs had a consistent guideline from year to year, the ownership guidelines were revised effective July 1, 2010 to reflect a fixed number of shares instead of a target value expressed as a multiple of annual salary. Our NEOs are required to meet the guidelines by July 1, 2015, with the exception of Mr. Massaroni who is required to meet the guidelines by July 28, 2016. The Compensation Committee reviewed the number of shares required to be held by our NEOs as part of its annual process in April 2012 and determined that no changes to the guidelines were necessary. The share ownership guidelines were as follows:

Role	Ownership Guideline	Equivalent
	Number Of Shares	Dollar Value ⁽¹⁾
CEO	250,000	\$ 11,207,500
Other NEOs	80,000	\$ 3,586,400

(1) Equivalent dollar value calculations based on closing price of our ordinary shares on the Nasdaq on June 28, 2013 of \$44.83.

In April 2013, the Compensation Committee approved revisions to the executive share ownership guidelines effective as of fiscal year 2014. The changes, which are consistent with prevailing market practice, will mean that Executives will be required to own shares in an amount equal to an applicable target value based on a multiple of annual salary, as noted below:

Role	Ownership Guideline	Equivalent
	Multiple of Salary	Dollar Value ⁽¹⁾
CEO	6x	\$ 6,300,000
Other NEOs	3x	\$ 1,685,580

(1) Based on average salaries of similarly-situated executives for fiscal year 2014.

All of the NEOs are on track to meet ownership guidelines by the applicable deadline.

Benefits and Perquisites

Our NEOs are eligible to participate in a broad range of benefits in the same manner as non-executive employees. Seagate does not offer separate benefits for Executives, other than vacation and severance benefits (see "Severance and Change in Control Benefits," below).

We do not generally provide perquisites to our NEOs. We do however consider the value of perquisites, to the extent provided at the NEO Peer Group companies, in assessing the competitiveness of our total compensation package for our NEOs. Two of our NEOs continue to participate in a group replacement life insurance plan that was closed to new participants as of January 2002.

Nonqualified Deferred Compensation Plan

Seagate's Restated Deferred Compensation Plan, as amended (the "SDCP") allows our NEOs (and other eligible employees with an annual base pay rate of more than \$165,000) to defer on a

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pre-tax basis up to 70% of the base salary and up to 100% of their annual performance-based cash bonus. Deferrals and notional earnings related to those deferrals are reflected on the Company's books as an unfunded obligation of the Company. We do not make any contributions to the SDCP, and notional earnings on deferrals are based on the performance of investment funds selected by each participant from a menu of investment options offered pursuant to the SDCP. Deferral amounts, earnings and year-end balances for our NEOs are set forth in the table titled "Fiscal Year 2013 Nonqualified Deferred Compensation," below.

International (Expatriate) Assignment Policies

Our global business needs require, from time to time, the temporary short- or long-term relocation of certain employees with special or unique skills to countries where those skills may not be available. To meet this need, we utilize the benefits available under our Short-Term Assignment Policy ("STA") and Long-Term International Assignment Policy ("LTIA"). Specifically, we provide certain benefits and allowances to our international assignees, including our NEOs, in accordance with the terms of the STA or LTIA, as applicable, which include housing and transportation allowances, living and travel expense reimbursements and tax preparation services. In addition, we make tax equalization payments on behalf of our international assignees to ensure that the assignment is tax neutral to the employee.

Severance and Change in Control Benefits

We provide severance benefits to assist in aligning NEO and shareholder interests during the evaluation of an ownership change, to remain competitive in attracting and retaining NEOs and to support organizational changes necessary to achieve our business strategy. We amended and restated the Executive Severance and Change in Control Plan to conform the plan with changes in the law and to clarify the treatment of outstanding equity awards upon a change in control. The purpose of the Fifth Amended and Restated Executive Severance and Change in Control Plan (the "Severance Plan") is to:

- (1) provide for the payment of severance benefits to our NEOs in the event their employment with the Company or any applicable subsidiary is involuntarily terminated,
- (2) encourage our NEOs to continue employment in the event of a potential "change in control" (as such term is defined in the section titled "Compensation of Named Executive Officers Potential Payments upon Termination or Change in Control," below), and
- (3) ensure that our NEOs generally receive the same severance benefits in connection with a qualifying termination of employment.

All of our NEOs, except our CEO, receive the same level and type of severance benefits; the level of severance benefits payable to our CEO under the terms of the Severance Plan is higher than for the other NEOs to reflect his level of responsibility within our organization, the strategic importance of his position and a market-competitive level of severance for comparable positions within the NEO Peer Group.

The Severance Plan provisions were developed based on a comparison of severance benefits typically available at the NEO Peer Group companies, in consultation with F.W. Cook, following review by the independent directors of the Board. We believe that severance should only be provided in the event of an involuntary termination (i.e., a termination by us without "cause" or by the Executive for "good reason"). The design of the Severance Plan, as approved by the Compensation Committee on October 25, 2011, includes the following features:

severance benefits do not include a guaranteed bonus amount,

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no post-termination healthcare benefit subsidy if the involuntary termination occurs outside of a "change in control period" (as defined in the section titled "Compensation of Named Executive Officers Potential Payments upon Termination or Change in Control Involuntary Termination Without Cause or for Good Reason During a Change in Control Period", below),

enhanced severance benefits provided in connection with a change in control require a "double trigger" (which is defined as an involuntary termination during a "change in control period") before an NEO becomes entitled to receive such benefits, and

severance payments cannot exceed three times the sum of the Executive's base salary and target bonus.

In the event that the benefits payable following a change in control exceed the safe harbor limits established in Section 280G of the Code, we cap benefits at the safe harbor limit if the after-tax benefit to the NEO of the capped amount is greater than the after-tax benefit of the full amount (which would otherwise be subject to excise taxes imposed by Section 4999 of the Code). We do not provide a gross-up for any taxes payable on severance benefits and the NEO is responsible for the payment of all personal taxes, including any excise taxes imposed on change in control payments and benefits.

For further details on the Severance Plan, see the section titled "Compensation of Named Executive Officers Potential Payments upon Termination or Change in Control."

Other Company Policies and Compensation Considerations

Impact of Section 162(m) of the Internal Revenue Code

The Compensation Committee seeks to qualify NEO compensation for deductibility under applicable tax laws to the greatest extent possible. Section 162(m) of the Code (as interpreted by IRS Notice 2007-49) places a limit of \$1 million on the amount that a public company may deduct for compensation in any taxable year to any of the CEO and each of the next three most highly compensated NEOs employed at the end of the year (other than the Company's CFO), unless such compensation is considered "performance-based" under Section 162(m).

Both the EPB and the 2012 Plan have been approved by our shareholders and are administered by the Compensation Committee. Each plan has been structured such that compensation paid or awarded thereunder may qualify as "performance-based" and therefore not be subject to the Section 162(m) limit. As described in detail in Proposal 2, above, we are seeking shareholder approval for the EOPB at the 2013 AGM in order to preserve the Company's ability to pay annual incentive bonuses to our executive officers that may qualify as "performance-based" compensation under Section 162(m). However, in order to maintain flexibility in compensating our NEOs in a manner designed to promote varying corporate goals, the Compensation Committee retains the discretion to pay compensation that may not be tax-deductible.

Securities Trading

The Board believes that short-term investment activity in our securities (such as trading in or writing options, arbitrage trading or "day trading") is not appropriate under any circumstances; therefore, such conduct is prohibited by Seagate's Securities Trading Policy. In addition, all employees (including our NEOs) and Board members are prohibited from taking "short" positions in our securities or engaging in hedging or other monetization transactions with respect to our securities. We discourage our executives from using our shares in margin accounts or otherwise pledging shares as collateral. We have also amended our Securities Trading Policy to, among other things, require the first trade under a new plan established pursuant to Rule 10b5-1 promulgated under the Exchange Act take place after some reasonable "seasoning period" has passed from the time of adoption of the plan; in addition, an insider will only be permitted to use one 10b5-1 plan at a time.

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Pay Recovery Policy

Our Pay Recovery Policy, effective January 29, 2009, is intended to eliminate any reward for fraudulent accounting. It provides standards for recovering compensation from an NEO where such compensation was based on incorrectly reported financial results due to the fraud or willful misconduct of such NEO. The NEO's repayment obligation applies to any bonus paid, share award issued (whether or not vested) or options exercised during the period commencing with the later of the effective date of the Pay Recovery Policy or the date that is four years prior to the beginning of the fiscal year in which a restatement is announced, and ending on the date recovery is sought. We intend to review our Pay Recovery Policy following the enactment of regulations pursuant to the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management and the Board. In reliance on the review and discussions referred to above, the Compensation Committee recommended to the Board, and the Board approved, the inclusion of the Compensation Discussion and Analysis in the Company's Proxy Statement for fiscal year 2013.

COMPENSATION COMMITTEE

Edward J. Zander, Chairman
Frank J. Biondi
Jay L. Geldmacher
Lydia M. Marshall

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The following tables show fiscal year 2013, 2012 and 2011 compensation awarded to and earned by our CEO, CFO and our three most highly compensated Executives other than our CEO and CFO:

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Stock Awards (\$) ⁽¹⁾	Option Awards (\$) ⁽¹⁾	Non-Equity Incentive		Total (\$)
					Plan Compensation (\$)	All Other Compensation (\$) ⁽²⁾	
Stephen J. Luczo	2013	1,037,015	12,920,085	3,577,285	2,220,761	3,260	19,758,406
Chairman, President and Chief Executive Officer	2012	1,024,026	5,320,635		2,726,468	114,955	9,186,084
	2011	1,024,026	1,853,221	2,084,707		237,033	5,198,988
Patrick J. O'Malley	2013	549,037	1,796,880	363,611	774,142	5,582	3,489,251
Executive Vice President and Chief Financial Officer	2012	549,037	1,197,570		974,540	5,503	2,726,650
	2011	549,037	446,569	505,384		3,500	1,504,489
Robert W. Whitmore	2013	674,024	1,796,880	363,611	946,029		3,780,554
Executive Vice President and Chief Technology Officer	2012	674,024	1,197,570		1,196,393		3,067,987
	2011	674,024	446,569	505,384			1,625,976
Albert A. Pimentel	2013	600,018	1,796,880	363,611	846,025	24,866	3,631,399
Executive Vice President and Chief	2012	600,018			1,065,031	5,340	1,670,389
	2011	122,311	1,898,555	3,951,827		105,451	6,078,144
Sales and Marketing Officer	2011	122,311	1,898,555	3,951,827		105,451	6,078,144
Kenneth M. Massaroni	2013	536,552	1,796,880	363,611	775,520	4,500	3,477,063
Executive Vice President, General Counsel, Corporate Secretary and Chief Administrative Officer	2012	491,357	1,392,030		887,520	3,500	2,774,407
	2011						

(1) Stock Awards and Option Awards: These amounts do not reflect the actual value realized by the NEO. In accordance with SEC rules, these columns represent the aggregate grant date fair value calculated in accordance with Financial Accounting Standards Board's Accounting Standards Codification ("ASC") Topic 718, "Compensation Stock Compensation," excluding the effect of estimated forfeitures. For all performance share units whose vesting is subject to performance conditions as defined by ASC 718, we have assumed the probable outcome of related performance conditions at target levels. The aggregate grant date fair value for these units, assuming the achievement of the highest level of performance, is \$16,098,972 for our CEO and \$2,160,000 for each of our other NEOs. See the "Grants of Plan-Based Awards" table for further information. For additional information on the valuation assumptions, see Note 11, "Compensation" in the Notes to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K ("Form 10-K") for the fiscal year ended June 28, 2013.

(2) All Other Compensation: The amounts shown in this column consist of the following:

All Other Compensation Table

Name	Personal Guest Travel (\$) ^(a)	401k Match (\$) ^(b)	Executive Life Insurance (\$)	Total (\$)
Stephen J. Luczo			3,260	3,260

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Patrick J. O'Malley		3,484	2,098	5,582
Robert W. Whitmore				
Albert A. Pimentel	21,041	3,825		24,866
Kenneth M. Massaroni		4,500		4,500

- (a) Personal guest travel consists of travel costs incurred for the executive's spouse in connection with a sales incentive program offered to all eligible sales personnel.
- (b) 401(k) match is for the 401(k) Plan contribution provided to all U.S. employees who participate in the 401(k) Plan in an amount up to \$3,500 per calendar year through 2012 and up to \$4,500 per calendar year beginning 2013, but may be higher in the fiscal year.

Table of Contents**Grants of Plan-Based Awards Table for Fiscal Year 2013**

Name	Type of Award	Date of Compensation Committee Action	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payments Under Equity Incentive Plan Awards		All Other Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards ⁽⁷⁾
				Threshold (\$)	Target (\$)	Maximum (\$)	Target (#)	Maximum (#)			
Stephen J. Luczo	Cash Bonus			787,500	1,575,000	3,150,000					
	Time Option	8/1/2012	8/1/2012 ⁽²⁾						191,860	30.23	1,763,908
	TSR Option	8/1/2012	8/1/2012 ⁽³⁾				206,300			30.23	1,813,377
	ROIC PSU	8/1/2012	8/1/2012 ⁽⁴⁾				287,790	575,580			8,049,486
	EPS PSU	8/1/2012	8/1/2012 ⁽⁵⁾				86,340				2,610,058
	TSR PSU	8/1/2012	8/1/2012 ⁽⁶⁾				112,130				2,260,541
	Patrick J. O'Malley	Cash Bonus			274,518	549,037	1,098,074				
		Time Option	7/24/2012	9/10/2012 ⁽²⁾						40,000	29.87
ROIC PSU		7/24/2012	9/10/2012 ⁽⁴⁾				40,000	80,000			1,080,000
EPS PSU		7/24/2012	9/10/2012 ⁽⁵⁾				24,000				716,880
Robert W. Whitmore		Cash Bonus			337,012	674,024	1,348,048				
	Time Option	7/24/2012	9/10/2012 ⁽²⁾						40,000	29.87	363,611
	ROIC PSU	7/24/2012	9/10/2012 ⁽⁴⁾				40,000	80,000			1,080,000
	EPS PSU	7/24/2012	9/10/2012 ⁽⁵⁾				24,000				716,880
	Albert A. Pimentel	Cash Bonus			300,009	600,018	1,200,035				
Time Option		7/24/2012	9/10/2012 ⁽²⁾						40,000	29.87	363,611
ROIC PSU		7/24/2012	9/10/2012 ⁽⁴⁾				40,000	80,000			1,080,000
EPS PSU		7/24/2012	9/10/2012 ⁽⁵⁾				24,000				716,880
Kenneth M. Massaroni		Cash Bonus			275,007	550,014	1,100,029				
	Time Option	7/24/2012	9/10/2012 ⁽²⁾						40,000	29.87	363,611
	ROIC PSU	7/24/2012	9/10/2012 ⁽⁴⁾				40,000	80,000			1,080,000
	EPS PSU	7/24/2012	9/10/2012 ⁽⁵⁾				24,000				716,880

(1) Amounts shown were the potential range of payments for fiscal year 2013 for the NEOs under the EPB. This range varied based on the individual's position and bonus target as a percentage of fiscal year 2013 ending base salary (150% percent of base salary for Mr. Luczo and 100% for the other NEOs). For a description of the EPB, refer to the section above entitled "Annual Bonus Plan."

(2)

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Options awarded during fiscal year 2013 under the 2012 Equity Incentive Plan ("2012 Plan") are subject to a four-year vesting schedule. After one year of continuous service, the NEO will vest 25% of the shares on the first anniversary of the vesting commencement date. Thereafter, the remaining 75% of the shares will vest proportionally on a monthly basis for the next three years, contingent on continuous service.

- (3) TSR Options granted to our CEO during fiscal year 2013 cliff vest after three years, contingent on continuous service and the attainment of at least a 40% total shareholder return over the three-year performance period (which TSR performance condition has been satisfied as of the date hereof) (for a description of the TSR Options, see "Compensation Discussion and Analysis Long-Term Equity Incentives Options TSR Performance-Vesting Options").
- (4) These performance share units were issued under the 2012 Equity Incentive Plan (the "2012 Plan"). These units vest after the end of a three-year performance period, subject to both continuous service and the achievement of the applicable performance criteria. For a description of the performance share units, refer to the section entitled "Compensation Discussion and Analysis Long-Term Equity Incentives Share Awards Performance Share Units".
- (5) These threshold performance share units were issued under the 2012 Plan. Vesting of these units is contingent on continuous service and satisfaction of performance vesting requirements. The first tranche vests no sooner than one year after the vesting commencement date, subject to the satisfaction of specified performance criteria. The awards will continue to vest annually thereafter if the annual performance goals are achieved. If threshold performance is not achieved, no awards will vest and the shares will be forfeited at the end of the performance period. For a description of the threshold performance share units, refer to the section entitled "Compensation Discussion and Analysis Long-Term Equity Incentives Share Awards Threshold Performance Shares and Threshold Performance Share Units".
- (6) TSR performance share units granted to our CEO during fiscal year 2013 cliff vest after three years, contingent on continuous service and the attainment of at least a 40% total shareholder return over the three-year performance period (which TSR performance condition has been satisfied as of the date hereof) (for a description of the TSR performance share units, see "Compensation Discussion and Analysis Long-Term Equity Incentives Share Awards TSR Performance Share Units").
- (7) In accordance with SEC rules, this column represents the aggregate grant date fair value calculated in accordance with Financial Accounting Standards Board's ASC Topic 718, "Compensation Stock Compensation," excluding the effect of estimated forfeitures. For all performance share units except the TSR PSUs described in footnote (6) above, we have assumed the probable outcome of related performance conditions as defined by ASC 718 at target levels. For additional information on the valuation assumptions, see Note 11, "Compensation" in the Notes to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the fiscal year ended June 28, 2013.

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Outstanding Equity Awards at Fiscal Year 2013

Name	Stock Option Grant Date	Option Awards				Option Expiration Date	Stock Award Date	Stock Awards			
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Exercise Price (\$)	Option Price (\$)			Number of Shares or Units of Stock That have not Vested (#)	Market Value of Shares or Units of Stock that have not Vested (\$) ⁽¹⁾	Equity Incentive Plan Awards: Number of shares, units or rights that have not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Other Rights that have not Vested (\$) ⁽¹⁾
Stephen J. Luczo	10/30/2008 ⁽²⁾	417		6.525	10/30/2015						
	1/30/2009 ⁽³⁾	364,584		4.045	1/30/2016						
	9/13/2010 ⁽³⁾	85,937	128,907	11.065	9/13/2017						
							9/13/2010 ⁽⁵⁾		152,780	6,849,127	
							9/12/2011 ⁽⁵⁾		240,700	10,790,581	
							9/12/2011 ⁽⁶⁾		195,000	8,741,850	
		8/1/2012 ⁽³⁾		191,860	30.230	8/1/2019					
		8/1/2012 ⁽⁴⁾		206,300	30.230	8/1/2019					
						8/1/2012 ⁽⁶⁾		86,340	3,870,622		
						8/1/2012 ⁽⁵⁾		287,790	12,901,626		
						8/1/2012 ⁽⁷⁾	112,130	5,026,788			
Patrick J. O'Malley	3/6/2009 ⁽³⁾	76,249	33,434	3.345	3/6/2016						
							9/13/2010 ⁽⁶⁾		8,000	358,640	
	9/13/2010 ⁽³⁾	14,583	31,251	11.065	9/13/2017						
							9/13/2010 ⁽⁵⁾		22,220	996,123	
							9/12/2011 ⁽⁵⁾		54,200	2,429,786	
							9/12/2011 ⁽⁶⁾		43,875	1,966,916	
	9/10/2012 ⁽³⁾		40,000	29.870	9/10/2019						
						9/10/2012 ⁽⁶⁾		24,000	1,075,920		
						9/10/2012 ⁽⁵⁾		40,000	1,793,200		
Robert W. Whitmore	1/30/2009 ⁽³⁾	20,000		4.045	1/30/2016						
	9/13/2010 ⁽³⁾	8,749	31,251	11.065	9/13/2017						
							9/13/2010 ⁽⁶⁾		8,000	358,640	
							9/13/2010 ⁽⁵⁾		22,220	996,123	
							9/12/2011 ⁽⁵⁾		54,200	2,429,786	
							9/12/2011 ⁽⁶⁾		43,875	1,966,916	
	9/10/2012 ⁽³⁾		40,000	29.870	9/10/2019						
						9/10/2012 ⁽⁶⁾		24,000	1,075,920		
						9/10/2012 ⁽⁵⁾		40,000	1,793,200		
Albert A. Pimentel	3/3/2009 ⁽³⁾	45,000		\$ 3.845	3/3/2016						
	10/28/2009 ⁽³⁾	9,166	834	\$ 14.825	10/28/2016						
							10/28/2009 ⁽⁸⁾		1,250	56,038	
	4/6/2011 ⁽³⁾	350,729	296,771	\$ 14.810	4/6/2018						
							4/6/2011 ⁽⁶⁾		55,500	2,488,065	
	9/10/2012 ⁽³⁾		40,000	29.870	9/10/2019						
						9/10/2012 ⁽⁶⁾		24,000	1,075,920		
						9/10/2012 ⁽⁵⁾		40,000	1,793,200		
	9/12/2008 ⁽³⁾	7,500		13.730	9/12/2015						

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Kenneth M. Massaroni									
3/6/2009 ⁽³⁾	13,374	15,626	3.345	3/6/2016					
9/13/2010 ⁽³⁾	13,468	13,282	11.065	9/13/2017					
					9/13/2010 ⁽⁸⁾	5,100	228,633		
					9/13/2010 ⁽⁵⁾			6,300	282,429
					9/12/2011 ⁽⁵⁾			63,000	2,824,290
					9/12/2011 ⁽⁶⁾			51,000	2,286,330
9/10/2012 ⁽³⁾		40,000	29.870	9/10/2019					
					9/10/2012 ⁽⁶⁾			24,000	1,075,920
					9/10/2012 ⁽⁵⁾			40,000	1,793,200

-
- (1) Value based on the closing price of our ordinary shares on June 28, 2013 of \$44.83.
 - (2) Options granted to Mr. Luczo before January 12, 2009 were awarded prior to his employment as our Chairman, President and CEO.
 - (3) Options vest as to 25% one year after the vesting commencement date, with 1/48th of the option vesting monthly thereafter.

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- (4) The TSR Options granted to our CEO cliff vest three years following their grant date, contingent on continuous service. The performance condition associated with these options was satisfied during fiscal year 2013 (see "Compensation Discussion and Analysis Long-Term Equity Incentives Options TSR Performance-Vesting Options").
- (5) These performance share units ("PSUs") were issued under the 2004 Share Compensation Plan, as amended (the "2004 SCP") and the 2012 Equity Incentive Plan (the "2012 Plan"). The PSUs vest after the end of a three-year performance period, subject to both continuous service and the achievement of performance criteria. If the minimum performance threshold is not achieved, no PSUs will vest and the PSUs will be forfeited at the end of the performance period. The PSUs are described in more detail above under "Compensation Discussion and Analysis Long-Term Equity Incentives Share Awards Performance Share Units," above).
- (6) These threshold performance shares and threshold performance share units, issued under the 2004 SCP and the 2012 Plan, are subject to the NEO's continuous service and the satisfaction of applicable performance vesting requirements. The first tranche may vest no sooner than one year after the award date, with vesting subject to satisfying specified performance criteria. Potential vesting for these awards is annually thereafter according to specific performance requirements. If threshold performance is not achieved, no awards will vest and the shares underlying the award will be forfeited at the end of the performance period. The threshold performance shares and threshold performance share units are described in more detail above under "Compensation Discussion and Analysis Long-Term Equity Incentives Share Awards Threshold Performance Shares and Threshold Performance Share Units", above).
- (7) The TSR PSUs granted to our CEO cliff vest three years following their grant date, contingent on continuous service. The performance condition associated with these PSUs was satisfied during fiscal year 2013 (see "Compensation Discussion and Analysis Long-Term Equity Incentives Share Awards TSR Performance Share Units").
- (8) Restricted share units vest 25% per year on each of the first four anniversaries of the vesting commencement date.

Option Exercises and Stock Vested for Fiscal Year 2013

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Stephen J. Luczo	1,040,156	\$ 27,468,379	103,750	\$ 3,130,244
Patrick J. O'Malley	580,495	\$ 12,709,552	22,644	\$ 634,372
Robert W. Whitmore	710,000	\$ 11,121,059	31,215	\$ 874,488
Albert A. Pimentel	10,000	\$ 383,413	32,750	\$ 1,357,074
Kenneth M. Massaroni	281,750	\$ 5,843,569	22,675	\$ 641,118

Nonqualified Defined Contribution and Other Nonqualified Deferred Compensation Plans

Name	Executive Contributions in FY2013 (\$)	Registrant Contributions in Last FY (\$)	Aggregate Earnings in FY2013 (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance in FY2013 (\$) ^(a)
Stephen J. Luczo					
Patrick J. O'Malley	281,909		166,698		2,552,329
Robert W. Whitmore			14,135		83,541
Albert A. Pimentel					
Kenneth M. Massaroni					

- (a) The amounts reported as Executive contributions represent compensation already reported in the Summary Compensation Table, with the exception of earnings on contributions, as such earnings are not considered to be at above-market rates.

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The SDCP is a nonqualified deferred compensation plan allowing participants to defer on a pre-tax basis up to 70% of base salary and up to 100% of their annual performance-based cash bonus, and to select from several mutual fund investment options used to determine notional earnings on the deferred amounts. The deferrals and notional earnings related to those deferrals are reflected on our books as an unfunded obligation of the Company, and remain part of our general assets. We have established a grantor (or rabbi) trust for the purpose of accumulating funds to satisfy our obligations and process payments due under the SDCP.

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Participants may elect to receive distributions upon retirement or termination of employment or at a specified time while still employed. Participants may elect to receive distributions following retirement or termination in a lump sum or in quarterly installments over 3, 5, 10, or 15 years. Participants may elect to receive in-service distributions in a lump sum or annual installments payable over 2, 3, 4 or 5 years. Upon disability, a participant's account will be distributed in accordance with his or her retirement/termination distribution elections. Additionally, upon death, a participant's accounts will be paid to his or her beneficiary or beneficiaries in a cash lump sum payment payable before the later of the end of the calendar year in which the participant dies, and two and one-half months after the participant dies. Unless otherwise determined by the Compensation Committee prior to a change in control, the SDCP will be terminated upon the occurrence of a change in control and the aggregate balance credited to and held in a participant's account shall generally be distributed to him or her in a lump sum not later than the thirtieth day following the change in control.

Potential Payments Upon Termination or Change in Control

As discussed above under the heading titled "Compensation Discussion and Analysis Severance and Change in Control Benefits," the Compensation Committee adopted the Severance Plan to provide, among other things, consistent severance benefits to NEOs who are terminated without cause or resign for good reason, in lieu of severance protections that might otherwise have been included in individually negotiated employment agreements. In addition, as described under the immediately preceding heading titled "Nonqualified Defined Contribution and Other Nonqualified Deferred Compensation Plans," participating NEOs are entitled to receive payment of deferred amounts in the event of a termination of employment or a change in control.

Involuntary Termination Without Cause or For Good Reason Outside of a Change in Control Period

Under the Severance Plan in effect during fiscal year 2013, if an NEO's employment were to have been terminated by the Company without "cause" (as defined below) or by the NEO for "good reason" (as defined below), the NEO would have been entitled to receive a severance payment equal to a pre-determined number of months of base salary, based on the NEO's seniority level. In the event of such an involuntary termination outside of a "change in control period" (as defined below), the CEO would be entitled to receive 24 months of base salary and the other NEOs would be entitled to receive 20 months of base salary, as well as a pro-rata bonus for the year of termination based on the number of days elapsed from the beginning of the fiscal year until the termination date, and, if applicable, the prior year bonus (if earned but unpaid at the time of termination). The severance benefits are generally payable within 20 business days following the "payment confirmation date" (as defined in the Severance Plan) in an amount equal to the lesser of (a) 50% of the severance benefit and (b) \$510,000 (for calendar year 2013), with the remaining amount payable on the date that is twelve months following the date of termination. The Company would also provide paid outplacement services for a period of two years following termination. The receipt of these severance benefits would generally be subject to the NEO's execution of an effective release of claims against the Company and compliance with certain non-competition, non-solicitation and confidentiality covenants during the applicable severance period.

Under the Severance Plan, "cause" means (i) an NEO's continued failure to substantially perform the material duties of his or her office, (ii) fraud, embezzlement or theft by an NEO of Company property, (iii) the conviction of an NEO of, or plea of nolo contendere by the NEO to, a felony, (iv) an NEO's willful malfeasance or willful misconduct in connection with such NEO's duties or any other act or omission which is materially injurious to the financial condition or business reputation of Seagate, or (v) a material breach by an NEO of any of the provisions of (A) the Severance Plan, (B) any non-compete, non-solicitation or confidentiality provisions to which such NEO is subject or (C) any company policy or other agreement to which such NEO is subject. If an NEO is involuntarily

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terminated for any reason outside a change in control period, the Severance Plan does not provide for any accelerated vesting of outstanding equity awards. Instead, the terms of any vesting acceleration are governed by the applicable award agreement. Upon termination of an NEO's continuous service for any reason (other than death or disability): (i) the award agreements (including TPS and TPSU) provide that vesting will cease and, where applicable, Seagate will automatically reacquire all unvested shares without payment of consideration and (ii) the option agreements provide that all unvested options will be cancelled effective as of the termination date, although NEOs, as all other option holders, would have three months to exercise options that are vested as of the date of termination.

Involuntary Termination Without Cause or For Good Reason During a Change in Control Period

The Severance Plan provides for enhanced severance benefits if an NEO is terminated by the Company without cause or resigns for good reason during a "change in control period". This period is defined as the period commencing six months prior to the effective date of a "change in control" (as defined below) and ending 24 months following such date. In the event of an involuntary termination within a change in control period (often called a "double trigger"), the NEO would be entitled to receive the following: (i) 36 months of base salary and target bonus in the case of the CEO, or 24 months of base salary and target bonus in the case of the other NEOs, (ii) a lump sum cash payment equal to two times the before-tax annual cost of the applicable COBRA premiums for the NEO and his or her eligible dependents, if any, (iii) paid outplacement services for a period of two years, and (iv) full vesting of all unvested equity-based awards (whether or not awarded prior to or following the adoption of the Severance Plan). All other rights and obligations imposed under the Severance Plan upon such a termination of employment outside of the context of a change in control (as described above) would also be generally applicable in the event of a termination during a change in control period, except that the severance benefits would generally be payable within 20 business days following the "payment confirmation date" in an amount equal to the lesser of (a) 100% of the severance benefit and (b) \$510,000 (for calendar year 2013), with the remainder, if any, payable on the date that is six months and one day following the termination date.

Under the Severance Plan, "change in control" or "CIC" means the consummation or effectiveness of any of the following events: (i) the sale, exchange, lease or other disposition of all or substantially all of the assets of Seagate to a person or group of related persons; (ii) a merger, reorganization, recapitalization, consolidation or other similar transaction involving Seagate in which the voting securities of Seagate owned by the shareholders of Seagate immediately prior to such transaction do not represent more than fifty percent (50%) of the total voting power of the surviving controlling entity outstanding immediately after such transaction; (iii) any person or group of related persons is or becomes the beneficial owner, directly or indirectly, of more than 50% of the total voting power of the voting securities of Seagate; (iv) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board (together with any new directors whose election by such Board or whose nomination for election by the shareholders of Seagate was approved by a vote of a majority of the directors of Seagate then still in office, who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Board then in office; or (v) a dissolution or liquidation of Seagate.

In addition, under the terms of our equity award agreements with each NEO and consistent with the treatment of equity awards under the Severance Plan, if a change in control (which is generally defined in a similar manner as under the Severance Plan) occurs and the successor company does not assume or replace the awards with alternatives that preserve both the intrinsic value and the rights and benefits of the award immediately prior to the CIC, then all awards accelerate and become fully vested at least 10 days prior to the consummation of the CIC. The PSU award agreement further provides that the number of shares that will vest on the later of the closing of a CIC and an NEO's involuntary

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termination within the change in control period will be based on the Company's performance through the closing date of the CIC, with relative TSR performance measured by using the average closing prices over the 30-day trading period preceding the CIC. Under the terms of the TSR Options and TSR PSUs issued to our CEO, each of those awards would accelerate in full upon the later of a CIC and a qualifying termination of employment, provided the TSR performance metric was satisfied prior to such time.

In the event that the benefits payable following a CIC exceed the safe harbor limits established in Section 280G of the Code, we cap benefits at the safe harbor limit if the after-tax benefit to the NEO of the capped amount is greater than the after-tax benefit of the full amount (which would be subject to excise taxes imposed by Section 4999 of the Code). We do not provide any gross-up for excise taxes and the NEO is responsible for payment of all personal taxes, including excise taxes.

Termination due to Death or Disability

In the event a termination of employment occurs due to an NEO's death or disability, the NEO would not be entitled to any benefits under the Severance Plan. Under the Severance Plan, "disability" means that the NEO is physically or mentally incapacitated and therefore unable to substantially perform his duties for six consecutive months or an aggregate of nine months in any consecutive 24-month period. However, in the event of termination of employment due to an NEO's death or disability, the Compensation Committee has the discretion under the terms of the EPB to pay to the NEO or the individual's estate a pro-rated target bonus for the fiscal year in which the termination occurs.

The terms of the restricted share and performance share award agreements for our NEOs provide that vesting will cease upon a termination due to disability (as defined above), and the Company will automatically reacquire all unvested shares without payment of consideration. However, for a termination due to death, the NEO will be deemed to have completed an additional year of service as of the termination date so that an additional 25% of the award will vest immediately.

Similarly, the option agreements provide that upon termination due to death, the NEO will be deemed to have completed an additional year of service for purposes of determining the portion of an option award that will be vested at termination. For our CEO, the TSR Option agreement provides that the CEO will vest pro-rata in the option based on the number of days from the beginning of the performance period until the termination date upon termination due to death or disability, provided that the performance condition has been satisfied at the termination date. Additionally, the PSU agreements for our NEOs provide that in the event of a termination due to death or disability, the awards will vest pro-rata based on the number of days from the beginning of the performance period until the termination date, based on actual Company performance, and will be settled in ordinary shares after the end of the performance period. For our CEO, the TSR PSU award agreement provides that the CEO will vest pro-rata in the award based on the number of days from the beginning of the performance period until the termination date upon termination due to death or disability, provided that the performance condition has been satisfied at the termination date.

Finally, for those Executives who participate in the group replacement life insurance plan, the Company will continue to pay its portion of the insurance premiums through the end of the calendar year in which the Executive becomes disabled.

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Potential Payments Upon Termination

Severance Benefits Upon Termination Without Cause or For Good Reason outside a Change in Control Period

The following table sets forth the estimated value of the potential payments and benefits to each NEO assuming termination of the NEO by the Company without cause or by the NEO for good reason on June 28, 2013.

Name	Monthly Base Salary (\$)	Months of Base Pay (#)	Prior Year Bonus (\$) ⁽¹⁾	Outplacement Benefit (\$)	Total (\$)
Stephen J. Luczo	87,500	24	2,220,761	15,000	4,335,771
Patrick J. O'Malley	45,753	20	774,142	15,000	1,704,203
Robert W. Whitmore	56,169	20	946,029	15,000	2,084,402
Albert A. Pimentel	50,001	20	846,025	15,000	1,861,054
Kenneth M. Massaroni	45,835	20	775,520	15,000	1,707,211

(1) Represents full-year bonus earned but unpaid at the time of termination.

Severance Benefits Upon Termination Due to Death

The following table sets forth the estimated value as of June 28, 2013 of the potential payments and benefits to each NEO, assuming termination of the NEO due to death on such date.

Name	Target Bonus (\$) ⁽¹⁾	Accelerated Vesting of Stock Options (\$) ⁽²⁾	Accelerated Vesting of Stock Awards (\$) ⁽³⁾	Total (\$)
Stephen J. Luczo ⁽⁴⁾	1,575,007	5,676,381	22,129,433	29,380,821
Patrick J. O'Malley ⁽⁴⁾	549,037	2,492,934	3,960,865	7,002,836
Robert W. Whitmore	674,024	1,105,925	3,960,865	5,740,814
Albert A. Pimentel	600,018	5,146,312	2,045,593	7,791,922
Kenneth M. Massaroni	550,014	1,268,798	3,574,117	5,392,929

(1) Amounts for the bonus component of the death benefit assume that the Compensation Committee elects to exercise its discretion to pay the NEO's estate a bonus for the fiscal year in which death occurs. In addition, the amount has been calculated assuming that the Compensation Committee elects to award the bonus at the NEO's target bonus opportunity for that year. However, the EPB does not obligate the Compensation Committee to pay a bonus at the target bonus level or otherwise in the event of an NEO's death.

(2) Amounts for the value of options that receive accelerated vesting as a result of the termination are calculated assuming that the market price per share of Seagate's ordinary shares on the date of termination of employment was equal to the closing price on June 28, 2013, or \$44.83 per share, and are based on the difference between this price and the exercise price of options held by the NEO. As a result, the amounts shown do not include any value for the acceleration of options that have an exercise price greater than \$44.83 or for options that were already vested as of June 28, 2013. Under the terms of the TSR Options issued to our CEO, the same number of options would accelerate in the event of disability as in the event of death because the performance condition was satisfied as of June 28, 2013; the value of the acceleration of such TSR Options is set forth in the table below (see footnote 3 below).

(3) Amounts for the value of share awards that receive accelerated vesting as a result of the termination are calculated assuming that the market price per share of Seagate's ordinary shares on the date of termination of employment was equal to the closing price on June 28, 2013. In addition, the value of accelerated PSUs is calculated assuming that we would have achieved the target level of performance at the end of the three-year performance measurement cycle. In the event of disability, the NEOs would receive the same number of shares under the terms of the PSU award agreements as in the event of death, as set forth below. In addition, under the terms of the TSR PSUs issued to our CEO, the same number of

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PSUs would accelerate in the event of disability as in the event of death because the performance condition was satisfied as of June 28, 2013.

Name	Accelerated Vesting of PSU Awards (\$)	Accelerated Vesting of Options (\$)
Stephen J. Luczo	22,129,433	910,514
Patrick J. O'Malley	3,960,865	
Robert W. Whitmore	3,960,865	
Albert A. Pimentel	1,989,555	
Kenneth M. Massaroni	3,459,800	

(4)

In the event of the death of either of Messrs. Luczo or O'Malley, their beneficiary(ies) would be entitled to a death benefit of \$450,000 under the terms of the group replacement life insurance plan, in addition to any accrued cash value. Further, under the terms of this plan, each of Messrs. Luczo and O'Malley would be entitled to continued payment of the Company's portion of the insurance premiums through December 31, 2014, in the aggregate amount of \$1,559 and \$1,002, respectively, in the event the Executive became disabled on June 28, 2013.

Severance Benefits Upon Termination Without Cause or For Good Reason within a Change in Control Period

The following table sets forth the estimated value calculated as of June 28, 2013 of the potential payments to each NEO, assuming termination of the NEO by the Company without cause or by the NEO for good reason on such date in connection with a change in control, during a change in control period, as defined in the Severance Plan.

Name	Monthly Base Salary (\$)	Monthly Target Bonus (\$)	Months of Pay (#)	Total Severance Pay (\$)	Total Health Care Benefit (\$)	Outplacement Benefit (\$)	Accelerated Vesting of Stock Options (\$ ⁽¹⁾)	Accelerated Vesting of Stock Awards (\$ ⁽²⁾)	Total (\$ ⁽³⁾)
Stephen J. Luczo	87,500	131,251	36	7,875,036	38,441	15,000	23,628,414	48,180,594	79,737,485
Patrick J. O'Malley	45,753	45,753	24	2,196,147	24,373	15,000	3,040,600	8,620,585	13,896,705
Robert W. Whitmore	56,169	56,169	24	2,696,096	38,441	15,000	1,653,590	8,620,585	13,023,712
Albert A. Pimentel	50,001	50,001	24	2,400,070	38,441	15,000	9,532,490	5,413,223	17,399,024
Kenneth M. Massaroni	45,835	45,835	24	2,200,058	38,441	15,000	1,695,111	8,490,802	12,439,412

(1)

Amounts for the value of options that receive accelerated vesting as a result of the termination are calculated assuming that the market price per share of Seagate's ordinary shares on the date of termination of employment was equal to the closing price on June 28, 2013, or \$44.83 per share, and are based on the difference between this price and the exercise price of options held by the NEO. As a result, the amounts shown do not include any value for the acceleration of options that have an exercise price greater than \$44.83 or for options that were already vested as of June 28, 2013.

(2)

Amounts for the value of share awards that receive accelerated vesting as a result of the termination are calculated assuming that the market price per share of Seagate's ordinary shares on the date of termination of employment was equal to the closing price on June 28, 2013. In addition, the value of accelerated PSUs is calculated assuming that we would have achieved the target level of performance at the end of the three-year performance measurement cycle, except for the TSR PSUs issued to our CEO which would accelerate in full because the performance condition had been satisfied as of June 28, 2013.

(3)

Calculations do not include the impact of any potential cutback pursuant to the application of the Code Section 280G safe harbor limit under the relevant provisions of the Severance Plan.

Compensation Committee Interlocks and Insider Participation

The members of our Compensation Committee during fiscal year 2013 were Messrs. Biondi, Geldmacher and Zander, as well as Ms. Marshall. None of these individuals was an Executive or employee of the Company or any of its subsidiaries at any time during fiscal year 2013, nor has any of these individuals ever been an Executive of the Company or any of its subsidiaries. No Executives of the Company served on the compensation committee of any other entity, or as a director of an entity, that employed any of the members of the Compensation

Committee during fiscal year 2013.

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The following table sets forth information concerning the Company's equity compensation plans as of June 28, 2013.

Equity compensation plans	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans
Equity Compensation Plan approved by shareholders	9,413,371 ⁽¹⁾	\$ 14.59 ⁽²⁾	40,252,312 ⁽³⁾
Equity compensation plans not approved by shareholders	50,089 ⁽⁴⁾	\$ 18.03 ⁽⁵⁾	
Total	9,463,460	\$ 14.60	40,252,312

- (1) This number includes 1,055,182 ordinary shares that were subject to issuance upon the exercise of stock options granted under our Seagate Technology plc 2001 Share Option Plan (the "SOP"), 6,276,442 ordinary shares that were subject to issuance upon the exercise of stock options granted under the 2004 SCP and 2,081,747 ordinary shares that were subject to issuance upon the exercise of stock options granted under the 2012 Plan.
- (2) This value is calculated based on the exercise price of options outstanding under the SOP, the 2004 SCP and the 2012 Plan.
- (3) This number includes 28,287,655 ordinary shares available for future issuance under the 2012 Plan and 11,964,657 ordinary shares available for issuance under our ESPP.
- (4) This number includes 10,350 ordinary shares that were subject to issuance under the Maxtor Corporation 2005 Performance Incentive Plan (the "Maxtor 2005 Plan") and 39,739 ordinary shares that were subject to issuance under the Maxtor Corporation Amended and Restated 1996 Stock Option Plan (the "Maxtor 1996 Plan").
- (5) This value is calculated based on the exercise price of options outstanding under the Maxtor 2005 Plan and the Maxtor 1996 Plan.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Our Board has adopted a written policy for approval of transactions to which the Company or any of its subsidiaries is party and in which any director, director nominee, executive officer, greater than five percent beneficial owner and immediate family member of the foregoing persons (each, a "Related Person") has a direct or indirect material interest, where the amount involved in the transaction exceeds \$120,000 (a "Related Person Transaction"). The policy provides that a Related Person must disclose at the earliest practicable time to the General Counsel of the Company or his designee any plan or proposal to engage in or continue any Related Person Transaction. The Nominating and Corporate Governance Committee reviews any such transaction determined by the General Counsel to be a Related Person Transaction and determines whether or not to approve or ratify the Related Person Transaction. In doing so, the Nominating and Corporate Governance Committee takes into account, among other factors it deems to be appropriate, the extent of the Related Person's interest in the transaction; whether the transaction would interfere with the objectivity and independence of any Related Person's judgment or conduct in fulfilling his or her duties and responsibilities to the Company; whether the transaction is fair to the Company and on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances; whether the transaction is in the interest of the Company and its shareholders; and whether the transaction would present an improper conflict of interest, taking into account the size of the transaction, the nature of the Related Person's interest in the transaction, other Company policies and any other factors the committee deems relevant. In addition, if a Related Person Transaction involves a non-management director, the Nominating and Corporate Governance Committee will also consider whether, in connection with any transaction involving a non-employee director or nominee for director, such

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transaction would compromise such director's status as: (1) an independent director under the NASDAQ rules, including the enhanced independence requirements for directors serving on the Compensation Committee, (2) an "outside director" under Section 162(m) of the Internal Revenue Code or a "non-employee director" under Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), if such non-employee director serves on the Compensation Committee of the Board, or (3) an independent director under Rule 10A-3 of the Exchange Act, if such non-employee director serves on the Audit Committee of the Board. The Board has delegated authority to the Chair of the Nominating and Corporate Governance Committee to review and approve or ratify transactions where the aggregate amount is expected to be less than \$1 million. A summary of any new transactions approved by the Chair is provided to the full Nominating and Corporate Governance Committee for its review at the next scheduled committee meeting after such approval.

The Nominating and Corporate Governance has reviewed the categories of transactions that shall not be deemed to be Related Person Transactions for the purposes of the policy ("Excluded Transactions"). These transactions are not required to be disclosed pursuant to Item 404(a) of Regulation S-K and/or are deemed to have been approved under the policy. These include the following:

transactions involving competitive bids, regulated transactions and certain banking-related services;

transactions where all shareholders receive proportional benefits; and

transactions with significant shareholders if the transactions occur in the ordinary course of business, are consistent with other transactions in which the Company has engaged with third parties on an arm's length basis and are on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances.

On December 19, 2011, the Company completed the acquisition of Samsung Electronics Co., Ltd.'s ("Samsung"; references to "Samsung" hereafter include Samsung affiliates) hard disk drive business pursuant to an Asset Purchase Agreement ("APA"), previously filed on August 17, 2011 as an exhibit to Seagate's Annual Report on Form 10-K for fiscal year 2011, by which the Company acquired certain assets and liabilities of Samsung relating to the research and development, manufacture and sale of hard disk drives (the "Acquisition"). The acquisition-date fair value of the consideration transferred totaled \$1,140 million, which consisted of \$571 million of cash, \$10 million of which was paid as a deposit upon signing the APA in the fourth quarter of fiscal year 2011, and 45,239,490 ordinary shares with a fair value of \$569 million as of the closing of the Acquisition. Samsung disclosed on its Schedule 13D filed with the SEC on December 20, 2011 that it beneficially owned more than 10% of the outstanding voting securities of the Company as of closing of the Acquisition on December 19, 2011.

In connection with the Acquisition, the Company entered into a number of agreements with Samsung during fiscal year 2012 and fiscal year 2013. Pursuant to the terms of the Shareholder Agreement entered into with Samsung, previously filed on August 17, 2011 as an exhibit to Seagate's Annual Report on Form 10-K for fiscal year 2011, Samsung has the right to appoint one representative to the Board so long as Samsung holds at least 7% of Seagate's outstanding ordinary shares. Samsung's representative, Dr. Jeong, was appointed to the Board as of April 26, 2012, and will be standing for election at the 2013 AGM. Dr. Jeong does not receive any compensation from the Company for service on the Board except for reimbursement of applicable out-of-pocket expenses incurred in connection with Board service in accordance with Company policy. The Company also entered into: (i) a transition services agreement pursuant to which the Company accrued approximately \$4 million in fiscal year 2013, (ii) a warranty agreement to assume specified warranty liabilities for Samsung products following the closing of the Acquisition, (iii) an intellectual property agreement previously filed on August 17, 2011 as an exhibit to Seagate's Annual Report on Form 10-K for fiscal year 2011, in relation to certain

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intellectual property sold and licensed under the terms of the APA, as well as an amended cross-license agreement in relation to certain of the Company's and Samsung's patents, neither of which requires any additional payment to be made by either the Company or Samsung, and (iv) a trademark license agreement with Samsung pursuant to which the Company accrued approximately \$6 million during fiscal year 2013. In connection with the Acquisition, the Company and Samsung also negotiated certain supply arrangements pursuant to which the parties entered into (i) a new hard disk drive supply agreement under which the Company supplies disk drives to Samsung for its personal computer, notebook, consumer electronics and other businesses, and (ii) a new NAND flash memory supply agreement (the "NAND Agreement") under which Samsung provides the Company with semiconductor products for use in the Company's enterprise solid state drives, solid state hybrid drives and other products, in each case on terms that may be made available to each party's largest customers. In addition to the Acquisition and various ancillary agreements, there were also a number of ongoing relationships and transactions between the Company and Samsung during fiscal year 2013.

During fiscal year 2013, the Company recorded revenues of \$413 million in relation to the sale of hard disk drives to Samsung, and made payments of approximately \$334 million for the purchase of NAND flash and other memory products under the terms of the NAND Agreement and other solid state memory supply agreements with Samsung. During fiscal year 2013, the Company and Samsung also continued to jointly develop certain storage technologies under the terms of a joint development and license agreement entered into in July 2010. Finally, the Company and Samsung entered into a contract for the construction of a new Seagate design center in Korea with a construction commencement date of February 2012, pursuant to which the Company paid Samsung approximately \$53 million in fiscal year 2013.

In accordance with the Company's policy on Related Person Transactions, the Board and the Nominating and Corporate Governance Committee have approved the participation of the Company in the Acquisition and its related transactions and the Company's participation in all transactions with Samsung since it became a Related Person has been in accordance with the Company's policy on Related Person Transactions.

Josip Relota, Mr. Luczo's brother-in-law, has been employed as a software engineer by one of our majority-owned subsidiaries since June 24, 2013. In connection with such employment, Mr. Relota receives total annual cash compensation from such subsidiary of approximately \$160,000. In addition, Mr. Relota is eligible to participate in such subsidiary's general employee benefit plans, including vacation and health plans. Mr. Relota has been granted 60,000 stock options of such subsidiary with an exercise price of \$0.11 per share. Mr. Relota's compensation is commensurate with that of other employees of such subsidiary in similar positions. The Company's Nominating and Corporate Governance Committee has ratified the terms of Mr. Relota's employment and compensation.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act, and the related rules of the SEC require our directors and officers, and any person who beneficially owns more than ten percent of our ordinary shares, to file reports of securities ownership on Form 3 and changes in ownership on Forms 4 or 5 with the SEC. Such officers, directors and greater than ten percent shareholders are also required by SEC rules to furnish us with copies of all Section 16(a) forms that they file.

Based solely on our review of the copies of such forms furnished to us and written representations from our directors and officers, there were no late Section 16(a) filings during fiscal year 2013.

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SUBMISSION OF FUTURE SHAREHOLDER PROPOSALS AND NOMINATIONS

Pursuant to Rule 14a-8 under the Exchange Act, some shareholder proposals may be eligible for inclusion in our 2014 Proxy Statement. These shareholder proposals must be submitted, along with proof of ownership of our shares in accordance with Rule 14a-8(b)(2), to 38/39 Fitzwilliam Square, Dublin 2, Ireland, Attention: Corporate Secretary. We must receive all submissions no later than May 14, 2014. We strongly encourage any shareholder interested in submitting a proposal to contact our Corporate Secretary in advance of this deadline to discuss the proposal, and shareholders may want to consult knowledgeable counsel with regard to the detailed requirements of applicable securities laws. Submitting a shareholder proposal does not guarantee that we will include it in our Proxy Statement. The Nominating and Corporate Governance Committee reviews all shareholder proposals and makes recommendations to the Board for action on such proposals in accordance with SEC rules and our Articles of Association. For information on recommending individuals for consideration as nominees, see the "Corporate Governance Board Leadership Structure Nominating and Corporate Governance Committee" section of this Proxy Statement.

Any shareholder of record who intends to nominate a candidate to become a member of our Board for election at our 2014 AGM must comply with the procedures for nominating directors set forth in applicable SEC rules and our Articles of Association. Specifically, the shareholder must submit the nomination no earlier than April 14, 2014 and no later than May 14, 2014. The shareholder's submission must be made by a registered shareholder on his or her behalf or on behalf of the beneficial owner of the shares. We will not entertain any nominations at the 2014 AGM that do not meet these requirements. The procedures require that written notice of such nomination be received by Seagate at 38/39 Fitzwilliam Square, Dublin 2, Ireland, Attention: Corporate Secretary. In accordance with our Articles of Association, the shareholder's notice must set forth:

as to each person whom the shareholder proposes to nominate for election as a director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors pursuant to Regulation 14A under the Exchange Act, including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; and

as to the shareholder giving the notice (i) the name and address of such shareholder, as it appears on the Register of Members, (ii) the class and number of shares that are owned beneficially and/or of record by such shareholder, (iii) a representation that the shareholder is a registered holder of ordinary shares entitled to vote at such meeting, and intends to appear in person or by proxy at the meeting to propose such nomination, and (iv) a statement as to whether the shareholder intends, or is part of a group that intends, to (x) deliver a proxy statement and/or form of proxy to holders of at least the percentage of Seagate's outstanding share capital required to approve or elect the nominee and/or (y) otherwise to solicit proxies from shareholders in support of such nomination.

If the date of the 2014 AGM is advanced by more than 30 days or delayed (other than as a result of adjournment) by more than 30 days from the anniversary of the 2013 AGM, the shareholder must submit any such nomination not earlier than the 150th day prior to the date of the 2014 AGM and not later than the later of the 120th day prior to the date of the 2014 AGM or the 10th day following the day on which public announcement of the date of such meeting is first made.

If a shareholder wishes to bring business before the 2014 AGM that is submitted outside the processes of Rule 14a-8 (other than a proposal to nominate a director as outlined above, and subject to applicable rules), notice of such business must be received by Seagate's Corporate Secretary, at the address specified above, no later than July 28, 2014. If a shareholder fails to comply with the forgoing notice provision, the Proxy Holders will be allowed to use their discretionary voting authority when and if the proposal is raised at the 2014 AGM. If the date of the 2014 AGM is advanced by more than

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30 days or delayed (other than as a result of adjournment) by more than 30 days from the anniversary of the 2013 AGM, then any such notice must be received by Seagate's Corporate Secretary, at the address specified above, not later than the later of the 75th day prior to the date of the 2014 AGM or the 10th day following the day on which public announcement of the date of such meeting is first made.

Irish law provides that shareholders holding not less than 10% of the paid-up share capital carrying voting rights may requisition the directors to call an extraordinary general meeting at any time. The shareholders who wish to requisition an extraordinary general meeting must deposit a written notice at Seagate's registered office, which is signed by the shareholders requisitioning the meeting and states the objects of the meeting. If the directors do not within 21 days of the date of deposit of the requisition proceed to convene a meeting to be held within two months of that date, those shareholders (or any of them representing more than half of the total voting rights of all of them) may themselves convene a meeting but any meeting so convened cannot be held after the expiration of three months from the date of deposit of the requisition. These provisions of Irish law are in addition to, and separate from, the requirements that a shareholder must meet in order to have a proposal included in the proxy statement under the rules of the SEC.

INCORPORATION BY REFERENCE

To the extent that this Proxy Statement is incorporated by reference into any other filing by us under the Securities Act of 1933, as amended, or the Exchange Act, the sections of this Proxy Statement entitled "Report of the Compensation Committee" and "Report of the Audit Committee" (to the extent permitted by the rules of the SEC) will not be deemed incorporated, unless specifically provided otherwise in that other filing.

ANNUAL REPORT

A copy of our Annual Report on Form 10-K (excluding exhibits) and our Irish Statutory Accounts, both for the fiscal year ended June 28, 2013, accompany this Proxy Statement. An additional copy of either document, including exhibits, will be furnished without charge to beneficial shareholders or shareholders of record upon request to Investor Relations, Seagate Technology plc, 10200 S. De Anza Boulevard, Cupertino, California 95014, or upon calling 1+ (408) 658-1222.

DELIVERY OF DOCUMENTS TO SHAREHOLDERS SHARING AN ADDRESS

The broker, bank or other nominee for any shareholder who is a beneficial owner, but not the record holder, of the Company's shares may deliver only one copy of the Company's Notice of Internet Availability of Proxy Materials or one paper copy of the Proxy Materials to multiple shareholders who share the same address, unless that broker, bank or other nominee has received contrary instructions from one or more of the shareholders. The Company will deliver promptly, upon written or oral request, a separate copy of the Proxy Materials to a shareholder at a shared address to which a single copy of the documents was delivered. A shareholder who wishes to receive a separate copy of the Proxy Materials, now or in the future, should submit his or her request to the Company by telephone at 1+ (408) 658-1222, or by submitting a written request to Investor Relations, Seagate Technology plc, 10200 S. De Anza Boulevard, Cupertino, California 95014. Beneficial owners sharing an address who are receiving multiple copies of the Proxy Materials and wish to receive a single copy of such materials

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in the future will need to contact their broker, bank or other nominee to request that only a single copy of each document be mailed to all shareholders at the shared address in the future.

By Order of the Board of Directors,

Kenneth M. Massaroni
*Executive Vice President, General Counsel,
Chief Administrative Officer
and Company Secretary*

September 11, 2013

**SEAGATE TECHNOLOGY PLC
EXECUTIVE OFFICER PERFORMANCE BONUS PLAN**

As Amended and Restated Effective as of July 23, 2013

The objectives of the Seagate Technology plc Executive Officer Performance Bonus Plan (the "EOPB") are to motivate and reward the Company's executive officers to produce results that increase shareholder value and to encourage individual and team behavior that helps the Company achieve both short and long-term corporate objectives. The EOPB was previously amended and restated effective as of June 28, 2008.

**ARTICLE I.
DEFINITIONS**

Section 1.1 "Base Compensation" with respect to a Performance Period shall mean the Participant's rate of annual base salary as in effect as of the last day of such Performance Period, prorated for a partial Performance Period if the Participant was not employed or eligible to participate in the EOPB, as applicable, for the full Performance Period, and shall exclude moving expenses, bonus pay and other payments which are not considered part of annual base salary.

Section 1.2 "Board" shall mean the Board of Directors of the Company.

Section 1.3 "Code" shall mean the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code herein shall be deemed to include a reference to the regulations promulgated under such section and to any successor provision of such section.

Section 1.4 "Committee" shall mean the Compensation Committee of the Board described in Section 6.1 or, where applicable, shall mean the independent members of the Board in relation to the bonus award payable to the Company's Chief Executive Officer where such members make any determination with respect to such award.

Section 1.5 "Company" shall mean Seagate Technology plc, an Irish company.

Section 1.6 "Compensation Recovery Policy" shall mean the Company's Compensation Recovery for Fraud or Misconduct Policy, as such policy may be amended or superseded from time to time.

Section 1.7 "Disability" shall mean the physical or mental incapacitation such that for a period of six consecutive months or for an aggregate of nine months in any 24-month consecutive period, a Participant is unable to substantially perform his or her duties. Any question as to the existence of that Participant's physical or mental incapacitation as to which the Participant or the Participant's representative and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the Participant and the Company. If the Participant and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of "Disability" made in writing to the Company and the Participant shall be final and conclusive for all purposes of the bonus awards.

Section 1.8 "Executive Officer" shall mean an employee who is subject to the requirements of Section 16(a) of the Securities Exchange Act of 1934, as amended.

Section 1.9 "Participant" shall mean, with respect to any Performance Period during the term of the EOPB, an Executive Officer selected or approved by the Committee to participate in the EOPB in accordance with Section 2.3 hereof.

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Section 1.10 "Performance Period" shall mean the period for which performance is calculated, which, unless otherwise indicated by the Committee, shall be the fiscal year.

Section 1.11 "Severance Plan" shall mean the Fifth Amended and Restated Executive Severance and Change in Control Plan, as such plan may be amended from time to time.

**ARTICLE II.
BONUS AWARDS**

Section 2.1 Performance Targets. A Participant shall be eligible to earn a bonus award under the EOPB based on the achievement of one or more performance targets by the Company, as determined by the Committee for each Performance Period. The performance targets for a Performance Period shall be based on any one or more of the following objective performance criteria, or derivations of such performance criteria, either individually, alternatively or in any combination, applied to either the Company as a whole or to a business unit or subsidiary, and measured over the designated Performance Period, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group or index, in each case as the Committee determines: (a) pre-and after-tax income; (b) operating income; (c) net operating income or profit (before or after taxes); (d) net earnings; (e) net income (before or after taxes); (f) operating margin; (g) gross margin; (h) cash flow (before or after dividends); (i) earnings per share; (j) return on equity; (k) return on assets, net assets, investments or capital employed; (l) revenue; (m) market share; (n) cost reductions or savings; (o) funds from operations; (p) total shareholder return; (q) share price; (r) earnings before any one or more of the following items: interest, taxes, depreciation or amortization; (s) market capitalization; (t) economic value added; (u) operating ratio; (v) product development or release schedules; (w) new product innovation; (x) implementation of the Company's critical processes or projects; (y) customer service or customer satisfaction; (z) product quality measures; (aa) days sales outstanding or working capital management; (bb) inventory or inventory turns; (cc) pre-tax profit and/or (dd) cost reductions.

Section 2.2 Adjustments. To the extent consistent with Section 162(m) of the Code, the Committee may determine to adjust any of the foregoing performance targets established by the Committee pursuant to Section 2.3 as follows: (a) to exclude restructuring and/or other nonrecurring charges; (b) to exclude exchange rate effects, as applicable, for non-U.S. dollar denominated net sales and operating earnings; (c) to exclude the effects of changes to generally accepted accounting principles required by the U.S. Financial Accounting Standards Board, as well as changes in accounting standards promulgated by other accounting standards setters to the extent applicable (for example, resulting from future potential voluntary or mandatory adoption of International Financial Reporting Standards); (d) to exclude the effects of any statutory adjustments to corporate tax rates; (e) to exclude the effects of any "extraordinary items" as determined under generally accepted accounting principles; (f) to exclude any other unusual, non-recurring gain or loss or other extraordinary item; (g) to respond to any unusual or extraordinary transaction, event or development; (h) to respond to changes in applicable laws, regulations, and/or accounting principles; (i) to exclude the dilutive or accretive effects of dispositions, acquisitions or joint ventures; (j) to exclude the effect of any change in the outstanding shares by reason of any share dividend or split, share repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to shareholders other than regular cash dividends; (k) to reflect the effect of a corporate transaction, such as a merger, consolidation, separation (including a spinoff or other distribution of stock or property by a corporation), or reorganization (whether or not such reorganization comes within the definition of such terms of Section 368 of the Code); and (l) to reflect the effect of any partial or completed corporate liquidation.

Section 2.3 Bonus Awards. Each individual who is an Executive Officer (a) who remains continuously employed as an Executive Officer from the first day of the applicable Performance Period

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(or, if later, from his or her first day of employment or eligibility to participate in the EOPB, as applicable) through and including the last day of the applicable Performance Period and (b) who is selected or approved by the Committee to participate in the EOPB with respect to such Performance Period, shall be eligible for a bonus award with respect to such Performance Period under this Section 2.3. The Committee shall establish objectively determinable performance targets with respect to Participants under this Section 2.3 for such Performance Period, which shall be based on the performance criteria set forth in Section 2.1. Achievement of specified levels of the performance target will result in a bonus award to such Participants equal to a fixed dollar amount or a percentage of their Base Compensation, as determined by the Committee; provided, however, that the maximum bonus award payable to any Participant with respect to any Performance Period of the Company shall not exceed \$10,000,000 (and, in any case, shall not exceed \$15,000,000 in any fiscal year). The Committee shall establish such specified levels of the performance target(s) and the bonus award, if any, to be paid at each such specified level. As soon as reasonably practicable following the conclusion of each Performance Period and prior to the payment of a bonus award, the Committee shall certify in writing the level of performance attained by the Company for the Performance Period to which such bonus award relates and shall also determine the actual bonus award to be paid to each Participant. The Committee shall have no discretion to increase the amount of a Participant's bonus award but the Committee shall have unlimited discretion to reduce the amount of a Participant's bonus award that would otherwise be payable to the Participant upon the achievement of specified levels of the performance target(s).

**ARTICLE III.
PAYMENT OF BONUS AWARD**

Section 3.1 Form of Payment. Each Participant's bonus award, if the Committee certifies the payment of bonus awards for an applicable Performance Period in accordance with Section 2.3, shall be paid in cash.

Section 3.2 Timing of Payment. Unless a Participant has timely and validly elected to defer all or part of a bonus award under a deferred compensation plan sponsored by the Company or an affiliate, each bonus award shall be paid no later than the 15th day of the third month following the end of the Performance Period to which such bonus award relates. A timely election is one that satisfies the requirements of Section 409A of the Code and typically for performance-based compensation must be made at least six months in advance of the expiration of the applicable period of service, provided that the Participant performs services continuously from the later of the beginning of such period or the date the performance criteria are established through the date an election is made and provided further that in no event may a deferral be made after such compensation has become readily ascertainable as set forth in Section 409A of the Code.

**ARTICLE IV.
SECTION 162(M) OF THE CODE**

Section 4.1 Qualified Performance Based Compensation. Except as set forth in the final sentence of Article V and Section 7.4(d) hereof, bonus awards are intended to qualify as "performance-based compensation" within the meaning of Section 162(m)(4)(C) of the Code, and the Committee shall take such actions as are consistent with the terms of the EOPB to ensure that such bonus award will so qualify.

Section 4.2 Performance Goals. With respect to any bonus award that qualifies as "performance-based compensation," within the meaning of Section 162(m)(4)(C) of the Code, any of the performance targets described in Section 2.1, if applicable to such bonus award, shall be established in writing by the Committee no later than the earlier of (i) the date that is 90 days after the commencement of the applicable Performance Period or (ii) the date on which twenty-five percent (25%) of the Performance

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Period has elapsed, and, in any event, at a time when the outcome of the performance target(s) remains substantially uncertain. No bonus award which is intended to qualify as "performance-based compensation," within the meaning of Section 162(m)(4)(C) of the Code, shall be paid to a Participant unless and until the Committee makes a certification in writing with respect to the level of performance attained by the Company for the period of service to which such bonus award relates, as required by Section 162(m) of the Code, and the regulations promulgated thereunder.

**ARTICLE V.
TERMINATIONS**

A Participant who, whether voluntarily or involuntarily, is terminated or demoted or otherwise ceases to be an Executive Officer at any time during a Performance Period shall not be eligible to receive a pro-rata bonus award, nor shall a Participant who, whether voluntarily or involuntarily, is terminated following the end of a Performance Period but before bonuses are generally paid out to Participants be eligible to receive a prior year bonus award.

Notwithstanding the terms of the previous paragraph, in the event of a Participant's death or Disability, or in the event of a change in ownership or control of the Company, the Committee may, in its sole discretion, provide pro-rata bonus awards to affected Participants.

In addition, in the event of a qualifying termination of employment, a Participant may have rights to receive a pro-rata bonus award and/or prior year bonus award under the terms of the Severance Plan, or such other successor plan or program as may be in effect from time to time.

**ARTICLE VI.
ADMINISTRATION**

Section 6.1 Compensation Committee. The Committee shall consist solely of two or more members of the Board who are "outside directors," within the meaning of Section 162(m) of the Code, and satisfy such other criteria as set forth in the Committee's Charter.

Section 6.2 Duties and Powers of Committee. The Committee shall administer the EOPB, and shall have the full and final authority in its discretion (subject to, and within the limitations of, the express provisions of the EOPB) to establish rules and take all actions, including, without limitation:

- (a) selecting or approving Executive Officers to participate in the EOPB and determining the potential amount of bonus award payable to such persons;
- (b) construing and interpreting the terms of the EOPB and establishing, amending and revoking rules and regulations for its administration;
- (c) correcting any defect, omission or inconsistency in the EOPB in a manner and to the extent it shall deem necessary or expedient to make the EOPB fully effective;
- (d) deciding all questions of fact arising in their application, determined by the Committee to be necessary in the administration of the EOPB; and
- (e) generally exercising such powers and performing such acts as the Committee deems necessary, desirable, convenient or expedient to promote the best interests of the Company that are not in conflict with the EOPB.

Section 6.3 Effect of Committee's or Board's Decision. All decisions, determinations and interpretations of, and all actions taken by, the Committee or the Board in good faith shall be final, binding and conclusive on all persons, including the Company, the Participants and their estates and beneficiaries.

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**ARTICLE VII.
OTHER PROVISIONS**

Section 7.1 Amendment, Suspension or Termination of the EOPB. This EOPB does not constitute a promise to pay and may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Committee or the Board, subject to any requirement for shareholder approval under applicable law, including Section 162(m) of the Code. Notwithstanding the foregoing, no amendment, modification, suspension or termination of the EOPB shall be made which materially adversely affects bonus awards previously made to a Participant without such Participant's consent.

Section 7.2 Approval of EOPB by Shareholders. The EOPB shall be submitted for the approval of the Company's shareholders at the 2013 Annual Meeting of Shareholders.

Section 7.3 Seagate Compensation Recovery for Fraud or Misconduct Policy. Any bonus awards payable thereafter under the EOPB shall be subject to the Company's Compensation Recovery Policy as in effect from time to time, and the terms and conditions of such policy shall be incorporated into the EOPB.

Section 7.4 Miscellaneous.

(a) The Company shall deduct all federal, state and local taxes required by law or Company policy from any bonus award paid to a Participant hereunder.

(b) In no event shall the Company be obligated to pay to any Participant a bonus award by reason of the Company's payment of a bonus to such Participant in any other Performance Period, and there is no obligation for uniformity of treatment of Participants under the EOPB.

(c) The rights of Participants under the EOPB shall be unfunded and unsecured. Amounts payable under the EOPB are not and will not be transferred into a trust or otherwise set aside. The Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of any bonus under the EOPB.

(d) The Company intends that bonus awards payable under the EOPB shall satisfy and shall be interpreted in a manner that satisfies any applicable requirements as qualified "performance-based compensation" within the meaning of Section 162(m)(4)(C) of the Code, unless the Committee specifies to the contrary at the time of grant of a bonus award or the terms of a bonus award are clearly inconsistent with the requirements of Section 162(m)(4)(C) of the Code. To the extent bonus awards under the EOPB are intended to qualify as "performance-based compensation" within the meaning of Section 162(m)(4)(C) of the Code, any provision, application or interpretation of the EOPB that is inconsistent with this intent shall be disregarded with respect to bonus awards intended to qualify as "performance-based compensation" within the meaning of Section 162(m)(4)(C) of the Code.

(e) Nothing contained herein shall be construed as a contract of employment or deemed to give any Participant the right to be retained in the employ of the Company or an affiliate, or to interfere with the rights of the Company or any affiliate to discharge any individual at any time, with or without cause, for any reason or no reason, and with or without notice except as may be otherwise agreed in writing.

(f) No rights of any Participant to payments of any amounts under the EOPB shall be sold, exchanged, transferred, assigned, pledged, hypothecated or otherwise disposed of other than by will or by laws of descent and distribution, and any such purported sale, exchange, transfer, assignment, pledge, hypothecation or disposition shall be void.

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(g) Any provision of the EOPB that is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of the EOPB.

(h) The EOPB and the rights and obligations of the parties to the EOPB shall be governed by, and construed and interpreted in accordance with, the law of the State of California (without regard to principles of conflicts of law).

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ANNEX B

Seagate Technology plc

Directors' Report and Financial Statements
For the Year Ended 28 June 2013

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**SEAGATE TECHNOLOGY PLC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 JUNE 2013**

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DIRECTORS

Frank J. Biondi, Jr. (United States)

Michael R. Cannon (United States)

Mei-Wei Cheng (China)

(Appointed 25 July 2012)

William Coleman (United States)

Jay L. Geldmacher (United States)

Seh-Woong Jeong (Korea)

Stephen J. Luczo (United States)

Lydia M. Marshall (United States)

Kristen M. Onken (United States)

C.S. Park (United States)

Gregorio Reyes (United States)

Edward J. Zander (United States)

SECRETARY

Kenneth M. Massaroni

REGISTERED OFFICE

38/39 Fitzwilliam Square,
Dublin 2, Ireland.

REGISTERED NUMBER OF INCORPORATION

480010

SOLICITORS

Arthur Cox,
Arthur Cox Building,
Earlsfort Centre,
Earlsfort Terrace,
Dublin 2.

AUDITORS

Ernst & Young,
Chartered Accountants,
Ernst & Young Building,
Harcourt Centre,
Harcourt Street,
Dublin 2.

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**SEAGATE TECHNOLOGY PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 28 JUNE 2013**

The directors present herewith their report and audited consolidated financial statements for the year ended 28 June 2013.

In this Directors' Report, unless the context indicates otherwise, as used herein, the terms "we," "us," "Seagate," the "Company" and "our" refer to the Seagate Group.

REVIEW OF THE DEVELOPMENT OF THE BUSINESS

We are a leading provider of electronic data storage products. Our principal products are hard disk drives, commonly referred to as disk drives, hard drives or HDDs. Hard disk drives are devices that store digitally encoded data on rapidly rotating disks with magnetic surfaces. Disk drives continue to be the primary medium of mass data storage due to their performance attributes, high quality and cost effectiveness.

We produce a broad range of electronic data storage products including HDDs, solid state hybrid drives (SSHD) and solid state drives (SSD), which address enterprise applications, where our products are designed for enterprise servers, mainframes and workstations; client compute applications, where our products are designed for desktop and notebook computers; and client non-compute applications, where our products are designed for a wide variety of end user devices such as digital video recorders (DVRs), gaming consoles, personal data backup systems, portable external storage systems and digital media systems. In addition to manufacturing and selling data storage products, we provide data storage services for small to medium-sized businesses, including online backup, data protection and recovery solutions.

Industry Overview

Electronic Data Storage Industry

The electronic data storage industry is comprised of companies that manufacture components or subcomponents designed for electronic data storage devices and companies that provide storage solutions through a variety of technologies such as disk drives, semiconductor-based storage technologies such as SSD storage applications and software and services for cloud growth, big data and on-premise and mobility platforms.

Markets

The principal markets served by the electronic data storage industry are:

Enterprise Storage. We define enterprise storage as those solutions which are designed for mission critical and nearline applications.

Mission critical applications are defined as those that are vital to the operation of enterprises, requiring high performance and high reliability solutions. We expect the market for mission critical enterprise storage solutions to continue to be driven by enterprises moving network traffic to dedicated storage area networks in an effort to reduce network complexity and increase energy savings. We believe that this transition will lead to an increased demand for more energy efficient, smaller form factor solutions. These solutions are comprised principally of high performance enterprise class disk drives with sophisticated firmware and communications technologies.

Nearline applications are defined as those which require high capacity and energy efficient solutions featuring low costs per gigabyte. We expect such applications, which include storage for cloud computing, content delivery and backup services, will continue to grow and drive demand for solutions

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designed with these attributes. With the increased consumption of media rich content streamed from the cloud, we expect increased petabyte demand for high capacity nearline devices.

Client Compute. We define client compute applications as solutions designed for desktop and mobile compute applications. We believe that the demand resulting from growing economies of certain countries and the continued proliferation of digital content will continue to drive demand for the client compute market. As the storage of digital content in the cloud becomes more prominent, some client compute applications require less built-in storage, and therefore alternative storage solutions are becoming more prevalent within the client compute market.

Client Non-Compute. We define client non-compute applications as solutions designed for consumer electronic devices and disk drives used for external storage and network-attached storage (NAS). Disk drives designed for consumer electronic devices are primarily used in applications such as DVRs and gaming consoles that require a higher capacity, low cost-per-gigabyte storage solution. Disk drives for external and NAS devices are designed for purposes such as personal data backup and portable external storage, and to augment storage capacity in the consumer's current desktop, notebook, tablet or DVR disk drive capacities. Client non-compute applications also include devices designed to display digital media in the home theater. We believe the proliferation and personal creation of high definition and media-rich digital content will continue to create increasing consumer demand for higher storage solutions.

Participants in the electronic data storage industry include:

Major subcomponent manufacturers. Companies that manufacture components or subcomponents used in electronic data storage devices or solutions include companies that supply spindle motors, heads and media, application specific integrated circuits (ASICs) and glass substrates.

Hardware storage solutions manufacturers. Companies that transform components into storage products include disk drive manufacturers and semiconductor storage manufacturers which include integrating flash memory into storage products such as SSDs.

System integrators. Companies that bundle and package storage solutions into client compute, client non-compute or enterprise applications as well as enterprise storage solutions. Distributors that integrate storage hardware and software into end-user applications are also included in this category.

Storage services. Companies that provide services and solutions related to the backup, archiving, recovery and discovery of electronic data.

Demand for Electronic Data Storage

The continued advancement of cloud, mobile and open source computing, as well as an increase in the use and reliance on big data analytics are driving the growth of digital content. Factors contributing to this growth are the increased:

creation and sharing of all types of digital content, such as high-resolution photos, high definition video and movies, and music by consumers and large amounts of electronic data by enterprises;

aggregation and distribution of digital content through services and other offerings such as Facebook, Instagram, iTunes, LinkedIn, Netflix, Pandora and YouTube;

consumption of digital content through smart phones, tablets, DVRs, and gaming consoles;

use of machine generated data that is produced and stored in increasingly larger quantities; and

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protection of digital content through storage on backup devices and externally provided storage services.

As a result of these factors, the nature and amount of content being created requires increasingly higher storage capacity in order to store, manage, distribute, utilize and backup such content. This in turn has resulted in the rapid growth in demand for electronic data storage applications and solutions which we believe will continue to grow in developed countries as well as in emerging economies.

Additionally, as the way electronic data is consumed continues to evolve with the proliferation of mobile devices and the growth of cloud computing, we also expect shifts in the manner that electronic data is stored. Accordingly, we expect that demand for electronic data storage in the enterprise and traditional non-compute markets will continue to grow.

Demand Trends for Disk Drives

We believe that continued growth in digital content requires increasingly higher storage capacity in order to store, aggregate, host, distribute, manage, backup and use such content. We also believe that as architectures evolve to serve the growing commercial and consumer user base throughout the world, the manner which hard drives are delivered to market and utilized by our customers will evolve as well.

We believe that in the foreseeable future the traditional enterprise and client compute markets that require high capacity storage solutions, as well as the data intensive client non-compute markets, will continue to be best served by hard disk drives due to the industry's ability to deliver cost effective, reliable and energy efficient mass storage devices. Furthermore, the increased use of client non-compute devices that consume media rich content streamed from the cloud increases the demand for high capacity disk drives in nearline applications.

Industry Supply Balance

From time to time the industry has experienced periods of imbalance between supply and demand. To the extent that the disk drive industry builds capacity based on expectations of demand that do not materialize, price erosion may become more pronounced. Conversely, during periods where demand exceeds supply, price erosion is generally muted.

Our Business

Disk Drive Technology

The design and manufacturing of disk drives depends on highly advanced technology and manufacturing techniques and therefore requires high levels of research and development spending and capital equipment investments. Manufacturing our disk drives is a complex process that begins with the production of individual components and ends with a fully assembled disk drive. We design, fabricate and assemble a number of the most important components found in our disk drives, including read/write heads and recording media. Our design and manufacturing operations are based on technology platforms that are used to produce various disk drive products that serve multiple data storage applications and markets. Our core technology platforms are focused around the areal density of media and read/write head technologies. Using an integrated platform design and manufacturing leverage approach allows us to deliver a portfolio of disk drive products to service a wide range of electronic data storage applications and a wide range of industries.

Disk drives that we manufacture are commonly differentiated by the following key characteristics:

storage capacity, commonly expressed in gigabytes (GB) or terabytes (TB), which is the amount of data that can be stored on the disk drive;

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spindle rotation speed, commonly expressed in revolutions per minute (RPM), which has an effect on speed of access to data;

interface transfer rate, commonly expressed in megabytes per second, which is the rate at which data moves between the disk drive and the computer controller;

average seek time, commonly expressed in milliseconds, which is the time needed to position the heads over a selected track on the disk surface;

data transfer rate, commonly expressed in megabytes per second, which is the rate at which data is transferred to and from the disk drive;

input/output operations per second (IOPS), commonly expressed in megabytes per second, which is the maximum number of reads and writes to a storage location;

product quality and reliability, commonly expressed in annualized return rates; and

energy efficiency, commonly measured by the power output necessary to operate the disk drive.

Areal density is a measure of storage capacity per square inch on the recording surface of a disk. The storage capacity of a disk drive is determined by the number of disks it contains as well as the areal density capability of these disks. We have been pursuing, and will continue to pursue, a number of technologies to increase areal densities across the entire range of our products for expanding disk drive capacities and reducing the number of disks and heads per drive to further reduce product costs.

Manufacturing

Vertically integrated hard drive manufacturers design and produce their own read/write heads and recording media, which are critical technologies for disk drives. This integrated approach enables manufacturers to lower costs and to improve the functionality of components so that they work together efficiently.

We believe that because of our vertical design and manufacturing strategy, we are well suited to meet the challenges posed by the close interdependence of components for disk drives. Our manufacturing efficiency and flexibility are critical elements of our integrated business strategy. We continuously seek to improve our manufacturing efficiency and cost by:

employing manufacturing automation to enhance our efficiency;

improving product quality and reliability and reducing costs;

integrating our supply chain with suppliers and customers to enhance our demand visibility and reduce our working capital requirements;

coordinating between our manufacturing group and our research and development organization to rapidly achieve volume manufacturing; and

leveraging the facilities we operate and the personnel we employ.

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A vertically integrated model, however, tends to have less flexibility when demand moderates as it exposes us to higher unit costs as capacity utilization is not optimized.

Due to the significant challenges posed by the need to continually innovate and improve manufacturing efficiency and the continued demands on capital and research and development investments required to do so, the disk drive industry has undergone significant consolidation as disk drive manufacturers and component manufacturers merged with other companies or exited the industry.

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Components and Raw Materials

Disk drives incorporate certain components, including a head disk assembly and a printed circuit board mounted to the head disk assembly, which are sealed inside a rigid base and top cover containing the recording components in a contamination controlled environment. We maintain a highly integrated approach to our business by designing and manufacturing a significant portion of the components we view as critical to our products, such as recording heads and media.

Read/Write Heads. The function of the read/write head is to scan across the disk as it spins, magnetically recording or reading information. The tolerances of recording heads are extremely demanding and require state-of-the-art equipment and processes. Our read/write heads are manufactured with thin-film and photolithographic processes similar to those used to produce semiconductor integrated circuits, though challenges in magnetic film properties and topographical structures are unique to the disk drive industry. We perform all primary stages of design and manufacture of read/write heads at our facilities. We use a combination of internally manufactured and externally sourced read/write heads, the mix of which varies based on product mix, technology and our internal capacity levels.

Media. Information is written to the media, or disk, as it rotates at very high speeds past the read/write head. The media is made from non-magnetic material, usually aluminum alloy or glass, and is coated with a thin layer of magnetic material. We use a combination of internally manufactured and externally sourced finished media and aluminum substrates, the mix of which varies based on product mix, technology and our internal capacity levels. We purchase all of our glass substrates from third parties, which we use in the disk drives we make for mobile products.

Printed Circuit Board Assemblies. The printed circuit board assemblies (PCBAs) are comprised of standard and custom ASICs and ancillary electronic control chips. The ASICs control the movement of data to and from the read/write heads and through the internal controller and interface, which communicates with the host computer. The ASICs and control chips form electronic circuitry that delivers instructions to a head positioning mechanism called an actuator to guide the heads to the selected track of a disk where the data is recorded or retrieved. Disk drive manufacturers use one or more industry standard interfaces such as serial advanced technology architecture (SATA); small computer system interface (SCSI); serial attached SCSI (SAS); or Fibre Channel (FC) to communicate to the host systems. We outsource to third parties the manufacture and assembly of the PCBAs used in our disk drives. We do not manufacture any ASICs, but we participate in their proprietary design.

Head Disk Assembly. The head disk assembly consists of one or more disks attached to a spindle assembly powered by a spindle motor that rotates the disks at a high constant speed around a hub. Read/write heads, mounted on an arm assembly, similar in concept to that of a record player, fly extremely close to each disk surface and record data on and retrieve it from concentric tracks in the magnetic layers of the rotating disks. The read/write heads are mounted vertically on an E-shaped assembly (E-block) that is actuated by a voice-coil motor to allow the heads to move from track to track. The E-block and the recording media are mounted inside the head disk assembly. We purchase spindle motors from outside vendors and from time to time participate in the design of the motors that go into our products. We use a combination of internally manufactured and externally sourced head disk assemblies.

Disk Drive Assembly. Following the completion of the head disk assembly, it is mated to the PCBA, and the completed unit goes through extensive defect mapping and testing prior to packaging and shipment. Disk drive assembly and test operations occur primarily at facilities located in China and Thailand. We perform subassembly and component manufacturing operations at our facilities in China, Malaysia, Northern Ireland, Singapore, Thailand and in the United States in Minnesota. In addition,

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third parties manufacture and assemble components and disk drive assemblies for us in various countries worldwide.

Suppliers of Components and Industry Constraints. There are a limited number of independent suppliers of components, such as recording heads and media, available to disk drive manufacturers. Vertically integrated disk drive manufacturers, who manufacture their own components, are less dependent on external component suppliers than less vertically integrated disk drive manufacturers.

Commodity and Other Manufacturing Costs. The production of disk drives requires rare earth elements, precious metals, scarce alloys and industrial commodities, which are subject to fluctuations in prices and the supply of which has at times been constrained. In addition to increased costs of components and commodities, volatility in fuel costs may also increase our costs related to commodities, manufacturing and freight. As a result, we may increase our use of ocean shipments to help offset any increase in freight costs.

Products

We offer a broad range of HDD's, SSHD's, and SSD's, for the enterprise, datacenter, client compute and client non-compute applications. We offer more than one product within each product category and differentiate products on the basis of price, performance, form factor, capacity, interface, power consumption efficiency, security features like full disk encryption and instant encryption key replacement through our Instant Erase technology, and other customer integration requirements. Our industry is characterized by continuous and significant advances in technology which contribute to rapid product life cycles. We list our main current product offerings below.

Enterprise Storage

Enterprise Performance Family. Our 10,000 and 15,000 RPM Enterprise Performance Family disk drives feature increased throughput and improved energy efficiency, targeted at high random performance server application needs. Performance 10,000 RPM HDDs ship in storage capacities ranging from 300GB to 900GB, and our 15,000 RPM HDDs ship in storage capacities ranging from 146GB to 600GB.

Enterprise Capacity HDD Family. Our Enterprise Capacity disk drives ship in a 2.5-inch and 3.5-inch form factor and in storage capacities of up to 4TB that clock in at 7,200 RPM speeds. These products are designed for bulk data storage and server environments that require high capacity, enterprise reliability, energy efficiency and integrated security, SATA and SAS interfaces.

Enterprise Value HDD Family. Providing up to 3TB of SATA-based high capacity, 3.5-inch energy-efficient enterprise storage, the Enterprise Value hard disk drive offers low-cost bulk storage designed for vast amounts of unstructured data in the cloud. It features low power for energy efficient operations and ensures reliable operations in 24x7 multi-drive replicated environments.

Seagate Terascale HDD Family. Available in capacities up to 4TB in a 3.5-inch enterprise-class SATA hard drive, the Terascale HDD is designed to provide data centers with the storage scalability they need to meet demands in low workload, 24x7 replicated environments.

We also ship SSHD and SSD enterprise solutions, including our Enterprise Turbo SSHD, 1200 SSD and 600 Pro SSD products. These products offer an alternative solution to HDDs, with higher speeds than traditional HDDs, and capacities of up to 800 GB.

Client Compute

Laptop HDDs and SSHDs. Our family of laptop drives ship in a variety of form factors (5mm to 9.5mm drive height), capacities (250GB to 1TB) and technologies (HDD and SSHD) to support mobile

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needs. Used in applications ranging from traditional laptops to tablets, our drives are built to address a range of performance needs and sizes for affordable, high capacity storage.

Spinpoint SATA Mobile Family. Our Spinpoint M8 2.5-inch mobile computing disk drives ship in 5,400 RPM, come in storage capacities of up to 1 TB, and continue to be produced under the Samsung brand name.

Desktop HDD and SSHDs. Our 3.5-inch family of desktop drives ship in both traditional HDD and SSHD configurations and offer up to 4TB. Desktop drives are designed for applications such as PCs, workstations and personal external storage devices.

Client Non-Compute

Video 3.5 and Video 2.5 HDDs. We sell our 3.5 and 2.5-inch Video HDDs for use in video applications like DVR, media centers or gaming consoles. These disk drives are optimized for video streaming in always-on applications with capacities up to 4TB to support leading-edge digital entertainment.

SV35: Surveillance HDDs. Our surveillance drives are built to support the high-write workload of an always-on, always-recording video surveillance system. This surveillance optimized drive was built to support the growing needs of the surveillance market with support for multiple HD streams and capacities up to 3TB.

We ship external backup storage solutions under our Backup Plus and Expansion product lines, as well as under the Samsung and LaCie brand names. These product lines utilize our 3.5-inch and 2.5-inch disk drives, which are available in capacities up to 4TB and 1TB, respectively. In addition, we ship the Wireless Plus wireless drive for use with secondary mobile devices utilizing a 2.5-inch 1TB drive. We also ship network attached storage (NAS) solutions under our Central and Business Storage product lines. These product lines utilize our 3.5-inch disk drives; our Central products are available in capacities up to 4TB, and our Business Storage products are available in capacities up to 16TB.

Customers

We sell our products to major OEMs, distributors and retailers.

The following table summarizes our revenue⁽¹⁾ by channel and by geography:

	Fiscal Years Ended	
	28 June 2013	29 June 2012
<i>Revenues by Channel (%)</i>		
OEM	68%	72%
Distributors	21%	21%
Retail	11%	7%
<i>Revenues by Geography (%)</i>		
Americas	27%	26%
EMEA	19%	19%
Asia Pacific	54%	55%

(1) Revenue is attributed to countries based on the shipping location.

OEM customers typically enter into master purchase agreements with us. These agreements provide for pricing, volume discounts, order lead times, product support obligations and other terms and conditions including sales programs offered to promote selected products. Deliveries are scheduled

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only after receipt of purchase orders. In addition, with limited lead-time, customers may defer most purchase orders without significant penalty. Anticipated orders from many of our customers have in the past failed to materialize or OEM delivery schedules have been deferred or altered as a result of changes in their business needs.

Our distributors generally enter into non-exclusive agreements for the resale of our products. They typically furnish us with a non-binding indication of their near-term requirements and product deliveries are generally scheduled accordingly. The agreements and related sales programs typically provide the distributors with limited right of return and price protection rights. In addition, we offer sales programs to distributors on a quarterly and periodic basis to promote the sale of selected products in the sales channel.

Our retail channel consists of our branded storage products sold to retailers either by us directly or by our distributors. Retail sales made by us or our distributors typically require greater marketing support, sales incentives and price protection periods.

In fiscal years 2013 and 2012, Dell Inc. accounted for approximately 13% and 15% of consolidated revenue, respectively, while Hewlett-Packard Company accounted for approximately 10% and 14% of consolidated revenue, respectively. See "Principal-Risks and Uncertainties Risks Related to Our Business Dependence on Key Customers We may be adversely affected by the loss of, or reduced, delayed or canceled purchases by, one or more of our larger customers."

Competition

We compete primarily with manufacturers of hard drives used in the enterprise, client compute and client non-compute applications, but have in the past few years also competed with manufacturers of solid-state drives. The markets that we compete in are intensely competitive. Disk drive manufacturers not only compete for a limited number of major disk drive customers but also compete with other companies in the electronic data storage industry that provide alternative storage solutions, such as flash memory and SSDs. Some of the principal factors used by customers to differentiate among electronic data storage solutions manufacturers are storage capacity, product performance, product quality and reliability, price per unit and price per gigabyte, time-to-market and time-to-volume leadership, storage/retrieval access times, data transfer rates, form factor, product warranty and support capabilities, supply continuity and flexibility, warranty and brand. While different markets and customers place varying levels of emphasis on these factors, we believe that our products are competitive with respect to each of these factors in the markets that we currently address.

Principal Disk Drive Competitors. Following industry consolidation during fiscal year 2012, three disk drive companies remain:

Seagate, selling the Seagate and Samsung brands;

Western Digital Corporation, operating the Western Digital and Hitachi Global Storage Technologies subsidiaries; and

Toshiba Corporation

Other Competitors. We also are experiencing competition from companies that provide alternative storage technologies such as flash memory and SSDs used in mobile applications such as tablets, notebooks and lower capacity hand held devices in addition to SSDs used in enterprise applications for rapid processing and high volume transactions. Additionally, we may in the future face indirect competition from customers who from time to time evaluate whether to offer electronic data storage products that may compete with our products.

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Price Erosion. Historically, our industry has been characterized by price declines for disk drive products with comparable capacity, performance and feature sets ("like-for-like products"). Price declines for like-for-like products ("price erosion") have been more pronounced during periods of:

economic contraction in which competitors may use discounted pricing to attempt to maintain or gain market share;

few new product introductions when competitors have comparable or alternative product offerings; and

industry supply exceeding demand.

Disk drive manufacturers typically attempt to offset price erosion with an improved mix of disk drive products characterized by higher capacity, better performance and additional feature sets and/or product cost reductions.

Product Life Cycles and Changing Technology. Success in our industry has been dependent to a large extent on the ability to balance the introduction and transition of new products with time-to-volume, performance, capacity and quality metrics at a competitive price, level of service and support that our customers expect. Generally those disk drive manufacturers that are able to introduce new products first benefit from improved product mix, favorable profit margins and less pricing pressure until comparable products are introduced. Changing technology also necessitates on-going investments in research and development, which may be difficult to recover due to rapid product life cycles and economic declines. Further, there is a continued need to successfully execute product transitions and new product introductions, as factors such as quality, reliability and manufacturing yields become of increasing competitive importance.

Seasonality

The disk drive industry traditionally experiences seasonal variability in demand with higher levels of demand in the second half of the calendar year. This seasonality is driven by consumer spending in the back-to-school season from late summer to fall and the traditional holiday shopping season from fall to winter.

Patents and Licenses

As of 28 June 2013, we had 5,570 U.S. patents and 1,965 patents issued in various foreign jurisdictions as well as 1,304 U.S. and 1,259 foreign patent applications pending. The number of patents and patent applications will vary at any given time as part of our ongoing patent portfolio management activity. Due to the rapid technological change that characterizes the electronic data storage industry, we believe that, in addition to patent protection, the improvement of existing products, reliance upon trade secrets, protection of unpatented proprietary know-how and development of new products are also important to our business in establishing and maintaining a competitive advantage. Accordingly, we intend to continue our efforts to broadly protect our intellectual property, including obtaining patents, where available, in connection with our research and development program.

The electronic data storage industry is characterized by significant litigation relating to patent and other intellectual property rights. Because of rapid technological development in the electronic data storage industry, some of our products have been, and in the future could be, alleged to infringe existing patents of third parties. From time to time, we receive claims that our products infringe patents of third parties. Although we have been able to resolve some of those claims or potential claims by obtaining licenses or rights under the patents in question without a material adverse affect on us, other claims have resulted in adverse decisions or settlements. In addition, other claims are pending, which if resolved unfavorably to us could have a material adverse effect on our business and results of operations. For more information on these claims, see Note 14, Legal, Environmental, and Other

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Contingencies. The costs of engaging in intellectual property litigation in the past have been, and in the future may be, substantial, irrespective of the merits of the claim or the outcome. We have patent licenses with a number of companies. Additionally, as part of our normal intellectual property practices, we may be engaged in negotiations with other major electronic data storage companies and component manufacturers with respect to patent licenses.

Backlog

In view of industry practice, whereby customers may cancel or defer orders with little or no penalty, we believe backlog in the disk drive industry is of limited indicative value in estimating future performance and results.

Environmental Matters

Our operations are subject to U.S. and foreign laws and regulations relating to the protection of the environment, including those governing discharges of pollutants into the air and water, the management and disposal of hazardous substances and wastes and the cleanup of contaminated sites. Some of our operations require environmental permits and controls to prevent and reduce air and water pollution, and these permits are subject to modification, renewal and revocation by issuing authorities.

We have established environmental management systems and continually update environmental policies and standard operating procedures for our operations worldwide. We believe that our operations are in material compliance with applicable environmental laws, regulations and permits. We budget for operating and capital costs on an ongoing basis to comply with environmental laws. If additional or more stringent requirements are imposed on us in the future, we could incur additional operating costs and capital expenditures.

Some environmental laws, such as the Comprehensive Environmental Response Compensation and Liability Act of 1980 (as amended, the "Superfund" law) and its state equivalents, can impose liability for the cost of cleanup of contaminated sites upon any of the current or former site owners or operators or upon parties who sent waste to these sites, regardless of whether the owner or operator owned the site at the time of the release of hazardous substances or the lawfulness of the original disposal activity. We have been identified as a potentially responsible party at several sites. At each of these sites, we have an assigned portion of the financial liability based on the type and amount of hazardous substances disposed of by each party at the site and the number of financially viable parties. We have fulfilled our responsibilities at some of these sites and remain involved in only a few at this time.

While our ultimate costs in connection with these sites is difficult to predict with complete accuracy, based our current estimates of cleanup costs and its expected allocation of these costs, we do not expect costs in connection with these sites to be material.

We may be subject to various state, federal and international laws and regulations governing the environment, including those restricting the presence of certain substances in electronic products. For example, the European Union ("EU") enacted the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment, which prohibits the use of certain substances, including lead, in certain products, including disk drives, put on the market after July 1, 2006. Similar legislation has been or may be enacted in other jurisdictions, including in the United States, Canada, Mexico, Taiwan, China, Japan and others. The European Union REACH Directive (Registration, Evaluation, Authorization, and Restriction of Chemicals, EC 1907/2006) also restricts substances of very high concern ("SVHCs") in products. If we or our suppliers fail to comply with the substance restrictions, recycle requirements or other environmental requirements as they are enacted worldwide, it could have a materially adverse effect on our business.

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At 28 June 2013, we employed approximately 53,200 employees and temporary employees worldwide, of which approximately 45,000 employees were located in our Asian operations. We believe that our future success will depend in part on our ability to attract and retain qualified employees at all levels. We believe that our employee relations are good.

REVIEW OF THE PERFORMANCE OF THE BUSINESS**Fiscal Year 2013 Summary**

Revenues for fiscal year 2013 were \$14.4 billion while gross margin as a percentage of revenue was 27%. We repurchased 54 million of our ordinary shares during the year for approximately \$1.7 billion, paid dividends of \$0.5 billion, paid \$1.2 billion for the early redemption and repurchase of debt with a principal value of \$1.1 billion and issued \$1.0 billion of 4.75% Senior Notes due 2023.

Results of Operations

We list in the table below summarized information from our consolidated profit and loss account by dollars and as a percentage of revenue:

(US dollars in millions)	Fiscal Years Ended	
	28 June 2013	29 June 2012
Revenue	\$ 14,351	\$ 14,939
Cost of revenue	10,411	10,255
Gross profit	3,940	4,684
Product development	1,133	1,006
Marketing and administrative	635	528
Amortization of intangibles	79	38
Restructuring and other, net	2	4
Operating earnings	2,091	3,108
Other expense, net	(260)	(226)
Income before taxes	1,831	2,882
(Benefit from) provision for income taxes	(7)	20
Net income	1,838	2,862
Less: Net income attributable to noncontrolling interest		
Net income attributable to Seagate Technology plc	\$ 1,838	\$ 2,862

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(as a percentage of Revenue)	Fiscal Years Ended	
	28 June 2013	29 June 2012
Revenue	100%	100%
Cost of revenue	73	69
Gross profit	27	31
Product development	8	7
Marketing and administrative	4	4
Amortization of intangibles	1	
Restructuring and other, net		
Operating earnings	14	21
Other expense, net	(2)	(2)
Income before taxes	12	19
Provision for (benefit from) income taxes		
Net income	12	19
Less: Net income attributable to noncontrolling interest		
Net income attributable to Seagate Technology plc	12%	19%

The following table summarizes information regarding volume shipments, average selling prices (ASPs) and revenues by channel and geography:

(In millions, except percentages and ASPs)	Fiscal Years Ended	
	28 June 2013	29 June 2012
Net Revenue	\$ 14,351	\$ 14,939
Unit Shipments:		
Enterprise	30	29
Client Compute	151	156
Client Non-Compute	45	39
Total Units Shipped	226	224
ASP (per unit)	\$ 63	\$ 66
Exabytes Shipped	185	150
Revenues by Channel (%)		
OEM	68%	72%
Distributors	21%	21%
Retail	11%	7%
Revenues by Geography (%)		
Americas	27%	26%
EMEA	19%	19%
Asia Pacific	54%	55%

Revenue

(US dollars in millions)	Fiscal Years Ended			%
	28 June 2013	29 June 2012	Change	
Revenue	\$ 14,351	\$ 14,939	\$ (588)	(4)%

Revenue in fiscal year 2013 decreased approximately 4%, or \$0.6 billion, from fiscal year 2012 due to a decrease in the average selling price per unit. The decrease in the average selling price to \$63 per

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unit during fiscal year 2013, as compared to \$66 per unit in the prior year, was primarily due to supply constraints beginning in the second quarter of fiscal year 2012 as a result of the severe flooding in Thailand, partially offset by a favorable product mix and slightly higher volumes in fiscal year 2013, which included a full period of Samsung labeled HDD products.

Gross Profit

(US dollars in millions)	Fiscal Years Ended			
	28 June 2013	29 June 2012	Change	% Change
Cost of revenue	\$ 10,411	\$ 10,255	\$ 156	2%
Gross profit	\$ 3,940	\$ 4,684	\$ (744)	(16)%
Gross profit percentage	27%	31%		

For fiscal year 2013, gross profit as a percentage of revenue decreased to 27% from 31% in the prior fiscal year, as a result of higher ASPs during fiscal year 2012. Our ASPs during fiscal year 2012 were increased due to the limited industry supply of hard drives as a result of the severe flooding in Thailand.

Operating Expenses

(US dollars in millions)	Fiscal Years Ended			
	28 June 2013	29 June 2012	Change	% Change
Product development	\$ 1,133	\$ 1,006	\$ 127	13%
Marketing and administrative	635	528	107	20%
Amortization of intangibles	79	38	41	108%
Restructuring and other, net	2	4	(2)	(50)%
Operating expenses	\$ 1,849	\$ 1,576	\$ 273	

Product Development Expense. Product development expenses for fiscal year 2013 increased from fiscal year 2012, primarily due to increased investments in HDD and alternative storage technologies of approximately \$84 million, and headcount related costs of approximately \$41 million, net of a decrease in variable performance based compensation of approximately \$7 million.

Marketing and Administrative Expense. Marketing and administrative expenses for fiscal year 2013 increased from fiscal year 2012 primarily due to further investments in certain strategic initiatives as well as enhancement of our core business operations. This, along with our annual focal increases, resulted in additional headcount related costs of \$64 million, net of a reduction in variable performance based compensation of \$7 million. In addition, the consolidation of LaCie in fiscal year 2013 contributed approximately \$32 million to Marketing and administrative expense.

Amortization of Intangibles. Amortization of intangibles for fiscal year 2013 increased as a result of the acquisition of Samsung's HDD business in December of 2011, and LaCie in August of 2012.

Restructuring and Other, net. Restructuring and other, net for fiscal years 2013 and 2012, was not material and primarily related to previously announced restructuring plans.

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(US dollars in millions)	Fiscal Years Ended			
	28 June 2013	29 June 2012	Change	% Change
Other expense, net	\$ (260)	\$ (226)	\$ (34)	15%

Other expense, net for fiscal year 2013 compared to fiscal year 2012 increased due to a loss of \$141 million on the early redemption and repurchase of debt. These losses were partially offset by gains recorded for sales of our available for sale securities and strategic investments of \$61 million, insurance proceeds of \$25 million for equipment damaged during the severe flooding in Thailand in October of 2011, and a decrease in interest expense of \$27 million due to a reduction in our average interest rate and total debt levels.

Income Taxes

(US dollars in millions)	Fiscal Years Ended			
	28 June 2013	29 June 2012	Change	% Change
(Benefit from) provision for income taxes	\$ (7)	\$ 20	\$ (27)	(135)%

We recorded an income tax benefit of \$7 million for fiscal year 2013 compared to an income tax provision of \$20 million for fiscal year 2012. Our fiscal year 2013 benefit from income taxes included \$52 million of income tax benefit from the reversal of a portion of the U.S. valuation allowance recorded in prior periods. Our fiscal year 2012 provision for income taxes included \$35 million of income tax benefit from the reversal of a portion of the U.S. valuation allowance recorded in prior periods.

Our Irish tax resident parent holding company owns various U.S. and non-U.S. subsidiaries that operate in multiple non-Irish tax jurisdictions. Our worldwide operating income is either subject to varying rates of tax or is exempt from tax due to tax holidays or tax incentive programs we operate under in Malaysia, Singapore and Thailand. These tax holidays or incentives are scheduled to expire in whole or in part at various dates through 2020.

Our income tax provision recorded for fiscal year 2013 differed from the provision for income taxes that would be derived by applying the Irish statutory rate of 25% to income before income taxes, primarily due to the net effect of (i) tax benefits related to non-U.S. earnings generated in jurisdictions that are subject to tax holidays or tax incentive programs and are considered indefinitely reinvested outside of Ireland and (ii) a decrease in valuation allowance for certain U.S. deferred tax assets. The acquisition of a majority interest in the outstanding shares of LaCie did not have a material impact on our effective tax rate in fiscal year 2013. Our income tax provision recorded for fiscal year 2012 differed from the provision for income taxes that would be derived by applying the Irish statutory rate of 25% to income before income taxes, primarily due to the net effect of (i) tax benefits related to non-U.S. earnings generated in jurisdictions that are subject to tax holidays or tax incentive programs and are considered indefinitely reinvested outside of Ireland, and (ii) a decrease in valuation allowance for certain U.S. deferred tax assets. The acquisition of Samsung's HDD business did not have a significant impact on our effective tax rate in fiscal year 2012.

The American Taxpayer Relief Act of 2012 (ATRA 2012) was enacted on 2 January 2013. ATRA 2012 retroactively reinstated and extended the federal Research and Development Tax Credit (R&D Credit) from 1 January 2012 to 31 December 2013 as well as bonus depreciation on qualified property. Extension of the R&D Credit and bonus depreciation has no immediate impact on our income tax provision due to existing valuation allowances on our U.S. deferred tax assets. None of the other ATRA 2012 changes are expected to have a material impact on our income tax provision.

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Based on our non-U.S. ownership structure and subject to (i) potential future increases in our valuation allowance for deferred tax assets; and (ii) a future change in our intention to indefinitely reinvest earnings from our subsidiaries outside of Ireland, we anticipate that our effective tax rate in future periods will generally be less than the Irish statutory rate.

At 28 June 2013, our deferred tax asset valuation allowance was approximately \$989 million.

At 28 June 2013, we had net deferred tax assets of \$554 million. The realization of these deferred tax assets is primarily dependent on our ability to generate sufficient U.S. and certain non-U.S. taxable income in future periods. Although realization is not assured, we believe that it is more likely than not that these deferred tax assets will be realized. The amount of deferred tax assets considered realizable, however, may increase or decrease in subsequent periods when we re-evaluate the underlying basis for our estimates of future U.S. and certain non-U.S. taxable income.

As of 28 June 2013, the use of approximately \$358 million and \$90 million of our total U.S. net operating loss and tax credit carry forwards, respectively, is subject to an aggregate annual limitation of \$45 million pursuant to U.S. tax law. If certain ownership changes occur in the foreseeable future, there may be an additional annual limitation on our ability to use our total U.S. federal and state net operating loss and credit carryforwards of \$2.8 billion, \$1.8 billion and \$415 million, respectively. It is reasonably possible that such a change could occur. If these ownership changes were to occur, we estimate a one-time charge for additional U.S. income tax expense of approximately \$400 to \$500 million may be recorded in the period such change occurs. This additional income tax expense results from a decrease in our net U.S. deferred tax assets recorded through a combination of the write off of deferred tax assets and associated changes to our valuation allowance. We also estimate that the ensuing additional annual limitation on our ability to use our tax attribute carryovers may result in increased U.S. income tax expense associated with such change of approximately \$70 to \$85 million each year.

As of 28 June 2013 and 29 June 2012, we had approximately \$157 million and \$135 million, respectively, of unrecognized tax benefits excluding interest and penalties. The unrecognized tax benefits that, if recognized, would impact the effective tax rate is \$157 million and \$135 million as of 28 June 2013 and 29 June 2012, respectively, subject to certain future valuation allowance reversals.

It is our policy to include interest and penalties related to unrecognized tax benefits in the provision for taxes on the Consolidated Profit and Loss Account. During fiscal year 2013, we recognized a net tax expense for interest and penalties of \$2 million as compared to a net tax expense for interest and penalties of \$2 million during fiscal year 2012. As of 28 June 2013, we had \$19 million of accrued interest and penalties related to unrecognized tax benefits compared to \$17 million in fiscal year 2012.

During the fiscal year ended 28 June 2013, our unrecognized tax benefits excluding interest and penalties increased by approximately \$22 million primarily due to (i) increases in current year unrecognized tax benefits of \$16 million, (ii) net increases in prior year unrecognized tax benefits of \$10 million, (iii) reductions associated with the expiration of certain statutes of limitation of \$5 million, (iv) increases from other activity, including non-U.S. exchange gains, of \$1 million.

During the 12 months beginning 29 June 2013, we expect to reduce our unrecognized tax benefits by approximately \$3 million as a result of the expiration of certain statutes of limitation. We do not believe it is reasonably possible that other unrecognized tax benefits will materially change in the next 12 months.

We are subject to taxation in many jurisdictions globally and are required to file U.S. federal, U.S. state, and non-U.S. income tax returns. In February, 2013, we reached a settlement with the IRS on all issues related to fiscal years ending in 2005 through 2007. Settlement of the issues in this period has no material impact on our financial statements. We are no longer subject to tax examination of U.S.

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federal income tax returns for years prior to fiscal year 2008. With respect to U.S. state and non-U.S. income tax returns, we are generally no longer subject to tax examination for years prior to fiscal year 2004.

The Company generated a profit of \$1,838 million and \$2,862 million for the fiscal years ended 28, June 2013 and 29 June 2012, respectively. These amounts have been transferred to reserves.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's operations expose it to a variety of risks and uncertainties that could cause actual results to differ materially from those anticipated. Such risks and uncertainties include, but are not limited to, the following:

Risks Related to our Business

Macroeconomic Conditions *Changes in the macroeconomic environment have, and may continue to, negatively impact our results of operations.*

Due to the continuing uncertainty about current macroeconomic conditions affecting consumer and enterprise spending, we believe our customers may postpone spending in response to tighter credit, unemployment, negative financial news and/or declines in income or asset values, which could have a material adverse effect on the demand for our products. Continuing high unemployment rates, low levels of consumer liquidity, risk of default on sovereign debt and volatility in credit and equity markets have weakened consumer confidence and decreased consumer and enterprise spending in many regions around the world. Other factors that could influence demand include conditions in the residential real estate and mortgage markets, labor and healthcare costs, access to credit, consumer confidence and other macroeconomic factors affecting consumer spending behavior. These and other economic factors could have a material adverse effect on demand for our products and on our financial condition and operating results.

Competition *Our industry is highly competitive and our products have experienced and may continue to experience significant price erosion and market share variability.*

The disk drive industry is intensely competitive and vendors have typically experienced substantial price erosion over the life of a product. Our competitors have historically offered existing products at lower prices as part of a strategy to gain or retain market share and customers. Should these practices continue, we may need to continually reduce our prices for existing products to retain our market share, which could adversely affect our results of operations.

While recent slowing areal density improvements and longer product lifecycles have necessitated that hard drive manufacturers reduce engagement in aggressive pricing tactics that have historically led to increased price erosion, we believe that industry price erosion and market share may remain volatile should the industry engage in aggressive pricing actions targeted to shift customer demand.

Our ability to offset the effect of price erosion through new product introductions at higher average prices is diminished to the extent competitors introduce products into particular markets ahead of our similar, competing products. Our ability to offset the effect of price erosion is also diminished during times when supply exceeds demand for a particular product.

Sales to distributors that serve producers of non-branded products in the personal storage sector may also contribute to increased price erosion. These customers generally have limited product qualification programs, which increases the number of competing products available to satisfy their demand. As a result, purchasing decisions for these customers are based largely on price and terms. Any increase in our average price erosion would have an adverse effect on our results of operations.

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Additionally, a significant portion of our success in the past has been a result of increasing our market share at the expense of our competitors, particularly in enterprise markets. Market share for our products can be negatively affected by our customers' diversifying their sources of supply as our competitors enter the market for particular products, as well as by our ability to ramp volume production of new product offerings. When our competitors successfully introduce product offerings that are competitive with our recently introduced products, our customers may quickly diversify their sources of supply. Any significant decline in our market share in any of our principal market applications would adversely affect our results of operations.

Principal Competitors *We compete with both an independent manufacturer, whose primary focus is producing technologically advanced disk drives, and a captive manufacturer, who does not depend solely on sales of disk drives to maintain its profitability.*

We have experienced and expect to continue to experience intense competition from an independent disk drive manufacturer, and a captive manufacturer. The term "independent" in this context refers to manufacturers that primarily produce disk drives as a stand-alone product, such as Western Digital Corporation, and the term "captive" in this context refers to a manufacturer who through affiliated entities produces complete computer or other systems that contain disk drives or other electronic data storage products, such as Toshiba Corporation.

The captive manufacturer is a formidable competitor because it has the ability to determine pricing for complete systems without regard to the margins on individual components. As components other than disk drives generally contribute a greater portion of the operating margin on a complete computer system than do disk drives, the captive manufacturer does not necessarily need to realize a profit on the disk drives included in a complete computer system and, as a result, may be willing to sell disk drives to third parties at very low margins. The captive manufacturer is also a formidable competitor because it has more substantial resources than we do. To the extent we are not successful competing with the captive or independent disk drive manufacturers, our results of operations will be adversely affected.

In response to customer demand for high-quality, high-volume and low-cost disk drives, manufacturers of disk drives have had to develop large, and in some cases global, production facilities with highly developed technological capabilities and internal controls. The development of these large production facilities combined with industry consolidation can further increase the intensity of competition.

We also face indirect competition from present and potential customers who evaluate from time to time whether to manufacture their own disk drives or other electronic data storage products that may compete with our products.

We also experience competition from other companies that produce alternative storage technologies like flash memory, where increasing capacity, decreasing cost, energy efficiency and improvements in performance ruggedness have resulted in competition with our lower capacity, smaller form factor disk drives. While this competition has traditionally been in the markets for handheld consumer electronics applications, these competitors have announced solid state drives (SSDs) for tablet, notebook and enterprise compute applications. Certain customers for both notebook and enterprise compute applications are adopting SSDs as alternatives to hard drives in certain applications.

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Volatility of Quarterly Results *Our quarterly results of operations fluctuate, sometimes significantly, from period to period, and may cause our share price to decline.*

In the past, our quarterly revenue and results of operations have fluctuated, sometimes significantly, from period to period. These fluctuations, which we expect to continue, may be occasioned by a variety of factors, including:

current uncertainty in global economic conditions may pose a risk to the overall economy;

adverse changes in the level of economic activity in the major regions in which we do business;

competitive pressures resulting in lower selling prices by our competitors targeted to encourage shifting of customer demand;

delays or problems in our introduction of new products, particularly new disk drives with lower cost structures, the inability to achieve high production yields or delays in customer qualification or initial product quality issues;

changes in purchasing patterns by our distributor customers;

increased costs or adverse changes in availability of supplies of raw materials or components;

the impact of corporate restructuring activities that we have and may continue to engage in;

changes in the demand for the computer systems, storage subsystems and consumer electronics that contain our disk drives, due to seasonality, economic conditions and other factors;

changes in purchases from period to period by our primary customers, particularly as our competitors are able to introduce and produce in volume competing disk drive solutions or alternative storage technology solutions, such as flash memory or SSDs;

shifting trends in customer demand which, when combined with overproduction of particular products, particularly when the industry is served by multiple suppliers, results in unfavorable supply/demand imbalances;

our high proportion of fixed costs, including research and development expenses;

announcements of new products, services or technological innovations by us or our competitors; and

adverse changes in the performance of our products.

As a result, we believe that quarter-to-quarter comparisons of our revenue and results of operations may not be meaningful, and that these comparisons may not be an accurate indicator of our future performance. Our results of operations in one or more future quarters may fail to meet the expectations of investment research analysts or investors, which could cause an immediate and significant decline in the trading price of our ordinary shares.

Difficulty in Predicting Quarterly Demand If we fail to predict demand accurately for our products in any quarter, we may not be able to recapture the cost of our investments.

The disk drive industry operates on quarterly purchasing cycles, with much of the order flow in any given quarter typically coming at the end of that quarter. Our manufacturing process requires us to make significant product-specific investments in inventory in each quarter for that quarter's production. Since we typically receive the bulk of our orders late in a quarter after we have made our investments, there is a risk that our orders will not be sufficient to allow us to recapture the costs of our investment before the products resulting from that investment have become obsolete. We cannot assure you that we will be able to accurately predict demand in the future.

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The difficulty in forecasting demand also increases the difficulty in anticipating our inventory requirements, which may cause us to over-produce finished goods, resulting in inventory write-offs, or under-produce finished goods, affecting our ability to meet customer requirements. Additionally, the risk of inventory write-offs could increase if we were to continue to hold higher inventory levels. We cannot be certain that we will be able to recover the costs associated with increased inventory.

Other factors that may negatively impact our ability to recapture the cost of investments in any given quarter include:

the impact of variable demand and an aggressive pricing environment for disk drives;

the impact of competitive product announcements and possible excess industry supply both with respect to particular disk drive products and with respect to competing alternative storage technology solutions such as SSDs in tablet, notebook and enterprise compute applications;

our inability to reduce our fixed costs to match sales in any quarter because of our vertical manufacturing strategy, which means that we make more capital investments than we would if we were not vertically integrated;

dependence on our ability to successfully qualify, manufacture and sell in increasing volumes on a cost-effective basis and with acceptable quality our disk drive products, particularly the new disk drive products with lower cost structures;

variations in the cost of components for our products, especially during periods when the U.S. dollar is relatively volatile as compared to other currencies;

uncertainty in the amount of purchases from our distributor customers who from time to time constitute a large portion of our total sales;

our product mix and the related margins of the various products;

accelerated reduction in the price of our disk drives due to technological advances and/or an oversupply of disk drives in the market and shifting trends in demand which can create supply and demand imbalances;

manufacturing delays or interruptions, particularly at our manufacturing facilities in China, Malaysia, Northern Ireland, Singapore, Thailand or the United States;

limited access to components that we obtain from a single or a limited number of suppliers;

the impact of changes in foreign currency exchange rates on the cost of producing our products and the effective price of our products to foreign consumers; and

operational issues arising out of the increasingly automated nature of our manufacturing processes.

New Product Offerings Market acceptance of new product introductions cannot be accurately predicted, and our results of operations will suffer if there is less demand for our new products than is anticipated.

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We are continually developing new products with the goal that we will be able to introduce technologically advanced and lower cost disk drives into the marketplace ahead of our competitors.

The success of our new product introductions is dependent on a number of factors, including market acceptance, our ability to manage the risks associated with product transitions, the effective management of inventory levels in line with anticipated product demand and the risk that our new products will have quality problems or other defects in the early stages of introduction that were not anticipated in the design of those products. Accordingly, we cannot accurately determine the ultimate effect that our new products will have on our results of operations.

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In addition, the success of our new product introductions is dependent upon our ability to qualify as a primary source of supply with our OEM customers. In order for our products to be considered by our customers for qualification, we must be among the leaders in time-to-market with those new products. Once a product is accepted for qualification testing, any failure or delay in the qualification process or a requirement that we requalify can result in our losing sales to that customer until new products are introduced. The limited number of high-volume OEMs magnifies the effect of missing a product qualification opportunity. These risks are further magnified because we expect competitive pressures to result in declining sales, eroding prices, and declining gross margins on our current generation products. We cannot assure that we will be among the leaders in time-to-market with new products or that we will be able to successfully qualify new products with our customers in the future.

If we cannot successfully deliver competitive products, our future results of operations may be adversely affected.

Smaller Form Factor Products *If we do not continue to successfully market smaller form factor products, our business may suffer.*

The disk drive industry is experiencing significant increases in sales of smaller form factor disk drives or other electronic data storage technologies for an expanding number of applications, in particular notebook computers and consumer electronic devices, but also in personal computers and enterprise storage applications. Our future success will depend on our ability to develop and introduce smaller form factor products at desired price and capacity points faster than our competitors.

We have experienced competition from other companies that produce alternative storage technologies like solid state or flash memory, where increased capacity, improving cost, energy efficiency and performance ruggedness have resulted in flash memory largely replacing disk drives in handheld applications. We believe that the demand for disk drives to store or back up related media content from such handheld devices, however, continues to grow. While this competition has traditionally been limited to the markets for handheld consumer electronics applications, these competitors have announced SSDs for tablet, notebook and enterprise compute applications.

If we do not suitably adapt our product offerings to successfully introduce additional smaller form factor disk drives or alternative storage products based on flash storage technology, or if our competitors are successful in achieving customer acceptance of SSD products for tablet, notebook and enterprise compute applications, then our customers may decrease the amounts of our products that they purchase, which would adversely affect our results of operations.

Dependence on Supply of Components, Equipment and Raw Materials *If we experience shortages or delays in the receipt of, or cost increases in, critical components, equipment or raw materials necessary to manufacture our products, we may suffer lower operating margins, production delays and other material adverse effects.*

The cost, quality and supply of components, certain equipment and raw materials used to manufacture disk drives and key components like recording media and heads are critical to our success. The equipment we use to manufacture our products and components is frequently custom made and comes from a few suppliers and the lead times required to obtain manufacturing equipment can be significant. Particularly important components for disk drives include read/write heads, aluminum or glass substrates for recording media, ASICs, spindle motors, printed circuit boards, and suspension assemblies. We rely on sole suppliers or a limited number of suppliers for some of these components that we do not manufacture, including aluminum and glass substrates, read/write heads, ASICs, spindle motors, printed circuit boards, and suspension assemblies. Many of such component suppliers are geographically concentrated, in particular, in Thailand, which makes our supply chain more vulnerable to regional disruptions such as the recent flooding in Thailand, which has had a material impact on the

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production and availability of many components. If our vendors for these components are unable to meet our cost, quality, and supply requirements, we could experience a shortage in supply or an increase in production costs, which would adversely affect our results of operations.

Certain rare earth elements are critical in the manufacture of our products. We purchase components that contain rare earth elements from a number of countries, including the People's Republic of China. We cannot predict whether any nation will impose regulations, quotas or embargoes upon the rare earth elements incorporated into our products that would restrict the worldwide supply of such metals or increase their cost. We have experienced increased costs and production delays when we were unable to obtain the necessary equipment or sufficient quantities of some components, and/or have been forced to pay higher prices or make volume purchase commitments or advance deposits for some components, equipment or raw materials that were in short supply in the industry in general. If any major supplier were to restrict the supply available to us or increase the cost of the rare earth elements used in our products, we could experience a shortage in supply or an increase in production costs, which would adversely affect our results of operations.

Consolidation among component manufacturers may result in some component manufacturers exiting the industry or not making sufficient investments in research to develop new components.

If there is a shortage of, or delay in supplying us with, critical components, equipment or raw materials, then:

it is likely that our suppliers would raise their prices and, if we could not pass these price increases to our customers, our operating margin would decline;

we might have to reengineer some products, which would likely cause production and shipment delays, make the reengineered products more costly and provide us with a lower rate of return on these products;

we would likely have to allocate the components we receive to certain of our products and ship less of others, which could reduce our revenues and could cause us to lose sales to customers who could purchase more of their required products from manufacturers that either did not experience these shortages or delays or that made different allocations; and

we might be late in shipping products, causing potential customers to make purchases from our competitors, thus causing our revenue and operating margin to decline.

We cannot assure you that we will be able to obtain critical components in a timely and economic manner.

Importance of Time-to-Maturity *Our results of operations may depend on our being among the first-to-maturity with new product offerings and achieving sufficient production volume with our new products.*

To achieve consistent success with our OEM customers, it is important that we be an early provider of new types of disk drives featuring leading, high-quality technology and lower per gigabyte storage cost. Historically, our results of operations have substantially depended upon our ability to be among the first-to-maturity with new product offerings. Our market share and results of operations in the future may be adversely affected if we fail to:

consistently maintain our time-to-maturity performance with our new products;

produce these products in sufficient volume;

qualify these products with key customers on a timely basis by meeting our customers' performance and quality specifications; or

achieve acceptable manufacturing yields, quality and costs with these products.

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If the delivery of our products is delayed, our OEM customers may use our competitors' products to meet their production requirements. If the delay of our products causes delivery of those OEMs' computer systems into which our products are integrated to be delayed, consumers and businesses may purchase comparable products from the OEMs' competitors.

We face the related risk that consumers and businesses may wait to make their purchases if they want to buy a new product that has been shipped or announced but not yet released. If this were to occur, we may be unable to sell our existing inventory of products that may be less efficient and cost effective compared to new products. As a result, even if we are among the first-to-maturity with a given product, subsequent introductions or announcements by our competitors of new products could cause us to lose revenue and not achieve a positive return on our investment in existing products and inventory.

Industry Demand *Poor global economic conditions and changes in demand for computer systems and storage subsystems may cause in the future a decline in demand for our products.*

Our disk drives are components in computers, computer systems, storage subsystems and consumer electronics devices. The demand for these products has been volatile. During times of poor global economic conditions, consumer spending tends to decline and retail demand for personal computers and consumer electronics devices tends to decrease, as does enterprise demand for computer systems and storage subsystems. Moreover, unexpected slowdowns in demand for computer systems, storage subsystems or consumer electronics devices generally cause sharp declines in demand for disk drive products. The decline in consumer spending could have a material adverse effect on demand for our products and services and on our financial condition and results of operations.

Additional causes of declines in demand for our products in the past have included announcements or introductions of major new operating systems or semiconductor improvements or changes in consumer preferences, such as the shift to mobile devices. We believe these announcements and introductions have from time to time caused consumers to defer their purchases and made inventory obsolete. Whenever an oversupply of disk drives causes participants in our industry to have higher than anticipated inventory levels, we experience even more intense price competition from other disk drive manufacturers than usual.

Dependence on Distributors *We are dependent on sales to distributors and retailers, which may increase price erosion and the volatility of our sales.*

A substantial portion of our sales has been to distributors of disk drive products. Certain of our distributors may also market other products that compete with our products. Product qualification programs in this distribution channel are limited, which increases the number of competing products that are available to satisfy demand, particularly in times of lengthening product cycles. As a result, purchasing decisions in this channel are based largely on price, terms and product availability. Sales volumes through this channel are also less predictable and subject to greater volatility than sales to our OEM customers. In addition, deterioration in business and economic conditions could exacerbate price erosion and volatility as distributors lower prices to compensate for lower demand and higher inventory levels. Our distributors' ability to access credit for purposes of funding their operations may also affect purchases of our products by these customers.

If distributors reduce their purchases of our products or prices decline significantly in the distribution channel or if distributors experience financial difficulties or terminate their relationships with us, our revenues and results of operations would be adversely affected.

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Dependence on Key Customers *We may be adversely affected by the loss of, or reduced, delayed or cancelled purchases by, one or more of our larger customers.*

Some of our key customers account for a large portion of our disk drive revenue. While we have longstanding relationships with many of our customers, if any of our key customers were to significantly reduce their purchases from us, our results of operations would be adversely affected. While sales to major customers may vary from period to period, a major customer that permanently discontinues or significantly reduces its relationship with us could be difficult to replace. In line with industry practice, new customers usually require that we pass a lengthy and rigorous qualification process at the customer's cost. Accordingly, it may be difficult or costly for us to attract new major customers. Additionally, mergers, acquisitions, consolidations or other significant transactions involving our customers generally entail risks to our business. If a significant transaction involving any of our key customers results in the loss of or reduction in purchases by these key customers, it could have a materially adverse effect on our business, results of operations, financial condition and prospects.

Dependence on Sales of Disk Drives in Client Non-Compute Applications *Our sales of disk drives for client non-compute applications, which have contributed significant revenues to our results, can experience significant volatility due to seasonal and other factors, which could materially adversely impact our future results of operations.*

Sales of disk drives for client non-compute applications have contributed significant revenues to our results. Consumer spending on client non-compute has, and may continue to, deteriorate in many countries and regions, due to poor global economic conditions and high levels of unemployment. This could have a material adverse effect on demand for our products and services and on our financial condition and results of operations.

In addition, the demand for client non-compute products can be even more volatile and unpredictable than the demand for client compute products. In some cases, our products manufactured for client non-compute applications are uniquely configured for a single customer's application, which creates a risk of unwanted and unsellable inventory if the anticipated volumes are not realized. This potential for unpredictable volatility is increased by the possibility of competing alternative storage technologies like flash memory meeting the customers' cost and capacity metrics, resulting in a rapid shift in demand from our products and disk drive technology, generally, to alternative storage technologies. Unpredictable fluctuations in demand for our products or rapid shifts in demand from our products to alternative storage technologies in new client non-compute applications could materially adversely impact our future results of operations.

Dependence on Sales of Disk Drives Directly to Consumers Through Retail Outlets *Our sales of disk drives directly to consumers through retail outlets can experience significant volatility due to seasonal and other factors, which could materially adversely impact our future results of operations.*

We believe that industry demand for storage products in the long-term is increasing due to the proliferation of media-rich digital content in consumer applications and is fueling increased consumer demand for storage. This has led to the expansion of solutions such as external storage products to provide additional storage capacity and to secure data in case of disaster or system failure, or to provide independent storage solutions for multiple users in home or small business environments. Consumer spending on retail sales of our branded solutions has deteriorated in some markets and may continue to do so if poor global economic conditions continue and higher levels of unemployment persist. This could have a material adverse effect on demand for our products and services and on our financial condition and results of operations.

In addition, such retail sales of our branded solutions traditionally experience seasonal variability in demand with higher levels of demand in the first half of our fiscal year driven by consumer spending

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in the back-to-school season from late summer to fall and the traditional holiday shopping season from fall to winter. Additionally, our ability to reach such consumers depends on our maintaining effective working relationships with major retailers and distributors. Failure to anticipate consumer demand for our branded solutions as well as an inability to maintain effective working relationships with retail and online distributors may adversely impact our future results of operations.

Importance of Controlling Operating Costs *If we do not control our operating expenses, we will not be able to compete effectively in our industry.*

Our strategy involves, to a substantial degree, increasing revenue and product volume while at the same time controlling operating expenses. If we do not control our operating expenses, our ability to compete in the marketplace may be impaired. In the past, activities to reduce operating costs have included closures and transfers of facilities, significant personnel reductions and efforts to increase automation. The reduction of personnel and closure of facilities may adversely affect our ability to manufacture our products in required volumes to meet customer demand and may result in other disruptions that affect our products and customer service.

Impairment Charges *We may be required to record impairment charges for goodwill and/or other long-lived assets.*

We are required to assess goodwill annually for impairment, or on an interim basis whenever events occur or circumstances change, such as an adverse change in business climate or a decline in the overall industry, that would more likely than not reduce the fair value of a reporting unit below its carrying amount. We are also required to test other long-lived assets, including acquired intangible assets and property, equipment and leasehold improvements, for recoverability and impairment whenever there are indicators of impairment, such as an adverse change in business climate.

Adverse changes in business conditions could materially impact our estimates of future operations and result in impairment charges to our goodwill or other long lived assets. If our goodwill or other long-lived assets were to become impaired, our results of operations could be materially and adversely affected.

Impact of Technological Change *Increases in the areal density of disk drives may outpace customers' demand for storage capacity.*

The rate of increase in areal density, or storage capacity per square inch on a disk, may be greater than the increase in our customers' demand for aggregate storage capacity, particularly in certain market applications like client compute. As a result, our customers' storage capacity needs may be satisfied with lower priced, low capacity disk drives. These factors could decrease our sales, especially when combined with continued price erosion, which could adversely affect our results of operations.

Changes in Electronic Data Storage Products *Future changes in the nature of electronic data storage products may reduce demand for traditional disk drive products.*

We expect that in the future, new personal computing devices and products will be developed, some of which, such as Internet appliances, tablet or mobile phones with advanced capabilities, or smartphones, may not contain a disk drive. While we are investing development resources in designing disk drives for these new applications, these new applications may have an impact on future demand for disk drive products. Products using alternative technologies, such as flash memory and other storage technologies, are becoming increasingly common and could become a significant source of competition to particular applications of our products, which could adversely affect our results of operations.

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New Product Development and Technological Change *If we do not develop products in time to keep pace with technological changes, our results of operations will be adversely affected.*

Our customers have demanded new generations of disk drive products as advances in computer hardware and software have created the need for improved storage products, with features such as increased storage capacity, improved performance and reliability and lower cost. We, and our competitors, have developed improved products, and we will need to continue to do so in the future. Such product development requires significant investments in research and development. We cannot assure you that we will be able to successfully complete the design or introduction of new products in a timely manner, that we will be able to manufacture new products in sufficient volumes with acceptable manufacturing yields, that we will be able to successfully market these new products or that these products will perform to specifications on a long-term basis. In addition, the impact of slowing areal density growth may adversely impact our ability to be successful.

When we develop new products with higher capacity and more advanced technology, our results of operations may decline because the increased difficulty and complexity associated with producing these products increases the likelihood of reliability, quality or operability problems. If our products suffer increases in failures, are of low quality or are not reliable, customers may reduce their purchases of our products and our manufacturing rework and scrap costs and service and warranty costs may increase. In addition, a decline in the reliability of our products may make us less competitive as compared with other disk drive manufacturers or competing technologies.

Substantial Leverage *Our substantial leverage may place us at a competitive disadvantage in our industry.*

We are leveraged and have significant debt service obligations. Our significant debt and debt service requirements could adversely affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities. For example, our high level of debt presents the following risks:

we are required to use a substantial portion of our cash flow from operations to pay principal and interest on our debt, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, product development efforts, strategic acquisitions, investments and alliances, and other general corporate requirements;

our substantial leverage increases our vulnerability to economic downturns and adverse competitive and industry conditions and could place us at a competitive disadvantage compared to those of our competitors that are less leveraged;

our debt service obligations could limit our flexibility in planning for, or reacting to, changes in our business and our industry and could limit our ability to pursue other business opportunities, borrow more money for operations or capital in the future and implement our business strategies;

our level of debt may restrict us from raising additional financing on satisfactory terms to fund working capital, capital expenditures, product development efforts, strategic acquisitions, investments and alliances, and other general corporate requirements; and

covenants in our debt instruments limit our ability to pay future dividends or make other restricted payments and investments.

In the event that we need to refinance all or a portion of our outstanding debt as it matures, we may not be able to obtain terms as favorable as the terms of our existing debt or refinance our existing debt at all. If prevailing interest rates or other factors existing at the time of refinancing result in higher interest rates upon refinancing, then the interest expense relating to the refinanced debt would increase. Furthermore, if any rating agency changes our credit rating or outlook, our debt and equity

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securities could be negatively affected, which could adversely affect our ability to refinance existing debt or raise additional capital.

Significant Debt Service Requirements *Servicing our debt requires a significant amount of cash and our ability to generate cash may be affected by factors beyond our control.*

Our business may not generate cash flow in an amount sufficient to enable us to pay the principal of, or interest on, our indebtedness or to fund our other liquidity needs, including working capital, capital expenditures, product development efforts, strategic acquisitions, investments and alliances and other general corporate requirements.

Our ability to generate cash is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. We cannot assure you that:

our business will generate sufficient cash flow from operations;

we will continue to realize the cost savings, revenue growth and operating improvements that result from the execution of our long-term strategic plan; or

future sources of funding will be available to us in amounts sufficient to enable us to fund our liquidity needs.

If we cannot fund our liquidity needs, we will have to take actions such as reducing or delaying capital expenditures; product development efforts, strategic acquisitions, investments and alliances, and other general corporate requirements. We cannot assure you that any of these remedies could, if necessary, be effected on commercially reasonable terms, or at all, or that they would permit us to meet our scheduled debt service obligations. In addition if we incur additional debt, the risks associated with our substantial leverage, including the risk that we will be unable to service our debt or generate enough cash flow to fund our liquidity needs, could intensify.

Failure to Pay Quarterly Dividends *Our failure to pay quarterly dividends to our shareholders could cause the market price of our ordinary shares to decline significantly.*

Our ability to pay quarterly dividends will be subject to, among other things, our financial position and results of operations, available cash and cash flow, capital requirements, and other factors. Any reduction or discontinuation of quarterly dividends could cause the market price of our ordinary shares to decline significantly. Moreover, in the event our payment of quarterly dividends is reduced or discontinued, our failure or inability to resume paying dividends at historical levels could result in a persistently low market valuation of our ordinary shares.

Purchase Commitments to Certain Suppliers *If revenues fall or customer demand decreases significantly, we may not meet all of our purchase commitments to certain suppliers.*

From time to time, we enter into long-term, non-cancelable purchase commitments with certain suppliers in order to secure certain components for the production of our products or to supplement our internal manufacturing capacity for certain components. If our actual revenues in the future are lower than our projections or if customer demand decreases significantly below our projections, we may not meet all of our purchase commitments with these suppliers. As a result, it is possible that we will have to shift output from our internal manufacturing facilities to these suppliers or make penalty-type payments under these contracts.

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Risks Associated with Future Strategic Alliances, Joint Ventures or Investments *We may not be able to identify suitable strategic alliances, acquisitions, joint ventures or investment opportunities, or successfully acquire and integrate companies that provide complementary products or technologies.*

Our growth strategy may involve pursuing strategic alliances with, making acquisitions of, forming joint ventures with or making investments in other companies that are complementary to our business. There is substantial competition for attractive strategic alliance, acquisition, joint venture and investment candidates. Accordingly, we may not be able to identify suitable strategic alliances, acquisition, joint venture, or investment candidates. Even if we can identify them, we cannot assure you that we will be able to partner with, acquire or invest in suitable candidates, or integrate acquired technologies or operations successfully into our existing technologies and operations. Moreover, our ability to finance potential strategic alliances, acquisitions, joint ventures or investments will be limited by our high degree of leverage, the covenants contained in the indentures that govern our outstanding indebtedness, and any agreements governing any other debt we may incur.

If we are successful in forming strategic alliances or acquiring, forming joint ventures or making investments in other companies, any of these transactions may have an adverse effect on our results of operations, particularly while the operations of an acquired business are being integrated. It is also likely that integration of acquired companies would lead to the loss of key employees from those companies or the loss of customers of those companies. In addition, the integration of any acquired companies would require substantial attention from our senior management, which may limit the amount of time available to be devoted to our day-to-day operations or to the execution of our strategy. Growth by strategic alliance, acquisition, joint venture or investment involves an even higher degree of risk to the extent we combine new product offerings and enter new markets in which we have limited experience, and no assurance can be given that acquisitions of entities with new or alternative business models will be successfully integrated or achieve their stated objectives.

Furthermore, the expansion of our business involves the risk that we might not manage our growth effectively, that we would incur additional debt to finance these acquisitions or investments, that we may have impairment of goodwill or acquired intangible assets associated with these acquisitions and that we would incur substantial charges relating to the write-off of in-process research and development, similar to that which we incurred in connection with several of our prior acquisitions. Each of these items could have a material adverse effect on our financial condition and results of operations.

In addition, we could issue additional ordinary shares in connection with future strategic alliances, acquisitions, joint ventures or investments. Issuing shares in connection with such transactions would have the effect of diluting your ownership percentage of the ordinary shares and could cause the price of our ordinary shares to decline.

Risk of Intellectual Property Litigation *We are at times subject to intellectual property legal proceedings and claims which could which could cause us to incur significant additional costs or prevent us from selling our products, and which could adversely affect our results of operations and financial condition.*

We are subject from time-to-time to legal proceedings and claims, including claims of alleged infringement of the patents, trademarks and other intellectual property rights of third parties by us, or our customers, in connection with their use of our products. Intellectual property litigation can be expensive and time-consuming, regardless of the merits of any claim, and could divert our management's attention from operating our business. In addition, intellectual property lawsuits are subject to inherent uncertainties due to the complexity of the technical issues involved, which may cause actual results to differ materially from our expectations. Patent litigation has increased due to the current uncertainty of the law and the increasing competition and overlap of product functionality in the field. Some of the actions that we face from time-to-time seek injunctions against the sale of our

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products and/or substantial monetary damages, which if granted or awarded, could materially harm our business, financial condition and operating results.

We cannot be certain that our products do not and will not infringe issued patents or other intellectual property rights of others. We may not be aware of currently filed patent applications that relate to our products or technology. If patents are later issued on these applications, we may be liable for infringement. If our products were found to infringe the intellectual property rights of others, we could be required to pay substantial damages, cease the manufacture, use and sale of infringing products in one or more geographic locations, expend significant resources to develop non-infringing technology, discontinue the use of specific processes or obtain licenses to the technology infringed. We might not be able to obtain the necessary licenses on acceptable terms, or at all, or be able to reengineer our products successfully to avoid infringement. Any of the foregoing could cause us to incur significant costs and prevent us from selling our products, which could adversely affect our results of operations and financial condition. See "Note 14, Legal, Environmental and Other Contingencies" of this report for a description of pending intellectual property proceedings.

Protection of our Intellectual Property We may be unable to protect our intellectual property rights, which could adversely affect our business, financial condition and results of operations.

We rely on a combination of patent, trademark, copyright and trade secret laws, confidentiality procedures and licensing arrangements to protect our IP rights. In the past, we have been involved in significant and expensive disputes regarding our IP rights and those of others, including claims that we may be infringing patents, trademarks and other IP rights of third-parties. We expect that we will be involved in similar disputes in the future.

There can be no assurance that:

any of our existing patents will continue to be held valid, if challenged;

patents will be issued for any of our pending applications;

any claims allowed from existing or pending patents will have sufficient scope or strength to protect us; or

our patents will be issued in the primary countries where our products are sold in order to protect our rights and potential commercial advantage.

In addition, our competitors may be able to design their products around our patents and other proprietary rights. Enforcement of our rights often requires litigation. If we bring a patent infringement action and are not successful, our competitors would be able to use similar technology to compete with us. Moreover, the defendant in such an action may successfully countersue us for infringement of their patents or assert a counterclaim that our patents are invalid or unenforceable.

Cyber Attacks, System Failures and Breaches We could suffer a loss of revenue and increased costs, exposure to significant liability, reputational harm, and other serious negative consequences if we sustain cyber attacks or other data security breaches that disrupt our operations or result in the dissemination of proprietary or confidential information about us or our customers or other third-parties.

Our operations are dependent upon our ability to protect our computer equipment and the electronic data stored in our databases from damage by, among other things, earthquake, fire, natural disasters, accidents, power disruptions, telecommunications failures, acts of terrorism or war, employee misconduct, physical or electronic break-ins, or similar events or disruptions. We manage and store various proprietary information and sensitive or confidential data relating to our operations. In addition, our outsourcing services and cloud computing businesses routinely process, store, and transmit large amounts of data for our customers and vendors, including sensitive and personally identifiable

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information. As our operations become more automated and increasingly interdependent, our exposure to the risks posed by these types of events will increase. We may also be subject to breaches of the information technology systems we use for these purposes, information technology system failures and network disruptions. Experienced computer programmers and hackers may be able to penetrate our network security and misappropriate or compromise our confidential information or that of third-parties, create system disruptions, or cause shutdowns. Computer programmers and hackers also may be able to develop and deploy viruses, worms, and other malicious software programs that attack our products or otherwise exploit any security vulnerabilities of our products. In addition, sophisticated hardware and operating system software and applications that we produce or procure from third-parties may contain defects in design or manufacture, including "bugs" and other problems that could unexpectedly interfere with the operation of the system.

The costs to us to eliminate or address the foregoing security problems and security vulnerabilities before or after a cyber incident could be significant. System redundancy may be ineffective or inadequate, and our disaster recovery planning may not be sufficient for all eventualities. Our remediation efforts may not be successful and could result in interruptions, delays, or cessation of service, and loss of existing or potential customers that may impede our sales, manufacturing, distribution, or other critical functions. We could lose existing or potential customers for outsourcing services or other information technology solutions in connection with any actual or perceived security vulnerabilities in our products. In addition, breaches of our security measures and the unapproved dissemination of proprietary information or sensitive or confidential data about us or our customers or other third-parties, could expose us, our vendors and customers, or other third-parties affected to a risk of loss or misuse of this information, result in litigation and potential liability for us, damage our brand and reputation, or otherwise harm our business. In addition, we rely in certain limited capacities on third-party data management providers whose possible security problems and security vulnerabilities may have similar effects on us.

We are subject to laws, rules, and regulations in the U.S. and other countries relating to the collection, use, and security of user data. Our ability to execute transactions and to possess and use personal information and data in conducting our business subjects us to legislative and regulatory burdens that may require us to notify vendors, customers or employees of a data security breach. We have incurred, and will continue to incur, significant expenses to comply with mandatory privacy and security standards and protocols imposed by law, regulation, industry standards, or contractual obligations.

Economic Risks Associated with International Operations *Our international operations subject us to risks related to currency exchange fluctuations, longer payment cycles for sales in foreign countries, seasonality and disruptions in foreign markets, tariffs and duties, price controls, potential adverse tax consequences, increased costs, our customers' credit and access to capital and health-related risks.*

We have significant operations in foreign countries, including manufacturing facilities, sales personnel and customer support operations. We have manufacturing facilities in China, Malaysia, Northern Ireland, Singapore and Thailand, in addition to those in the United States. A substantial portion of our client compute disk drive assembly occurs in our facility in China.

Our international operations are subject to economic risks inherent in doing business in foreign countries, including the following:

Disruptions in Foreign Markets. Disruptions in financial markets and the deterioration of the underlying economic conditions in the past in some countries, including those in Asia, have had an impact on our sales to customers located in, or whose end-user customers are located in, these countries.

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Fluctuations in Currency Exchange Rates. Prices for our products are denominated predominately in U.S. dollars, even when sold to customers that are located outside the United States. Currency instability in Asia and other geographic markets may make our products more expensive than products sold by other manufacturers that are priced in the local currency. Moreover, many of the costs associated with our operations located outside the United States are denominated in local currencies. As a consequence, the increased strength of local currencies against the U.S. dollar in countries where we have foreign operations would result in higher effective operating costs and, potentially, reduced earnings. From time to time, fluctuations in foreign exchange rates have negatively affected our operations and profitability and there can be no assurance that these fluctuations will not adversely affect our operations and profitability in the future. We may attempt to manage the impact of foreign currency exchange rate changes by, among other things, entering into foreign currency forward exchange contracts. However, these contracts may not cover our full exposure and subject us to certain counterparty credit risks. See "Contractual Obligations and Commitments" of this report about our foreign currency exchange risk.

Longer Payment Cycles. Our customers outside of the United States are often allowed longer time periods for payment than our U.S. customers. This increases the risk of nonpayment due to the possibility that the financial condition of particular customers may worsen during the course of the payment period.

Seasonality. Seasonal reductions in the business activities of our customers during the summer months, particularly in Europe, typically result in lower earnings during those periods.

Tariffs, Duties, Limitations on Trade and Price Controls. Our international operations are affected by limitations on imports, currency exchange control regulations, transfer pricing regulations, price controls and other restraints on trade. In addition, the governments of many countries, including China, Malaysia, Northern Ireland, Singapore and Thailand, in which we have significant operating assets, have exercised and continue to exercise significant influence over many aspects of their domestic economies and international trade.

Potential Adverse Tax Consequences. Our international operations create a risk of potential adverse tax consequences, including imposition of withholding or other taxes on payments by subsidiaries.

Increased Costs. The shipping and transportation costs associated with our international operations are typically higher than those associated with our U.S. operations, resulting in decreased operating margins in some foreign countries.

Credit and Access to Capital Risks. Our international customers could have reduced access to working capital due to higher interest rates, reduced bank lending resulting from contractions in the money supply or the deterioration in the customer's or its bank's financial condition, or the inability to access other financing.

Global Health Outbreaks. The occurrence of a pandemic disease may adversely impact our operations, and some of our key customers. Such diseases could also potentially disrupt the timeliness and reliability of the distribution network we rely on.

Political Risks Associated with International Operations *Our international operations subject us to risks related to economic conditions, political unrest and terrorism.*

We have manufacturing facilities in parts of the world that periodically experience political unrest. This could disrupt our ability to manufacture important components as well as cause interruptions and/or delays in our ability to ship components to other locations for continued manufacture and assembly. Any such delays or interruptions could result in delays in our ability to fill orders and have

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an adverse effect on our results of operations and financial condition. U.S. and international responses to the ongoing hostilities in various regions and the risk of terrorist attacks or hostilities elsewhere in the world could exacerbate these risks.

Macroeconomic developments like the debt crisis in certain countries in the European Union and slowing economies in parts of Asia and South America could negatively affect our business, operating results or financial condition which, in turn, could adversely affect our stock price. A general weakening of, and related declining corporate confidence in, the global economy or the curtailment in government or corporate spending could cause current or potential customers to reduce their information technology (IT) budgets or be unable to fund hardware systems, which could cause customers to delay, decrease or cancel purchases of our products or cause customers not to pay us or to delay paying us for previously purchased products and services.

In addition, political unrest in regions like the Middle East, terrorist attacks around the globe and the potential for other hostilities in various parts of the world, potential public health crises and natural disasters continue to contribute to a climate of economic and political uncertainty that could adversely affect our results of operations and financial condition, including our revenue growth and profitability. These factors generally have the strongest effect on our sales.

Legal and Operational Risks Associated with International Operations *Our international operations subject us to risks related to staffing and management, legal and regulatory requirements and the protection of intellectual property.*

Operating outside of the United States creates difficulties associated with staffing and managing our international manufacturing facilities, complying with local legal and regulatory requirements and protecting our intellectual property. We cannot assure you that we will continue to be found to be operating in compliance with applicable customs, currency exchange control regulations, transfer pricing regulations or any other laws or regulations to which we may be subject. We also cannot assure you that these laws will not be modified.

Dependence on Key Personnel *The loss of key executive officers and employees could negatively impact our business prospects.*

Our future performance depends to a significant degree upon the continued service of key members of management as well as marketing, sales and product development personnel. The loss of one or more of our key personnel may have a material adverse effect on our business, results of operations and financial condition. We believe our future success will also depend in large part upon our ability to attract, retain and further motivate highly skilled management, marketing, sales and product development personnel. We have experienced intense competition for personnel, and we cannot assure you that we will be able to retain our key employees or that we will be successful in attracting, assimilating and retaining personnel in the future.

Securities Litigation *Significant fluctuations in the market price of our ordinary shares could result in securities class action claims against us.*

Significant price and value fluctuations have occurred with respect to the publicly traded securities of disk drive companies and technology companies generally. The price of our ordinary shares is likely to be volatile in the future. In the past, following periods of decline in the market price of a company's securities, class action lawsuits have often been pursued against that company. If similar litigation were pursued against us, it could result in substantial costs and a diversion of management's attention and resources, which could materially adversely affect our results of operations, financial condition and liquidity.

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Global Credit and Financial Market Conditions Deterioration in global credit and financial market conditions could negatively impact the value of our current portfolio of cash equivalents or short-term investments and our ability to meet our financing objectives.

Our cash and cash equivalents are maintained in highly liquid investments with remaining maturities of 90 days or less at the time of purchase. Our short-term investments consist primarily of readily marketable debt securities with remaining maturities of more than 90 days at the time of purchase. Our investment policy has as its principal objectives the preservation of principal and maintenance of liquidity. We mitigate default risk by investing in high-quality investment grade securities, limiting the time to maturity and by monitoring the counter-parties and underlying obligors closely.

While as of the date of this filing, we are not aware of any other material downgrades, losses, or other significant deterioration in the fair value of our cash equivalents or short-term investments, no assurance can be given that further deterioration in conditions of the global credit and financial markets would not negatively impact our current portfolio of cash equivalents or short-term investments or our ability to meet our financing objectives.

Environmental Regulations Failure to comply with applicable environmental laws and regulations could have a material adverse effect on our business, results of operations and financial condition.

The sale and manufacturing of products in certain states and countries may subject us and our suppliers to state, federal and international laws and regulations governing protection of the environment, including those governing discharges of pollutants into the air and water, the management and disposal of hazardous substances and wastes, the cleanup of contaminated sites, restrictions on the presence of certain substances in electronic products and the responsibility for environmentally safe disposal or recycling. We endeavor to ensure that we and our suppliers comply with all applicable environmental laws and regulations, however, compliance may increase our operating costs and otherwise impact future financial results. If additional or more stringent requirements are imposed on us in the future, we could incur additional operating costs and capital expenditures. If we fail to comply with applicable environmental laws, regulations, initiatives, or standards of conduct, our customers may refuse to purchase our products and we could be subject to fines, penalties and possible prohibition of sales of our products into one or more states or countries, liability to our customers and damage to our reputation, which could result in a material adverse effect on the financial condition or results of operations.

New conflict minerals regulations may cause us to incur additional expenses and could limit the supply and increase the cost of certain metals used in manufacturing our products.

In August 2012, the SEC adopted new rules establishing additional disclosure and reporting requirements regarding the use of specified minerals, or conflict minerals, that are necessary to the functionality or production of products manufactured or contracted to be manufactured. These new rules will require us to determine, disclose and report whether or not such conflict minerals originate from the Democratic Republic of the Congo or an adjoining country, the first such report being due on May 31, 2014. These new rules could affect our ability to source certain materials used in our products at competitive prices and could impact the availability of certain minerals used in the manufacture of our products, including gold, tantalum, tin and tungsten. As there may be only a limited number of suppliers of "conflict free" minerals, we cannot be sure that we will be able to obtain necessary conflict free minerals in sufficient quantities or at competitive prices. Our customers, including our OEM customers, may require that our products be free of conflict minerals, and our revenues and margins may be harmed if we are unable to procure conflict free minerals at a reasonable price, or at all, or are unable to pass through any increased costs associated with meeting these demands. Additionally, we may face reputational challenges with our customers and other stakeholders if we are unable to

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sufficiently verify the origins of all minerals used in our products through the due diligence procedures that we implement. We may also face challenges with government regulators and our customers and suppliers if we are unable to sufficiently verify that the metals used in our products are conflict free. We expect that there may be material costs associated with complying with the disclosure requirements, such as costs related to determining the source of certain minerals used in our products, as well as costs related to possible changes to products, processes, or sources of supply as a consequence of such verification and disclosure requirements.

Seasonality *Because we experience seasonality in the sales of our products, our results of operations will generally be adversely impacted during the second half of our fiscal year.*

Sales of computer systems, storage subsystems and consumer electronics tend to be seasonal, and therefore we expect to continue to experience seasonality in our business as we respond to variations in our customers' demand for disk drives. In particular, we anticipate that sales of our products will continue to be lower during the second half of our fiscal year. In the client compute and client non-compute market applications of our business, this seasonality is partially attributable to the historical trend in our results derived from our customers' increased sales of desktop computers, notebook computers, and consumer electronics during the back-to-school and winter holiday season. In the enterprise market our sales are seasonal because of the capital budgeting and purchasing cycles of our end users. Since our working capital needs peak during periods in which we are increasing production in anticipation of orders that have not yet been received, our results of operations will fluctuate seasonally even if the forecasted demand for our products proves accurate. Furthermore, it is difficult for us to evaluate the degree to which this seasonality may affect our business in future periods because of the rate and unpredictability of product transitions and new product introductions, particularly in the client non-compute market, as well as macroeconomic conditions.

Volatile Public Markets *The price of our ordinary shares may be volatile and could decline significantly.*

The stock market, in general, and the market for technology stocks in particular, has recently experienced volatility that has often been unrelated to the operating performance of companies. If these market or industry-based fluctuations continue, the trading price of our ordinary shares could decline significantly independent of our actual operating performance, and you could lose all or a substantial part of your investment. The market price of our ordinary shares could fluctuate significantly in response to several factors, including among others:

general uncertainty in stock market conditions occasioned by global economic conditions, negative financial news and the continued instability of several large financial institutions;

actual or anticipated variations in our results of operations;

announcements of innovations, new products or significant price reductions by us or our competitors, including those competitors who offer alternative storage technology solutions;

our failure to meet the performance estimates of investment research analysts;

the timing of announcements by us or our competitors of significant contracts or acquisitions;

general stock market conditions;

the occurrence of major catastrophic events;

changes in financial estimates by investment research analysts;

changes in the credit ratings of our indebtedness by rating agencies; and

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the sale of our ordinary shares held by certain equity investors or members of management.

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Political events, war, terrorism, natural disasters, public health issues and other circumstances could materially adversely affect our results of operations and financial condition.

War, terrorism, geopolitical uncertainties, natural disasters, public health issues, and other business interruptions have caused and could cause damage or disruption to international commerce and the global economy, and thus could have a strong negative effect on our business, our suppliers, logistics providers, manufacturing vendors and customers. Our business operations are subject to interruption by natural disasters such as floods and earthquakes, fire, power shortages, terrorist attacks, other hostile acts, labor disputes, public health issues, and other events beyond our control. Such events could decrease demand for our products, make it difficult or impossible for us to make and deliver products to our customers, or to receive components from our suppliers, and create delays and inefficiencies in our supply chain. In the event of a natural disaster, losses and significant recovery time could be required to resume operations and our financial condition and operating results could be materially adversely affected. Should major public health issues, including pandemics, arise, we could be negatively affected by stringent employee travel restrictions, additional limitations in freight services, governmental actions limiting the movement of products between regions, delays in production ramps of new products, and disruptions in our operations and some of our key customers.

If we do not realize the expected benefits of our Strategic Alignment with Samsung, our business and financial condition may be materially impaired.

We may not achieve the desired benefits from our strategic alignment with Samsung. Even if we are able to successfully integrate the business that we acquired from Samsung into our business, we may not be able to realize the cost savings, synergies and growth that we anticipate from this transaction in the timeframe we currently expect, and the costs of achieving these benefits may be higher than we currently expect, because of a number of risks, including but not limited to:

The possibility that the transaction may not further our business strategy as we expected;

Our operating results or financial condition may be adversely impacted by liabilities that we assume in the transaction; and

The risk of intellectual property disputes with respect to the acquired assets.

In addition, the Chinese Ministry of Commerce conditioned its approval of the Samsung acquisition on our compliance with several on-going requirements, including: adopting measures to keep the Samsung HDD brand as a separate competitor to the Seagate HDD brand, expanding the Samsung HDD production capacity within six months of the decision, and investing at least \$800 million per year for three years in R&D in our combined Samsung and Seagate HDD businesses. Compliance with these obligations may involve significant costs or require changes in business practices that result in reduced revenue. Noncompliance could result in extending the time under which we would be compelled to operate under these conditions.

As a result of these risks, the transaction may not contribute to our earnings as we expected, we may not achieve expected cost synergies when expected, or at all, and we may not achieve the other anticipated strategic and financial benefits of this transaction.

Our ability to use our net operating loss and tax credit carryforwards might be limited.

At 28 June 2013, the use of approximately \$358 million and \$90 million of our U.S. net operating loss and tax credit carryforwards, respectively, is subject to an aggregate annual limitation of \$45 million pursuant to U.S. tax law. To the extent these net operating loss and tax credit carryforwards are available, we intend to use them to reduce the corporate income tax liability associated with our operations in the U.S. Section 382 of the U.S. Internal Revenue Code generally imposes an annual limitation on the amount of net operating loss or tax credit carryforwards that might be used to offset

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taxable income when a corporation has undergone significant changes in ownership. As a result, future changes in ownership, such as changes in ownership resulting from future repurchases of our ordinary shares, could put limitations on the availability of our net operating loss or tax credit carryforwards. If certain ownership changes occur in the foreseeable future, there may be an additional annual limitation on our ability to use our total U.S. federal and state net operating loss and credit carryforwards of \$2.8 billion, \$1.8 billion, and \$415 million, respectively. If these ownership changes were to occur, we estimate a one-time charge for additional U.S. income tax expense of approximately \$400 to \$500 million may be recorded in the period such change occurs. This additional income tax expense results from a decrease in our net U.S. deferred tax assets recorded through a combination of the write off of deferred tax assets and associated changes to our valuation allowance. We also estimate that the ensuing additional annual limitation on our ability to use tax attribute carryovers may result in increased U.S. income tax expense associated with such change of approximately \$70 to \$85 million each year.

LIQUIDITY AND CAPITAL RESOURCES

The following sections discuss the effects of changes in our balance sheet and cash flows, contractual obligations, and other commitments on our liquidity and capital resources.

Cash and cash equivalents, short-term investments, and restricted cash and investments

(US dollars in millions)	28 June	As of	Change
	2013	29 June	
Cash and cash equivalents	\$ 1,708	\$ 1,707	\$ 1
Short-term investments	480	411	69
Restricted cash and investments	101	93	8
Total	\$ 2,289	\$ 2,211	\$ 78

Our cash and cash equivalents, short-term investments and restricted cash and investments increased from 29 June 2012 as a result of net cash provided by operating activities and the proceeds from the issuance of \$1 billion of our 4.75% notes due 2023. These cash inflows were partially offset by our repurchases of our ordinary shares, capital expenditures, redemption and repurchase of certain of our long-term debt, and dividends paid to our shareholders.

The following table summarizes results from the statement of cash flows for the periods indicated:

(US dollars in millions)	Fiscal Years Ended	
	28 June	29 June
Net cash flow provided by (used in):		
Operating activities	\$ 3,047	\$ 3,262
Investing activities	(825)	(1,114)
Financing activities	(2,222)	(3,118)
Effect of foreign currency exchange rates	1	
Net increase (decrease) in cash and cash equivalents	\$ 1	\$ (970)

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Cash Provided by Operating Activities

Cash provided by operating activities for fiscal year 2013 was approximately \$3.0 billion and includes the effects of net income adjusted for non-cash items including depreciation, amortization, stock-based compensation, and:

a decrease of \$661 million in accounts receivable, net, primarily due to a decrease in revenue in the fourth quarter of fiscal year 2013 compared to the prior year period;

a decrease of \$538 million in accounts payable, primarily due to a reduction in direct materials purchases due to a decrease in build volume in the fourth quarter of fiscal year 2013 compared to the prior year period;

a decrease of \$272 million in vendor non-trade receivables primarily due to a decrease in build volumes in the fourth quarter of fiscal year 2013 compared to the prior year period;

a decrease of \$170 million in accrued expenses, income taxes and warranty, primarily due to decreases in costs related to sales activities resulting from lower sales volumes; and

a decrease of \$102 million in inventory, due to lower volumes in the fourth quarter of fiscal year 2013 compared to the prior year period.

Cash provided by operating activities for fiscal year 2012 was approximately \$3.3 billion and includes the effects of net income adjusted for non-cash items including depreciation, amortization, stock-based compensation, and:

an increase of \$824 million in accounts receivable, net, due to an increase in revenues;

an increase of \$157 million in accounts payable due to higher direct material purchases related to an increase in volume, partially offset by a change in supplier payment terms; and

an increase of \$145 million in accrued employee compensation reflecting an increase in variable performance-based compensation.

Cash Used in Investing Activities

In fiscal year 2013, we used \$0.8 billion for net cash investing activities, which was primarily due to payments for property, equipment and leasehold improvements.

In fiscal year 2012, we used \$1.1 billion for net cash investing activities, which was primarily due to payments for property, equipment and leasehold improvements of approximately \$0.6 billion and net payments for the acquisition of Samsung's HDD business of \$0.6 billion.

Cash Used in Financing Activities

Net cash used in financing activities of \$2.2 billion for fiscal year 2013 was attributable to \$1.7 billion paid to repurchase 54 million of our ordinary shares, \$1.2 billion for the repurchase and redemption of long term debt and \$0.5 billion in dividends paid to our shareholders. This use of cash was partially offset by the proceeds from the issuance of \$1 billion of our 4.75% notes due 2023 and \$0.3 billion in proceeds from the issuance of ordinary shares under employee stock plans.

Net cash used in financing activities of \$3.1 billion for fiscal year 2012 was attributable to \$2.4 billion paid to repurchase 101 million of our ordinary shares, \$0.7 billion in long term debt repayments and \$0.4 billion in dividends paid to our shareholders. This use of cash was partially offset by \$0.3 billion in proceeds from the exercise of stock options and employee stock purchases.

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Dividends

From the closing of our initial public offering in December 2002 through 2013, we have paid dividends, pursuant to our dividend policy then in effect, totaling approximately \$1.9 billion in the aggregate.

Liquidity Sources

Our primary sources of liquidity as of 28 June 2013, consisted of: (1) approximately \$2.2 billion in cash and cash equivalents, and short-term investments, (2) cash we expect to generate from operations and (3) a \$500 million revolving credit facility. We also had \$101 million in restricted cash and investments, of which \$79 million was related to our employee deferred compensation liabilities under our non-qualified deferred compensation plan.

As of 28 June 2013, no borrowings have been drawn under the revolving credit facility, and \$2 million had been utilized for letters of credit. The line of credit is available for borrowings, subject to compliance with financial covenants and other customary conditions to borrowing.

The credit agreement that governs our revolving credit facility, as amended, contains certain covenants that we must satisfy in order to remain in compliance with the credit agreement, as amended. The agreement also includes three financial covenants: (1) minimum cash, cash equivalents and marketable securities; (2) a fixed charge coverage ratio; and (3) a net leverage ratio. As of 28 June 2013, we were in compliance with all of the covenants under our revolving credit facility and debt agreements.

As of 28 June 2013, cash and cash equivalents held by non-Irish subsidiaries was \$1.7 billion. This amount is potentially subject to taxation in Ireland upon repatriation by means of a dividend into our Irish parent. However, it is our intent to indefinitely reinvest earnings of non-Irish subsidiaries outside of Ireland and our current plans do not demonstrate a need to repatriate such earnings by means of a taxable Irish dividend. Should funds be needed in the Irish parent company and should we be unable to fund parent company activities through means other than a taxable Irish dividend, we would be required to accrue and pay Irish taxes on such dividend.

We believe that our sources of cash will be sufficient to fund our operations and meet our cash requirements for at least the next 12 months.

Cash Requirements and Commitments

Our liquidity requirements are primarily to meet our working capital, research and development and capital expenditure needs, to fund scheduled payments of principal and interest on our indebtedness, and to fund our dividend. Our ability to fund these requirements will depend on our future cash flows, which are determined by future operating performance, and therefore, subject to prevailing global macroeconomic conditions and financial, business and other factors, some of which are beyond our control.

On 24 July 2013, our Board of Directors approved a cash dividend of \$0.38 per share, which were paid on 21 August 2013 to shareholders of record as of the close of business on 7 August 2013.

As of 28 June 2013, we were in compliance with all of the covenants under our debt agreements. Based on our current outlook, we expect to be in compliance with the covenants of our debt agreements over the next 12 months.

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The carrying value of our long-term debt as of 28 June 2013 and 29 June 2012 was \$2.8 billion and \$2.9 billion, respectively. The table below presents the principal amounts of our outstanding long-term debt:

(US dollars in millions)	28 June 2013	As of 29 June 2012	Change
10.0% Senior Secured Second-Priority Notes due May 2014	\$	\$ 319	\$ (319)
6.8% Senior Notes due October 2016	335	600	(265)
7.75% Senior Notes due December 2018	238	750	(512)
6.875% Senior Notes due May 2020	600	600	
7.00% Senior Notes due November 2021	600	600	
4.75% Senior Notes due June 2023	1,000		1,000
Other	4		4
Total	\$ 2,777	\$ 2,869	\$ (92)

Contractual Obligations and Commitments

Our contractual cash obligations and commitments as of 28 June 2013, have been summarized in the table below:

(US dollars in millions)	Total	2014	Fiscal Year(s)		Thereafter
			2015- 2016	2017- 2018	
Contractual Cash Obligations:					
Long-term debt	\$ 2,777	\$ 3	\$ 1	\$ 335	\$ 2,438
Interest payments on debt	1,317	173	365	288	491
Capital expenditures	284	168	116		
Operating leases ⁽¹⁾	165	31	35	18	81
Purchase obligations ⁽²⁾	1,470	1,286	184		
Other funding requirements	30	30			
Subtotal	6,043	1,691	701	641	3,010
Commitments:					
Letters of credit or bank guarantees	31	28	3		
Total	\$ 6,074	\$ 1,719	\$ 704	\$ 641	\$ 3,010

(1) Includes total future minimum rent expense under non-cancelable leases for both occupied and vacated facilities (rent expense is shown net of sublease income).

(2) Purchase obligations are defined as contractual obligations for the purchase of goods or services, which are enforceable and legally binding on us, and that specify all significant terms.

As of 28 June 2013, we had a liability for unrecognized tax benefits and an accrual for the payment of related interest totaling \$87 million, none of which is expected to be settled within one year. Outside of one year, we are unable to make a reasonably reliable estimate of when cash settlement with a taxing authority will occur.

Off-Balance Sheet Arrangements

As of 28 June 2013, we did not have any material off-balance sheet arrangements.

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Financial Risk Management

We have exposure to market risks due to the volatility of interest rates, foreign currency exchange rates, equity and bond markets. A portion of these risks are hedged, but fluctuations could impact our results of operations, financial position and cash flows. Additionally, we have exposure to downgrades in the credit ratings of our counterparties as well as exposure related to our credit rating changes.

Interest Rate Risk. Our exposure to market risk for changes in interest rates relates primarily to our investment portfolio. As of 28 June 2013, the Company had no material available-for-sale securities that had been in a continuous unrealized loss position for a period greater than 12 months. The Company determined no material available-for-sale securities were other-than-temporarily impaired as of 28 June 2013. We currently do not use derivative financial instruments in our investment portfolio.

We have fixed rate debt obligations. We enter into debt obligations for general corporate purposes including capital expenditures and working capital needs. We currently do not use interest rate derivatives to hedge interest rate exposure on our outstanding debt.

Foreign Currency Exchange Risk. We may enter into foreign currency forward exchange contracts to manage exposure related to certain foreign currency commitments and anticipated foreign currency denominated expenditures. Our policy prohibits us from entering into derivative financial instruments for speculative or trading purposes. During fiscal years 2013 and 2012, we did not enter into any hedges of net investments in foreign operations.

We also hedge a portion of our foreign currency denominated balance sheet positions with foreign currency forward exchange contracts to reduce the risk that our earnings will be adversely affected by changes in currency exchange rates. The changes in fair value of these hedges are recognized in earnings in the same period as the gains and losses from the remeasurement of the assets and liabilities. These foreign currency forward exchange contracts are not designated as hedging instruments under ASC 815, *Derivatives and Hedging*. All these forward contracts mature within 12 months.

We evaluate hedging effectiveness prospectively and retrospectively and record any ineffective portion of the hedging instruments in Costs of revenue on the Consolidated Profit and Loss Account. We did not have any material net gains (losses) recognized in Costs of revenue for cash flow hedges due to hedge ineffectiveness or discontinued cash flow hedges during fiscal years 2013 and 2012.

Other Market Risks. We have exposure to counterparty credit downgrades in the form of credit risk related to our foreign currency forward exchange contracts and our fixed income portfolio. We monitor and limit our credit exposure for our foreign currency forward exchange contracts by performing ongoing credit evaluations. We also manage the notional amount of contracts entered into with any one counterparty, and we maintain limits on maximum tenor of contracts based on the credit rating of the financial institutions. Additionally, the investment portfolio is diversified and structured to minimize credit risk. As of 28 June 2013, we had not have any counterparty credit exposure related to our foreign currency forward exchange contracts. Changes in our corporate issuer credit ratings have minimal impact on our financial results, but downgrades may negatively impact our future transaction costs and our ability to execute transactions with various counterparties.

We are subject to equity market risks due to changes in the fair value of the notional investments selected by our employees as part of our Seagate Deferred Compensation Plan (the "SDCP") and on certain strategic investments in equity of publicly traded companies. We currently manage our exposure to equity market risks associated with the SDCP liabilities by investing directly in mutual funds that mirror the employees' investment options.

As of 28 June 2013 we continued to hold auction rate securities with a par value of approximately \$17 million, all of which are collateralized by student loans guaranteed by the Federal Family Education Loan Program. Beginning in the March 2008 quarter, these securities have continuously failed to settle

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at auction. As of 28 June 2013, the estimated fair value of these auction rate securities was \$15 million. We believe that the impairments totaling \$2 million are temporary as we do not intend to sell these securities and have concluded it is not more likely than not that we will be required to sell the securities before the recovery of the amortized cost basis. As such, the impairment was recorded in Other comprehensive income (loss) and these securities were classified as long-term investments.

LIKELY FUTURE DEVELOPMENT

We are committed to developing new component technologies, products and alternative storage technologies. Our research and development focus is designed to bring new products to market in high volume, with quality attributes that our customers expect, before our competitors. Part of our product development strategy is to leverage a design platform and/or subsystem within product families to serve different market needs. This platform strategy allows for more efficient resource utilization, leverages best design practices, reduces exposure to changes in demand, and allows for achievement of lower costs through purchasing economies. Our advanced technology integration effort focuses disk drive and component research on recording subsystems, including read/write heads and recording media, market-specific product technology and technology focused towards new business opportunities. The primary purpose of our advanced technology integration effort is to ensure timely availability of mature component technologies to our product development teams as well as allowing us to leverage and coordinate those technologies in the design centers across our products in order to take advantage of opportunities in the marketplace. During fiscal years 2013 and 2012, we had product development expenses of approximately \$1,133 million and \$1,006 million, respectively, which represented 8% and 7% of our consolidated revenue, respectively.

DIRECTORS

The directors are as listed on page 3.

DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES

Details of directors' and secretary's interests in the ordinary shares of Seagate Technology plc as at 28 June 2013 were as follows:

Director	Shares	Interests held as at 28 June 2013 ⁽¹⁾			
		Vested options	Unvested options	Restricted share units	Restricted shares
Stephen J. Luczo ⁽²⁾	1,794,425	450,938	320,767		
Frank J. Biondi, Jr.	33,946	10,417	834	8,235	1,250
Michael R. Cannon	26,843			8,235	
Mei-Wei Cheng ⁽⁴⁾	954			8,235	
William Coleman	10,329			8,235	
Jay L. Geldmacher	2,576			8,235	
Seh-Woong Jeong					
Lydia M. Marshall	27,196	9,792	834	8,235	1,250
Kristen M. Onken	8,624			8,235	
C.S. Park	31,316	417	834	8,235	1,250
Gregorio Reyes		625	834	8,235	1,250
Edward J. Zander	44,586	64,166	834	8,235	1,250
Kenneth M. Massaroni ⁽³⁾	23,260	34,342	68,908	5,100	

- (1) All interests declared are in the ordinary shares of \$0.00001 par value of Seagate Technology plc.
- (2) Excludes 1,281,040 unvested option and share awards that contain certain performance and market conditions.
- (3) Excludes 184,300 unvested share awards that contain certain performance and market conditions.
- (4) There were no interests in the ordinary shares of Seagate Technology plc upon appointment on 25 July 2012.

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Details of directors' and secretary's interests in the ordinary shares of Seagate Technology plc as at 29 June 2012 were as follows:

Director	Shares	Interests held as at 29 June 2012 ⁽¹⁾			
		Vested options	Unvested options	Restricted share units	Restricted shares
Stephen J. Luczo ⁽²⁾	3,154,692	876,718	743,283		1,250
Frank J. Biondi, Jr.	21,948	150,832	4,168	15,718	3,750
Michael R. Cannon	17,225			15,718	
William Coleman	7,753			4,051	
Jay L. Geldmacher				4,051	
Seh-Woong Jeong					
Lydia M. Marshall	24,698	50,832	4,168	15,718	3,750
Kristen M. Onken				14,124	
C.S. Park	24,198	54,532	4,168	15,718	3,750
Gregorio Reyes	31,488	59,832	4,168	15,718	3,750
Edward J. Zander	30,448	51,353	13,647	15,718	6,250
Kenneth M. Massaroni ⁽³⁾	9,654	237,498	107,502	7,650	3,125

(1) All interests declared are in the ordinary shares of \$0.00001 par value of Seagate Technology plc.

(2) Excludes 690,980 unvested share awards that contain certain performance and market conditions.

(3) Excludes 137,300 unvested share awards that contain certain performance and market conditions.

The directors and the company secretary had no interests in any other group company as required to be disclosed in accordance with Section 53 of the Companies Act, 1990.

IMPORTANT EVENTS SINCE THE PERIOD END

Dividends

On 24 July 2013, our Board of Directors approved a cash dividend of \$0.38 per share, which were paid on 21 August 2013 to shareholders of record as of the close of business on 7 August 2013.

July 2013 Stock Repurchase Program

The Board of Directors has authorized the Company to repurchase up to \$2.5 billion of its outstanding ordinary shares (the "July 2013 Authorization").

POLITICAL DONATIONS

During the year ended 28 June 2013, the Company made no political donations.

BRANCHES OUTSIDE THE STATE

The Company has established branches, within the meaning of EU Council Directive 89/666/EEC (implemented in Ireland by the European Communities (Branch Disclosures) Regulations 1993), in Brazil, China, Russia, the Netherlands, Singapore and Northern Ireland.

BOOKS AND RECORDS

The directors are responsible for ensuring that proper books and accounting records, as outlined in Section 202 of the Companies Act 1990, are kept by the Company. To achieve this, the directors have appointed experienced bookkeepers who are professionally qualified, who report to

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the Chief Financial Officer and ensure that the requirements of Section 202 of the Companies Act 1990 are complied with.

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The books and accounting records are maintained at the Company's principal accounting offices at 10200 South De Anza Boulevard, Cupertino, California, United States of America, and are open at all reasonable times to inspection by the directors. Accounts and returns relating to the business dealt with in the books of account are kept in order to disclose the Company's financial position and are returned to the Company's registered office at intervals not exceeding six months to enable the preparation with reasonable accuracy of its balance sheet, profit and loss account, and notes to the financial statements in accordance with the Companies Acts.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law in the Republic of Ireland requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Parent Company and of the Group and of the profit or loss of the Group for that period.

In preparing the financial statements of the Group, the Directors are required to:

select suitable accounting policies and then apply them consistently;

make judgments and estimates that are reasonable and prudent;

comply with applicable US generally accepted accounting principles to the extent that the use of US generally accepted accounting principles does not contravene any provision of the Companies Acts or of any regulations made there under, subject to any material departures disclosed and explained in the financial statements; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The considerations set out above for the Group are also required to be addressed by the Directors in preparing the financial statements of the Parent Company (which are set out on pages B-104 to B-108), in respect of which the applicable accounting standards are those which are generally accepted in the Republic of Ireland.

The Directors have elected to prepare the Parent Company's financial statements in accordance with generally accepted accounting practice in Ireland (Irish GAAP) comprising the financial reporting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland, together with the Companies Acts, 1963 to 2012.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Parent Company and which enable them to ensure that the financial statements of the Group are prepared in accordance with applicable US generally accepted accounting principles and comply with the provisions of the Companies Acts, 1963 to 2012. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Ernst & Young, Chartered Accountants, will continue in office in accordance with Section 160(2) of the Companies Act, 1963.

Approved by the Board of Directors on 4 September 2013 and signed on its behalf by:

/s/ STEPHEN J. LUCZO

/s/ KRISTEN M. ONKEN

Stephen J. Luczo

Kristen M. Onken

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEAGATE TECHNOLOGY PLC

We have audited the financial statements of Seagate Technology plc for the year ended 28 June 2013 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Cash Flows, the Parent Company Balance Sheet, the related notes 1 to 21 in respect of the group financial statements and the related notes 1 to 11 in respect to the parent company financial statements. The financial reporting framework that has been applied in the preparation of the group financial statements is Irish law and U.S. Generally Accepted Accounting Principles (U.S. GAAP), as defined in section 1 (1) of the Companies (Miscellaneous Provisions) Act, 2009, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of the Companies Acts or of any regulation made there under, and for the preparation of the parent company financial statements in accordance with Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members, as a body, in accordance with section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page B-45, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

the group financial statements give a true and fair view in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP), as defined in section 1 (1) of the Companies (Miscellaneous Provisions) Act, 2009, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of the Companies Acts or of any regulation made there under, of the state of the group's affairs as at 28 June 2013 and of its profit for the year then ended;

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEAGATE TECHNOLOGY PLC (Continued)

the parent company balance sheet gives a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the parent company's affairs as at 28 June 2013; and

the financial statements have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion proper books of account have been kept by the parent company.

The parent company balance sheet is in agreement with the books of account.

In our opinion the information given in the directors' report is consistent with the financial statements.

The net assets of the parent company, as stated in the parent company balance sheet, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 28 June 2013 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the parent company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

/s/ BREFFNI MAGUIRE

Breffni Maguire
For and on behalf of Ernst & Young
Dublin

4 September 2013

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SEAGATE TECHNOLOGY PLC
CONSOLIDATED PROFIT AND LOSS ACCOUNT

(US Dollars in millions)	Note	Fiscal Years Ended	
		28 June 2013	29 June 2012
Revenue		\$ 14,351	\$ 14,939
Cost of revenue		10,411	10,255
Gross profit		3,940	4,684
Product development		1,133	1,006
Marketing and administrative		635	528
Amortization of intangibles	4	79	38
Restructuring and other, net	5	2	4
		1,849	1,576
Operating earnings		2,091	3,108
Interest income		8	8
Interest expense		(214)	(241)
Other income and charges, net		(54)	7
Income before taxes		1,831	2,882
Income tax (benefit) expense	7	(7)	20
Net income		\$ 1,838	\$ 2,862

Approved by the Board of Directors on 4 September 2013 and signed on its behalf by:

/s/ STEPHEN J. LUCZO

/s/ KRISTEN M. ONKEN

Stephen J. Luczo

Kristen M. Onken
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SEAGATE TECHNOLOGY PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In millions)

(US Dollars in millions)	Fiscal Years Ended	
	28 June 2013	29 June 2012
Net Income	\$ 1,838	\$ 2,862
Other comprehensive income (loss), net of tax:		
Cash flow hedges		
Change in net unrealized gain (loss) on cash flow hedges		(7)
Less: reclassification for amounts included in net income		5
Net change		(2)
Marketable securities		
Change in net unrealized gain (loss) on available-for-sale securities	21	(3)
Less: reclassification for amounts included in net income	(23)	4
Net change	(2)	1
Post-retirement plans		
Change in unrealized loss on post-retirement plans	(3)	(3)
Less: reclassification for amounts included in net income		1
Net change	(3)	(2)
Foreign currency translation adjustments	1	
Total other comprehensive loss, net of tax	(4)	(3)
Comprehensive income	1,834	2,859
Less: Comprehensive income attributable to noncontrolling interest	1	
Comprehensive income attributable to Seagate Technology plc	\$ 1,833	\$ 2,859

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SEAGATE TECHNOLOGY PLC
CONSOLIDATED BALANCE SHEET

(US Dollars in millions)	Note	28 June 2013	29 June 2012
ASSETS			
Fixed assets:			
Goodwill	4	\$ 476	\$ 463
Intangible assets	4	405	506
Tangible assets	2	2,269	2,284
Financial assets	9	81	55
		3,231	3,308
Current assets:			
Inventories	2	854	909
Trade debtors	2	1,670	2,319
Other debtors amounts falling due within one year	2	599	871
Investments	2	480	411
Restricted cash and investments	2	101	93
Cash and cash equivalents	2	1,708	1,707
		5,412	6,310
Other debtors amounts falling due after one year	2	600	488
Total Assets		\$ 9,243	\$ 10,106
LIABILITIES			
Capital and reserves:			
Share capital	10	\$	\$
Share premium	10	5,225	4,966
Other reserves	10	48	(25)
Profit and loss account	10	(1,778)	(1,444)
Noncontrolling interest		11	
		3,506	3,497
Provisions for liabilities:			
Taxation	7	126	112
Other provisions	2	337	388
		463	500
Creditors amounts falling due within one year:			
Debt	9	3	
Trade creditors		1,690	2,286
Other creditors	2	714	848
		2,407	3,134
Creditors amounts falling due after one year:			
Debt	9	2,774	2,863
Other creditors		93	112
Total Liabilities		\$ 9,243	\$ 10,106

Approved by the Board of Directors on 4 September 2013 and signed on its behalf by:

/s/ STEPHEN J. LUCZO

/S/ KRISTEN M. ONKEN

Stephen J. Luczo

Kristen M. Onken
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SEAGATE TECHNOLOGY PLC
CONSOLIDATED STATEMENT OF CASH FLOWS

(US Dollars in millions)	Fiscal Years Ended	
	28 June 2013	29 June 2012
OPERATING ACTIVITIES		
Net income	\$ 1,838	\$ 2,862
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	873	814
Share-based compensation	76	51
Loss on redemption and repurchase of debt	141	17
Gain on sale of tangible assets	(36)	(25)
Deferred income taxes	(70)	(28)
Gain on sale of investments	(61)	(12)
Other non-cash operating activities, net	12	7
Changes in operating assets and liabilities:		
Trade debtors	661	(824)
Inventories	102	99
Trade creditors	(538)	157
Accrued employee compensation	(14)	145
Accrued expenses, income taxes and warranty	(170)	54
Vendor non-trade receivables	272	(82)
Other assets and liabilities	(39)	27
Net cash provided by operating activities	3,047	3,262
INVESTING ACTIVITIES		
Acquisition of tangible assets	(786)	(636)
Proceeds from the sale of tangible assets	29	20
Purchases of short-term investments	(351)	(454)
Sales of short-term investments	296	397
Maturities of short-term investments	38	119
Cash used in acquisition of Samsung HDD assets and liabilities		(561)
Cash used in acquisition of LaCie S.A., net of cash acquired	(36)	
Other investing activities, net	(15)	1
Net cash used in investing activities	(825)	(1,114)
FINANCING ACTIVITIES		
Net proceeds from issuance of long-term debt	986	
Repayments of long-term debt and capital lease obligations	(1,224)	(670)
Repurchases of ordinary shares	(1,654)	(2,426)
Dividends to shareholders	(518)	(372)
Proceeds from issuance of ordinary shares under employee stock plans	259	344
Escrow deposit for acquisition of noncontrolling shares of LaCie S.A.	(72)	
Other financing activities, net	1	6
Net cash used in financing activities	(2,222)	(3,118)
Effect of foreign currency exchange rate changes on cash and cash equivalents	1	
Increase (Decrease) in cash and cash equivalents	1	(970)
Cash and cash equivalents at the beginning of the year	1,707	2,677
Cash and cash equivalents at the end of the year	\$ 1,708	\$ 1,707

Supplemental Disclosure of Cash Flow Information

Cash paid for interest	\$	219	\$	221
Cash paid for income taxes, net of refunds	\$	48	\$	8

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation and Summary of Significant Accounting Policies

Organization

Seagate Technology plc became the parent company in the Seagate group following a reorganisation that took place in 2010.

This transaction was accounted for in these consolidated financial statements as a merger between entities under common control; accordingly, the historical consolidated financial statements of Seagate Technology for periods prior to this transaction are considered to be the historical consolidated financial statements of Seagate Technology plc. No changes in consolidated assets or liabilities resulted from this transaction, other than Seagate Technology plc has provided a guarantee of amounts due under certain borrowing arrangements as described in Note 6. See Note 10 for a discussion of the capital structure of Seagate Technology plc.

Accounting convention and basis of preparation of financial statements

The directors have elected to prepare the consolidated financial statements of Seagate Technology plc (the "Company") in accordance with Section 1 of the Companies (Miscellaneous Provisions) Act, 2009, which provides that a true and fair view of the state of affairs and profit or loss may be given by preparing the financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), as defined in Section 1(1) of the Companies (Miscellaneous Provisions) Act, 2009, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of the Companies Acts or of any regulations made thereunder.

These financial statements therefore were prepared in accordance with Irish Company Law, to present to the shareholders of the Company and file with the Companies Registration Office in Ireland. Accordingly, these consolidated financial statements include presentation and additional disclosures required by the Republic of Ireland's Companies Acts, 1963 to 2012 (Companies Acts) in addition to those disclosures required under U.S. GAAP.

In addition, in these financial statements, terminology typically utilized in a set of U.S. GAAP financial statements has been retained for the benefit of those users of these financial statements who also access our 10-K U.S. GAAP financial statements, rather than utilizing the terminology set out under Irish Company Law. Accordingly, references to revenue, cost of revenue, interest income, interest expense, income tax expense and net income having the same meaning as references to turnover, cost of sales, other interest receivable and similar income, interest payable and similar charges, tax on profit on ordinary activities and profit on ordinary activities after taxation under Irish Company Law.

Basis of Presentation and Consolidation

The consolidated financial statements include the accounts of the Company and all its wholly-owned and majority-owned subsidiaries, after elimination of intercompany transactions and balances.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States also requires management to make estimates and assumptions that affect the amounts reported in the Company's consolidated financial statements and accompanying notes. Actual results could differ materially from those estimates. The methods, estimates and judgments the Company uses in applying its most critical accounting policies have a significant impact on the results the Company reports in its consolidated financial statements. The consolidated financial statements reflect, in the opinion of management, all material adjustments necessary to present fairly the

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

consolidated financial position, results of operations, cash flows and shareholders' equity for the periods presented.

The Company operates and reports financial results on a fiscal year of 52 or 53 weeks ending on the Friday closest to June 30. Accordingly, fiscal years 2013 and 2012 were comprised of 52 weeks and ended on 28 June 2013 and 29 June 2012, respectively. All references to years in the Notes to Consolidated Financial Statements represent fiscal years unless otherwise noted.

In these Notes to the Consolidated Financial Statements, unless the context indicates otherwise, as used herein, the terms "we," "us," "Seagate," the "Company" and "our" refer to the Seagate Group. In these Notes to the Consolidated Financial Statements, references to Other comprehensive income (loss) (OCI) refer to a component of Other Reserves.

Summary of Significant Accounting Policies

Cash, Cash Equivalents and Short-Term Investments. The Company considers all highly liquid investments with a remaining maturity of 90 days or less at the time of purchase to be cash equivalents. Cash equivalents are carried at cost, which approximates fair value. The Company's short-term investments are primarily comprised of readily marketable debt securities with remaining maturities of more than 90 days at the time of purchase. With the exception of restricted cash and investments, held for its non-qualified deferred compensation plan, which are classified as trading securities, the Company has classified its entire investment portfolio as available-for-sale and it is stated at fair value with unrealized gains and losses included in Accumulated other comprehensive loss, which is a component of Other reserves. The Company evaluates the available-for sale securities in an unrealized loss position for other-than-temporary impairment. The amortized cost of debt securities is adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization and accretion are included in interest income. Realized gains and losses are included in Other income and charges. The cost of securities sold is based on the specific identification method.

Restricted Cash and Investments. Restricted cash and investments represents cash and cash equivalents and investments that are restricted as to withdrawal or use for other than current operations.

Allowances for Doubtful Accounts. The Company maintains an allowance for uncollectible trade debtors based upon expected collectability. This reserve is established based upon historical trends, global macroeconomic conditions and an analysis of specific exposures. The provision for doubtful accounts is recorded as a charge to Marketing and administrative expense.

Inventory. Inventories are valued at the lower of cost (using the first-in, first-out method) or market. Market value is based upon an estimated average selling price reduced by estimated cost of completion and disposal.

Tangible assets. Tangible assets are stated at cost. Equipment and buildings are depreciated using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized using the straight-line method over the shorter of the estimated life of the asset or the remaining term of the lease. The costs of additions and substantial improvements to tangible assets, which extend the economic life of the underlying assets, are capitalized. The cost of maintenance and repairs to tangible assets is expensed as incurred.

Accounting for Goodwill and Other Long-lived Assets. Irish Company law requires that goodwill is written off over a period of time which does not exceed its useful economic life. However, the Company does not believe this gives a true and fair view because not all goodwill declines in value. In

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addition, since goodwill that does decline in value rarely does so on a straight-line basis, straightline amortization of goodwill over an arbitrary period does not reflect the economic reality. Consistent with U.S. GAAP, Seagate considers goodwill an indefinite-lived intangible asset that is not amortized over an arbitrary period. Rather, the Company accounts for goodwill in accordance with Accounting Standards Codification (ASC) Topic 350 (ASC 350), *Intangibles Goodwill and Other*. During fiscal year 2012, the Company adopted ASU No. 2011-08, *Intangibles Goodwill and Other (ASC Topic 350) Testing Goodwill for Impairment*. Therefore in order to present a true and fair view of the economic reality under U.S. GAAP, goodwill is considered indefinite-lived and is not amortized. The Company is not able to reliably estimate the impact on the financial statements of the true and fair override on the basis that the useful economic of goodwill cannot be predicted with a satisfactory level of reliability nor can the pattern in which goodwill diminishes be known. The Company performs a qualitative assessment at the end of each reporting period to determine if any events or circumstances exist, such as an adverse change in business climate or a decline in the overall industry that would indicate that it would more likely than not reduce the fair value of a reporting unit below its carrying amount, including goodwill.

The Company tests other long-lived assets, including tangible assets and other intangible assets subject to amortization, for recoverability whenever events or changes in circumstances indicate that the carrying value of those assets may not be recoverable. The Company performs a recoverability test to assess the recoverability of an asset group. If the recoverability test indicates that the carrying value of the asset group is not recoverable, the Company will estimate the fair value of the asset group and the excess of the carrying value over the fair value is allocated pro rata to derive the adjusted carrying value of assets in the asset group. The adjusted carrying value of each asset in the asset group is not reduced below its fair value.

In July 2012, the Company early adopted ASU No. 2012-02, *Intangibles Goodwill and Other (ASC Topic 350) Testing Indefinite-Lived Intangible Assets for Impairment*. The Company tests other intangible assets not subject to amortization whenever events occur or circumstances change, such as declining financial performance, deterioration in the environment in which the entity operates or deteriorating macroeconomic conditions that have a negative effect on future expected earnings and cash flows that could affect significant inputs used to determine the fair value of the indefinite-lived intangible asset.

Derivative Financial Instruments. The Company applies the requirements of ASC Topic 815 (ASC 815), *Derivatives and Hedging*. ASC 815 requires that all derivatives be recorded on the balance sheet at fair value and establishes criteria for designation and effectiveness of hedging relationships (see note 8).

Establishment of Warranty Accruals. The Company estimates probable product warranty costs at the time revenue is recognized. The Company generally warrants its products for a period of 1 to 5 years. The Company's warranty provision considers estimated product failure rates and trends (including the timing of product returns during the warranty periods), and estimated repair or replacement costs related to product quality issues, if any. The Company also exercises judgment in estimating its ability to sell certain repaired disk drives. Should actual experience in any future period differ significantly from its estimates, the Company's future results of operations could be materially affected.

Revenue Recognition, Sales Returns and Allowances, and Sales Incentive Programs. The Company's revenue recognition policy complies with ASC Topic 605 (ASC 605), *Revenue Recognition*. Revenue from sales of products, including sales to distribution customers, is generally recognized when title and risk of loss has passed to the buyer, which typically occurs upon shipment from the Company or third party warehouse facilities, persuasive evidence of an arrangement exists, including a fixed or

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

determinable price to the buyer, and when collectability is reasonably assured. Revenue from sales of products to certain direct retail customers and to customers in certain indirect retail channels is recognized on a sell-through basis.

The Company records estimated product returns at the time of shipment. The Company also estimates reductions to revenue for sales incentive programs, such as price protection, and volume incentives, and records such reductions when revenue is recorded. The Company establishes certain distributor and OEM sales programs aimed at increasing customer demand. For OEM sales, rebates are typically based on an OEM customer's volume of purchases from Seagate or other agreed upon rebate programs. For the distribution channel, these programs typically involve rebates related to a distributor's level of sales, order size, advertising or point of sale activity and price protection adjustments. The Company provides for these obligations at the time that revenue is recorded based on estimated requirements. Marketing development programs are either recorded as a reduction to revenue or as an addition to marketing expense depending on the contractual nature of the program.

Product Development Costs. Product development costs, which includes both research and development costs, are recognized as expense.

Distribution Costs. The Company includes distribution costs, which includes shipping and handling, in Cost of revenue for all periods presented. These costs amounted to \$206 million and \$240 million in fiscal years 2013 and 2012.

Restructuring Costs. The Company records restructuring activities including costs for one-time termination benefits in accordance with ASC Topic 420 (ASC 420), *Exit or Disposal Cost Obligations*. The timing of recognition for severance costs accounted for under ASC 420 depends on whether employees are required to render service until they are terminated in order to receive the termination benefits. If employees are required to render service until they are terminated in order to receive the termination benefits, a liability is recognized ratably over the future service period. Otherwise, a liability is recognized when management has committed to a restructuring plan and has communicated those actions to employees. Employee termination benefits covered by existing benefit arrangements are recorded in accordance with ASC Topic 712, *Non-retirement Postemployment Benefits*. These costs are recognized when management has committed to a restructuring plan and the severance costs are probable and estimable.

Advertising Expense. The cost of advertising is expensed as incurred. Advertising costs were approximately \$51 million and \$39 million in fiscal years 2013 and 2012, respectively.

Stock-Based Compensation. The Company accounts for stock-based compensation under the provisions of ASC Topic 718 (ASC 718), *Compensation Stock Compensation*. The Company has elected to apply the with-and-without method to assess the realization of excess tax benefits.

Accounting for Income Taxes. The Company accounts for income taxes pursuant to ASC Topic 740 (ASC 740), *Income Taxes*. In applying ASC 740, the Company makes certain estimates and judgments in determining income tax expense for financial statement purposes. These estimates and judgments occur in the calculation of tax credits, recognition of income and deductions and calculation of specific tax assets and liabilities, which arise from differences in the timing of recognition of revenue and expense for tax and financial statement purposes, as well as tax liabilities associated with uncertain tax positions. The calculation of tax liabilities involves uncertainties in the application of complex tax rules and the potential for future adjustment of the Company's uncertain tax positions by the Internal Revenue Service or other tax jurisdictions. If estimates of these tax liabilities are greater or less than actual results, an additional tax benefit or provision will result. The deferred tax assets the Company

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

records each period depend primarily on the Company's ability to generate future taxable income in the United States and certain non-U.S. jurisdictions. Each period, the Company evaluates the need for a valuation allowance for its deferred tax assets and, if necessary, adjusts the valuation allowance so that net deferred tax assets are recorded only to the extent the Company concludes it is more likely than not that these deferred tax assets will be realized. If the Company's outlook for future taxable income changes significantly, the Company's assessment of the need for a valuation allowance may also change.

Comprehensive Income. In the first quarter of fiscal 2013, we adopted the revised requirements of ASU No. 2011-05, *Comprehensive Income (Topic 220) Presentation of Comprehensive Income* to present comprehensive income in a separate statement. Comprehensive income is comprised of net income and other gains and losses affecting equity that are excluded from net income.

Foreign Currency Remeasurement and Translation. The U.S. dollar is the functional currency for the majority of the Company's foreign operations. Monetary assets and liabilities denominated in foreign currencies are remeasured into the functional currency of the subsidiary at the balance sheet date. The gains and losses from the remeasurement of foreign currency denominated balances into the functional currency of the subsidiary are included in Other income and charges, net of the Company's Consolidated Profit and Loss Account.

The Company translates the assets and liabilities of its non-U.S. dollar functional currency subsidiaries into U.S. dollars using exchange rates in effect at the end of each period. Revenue and expenses for these subsidiaries are translated using rates that approximate those in effect during the period. Gains and losses from these translations are recognized in foreign currency translation included in Accumulated other comprehensive loss, which is a component of Other reserves. The Company's subsidiaries that use the U.S. dollar as their functional currency remeasure monetary assets and liabilities at exchange rates in effect at the end of each period, and inventories, property, and nonmonetary assets and liabilities at historical rates. Gains and losses from these remeasurements were not significant and have been included in the Company's Consolidated Profit and Loss Account.

Concentrations

Concentration of Credit Risk. The Company's customer base for disk drive products is concentrated with a small number of OEMs and distributors. The Company does not generally require collateral or other security to support trade debtors. To reduce credit risk, the Company performs ongoing credit evaluations on its customers' financial condition. The Company establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of customers, historical trends and other information. Hewlett-Packard Company and Dell Inc. each accounted for more than 10% of the Company's trade debtors as of 28 June 2013.

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash equivalents, short-term investments and foreign currency forward exchange contracts. The Company further mitigates concentrations of credit risk in its investments through diversification, by limiting its investments in the debt securities of a single issuer, and investing in highly rated securities.

In entering into foreign currency forward exchange contracts, the Company assumes the risk that might arise from the possible inability of counterparties to meet the terms of their contracts. The counterparties to these contracts are major multinational commercial banks, and the Company has not incurred and does not expect any losses as a result of counterparty defaults.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Supplier Concentration. Certain of the raw materials, components and equipment used by the Company in the manufacture of its products are available from a sole supplier or a limited number of suppliers. Shortages could occur in these essential materials and components due to an interruption of supply or increased demand in the industry. If the Company were unable to procure certain materials, components or equipment at acceptable prices, it would be required to reduce its manufacturing operations, which could have a material adverse effect on its results of operations. In addition, the Company has made prepayments to certain suppliers. Should these suppliers be unable to deliver on their obligations or experience financial difficulty, the Company may not be able to recover these prepayments.

Recent Accounting Pronouncements

In February 2013, the FASB issued ASU No. 2013-02, *Comprehensive Income (ASC Topic 220) Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income*. The ASU requires an entity to report information, either on the face of the statement where net income is presented or in the notes, about the amounts reclassified out of accumulated other comprehensive income by component and to report significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income. The ASU is effective for the Company's first quarter of fiscal year 2014. Other than requiring additional disclosures, the adoption of this new guidance will not have a material impact on the Company's consolidated financial statements.

In December 2011, the FASB issued ASU No. 2011-11, *Balance Sheet (ASC Topic 210) Disclosures about Offsetting Assets and Liabilities*. The ASU requires enhanced disclosures on offsetting, including disclosing gross and net information about instruments and transactions eligible for offset and instruments and transactions subject to an agreement similar to a master netting arrangement. The ASU is effective for the Company's first quarter of fiscal year 2014 and requires the enhanced disclosures for all comparative periods presented. Other than requiring additional disclosures, the adoption of this new guidance will not have a material impact on the Company's consolidated financial statements.

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****2. Balance Sheet Information***Investments*

The following table summarizes, by major type, the fair value and amortized cost of the Company's investments as of 28 June 2013:

(US dollars in millions)	Amortized Cost	Unrealized Gain/(Loss)	Fair Value ⁽²⁾
Available-for-sale securities:			
Money market funds	\$ 804	\$	\$ 804
Commercial paper	655		655
Corporate bonds	211		211
U.S. treasuries and agency bonds	96		96
Certificates of deposit	154		154
Auction rate securities	17	(2)	15
Equity securities	4		4
Other debt securities	107	(1)	106
	2,048	(3)	2,045
Trading securities	74	5	79
Total	\$ 2,122	\$ 2	\$ 2,124
Included in Cash and cash equivalents ⁽¹⁾			\$ 1,528
Included in Short-term investments			480
Included in Restricted cash and investments			101
Included in Financial Assets			15
Total			\$ 2,124

(1) Amount does not include \$180 million of cash held in banks.

(2) Represents the Company's investments that are listed.

There were \$22 million of available-for-sale securities included in total Restricted cash and investments of \$101 million as of 28 June 2013.

The Company's available-for-sale securities include investments in auction rate securities. Beginning in fiscal year 2008, the Company's auction rate securities failed to settle at auction and have continued to fail through 28 June 2013. Since the Company continues to earn interest on its auction rate securities at the maximum contractual rate, there have been no payment defaults with respect to such securities, and they are all collateralized, the Company expects to recover the entire amortized cost basis of these auction rate securities. The Company does not intend to sell these securities and has concluded it is not more likely than not that the Company will be required to sell the securities before the recovery of their amortized cost basis. As such, the Company believes the impairments totaling \$2 million are not other-than-temporary and therefore have been recorded in Accumulated other comprehensive loss. Given the uncertainty as to when the liquidity issues associated with these securities will improve, these securities were classified as long-term investments in the Company's Consolidated Balance Sheet.

As of 28 June 2013, the Company's Restricted cash and investments consisted of \$79 million in cash equivalents and investments held in trust for payment of its non-qualified deferred compensation plan liabilities and \$22 million in cash and investments held as collateral at banks for various performance obligations. As of 29 June 2012, the Company's restricted cash and investments consisted of \$73 million in cash and investments held in trust for payment of its non-qualified deferred compensation plan liabilities and \$20 million in cash and investments held as collateral at banks for various performance obligations.

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

As of 28 June 2013, the Company had no material available-for-sale securities that had been in a continuous unrealized loss position for a period greater than 12 months. The Company determined no material available-for-sale securities were other-than-temporarily impaired as of 28 June 2013.

The fair value and amortized cost of the Company's investments classified as available-for-sale at 28 June 2013 by remaining contractual maturity was as follows:

(US dollars in millions)	Amortized Cost	Fair Value
Due in less than 1 year	\$ 1,628	\$ 1,628
Due in 1 to 5 years	399	398
Thereafter	17	15
Total	\$ 2,044	\$ 2,041

Equity securities which do not have a contractual maturity date are not included in the above table.

The following table summarizes, by major type, the fair value and amortized cost of the Company's investments as of 29 June 2012:

(US dollars in millions)	Amortized Cost	Unrealized Gain/(Loss)	Fair Value ⁽²⁾
Available-for-sale securities:			
Commercial paper	\$ 393	\$	\$ 393
Money market funds	1,158		1,158
U.S. treasuries and agency bonds	98	1	99
Certificates of deposit	6		6
Corporate bonds	208	1	209
Auction rate securities	17	(2)	15
Other debt securities	99	(1)	98
	1,979	(1)	1,978
Trading securities	73		73
Total	\$ 2,052	\$ (1)	\$ 2,051
Included in Cash and cash equivalents ⁽¹⁾			\$ 1,532
Included in Short-term investments			411
Included in Restricted cash and investments			93
Included in Financial Assets			15
Total			\$ 2,051

(1) Amount does not include \$175 million of cash held in banks.

(2) Represents the Company's investments that are listed.

As of 29 June 2012, with the exception of the Company's auction rate securities, the Company had no material available-for-sale securities that had been in a continuous unrealized loss position for a period greater than 12 months. The Company determined no material available-for-sale securities were other-than-temporarily impaired as of 29 June 2012.

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)***Trade Debtors*

(US dollars in millions)	28 June 2013	29 June 2012
Trade Debtors	\$ 1,678	\$ 2,329
Allowance for doubtful accounts	(8)	(10)
	\$ 1,670	\$ 2,319

Activity in the allowance for doubtful accounts is as follows:

(US dollars in millions)	Balance at Beginning of Period	Charges to Profit and Loss	Deductions ⁽¹⁾	Assumed from LaCie S.A.	Balance at End of Period
Fiscal year ended 29 June 2012	\$ 10	\$ 3	\$ (3)	\$	\$ 10
Fiscal year ended 28 June 2013	\$ 10	\$ (2)	\$ (1)	\$ 1	\$ 8

- (1) Uncollectible accounts written off, net of recoveries.

Inventories

(US dollars in millions)	28 June 2013	29 June 2012
Raw materials and components	\$ 213	\$ 265
Work-in-process	231	245
Finished goods	410	399
	\$ 854	\$ 909

Other Debtors amounts falling due within one year

(US dollars in millions)	28 June 2013	29 June 2012
Vendor non-trade debtors	\$ 329	\$ 601
Deferred income taxes	115	104
Other	155	166
	\$ 599	\$ 871

Other debtors include non-trade debtors from certain manufacturing vendors resulting from the sale of components to these vendors who manufacture completed sub-assemblies or finished goods for the Company. The Company does not reflect the sale of these components in revenue and does not recognize any profits on these sales. The costs of the completed sub-assemblies are included in inventory upon purchase from the vendors.

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)***Other Debtors amounts falling due after one year*

(US dollars in millions)	28 June 2013	29 June 2012
Deferred income taxes	\$ 456	\$ 396
Other	144	92
	\$ 600	\$ 488

Tangible Assets

(US dollars in millions)	Land	Equipment	Buildings and Leasehold Improvements	Construction in Progress	Total
Useful lives (years)		3 - 5	Up to 48		
Cost:					
At 29 June 2012	\$ 28	\$ 6,491	\$ 1,232	\$ 268	\$ 8,019
Additions	4	221	22	465	712
Disposals	(1)	(174)	(11)		(186)
Reclassifications			(1)		(1)
CIP Reclassifications	13	300	159	(472)	
Impairments					
At 28 June 2013	\$ 44	\$ 6,838	\$ 1,401	\$ 261	\$ 8,544
Accumulated Depreciation:					
At 29 June 2012	\$ (5)	\$ (5,143)	\$ (587)	\$	\$ (5,735)
Additions		(632)	(95)		(727)
Disposals		174	11		185
Reclassifications		1	1		2
Impairments					
At 28 June 2013	\$ (5)	\$ (5,600)	\$ (670)	\$	\$ (6,275)
Net Book Value:					
At 29 June 2012	\$ 23	\$ 1,348	\$ 645	\$ 268	\$ 2,284
At 28 June 2013	\$ 39	\$ 1,238	\$ 731	\$ 261	\$ 2,269

Interest on borrowings related to eligible capital expenditures is capitalized as part of the cost of the qualified assets and amortized over the estimated useful lives of the assets. During fiscal years 2013 and 2012, the Company capitalized interest of \$10 million and \$4 million, respectively.

Other Provisions

(US dollars in millions)	Note	28 June 2013	29 June 2012
Accrued warranty	16	\$ 320	\$ 363
Accrued restructuring	5	17	25
		\$ 337	\$ 388

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)***Other Creditors amounts due within one year*

(US dollars in millions)	28 June 2013	29 June 2012
Accrued expenses	\$ 379	\$ 504
Accrued employee compensation	335	344
	\$ 714	\$ 848

3. Acquisitions*LaCie S.A.*

On 3 August 2012 the Company acquired 23,382,904 (or approximately 64.5%) of the outstanding shares of LaCie S.A. ("LaCie") for a price of €4.05 per share with a price supplement of €0.12 per share, which would have been payable if the Company had successfully acquired at least 95% of the outstanding shares of LaCie within 6 months of the acquisition. Of the amount paid at the acquisition date, €9 million is treated as compensation cost to one of the selling shareholders, who is now an employee of the Company, to be recognized over a period of 36 months from the acquisition date, and may be refunded to the Company if the selling shareholder is no longer employed at the end of that period. The transaction and related agreements are expected to accelerate the Company's growth strategy in the expanding consumer storage market, particularly in Europe, Japan and in premium distribution channels.

The acquisition-date fair value of the consideration transferred for the business combination totaled \$111 million, including cash paid of \$107 million, and contingent consideration of \$4 million.

The following table summarizes the estimated fair values of the assets acquired, liabilities assumed, and noncontrolling interest at the acquisition date (in millions):

Cash and cash equivalents	\$ 71
Debtors	29
Marketable securities	27
Inventories	46
Other Debtors	19
Tangible assets	12
Intangible assets	45
Goodwill	13
Total assets	262
Creditors and accrued expenses	(73)
Current and non-current portion of long-term debt	(6)
Total liabilities	(79)
Noncontrolling interest	(72)
Total	\$ 111

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Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The following table shows the fair value of the separately identifiable intangible assets at the time of acquisition and the period over which each intangible asset will be amortized:

(Dollars in millions)	Fair Value	Weighted-Average Amortization Period
Customer relationships	\$ 31	5.0 years
Existing technology	1	5.0 years
Trade name	13	5.0 years
 Total acquired identifiable intangible assets	 \$ 45	

Since the acquisition date, the Company recorded adjustments to the fair value of certain assets acquired and liabilities assumed with LaCie S.A. that resulted in a net increase of \$1 million to Goodwill, and a corresponding decrease in Intangible assets.

The goodwill recognized is attributable primarily to the benefits the Company expects to derive from LaCie's brand recognition and the acquired workforce, and is not deductible for income tax purposes. The acquisition date fair value of the noncontrolling interest is based on the market price of their publicly traded shares as of the first trading date subsequent to the acquisition, as the shares did not trade on the acquisition date.

The Company incurred \$1 million of expenses related to the acquisition of LaCie during fiscal year 2013, which are included within Marketing and administrative expense on the Consolidated Profit and Loss Account. Additionally, the €0.12 supplement was not paid as only 94.5% of the LaCie business was acquired within six months of the acquisition date, resulting in a reversal of the contingent consideration liability which was recorded as a reduction of Marketing and administrative expenses of \$4 million.

The amounts of revenue and earnings of LaCie included in the Company's Consolidated Profit and Loss Account from the acquisition date are not significant.

The Company deposited \$72 million into an escrow account with the intention of acquiring the remaining publicly held shares of LaCie through public and private transactions. As of June 28, 2013, a total of \$61 million of the Company's deposit had been used to acquire an additional 30% of the outstanding shares, resulting in an ending ownership interest of approximately 94.5%. The use of this deposit is treated as a non-cash financing activity and excluded from the Statement of Cash Flows.

Samsung Hard Disk Drive Operations

On 19 December 2011, the Company completed the acquisition of Samsung Electronics Co., Ltd's ("Samsung") hard disk drive business pursuant to an Asset Purchase Agreement ("APA") by which the Company acquired certain assets and liabilities of Samsung relating to the research and development, manufacture and sale of hard-disk drives. The transaction and related agreements are expected to improve the Company's position as a supplier of 2.5-inch products; position the Company to better address rapidly evolving opportunities in markets including, but not limited to, mobile computing, cloud computing and solid state storage; expand the Company's customer access in China and Southeast Asia; and accelerate time to market for new products.

The acquisition-date fair value of the consideration transferred totaled \$1,140 million, which consisted of \$571 million of cash, \$10 million of which was paid as a deposit upon signing the APA in the fourth quarter of fiscal year 2011, and 45.2 million ordinary shares with a fair value of \$569 million. The fair value of the ordinary shares issued was determined based on the closing market price of the

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Company's ordinary shares on the acquisition date, less a 16.5% discount for lack of marketability as the shares issued are subject to a restriction that limits their trade or transfer for approximately a one year period.

The following table summarizes the fair values of the assets acquired and liabilities assumed at the acquisition date (US dollars in millions):

Inventories	\$ 141
Equipment	76
Intangible assets	580
Other assets	28
Total identifiable assets acquired	825
Warranty liability	(72)
Other liabilities	(45)
Total liabilities assumed	(117)
Net identifiable assets acquired	708
Goodwill	432
Net assets acquired	\$ 1,140

The following table shows the fair value of the separately identifiable intangible assets at the time of acquisition and the period over which each intangible asset will be amortized:

(US dollars in millions)	Fair Value	Weighted-Average Amortization Period
Existing technology	\$ 137	2.0 years
Customer relationships	399	5.8 years
Total amortizable intangible assets acquired	536	4.8 years
In-process research and development	44	
Total acquired identifiable intangible assets	\$ 580	

During fiscal year 2012, the Company recorded adjustments to the fair value of certain assets acquired and liabilities assumed with the Samsung HDD business that resulted in a net decrease of \$5 million to goodwill. These adjustments included a \$7 million increase in other assets for spare parts and a \$3 million increase to equipment, offset by a \$3 million increase in warranty liability and a \$2 million increase in other liabilities related to certain assumed vendor obligations. These adjustments were based on information about facts and circumstances that existed at the acquisition date.

The \$432 million of goodwill recognized is attributable primarily to the benefits the Company expects to derive from enhanced scale and efficiency to better serve its markets and expanded customer presence in China and Southeast Asia. Except for approximately \$4 million of goodwill relating to assembled workforce in Korea, none of the goodwill is expected to be deductible for income tax purposes.

The Company incurred a total of \$22 million of expenses related to the acquisition of Samsung in fiscal year 2012, which are included within Marketing and administrative expense on the Consolidated Profit and Loss Account.

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The amounts of revenue and earnings of the acquired assets of Samsung's HDD business included in the Company's Consolidated Profit and Loss Account from the acquisition date to the period ended 29 June 2012, were as follows:

(US dollars in millions)

Revenue	\$ 970
Net income	\$ 104

The unaudited pro forma financial results presented below for fiscal year ended 29 June 2012 include the effects of pro forma adjustments as if the acquisition date occurred as of the beginning of the prior fiscal year on 3 July 2010. The pro forma results combine the historical results of the Company for the fiscal year ended 29 June 2012 and the historical results of the acquired assets and liabilities of Samsung's HDD business, and include the effects of certain fair value adjustments and the elimination of certain activities excluded from the transaction. The pro forma financial information is presented for informational purposes only and is not necessarily indicative of the results of operations that would have been achieved if the acquisition had taken place at the beginning of the earliest period presented, nor is it intended to be a projection of future results.

(US dollars in millions)	Fiscal Years Ended	
	29 June 2012	
Revenue	\$	16,113
Net income	\$	2,761

The pro forma results for the fiscal year ended 29 June 2012 include adjustments of \$65 million to reflect the additional depreciation and amortization that would have been charged assuming the fair value adjustments to tangible assets and intangible assets had been applied on 3 July 2010.

4. Goodwill and Other Long-lived Assets

Goodwill

The Company tests other long-lived assets, including tangible assets and other intangible assets subject to amortization, for recoverability whenever events or changes in circumstances indicate that the carrying value of those assets may not be recoverable. The Company performs a recoverability test to assess the recoverability of an asset group. If the recoverability test indicates that the carrying value of the asset group is not recoverable, the Company will estimate the fair value of the asset group and the excess of the carrying value over the fair value is allocated pro rata to derive the adjusted carrying value of assets in the asset group. The adjusted carrying value of each asset in the asset group is not reduced below its fair value.

The changes in the carrying amount of goodwill are as follows:

(US dollars in millions)

Balance as of 29 June 2012	\$ 463
Goodwill acquired	13
Balance as of 28 June 2013	\$ 476

Other Intangible Assets

Other intangible assets consist primarily of existing technology, customer relationships and in-process research and development acquired in business combinations. With the exception of

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in-process research and development, acquired intangibles are amortized on a straight-line basis over the respective estimated useful lives of the assets. Amortization of the existing technology intangible asset is charged to Cost of revenue while the amortization of the other intangible assets is included in Operating expenses in the Consolidated Profit and Loss Account. In-process research and development has been determined to have an indefinite useful life and is not amortized, but instead tested for impairment annually or more frequently if events or changes in circumstance indicate that the asset might be impaired. If the carrying amount of in-process research and development exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. There were no impairment charges recognized for in-process research and development. Upon completion of the in-process research and development, the related assets will be accounted for as a finite-lived intangible asset, and will be amortized over its useful life.

The carrying value of other intangible assets subject to amortization as of 28 June 2013, is set forth in the following table:

(US dollars in millions)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Remaining Useful Life
Existing technology	\$ 138	\$ (105)	\$ 33	0.5 years
Customer relationships	431	(114)	317	4.3 years
Trade name	14	(3)	11	4.1 years
Total amortizable other intangible assets	\$ 583	\$ (222)	\$ 361	3.9 years

The carrying value of other intangible assets subject to amortization as of 29 June 2012 is set forth in the following table:

(US dollars in millions)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Remaining Useful Life
Existing technology	\$ 137	\$ (37)	\$ 100	1.5 years
Customer relationships	399	(37)	362	5.2 years
Total amortizable other intangible assets	\$ 536	\$ (74)	\$ 462	4.4 years

The carrying value of In-process research and development was \$44 million and \$44 million as of 28 June 2013 and 29 June 2012, respectively.

As of 28 June 2013, expected amortization expense for other intangible assets for each of the next five years and thereafter is as follows:

(US dollars in millions)	
2014	\$ 112
2015	80
2016	73
2017	68
2018	28
Thereafter	
	\$ 361

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The carrying values of intangible assets were \$405 million and \$506 million as of 28 June 2013 and 29 June 2012, respectively. In fiscal year 2013 amortization expense for other intangible assets was \$147 million, of which \$68 million was included in Cost of revenue and \$79 million was included in Amortization of intangibles in the Consolidated Profit and loss account. In fiscal year 2012, amortization expense for other intangible assets was \$75 million, of which \$37 million was included in Cost of revenue and \$38 million was included in Amortization of intangibles in the Consolidated Profit and loss account.

(US dollars in millions)	Existing Technology	Customer Relationships	Trade Names	In-process Research and Development	Patents and Licenses	Total
Cost:						
At 29 June 2012	\$ 318	\$ 556	\$ 37	\$ 44	\$ 8	\$ 963
Additions ⁽¹⁾	1	32	14			47
At 28 June 2013	\$ 319	\$ 588	\$ 51	\$ 44	\$ 8	\$ 1,010
Accumulated Amortization:						
At 29 June 2012	\$ (218)	\$ (194)	\$ (37)	\$	\$ (8)	\$ (457)
Additions	(68)	(77)	(3)			(148)
At 28 June 2013	\$ (286)	\$ (271)	\$ (40)	\$	\$ (8)	\$ (605)
Net Book Value:						
At 29 July 2012	\$ 100	\$ 362	\$	\$ 44	\$	\$ 506
At 28 June 2013	\$ 33	\$ 317	\$ 11	\$ 44	\$	\$ 405

(1) Additions include foreign currency translation adjustments.

5. Restructuring and Exit Costs

During fiscal years 2013 and 2012, the Company recorded restructuring charges of \$2 million and \$4 million, respectively, comprised primarily of charges related to post-employment costs associated with a number of small restructuring plans. The Company's significant restructuring plans are described below. All restructuring charges are reported in Restructuring and other, net on the Consolidated Profit and Loss Account.

AMK Plan. In August 2009, the Company announced that it will close its AMK manufacturing operations in Singapore. Operations at this facility had ceased as of the third quarter of fiscal year 2011. The hard drive manufacturing operations have been relocated to other existing Seagate facilities and the Company's Asia International Headquarters remains in Singapore. This closure and relocation is part of the Company's ongoing focus on cost efficiencies in all areas of its business and is intended to facilitate leveraging manufacturing investments across fewer sites. The Company currently estimates total restructuring charges of approximately \$50 million, all in cash, including approximately \$41 million for post-employment benefits, approximately \$6 million for the relocation of manufacturing equipment, and approximately \$3 million for other plant closure and relocation costs. From the inception of the plan the Company has recorded \$48 million in restructuring charges. During fiscal year 2013, there were no cash payments or other settlements under the AMK Plan and no restructuring charges related to the plan during fiscal year 2013. Payments under the AMK plan are expected to continue through fiscal year 2015.

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Other Restructuring and Exit Costs. Through 28 June 2013, the Company has recorded restructuring charges of approximately \$123 million, net of adjustments, related to the previously announced closures of its Pittsburgh, Pennsylvania and Milpitas, California facilities, and also has recorded certain exit costs aggregating to \$270 million related to its acquisition of Maxtor. These plans are currently expected to result in total charges of approximately \$400 million. During fiscal year 2013, the Company incurred restructuring charges of \$1 million in post-employment benefits, \$1 million in facility lease obligations and \$1 million in other exit costs primarily related to the closures of its Pittsburgh, Pennsylvania and Milpitas, California facilities and to other smaller restructuring plans. In addition, the Company recorded an adjustment to reduce the reserves related to facility lease obligations in the amount of \$1 million and recorded cash payments and other settlements of \$10 million related to these plans during fiscal year 2013. Restructuring activity relating to the Milpitas, California facility was completed during the fiscal year ended 28 June 2013. Payment of these exit costs relating to the Pittsburgh, Pennsylvania facility and other smaller restructuring plans are expected to continue through the end of fiscal year 2017.

The following table summarizes the Company's restructuring activities for fiscal years 2013 and 2012:

(US dollars in millions)	Post- Employment Benefits	Operating Leases	Other Exit Costs	Total
All Restructuring Activities				
Accrual balances at 1 July 2011	\$ 8	\$ 31	\$	\$ 39
Restructuring charges	3		2	5
Cash payments and other settlements	(8)	(8)	(2)	(18)
Adjustments		(1)		(1)
Accrual balances at 29 June 2012	3	22		25
Restructuring charges	1	1	1	3
Cash payments and other settlements	(2)	(7)	(1)	(10)
Adjustments		(1)		(1)
Accrual balances at 28 June 2013	\$ 2	\$ 15	\$	\$ 17

The accrued restructuring balance is included in Other provisions in the Company's Consolidated Balance Sheet.

6. Debentures and Bank Loans*Short-Term Borrowings*

On 18 January 2011, the Company, and its subsidiary Seagate HDD Cayman entered into a Credit Agreement which provided for a \$350 million senior secured revolving credit facility (the "Revolving Credit Facility"). On 30 April 2013, the Company and Seagate HDD Cayman entered into the Second Amendment to the Credit Agreement which increased the commitments available under the Revolving Credit Facility from \$350 million to \$500 million. The Company and certain of its material subsidiaries fully and unconditionally guarantee the Revolving Credit Facility. The Revolving Credit Facility matures in April 2018, and is available for cash borrowings and for the issuance of letters of credit up to a sub-limit of \$75 million. As of 28 June 2013, no borrowings have been drawn under the Revolving Credit Facility, and \$2 million had been utilized for letters of credit. The line of credit is available for borrowings, subject to compliance with financial covenants and other customary conditions to borrowing. The credit agreement that governs the Revolving Credit Facility contains certain covenants

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that the Company must satisfy in order to remain in compliance with the credit agreement, including three financial covenants: (1) minimum amount of cash, cash equivalents and marketable securities; (2) a fixed charge coverage ratio; and (3) a net leverage ratio. As of 28 June 2013, the Company was in compliance with all covenants, including the financial ratio that it is required to maintain. The credit facility expires 30 April 2018.

Long-Term Debt

\$430 million Aggregate Principal Amount of 10.00% Senior Secured Second-Priority Notes due May 2014 (the "2014 Notes"). On 1 May 2009, the Company's subsidiary, Seagate Technology International, completed the sale of \$430 million aggregate principal amount of the 2014 Notes, in a private placement exempt from the registration requirements of the Securities Act of 1933, as amended.

On 15 March 2013, the Company gave notice that it elected to redeem all of the remaining outstanding 2014 Notes on 1 May 2013. Also on 15 March 2013, the Company irrevocably deposited with the Trustee of the 2014 Notes cash equal to the principal amount of the outstanding notes, a redemption premium, plus accrued and unpaid interest through 1 May 2013, for a total of \$351 million, which released the Company from its obligations under the 2014 Notes and extinguished the associated liability. During fiscal years 2013 and 2012, the Company repurchased \$320 million and \$96 million, aggregate principal amount of its 2014 Notes, respectively, for cash at a premium to their principal amount, plus accrued and unpaid interest. During 2013 and 2012, the Company recorded a loss on the repurchases of approximately \$22 million and \$17 million, respectively, which are included in Other, net in the Company's Consolidated Profit and Loss Account.

\$600 million Aggregate Principal Amount of 6.8% Senior Notes due October 2016 (the "2016 Notes"). On 20 September 2006, the Company's subsidiary, Seagate Technology HDD Holdings, completed the sale of \$600 million aggregate principal amount of the 2016 Notes, in a private placement exempt from the registration requirements of the Securities Act of 1933, as amended. The interest on the 2016 Notes is payable semi-annually on 1 April and 1 October of each year. The issuer under the 2016 notes is Seagate Technology HDD Cayman, and the obligations under the 2016 Notes are unconditionally guaranteed by certain of the Company's significant subsidiaries. The 2016 Notes are redeemable at the option of the Company in whole or in part, on not less than 30, nor more than 60 days notice, at a "make-whole" premium redemption price. The "make-whole" redemption price will be equal to the greater of (1) 100% of the principal amount of the notes being redeemed, or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the 2016 Notes being redeemed, discounted at the redemption date on a semi-annual basis at a rate equal to the sum of the applicable Treasury rate plus 50 basis points. During fiscal year 2013, the Company repurchased \$265 million aggregate principal amount of its 2016 Notes for cash at a premium to their principal amount, plus accrued and unpaid interest, and recorded a loss on the repurchase of approximately \$44 million, which is included in Other, net in the Company's Consolidated Profit and Loss Account.

\$750 million Aggregate Principal Amount of 7.75% Senior Notes due December 2018 (the "2018 Notes"). On 14 December 2010, the Company's subsidiary, Seagate HDD Cayman, completed the sale of \$750 million aggregate principal amount of the 2018 Notes in a private placement exempt from the registration requirements of the Securities Act of 1933, as amended. The obligations under the 2018 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by the Company. The interest on the 2018 Notes is payable semi-annually on 15 June and 15 December of each year. The 2018 Notes are redeemable at any time prior to 15 December 2014 at the option of the Company, in whole or in part, at a redemption price of 100% of the principal amount plus an "applicable premium" and accrued and unpaid interest, if any, to the redemption date. The "applicable premium" will be equal to the greater of (1) 1% of the principal amount of the 2018 Notes, or (2) the excess, if any, of

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(a) the present value of the redemption price on 15 December 2014 plus interest payments due through 15 December 2014, discounted at the applicable Treasury rate as of the redemption date plus 50 basis points; over (b) the principal amount of such note. The 2018 Notes are redeemable at any time on or after 15 December 2014 at various prices expressed as a percentage of the principal amount, as set forth in the indentures, plus accrued and unpaid interest, if any, to the redemption date. In addition, any time before 15 December 2013, the Company may redeem up to 35% of the principal amount with the net cash proceeds from permitted sales of the Company's stock at a redemption price of 107.75% of the principal amount plus accrued interest to the redemption date. During fiscal year 2013, the Company repurchased \$513 million aggregate principal amount of its 2018 Notes for cash at a premium to their principal amount, plus accrued and unpaid interest. The Company recorded a loss on the repurchase of approximately \$75 million for the fiscal year 2013, which is included in Other, net in the Company's Consolidated Profit and Loss Account.

\$600 million Aggregate Principal Amount of 6.875% Senior Notes due May 2020 (the "2020 Notes"). On 13 May 2010, the Company's subsidiary, Seagate HDD Cayman, completed the sale of \$600 million aggregate principal amount of the 2020 Notes, in a private placement exempt from the registration requirements of the Securities Act of 1933, as amended. The obligations under the 2020 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by the Company. The interest on the 2020 Notes is payable semi-annually on 1 May and 1 November of each year. The 2020 Notes are redeemable any time prior to 1 May 2015 at the option of the Company, in whole or in part, at a redemption price of 100% of the principal amount plus an "applicable premium" and accrued and unpaid interest, if any, to the redemption date. The "applicable premium" will be equal to the greater of (1) 1% of the principal amount of the 2020 Notes, or (2) the excess, if any, of (a) the present value of the redemption price on 1 May 2015 plus interest payments due through 1 May 2015, discounted at the applicable Treasury rate as of the redemption date plus 50 basis points; over (b) the principal amount of such note. The 2020 Notes are redeemable at any time on or after 1 May 2015 at various prices expressed as a percentage of the principal amount, as set forth in the indentures, plus accrued and unpaid interest, if any, to the redemption date.

\$600 million Aggregate Principal Amount of 7.00% Senior Notes due November 2021 (the "2021 Notes"). On 18 May 2011, the Company's subsidiary, Seagate HDD Cayman, completed the sale of \$600 million aggregate principal amount of the 2021 Notes, in a private placement exempt from the registration requirements of the Securities Act of 1933, as amended. The obligations under the 2021 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by the Company. The interest on the 2021 Notes is payable semi-annually on 1 January and 1 July of each year. The 2021 Notes are redeemable any time prior to 1 May 2016 at the option of the Company, in whole or in part, at a redemption price of 100% of the principal amount plus an "applicable premium" and accrued and unpaid interest, if any, to the redemption date. The "applicable premium" will be equal to the greater of (1) 1% of the principal amount of the 2021 Notes, or (2) the excess, if any, of (a) the present value of the redemption price on 1 May 2016 plus interest payments due through 1 May 2016, discounted at the applicable Treasury rate as of the redemption date plus 50 basis points; over (b) the principal amount of such note. The 2021 Notes are redeemable at any time on or after 1 May 2016 at various prices expressed as a percentage of principal amount, as set forth in the indentures, plus accrued and unpaid interest, if any, to the redemption date. In addition, any time before 2 May 2014, the Company may redeem up to 35% of the principal amount with the net cash proceeds from permitted sales of the Company's stock at a redemption price of 107% of the principal amount plus accrued interest to the redemption date.

\$1 billion Aggregate Principal Amount of 4.75% Senior Notes due 1 June 2023 (the "2023 Notes"). On 22 May 2013, Seagate HDD Cayman, issued \$1 billion in aggregate principal amount of 4.75%

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Senior Notes, which mature on 1 June 2023, in a private placement with a requirement that if, under certain circumstances, the 2023 Notes have not otherwise become freely transferable by 26 May 2014, then the Company is required to register the 2023 Notes under the Securities Act of 1933, as amended. The interest on the 2023 Notes is payable semi-annually on 1 June and 1 December of each year. The 2023 Notes are redeemable at the option of the Company in whole or in part, on not less than 30, nor more than 60 days notice, at a "make-whole" premium redemption price. The "make-whole" redemption price will be equal to the greater of (1) 100% of the principal amount of the notes being redeemed, or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the 2023 Notes being redeemed, discounted at the redemption date on a semi-annual basis at a rate equal to the sum of the applicable Treasury rate plus 50 basis points. Accrued and unpaid interest, if any, will be paid to, but excluding, the redemption date.

Other As part of our acquisition of LaCie S.A. during fiscal year 2013, long-term debt of \$6 million was acquired. As of 28 June 2013, \$3 million is classified as current.

At 28 June 2013, future principal payments on long-term debt were as follows (in millions):

Fiscal Year	
2014	\$ 3
2015	1
2016	
2017	335
2018	
Thereafter	2,438
	\$ 2,777

7. Income Taxes

The provision for liabilities and charges related to taxation as reported in the Balance Sheet consisted of the following:

	Fiscal Years	
	Ended	
(US dollars in millions)	28 June	29 June
	2013	2012
Accrued income taxes falling due within one year	\$ 22	\$ 18
Deferred income tax liabilities	17	10
Accrued income taxes falling due after one year	87	84
Total	\$ 126	\$ 112

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The provision for (benefit from) income taxes consisted of the following:

(US dollars in millions)	Fiscal Years Ended	
	28 June 2013	29 June 2012
Current tax expense (benefit):		
U.S. Federal	\$ 3	\$
U.S. State	10	(2)
Non-U.S.	50	50
Total Current	63	48
Deferred tax expense (benefit):		
U.S. Federal	(49)	(30)
U.S. State	(1)	2
Non-U.S.	(20)	
Total Deferred	(70)	(28)
Provision for (benefit from) income taxes	\$ (7)	\$ 20

Income before income taxes consisted of the following:

(US dollars in millions)	Fiscal Years Ended	
	28 June 2013	29 June 2012
U.S.	\$ 175	\$ 137
Non-U.S.	1,656	2,745
	\$ 1,831	\$ 2,882

During the fiscal year ended 28 June 2013, the American Taxpayer Relief Act of 2012 (ATRA 2012) was enacted on 2 January 2013. ATRA 2012 retroactively reinstated and extended the federal Research and Development Tax Credit (R&D Credit) from 1 January 2012 to 31 December 2013 as well as bonus depreciation on qualified property. Extension of the R&D Credit and bonus depreciation has no immediate impact on the Company's income tax provision due to existing valuation allowances on its U.S. deferred tax assets. None of the other ATRA 2012 changes are expected to have a material impact on the Company's income tax provision.

The Company recorded \$1 million and \$6 million of excess tax benefits associated with stock option deductions in fiscal years 2013 and 2012, respectively.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax

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purposes. The significant components of the Company's deferred tax assets and liabilities were as follows:

(US dollars in millions)	Fiscal Years Ended	
	28 June 2013	29 June 2012
Deferred tax assets		
Accrued warranty	\$ 112	\$ 116
Inventory valuation accounts	55	68
Debtor reserves	13	18
Accrued compensation and benefits	107	117
Depreciation	125	112
Restructuring accruals	5	8
Other accruals and deferred items	44	45
Net operating losses and tax credit carry-forwards	1,103	1,074
Other assets	6	8
Total Deferred tax assets	1,570	1,566
Valuation allowance	(989)	(1,064)
Net Deferred tax assets	581	502
Deferred tax liabilities		
Unremitted earnings of certain non-U.S. entities	(14)	(11)
Acquisition-Related Items (DTL)	(9)	
Other Liabilities	(4)	(1)
Total Deferred tax liabilities	(27)	(12)
Total Deferred tax assets	554	490
As Reported on the Balance Sheet		
Deferred income taxes included in Other debtors failing due within one year	\$ 115	\$ 104
Deferred income taxes included in Other debtors failing due after one year	456	396
Current liabilities Accrued expenses	(2)	
Deferred income tax liabilities included in Provision for taxation	(15)	(10)
Total Deferred income taxes	\$ 554	\$ 490

The deferred tax asset valuation allowance decreased by approximately \$75 million and \$82 million, in fiscal years 2013 and 2012, respectively.

At 28 June 2013, the Company recorded \$554 million of net deferred tax assets. The realization of these deferred tax assets is primarily dependent on the Company's ability to generate sufficient U.S. and certain non-U.S. taxable income in future periods. Although realization is not assured, the Company's management believes that it is more likely than not that these deferred tax assets will be realized. The amount of deferred tax assets considered realizable, however, may increase or decrease in subsequent periods when the Company reevaluates the underlying basis for its estimates of future U.S. and certain non-U.S. taxable income.

At 28 June 2013, the Company had U.S. federal, state and non-U.S. tax net operating loss carryforwards of approximately \$2.8 billion, \$1.8 billion and \$564 million, respectively, which will expire

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at various dates beginning in fiscal year 2014, if not utilized. At 28 June 2013, the Company had U.S. federal and state tax credit carryforwards of \$341 million and \$74 million, respectively, which will expire at various dates beginning in fiscal year 2014, if not utilized.

As of 28 June 2013, the use of approximately \$358 million and \$90 million of the Company's total U.S. net operating loss and tax credit carryforwards, respectively, is subject to an aggregate annual limitation of \$45 million pursuant to U.S. tax law.

For purposes of the tax reconciliation between the provision for income taxes at the rate applicable to the company in Ireland and the effective tax rate, the rate applicable to the Company in Ireland of 25% was applied as follows:

(US dollars in millions)	Fiscal Years Ended	
	28 June 2013	29 June 2012
Provision (benefit) at rate applicable to the company in Ireland	\$ 458	\$ 720
Net U.S. state income tax provision	12	(2)
Permanent differences	3	1
Valuation allowance	(97)	(70)
Non-U.S. losses with no tax benefits	27	1
Non-U.S. earnings taxed at less than rate applicable to the company in Ireland	(414)	(645)
Tax expense related to intercompany transactions		6
Other individually immaterial items	4	9
Provision for (benefit from) income taxes	\$ (7)	\$ 20

A substantial portion of the Company's operations in Malaysia, Singapore, and Thailand operate under various tax holidays and tax incentive programs, which expire in whole or in part at various dates through 2020. Certain of the tax holidays may be extended if specific conditions are met. The net impact of these tax holidays and tax incentive programs was to increase the Company's net income by approximately \$338 million in fiscal year 2013 (\$0.89 per share, diluted) and to increase the Company's net income by approximately \$504 million in fiscal year 2012 (\$1.14 per share, diluted).

Since establishing Irish tax residency in fiscal year 2010, the Company consists of an Irish tax resident parent holding company with various U.S. and non-U.S. subsidiaries that operate in multiple non-Irish taxing jurisdictions. The amount of temporary differences (including undistributed earnings) related to outside basis differences in the stock of non-Irish resident subsidiaries considered indefinitely reinvested outside of Ireland for which Irish income taxes have not been provided as of 28 June 2013 was approximately \$3.5 billion. If such amount were remitted to Ireland as a dividend, it is likely that tax at 25% or approximately \$875 million would result.

As of 28 June 2013 and 29 June 2012, the Company had approximately \$157 million and \$135 million, respectively, of unrecognized tax benefits excluding interest and penalties. The amount of unrecognized tax benefits, if recognized, that would impact the effective tax rate is \$157 million and \$135 million as of 28 June 2013 and 29 June 2012, respectively, subject to certain future valuation allowance reversals.

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The following table summarizes the activity related to the Company's gross unrecognized tax benefits:

(US dollars in millions)	Fiscal Years Ended	
	28 June 2013	29 June 2012
Balance of unrecognized tax benefits at the beginning of the year	\$ 135	\$ 128
Gross increase for tax positions of prior years	14	1
Gross decrease for tax positions of prior years	(4)	(3)
Gross increase for tax positions of current year	16	13
Gross decrease for tax positions of current year		
Settlements		
Lapse of statutes of limitation	(5)	(3)
Non-U.S. exchange (gain)/loss	1	(1)
Balance of unrecognized tax benefits at the end of the year	\$ 157	\$ 135

It is the Company's policy to include interest and penalties related to unrecognized tax benefits in the provision for taxes on the Consolidated Profit and Loss Account. During fiscal year 2013, the Company recognized a net tax expense for interest and penalties of \$2 million as compared to a net tax expense for interest and penalties of \$2 million during fiscal year 2012, respectively. As of 28 June 2013, the Company had \$19 million of accrued interest and penalties related to unrecognized tax benefits compared to \$17 million in fiscal year 2012.

During the 12 months beginning 29 June 2013, the Company expects to reduce its unrecognized tax benefits by approximately \$3 million as a result of the expiration of certain statutes of limitation. The Company does not believe it is reasonably possible that other unrecognized tax benefits will materially change in the next 12 months.

The Company is subject to taxation in many jurisdictions globally and is required to file U.S. federal, U.S. state and non-U.S. income tax returns. In February 2013, the Company and the IRS reached a settlement on all issues related to fiscal years ending in 2005 through 2007. Settlement of the issues in this period has no material impact on the Company's financial statements. The Company is no longer subject to tax examination of US federal income tax returns for years prior to fiscal year 2008. With respect to U.S. state and non-U.S. income tax returns, the Company is generally no longer subject to tax examinations for years ending prior to fiscal year 2004.

The following table shows the activity in the deferred tax liability balance for fiscal year 2013:

(US Dollars in millions)	
Balance at 29 June 2012	\$ 10
Unremitted earnings of certain non-U.S. entities	2
Acquisition-Related Items	5
Balance at 28 June 2013	\$ 17

8. Derivative Financial Instruments

The Company is exposed to foreign currency exchange rate, interest rate, and to a lesser extent, equity price risks relating to its ongoing business operations. The Company enters into foreign currency forward exchange contracts in order to manage the foreign currency exchange rate risk on forecasted

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expenses denominated in foreign currencies and to mitigate the remeasurement risk of certain foreign currency denominated liabilities. The Company's accounting policies for these instruments are based on whether the instruments are classified as designated or non-designated hedging instruments. The Company records all derivatives in the Consolidated Balance Sheets at fair value. The effective portions of designated cash flow hedges are recorded in Accumulated other comprehensive loss until the hedged item is recognized in earnings. Derivatives that are not designated as hedging instruments and the ineffective portions of cash flow hedges are adjusted to fair value through earnings. The amount of net unrealized gains (losses) on cash flow hedges were not material as of 28 June 2013 and 29 June 2012.

The Company dedesignates its cash flow hedges when the forecasted hedged transactions are realized or it is probable the forecasted hedged transactions will not occur in the initially identified time period. At such time, the associated gains and losses deferred in Accumulated other comprehensive loss are reclassified immediately into earnings and any subsequent changes in the fair value of such derivative instruments are immediately reflected in earnings. The Company did not recognize any material net gains or losses related to the loss of hedge designation on discontinued cash flow hedges during fiscal years 2013 and 2012. As of 28 June 2013, the Company's existing foreign currency forward exchange contracts mature within 12 months. The deferred amount currently recorded in Accumulated other comprehensive loss expected to be recognized into earnings over the next 12 months is not material.

As of 28 June 2013, the total notional value of the Company's outstanding foreign currency forward exchange contracts was:

	As of 28 June 2013	
(US dollars in millions)	Contracts Designated as Hedges	Contracts Not Designated as Hedges
Thai baht	\$	\$ 20
Singapore dollars		
Chinese renminbi		
Czech koruna		
	\$	\$ 20

As of 29 June 2012, the total notional value of the Company's outstanding foreign currency forward exchange contracts was:

	As of 29 June 2012	
(US dollars in millions)	Contracts Designated as Hedges	Contracts Not Designated as Hedges
Thai baht	\$	\$ 252
Singapore dollars	50	21
Chinese renminbi	27	
Czech koruna		7
	\$ 77	\$ 280

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The following tables show the Company's derivative instruments measured at gross fair value as reflected in the Consolidated Balance Sheets as of 28 June 2013 and 29 June 2012:

(US dollars in millions)	As of 28 June 2013			
	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:				
Foreign currency forward exchange contracts	Other debtors	\$	Accrued expenses	\$
Derivatives not designated as hedging instruments:				
Foreign currency forward exchange contracts	Other debtors		Accrued expenses	(1)
Total derivatives		\$		\$ (1)

(US dollars in millions)	As of 29 June 2012			
	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:				
Foreign currency forward exchange contracts	Other debtors	\$	Accrued expenses	\$
Derivatives not designated as hedging instruments:				
Foreign currency forward exchange contracts	Other debtors	1	Accrued expenses	(2)
Total derivatives		\$ 1		\$ (2)

None of the Company's derivative instruments were listed as of 28 June 2013 and 29 June 2012.

The following tables show the effect of the Company's derivative instruments on the Consolidated Profit and Loss Account for the fiscal year ended 28 June 2013:

(US dollars in millions)	Amount of Gain or (Loss) Recognized in OCI on Derivative (Effective Portion)	Location of Gain or (Loss) Recognized in OCI into Income (Effective Portion)	Amount of Gain or (Loss) Recognized in OCI into Income (Effective Portion)	Location of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain or (Loss) Recognized in Income (Ineffective Portion and Amount Excluded from Effectiveness Testing)
Derivatives Designated as Cash Flow Hedges					
Foreign currency forward exchange contracts	\$	Cost of revenue	\$	Cost of revenue	\$

Derivatives Not Designated as Hedging Instruments	Location of Gain or (Loss) Recognized in Income on Derivative	Amount of Gain or (Loss) Recognized in Income on Derivative
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Foreign currency forward exchange contracts	Other, net	\$	3
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The following tables show the effect of the Company's derivative instruments on the Consolidated Profit and Loss for the fiscal year ended 29 June 2012:

(US dollars in millions)	Amount of Gain or (Loss) Recognized in OCI on Derivative (Effective Portion)	Location of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain or (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Location of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain or (Loss) Recognized in Income (Ineffective Portion and Amount Excluded from Effectiveness Testing) ^(a)
Foreign currency forward exchange contracts	\$ (7)	Cost of revenue	\$ (5)	Cost of revenue	\$
Derivatives Not Designated as Hedging Instruments		Location of Gain or (Loss) Recognized in Income on Derivative		Amount of Gain or (Loss) Recognized in Income on Derivative	
Foreign currency forward exchange contracts		Other, net	\$	(6)	

(a)

The amount of gain or (loss) recognized in income represents \$0 related to the ineffective portion of the hedging relationships and \$0 million related to the amount excluded from the assessment of hedge effectiveness, for the fiscal year ended June 29, 2012.

9. Fair Value*Measurement of Fair Value*

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

Fair Value Hierarchy

A fair value hierarchy is based on whether the market participant assumptions used in determining fair value are obtained from independent sources (observable inputs) or reflects the Company's own assumptions of market participant valuation (unobservable inputs). A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets that are unadjusted and accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 Quoted prices for identical assets and liabilities in markets that are inactive; quoted prices for similar assets and liabilities in active markets or financial instruments for which significant inputs are observable, either directly or indirectly; or

Level 3 Prices or valuations that require inputs that are both unobservable and significant to the fair value measurement.

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The Company considers an active market to be one in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis, and views an inactive market as one in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers. Where appropriate the Company's or the counterparty's non-performance risk is considered in determining the fair values of liabilities and assets, respectively.

Items Measured at Fair Value on a Recurring Basis

The following table presents the Company's assets and liabilities that are measured at fair value on a recurring basis, excluding accrued interest components, as of 28 June 2013:

(US dollars in millions)	Fair Value Measurements at Reporting Date Using			Total Balance
	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Assets:				
Money market funds	\$ 787		\$	\$ 787
Commercial paper		655		655
U.S. treasuries and agency bonds		96		96
Certificates of deposit		149		149
Corporate bonds		211		211
Other debt securities		106		106
Equity securities	4			4
Total cash equivalents and short-term investments	791	1,217		2,008
Restricted cash and investments:				
Mutual Funds	74			74
Other debt securities	22	5		27
Auction rate securities			15	15
Derivative assets				
Total assets	\$ 887	\$ 1,222	\$ 15	\$ 2,124
Liabilities:				
Derivative liabilities	\$	\$ (1)	\$	\$ (1)
Total liabilities	\$	\$ (1)	\$	\$ (1)

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

(US dollars in millions)	Fair Value Measurements at Reporting Date Using				Total Balance
	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Assets:					
Cash and cash equivalents	\$ 787	\$ 741			\$ 1,528
Short-term investments	4	476			480
Restricted cash and investments	96	5			101
Other debtors amounts falling due within one year					
Other debtors amounts falling due after one year				15	15
Total assets	\$ 887	\$ 1,222	\$ 15		\$ 2,124
Liabilities:					
Accrued expenses	\$	\$ (1)			\$ (1)
Total liabilities	\$	\$ (1)	\$		\$ (1)

The following table presents the Company's assets and liabilities that are measured at fair value on a recurring basis, excluding accrued interest components, as of 29 June 2012:

(US dollars in millions)	Fair Value Measurements at Reporting Date Using				Total Balance
	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Assets:					
Money market funds	\$ 1,140				\$ 1,140
Commercial paper		393			393
U.S. treasuries and agency bonds		99			99
Certificates of deposit		4			4
Corporate bonds		209			209
Other debt securities		99			99
Total cash equivalents and short-term investments	1,140	804			1,944
Restricted Cash and Investments:					
Mutual Funds	66				66
Other debt securities	25	2			27
Auction rate securities				15	15
Derivative assets		2			2
Total Assets	\$ 1,231	\$ 808	\$ 15		\$ 2,054
Liabilities:					
Derivative liabilities	\$	\$ (2)			\$ (2)

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Total Liabilities	\$	\$	(2)	\$	\$	(2)
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Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

(US dollars in millions)	Fair Value Measurements at Reporting Date Using				Total Balance
	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Assets:					
Cash and cash equivalents	\$ 1,140	\$ 393	\$	\$	\$ 1,533
Short-term investments		411			411
Restricted cash and investments	91	2			93
Other debtors amounts falling due within one year		2			2
Other debtors amounts falling due after one year				15	15
Total Assets	\$ 1,231	\$ 808	\$	\$ 15	\$ 2,054
Liabilities:					
Accrued expenses	\$	\$ (2)	\$	\$	\$ (2)
Total Liabilities	\$	\$ (2)	\$	\$	\$ (2)

The Company classifies items in Level 1 if the financial assets consist of securities for which quoted prices are available in an active market.

The Company classifies items in Level 2 if the financial asset or liability is valued using observable inputs. The Company uses observable inputs including quoted prices in active markets for similar assets or liabilities. Level 2 assets include: agency bonds, corporate bonds, commercial paper, municipal bonds, and U.S. Treasuries. These debt investments are priced using observable inputs and valuation models which vary by asset class. The Company uses a pricing service to assist in determining the fair values of all of its cash equivalents and short-term investments. For the cash equivalents and short-term investments in the Company's portfolio, multiple pricing sources are generally available. The pricing service uses inputs from multiple industry standard data providers or other third party sources and various methodologies, such as weighting and models, to determine the appropriate price at the measurement date. The Company corroborates the prices obtained from the pricing service against other independent sources and, as of 28 June 2013, has not found it necessary to make any adjustments to the prices obtained. The Company's derivative financial instruments are also classified within Level 2. The Company's derivative financial instruments consist of foreign currency forward exchange contracts. The Company recognizes derivative financial instruments in its consolidated financial statements at fair value. The Company determines the fair value of these instruments by considering the estimated amount it would pay or receive to terminate these agreements at the reporting date.

The Company's Level 3 assets consist of auction rate securities with a par value of approximately \$17 million, all of which are collateralized by student loans guaranteed by the Federal Family Education Loan Program. Beginning in fiscal year 2008, these securities failed to settle at auction and have continued to fail through 28 June 2013. Since there is no active market for these securities, the Company valued them using a discounted cash flow model. The valuation model is based on the income approach and reflects both observable and significant unobservable inputs.

The Company's auction rate securities are measured at fair value on a recurring basis, excluding accrued interest components, using significant unobservable inputs (Level 3). The fair value of the Company's auction rate securities for the fiscal years ended 28 June 2013 and 29 June 2012 totaled \$15 million and \$15 million, respectively.

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)***Items Measured at Fair Value on a Non-Recurring Basis*

The Company enters into certain strategic investments for the promotion of business and strategic objectives. Strategic investments in equity securities where the Company does not have the ability to exercise significant influence over the investees, included in Other assets, net in the Consolidated Balance Sheets, are recorded at cost and are periodically analyzed to determine whether or not there are indicators of impairment. The carrying value of the Company's strategic investments at 28 June 2013 and 29 June 2012 totaled \$66 million and \$40 million, respectively, and consisted primarily of privately held equity securities without a readily determinable fair value.

During the fiscal years 2013 and 2012, the Company determined that certain of its equity investments accounted for under the cost method were other-than-temporarily impaired, and recognized charges of \$5 million and \$7 million, respectively, in order to write down the carrying amount of the investment to its estimated fair value. These amounts were recorded in Other, net in the Consolidated Profit and Loss Account. Since there was no active market for the equity securities of the investee, the Company estimated fair value of the investee by using the market approach, which was then used to estimate the applicable portion of the fair value of its underlying intellectual property assets.

The following table shows the activity in the Financial fixed assets for fiscal year 2013:

(US dollars in millions)	Fair Value Measurements Using			Total
	Auction Rate Securities	Strategic Investments		
Balance at 29 July 2012	\$ 15	\$ 40		\$ 55
Additional investment		47		47
Sales and settlements		(16)		(16)
Impairments		(5)		(5)
Balance at 28 June 2013	\$ 15	\$ 66		\$ 81

Other Fair Value Disclosures

The Company's debt is carried at amortized cost. The fair value of the Company's debt is derived using the closing price as of the date of valuation, which takes into account the yield curve, interest rates, and other observable inputs. Accordingly, these fair value measurements are categorized as

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Level 2. The following table presents the fair value and amortized cost of the Company's debt in order of maturity:

(US dollars in millions)	28 June 2013		29 June 2012	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
10.0% Senior Secured Second-Priority Notes due May 2014	\$	\$	\$ 314	\$ 359
6.8% Senior Notes due October 2016	335	370	599	662
7.75% Senior Notes due December 2018	238	259	750	836
6.875% Senior Notes due May 2020	600	644	600	639
7.00% Senior Notes due November 2021	600	645	600	650
4.75% Senior Notes due June 2023	1,000	938		
Other	4	4		
	2,777	2,860	2,863	3,146
Less short-term borrowings and current portion of long-term debt	(3)	(3)		
Long-term debt, less current portion	\$ 2,774	\$ 2,857	\$ 2,863	\$ 3,146

10. Capital and Reserves*Share Capital*

The Company's authorized share capital is \$13,500 and €40,000 and consists of 1,250,000,000 ordinary shares, par value \$0.00001, of which 359,437,036 shares were outstanding as of 28 June 2013, 100,000,000 preferred shares, par value \$0.00001, of which none were issued or outstanding as of 28 June 2013 and 40,000 deferred shares of par value €1, of which 40,000 shares were outstanding as of 28 June 2013.

Ordinary shares Holders of ordinary shares are entitled to receive dividends when and as declared by the Company's board of directors (the "Board of Directors"). Upon any liquidation, dissolution, or winding up of the Company, after required payments are made to holders of preferred shares, any remaining assets of the Company will be distributed ratably to holders of the preferred and ordinary shares. Holders of shares are entitled to one vote per share on all matters upon which the ordinary shares are entitled to vote, including the election of directors.

Preferred shares The Company may issue preferred shares in one or more series, up to the authorized amount, without shareholder approval. The Board of Directors is authorized to establish from time to time the number of shares to be included in each series, and to fix the rights, preferences and privileges of the shares of each wholly unissued series and any of its qualifications, limitations or restrictions. The Board of Directors can also increase or decrease the number of shares of a series, but not below the number of shares of that series then outstanding, without any further vote or action by the shareholders.

The Board of Directors may authorize the issuance of preferred shares with voting or conversion rights that could harm the voting power or other rights of the holders of the ordinary shares. The issuance of preferred shares, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in control of the Company and might harm the market price of its ordinary shares and the voting and other rights of the holders of ordinary shares.

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)***Repurchases of Equity Securities*

On 1 February 2010, the Company announced that its Board of Directors authorized an Anti-Dilution Share Repurchase Program (the "January 2010 Anti-Dilution Share Repurchase Program"). The repurchase program authorizes the Company to repurchase its ordinary shares to offset increases in diluted shares, such as those caused by employee stock plans and convertible debt, used in the determination of diluted net income per share. There was no minimum or maximum number of shares to be repurchased. On 26 April 2012, the Board of Directors authorized the Company to terminate the January 2010 Anti-Dilution Share Repurchase Program, which was so terminated effective 26 April 2012.

On 29 November 2010, the Company's Board of Directors authorized repurchases of up to an additional \$2 billion of the Company's outstanding ordinary shares.

On 25 January 2012, the Board of Directors authorized the Company to repurchase an additional \$1 billion of its outstanding ordinary shares.

On 26 April 2012, the Board of Directors authorized the Company to repurchase an additional \$2.5 billion of its outstanding ordinary shares.

All repurchases are effected as redemptions in accordance with the Company's Articles of Association.

As of 28 June 2013, \$0.9 billion remained available for repurchase under the existing repurchase authorization limit.

The following table sets forth information with respect to repurchases of the Company's ordinary shares during fiscal year 2013 and 2012:

(In millions)	Number of Shares Repurchased	Dollar Value of Shares Repurchased
Cumulative repurchased through 1 July 2011	89	1,406
Repurchased in fiscal year 2012	101 ⁽¹⁾	2,426 ⁽¹⁾
Cumulative repurchased through 29 June 2012	190	3,832
Repurchased in fiscal year 2013	54	1,654
Cumulative repurchased through 28 June 2013	244	\$ 5,486

(1) Includes 21 million shares of repurchases or \$305 million under the January 2010 Anti-Dilution Share Repurchase Program.

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)***Reserves*

	Seagate Technology plc Ordinary Shareholders						
	Number of Ordinary Shares (In millions)	Share Premium	Profit and Loss Account	Other Reserves	Total	Non- controlling Interest	Total Equity
		(US dollars in millions)					
Balance at 1 July 2011	425	\$ 3,934	\$ (1,511)	\$ 40	\$ 2,463	\$	\$ 2,463
Income for the period			2,862		2,862		2,862
Repurchase and cancellation of ordinary shares	(101)		(2,426)		(2,426)		(2,426)
Issuance of shares in respect of share-based payment plans	27	344			344		344
Issuance of shares in connection with the acquisition of Samsung HDD assets and liabilities	45	688		(119)	569		569
Tax benefit from exercise of share options				6	6		6
Dividends to shareholders			(369)		(369)		(369)
Share-based compensation				51	51		51
Other comprehensive loss				(3)	(3)		(3)
Balance at 29 June 2012	396	4,966	(1,444)	(25)	3,497		3,497
Income for the period			1,838		1,838		1,838
Repurchase and cancellation of ordinary shares	(54)		(1,654)		(1,654)		(1,654)
Issuance of shares in respect of share-based payment plans	17	259			259		259
Tax benefit from exercise of share options				1	1		1
Dividends to shareholders			(518)		(518)		(518)
Share-based compensation				76	76		76
Other comprehensive loss				(5)	(5)	1	(4)
Acquisition of majority shares of LaCie S.A.						72	72
Purchase of additional subsidiary shares from noncontrolling interest				1	1	(62)	(61)
Balance at 28 June 2013	359	\$ 5,225	\$ (1,778)	\$ 48	\$ 3,495	\$ 11	\$ 3,506

Capital Redemption Reserve Fund

Other reserves includes an amount of \$2,120 and \$1,580 for fiscal years 2013 and 2012, respectively, representing a Capital Redemption Reserve Fund.

11. Compensation*Share-Based Compensation Plans*

The Company's stock-based compensation plans have been established to promote the Company's long-term growth and financial success by providing incentives to its employees, directors, and

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

consultants through grants of share-based awards. The provisions of the Company's stock-based benefit plans, which allow for the grant of various types of equity-based awards, are also intended to provide greater flexibility to maintain the Company's competitive ability to attract, retain and motivate participants for the benefit of the Company and its shareholders.

Seagate Technology plc 2012 Equity Incentive Plan (the "EIP"). On 26 October 2011, the shareholders approved the EIP and authorized the issuance of up to a total of 27,000,000 ordinary shares, par value \$0.0001 per share, plus any shares remaining available for grant under the Seagate Technology plc 2004 Share Compensation Plan (the "SCP") as of the effective date of the EIP (which was equal to 11,041,148 ordinary shares as of the effective date of the EIP and which will increase by such additional number of shares as will be returned to the share reserve in respect of awards previously granted under the SCP) (together, the "Share Reserve"). Any shares that are subject to options or share appreciation rights granted under the EIP will be counted against the Share Reserve as one share for every one share granted, and any shares that are subject to restricted share bonus awards, restricted share units, performance share bonus awards or performance share awards (collectively, "Full-Value Share Awards") will generally be counted against the Share Reserve as two and one-tenth shares for every one share granted. As of 28 June 2013, there were approximately 28.3 million ordinary shares available for issuance under the EIP.

Seagate Technology plc 2004 Share Compensation Plan (the "SCP"). A maximum of 63.5 million ordinary shares were issuable under the SCP, including 10 million authorized for issuance of share awards and restricted units. On 4 November 2011, the Company filed Post-Effective Amendment No. 1 to deregister 11,041,148 ordinary shares that remained available for grant as of 27 October 2011 under the SCP and no shares have been granted from the SCP subsequent to that date.

Seagate Technology plc Stock Purchase Plan (the "ESPP"). There are 50 million ordinary shares authorized to be issued under the ESPP. In no event shall the total number of shares issued under the ESPP exceed 75 million ordinary shares. The ESPP consists of a six-month offering period with a maximum issuance of 1.5 million ordinary shares per offering period. The ESPP permits eligible employees to purchase ordinary shares through payroll deductions generally at 85% of the fair market value of the ordinary shares. As of 28 June 2013 there were approximately 12 million ordinary shares available for issuance under the ESPP.

i365, Inc. 2010 Equity Incentive Plan (the "i365 Plan"). In October 2010, i365, Inc. ("i365"), a wholly owned subsidiary of the Company, adopted the i365, Inc. 2010 Equity Incentive Plan (the "i365 Plan"). A maximum of 5 million shares of i365's common stock are issuable under the i365 Plan. Options granted to employees generally vest as follows: 25% of the options on the first anniversary of the vesting commencement date and the remaining 75% proportionately each month over the next 36 months. Options expire 10 years from the date of grant. The compensation expense associated with options granted to date under the i365 Plan is not material for fiscal year 2013 or 2012.

Equity Awards

Full-Value Share Awards (e.g. restricted share units) generally vest over a period of three to four years, with cliff vesting of a portion of each award occurring annually. Options generally vest as follows: 25% of the options will vest on the first anniversary of the vesting commencement date and the remaining 75% will vest ratably each month thereafter over the next 36 months. Options granted under the EIP and SCP have an exercise price equal to the closing price of the Company's ordinary shares on date of grant.

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The Company granted performance awards to its senior executive officers under the SCP and the EIP where vesting is subject to both the continued employment of the participant by the Company and the achievement of certain performance goals established by the Compensation Committee of the Company's Board of Directors, including market based performance goals. A single award represents the right to receive a single ordinary share of the Company. During fiscal year 2013 and 2012, the Company granted 0.7 million and 0.6 million performance awards, respectively, where performance is measured based on a three-year average return on invested capital (ROIC) goal and a relative total shareholder return (TSR) goal, which is based on the Company's ordinary shares measured against a benchmark TSR of a peer group over the same three-year period (the "TSR/ROIC" awards). These awards vest after the end of the performance period of 3 years from the grant date. A percentage of these units may vest only if at least the minimum ROIC goal is met regardless of whether the TSR goal is met. The number of stock units to vest will range from 0% to 200% of the targeted units. In evaluating the fair value of these units, the Company used a Monte Carlo simulation on the grant date, taking the market-based TSR goal into consideration. Compensation expense related to these units is only recorded in a period if it is probable that the ROIC goal will be met, and it is to be recorded at the expected level of achievement.

The Company also granted 0.3 million and 0.6 million performance awards during fiscal years 2013 and 2012 respectively, to its senior executive officers which are subject to a performance goal related to the Company's adjusted earnings per share (the "AEPS" awards). These awards have a maximum seven-year vesting period, with 25% annual vesting starting on the first anniversary of the grant date. If the performance goal is not achieved, vesting is delayed to a following year in which the AEPS goal is achieved. Any unvested awards from prior years may vest cumulatively in a future year within the seven-year vesting period if the annual AEPS goal is achieved during a subsequent year. If the AEPS goal has not been met by the end of the seven year period, any unvested shares will be forfeited.

During fiscal year 2013, the Company granted 0.2 million performance-based options and 0.1 million performance-based restricted share units to its CEO which are based on the attainment of a minimum 40% TSR (the "40% TSR" awards). The 40% TSR awards cliff vest after three years, contingent upon continued service and the attainment of a minimum 40% TSR, inclusive of dividends and share price appreciation, over a three-year performance period, which TSR must be sustained for a minimum of 30 consecutive trading days.

Determining Fair Value of Seagate Technology Stock Plans

Valuation and amortization method The Company estimates the fair value of stock options granted using the Black-Scholes-Merton valuation model and a single option award approach. This fair value is then amortized on a straight-line basis over the requisite service periods of the awards, which is generally the vesting period or the remaining service (vesting) period.

Expected Term Expected term represents the period that the Company's stock-based awards are expected to be outstanding and was determined based on historical experience of similar awards, giving consideration to the contractual terms of the stock-based awards, vesting schedules and expectations of future employee behavior as influenced by changes to the terms of its stock-based awards.

Expected Volatility The Company uses a combination of the implied volatility of its traded options and historical volatility of its share price.

Expected Dividend The Black-Scholes-Merton valuation model calls for a single expected dividend yield as an input. The dividend yield is determined by dividing the expected per share dividend during the coming year by the grant date share price. The expected dividend assumption is based on the

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Company's current expectations about its anticipated dividend policy. Also, because the expected dividend yield should reflect marketplace participants' expectations, the Company does not incorporate changes in dividends anticipated by management unless those changes have been communicated to or otherwise are anticipated by marketplace participants.

Risk-Free Interest Rate The Company bases the risk-free interest rate used in the Black-Scholes-Merton valuation model on the implied yield currently available on U.S. Treasury zero-coupon issues with an equivalent remaining term. Where the expected term of the Company's stock-based awards do not correspond with the terms for which interest rates are quoted, the Company performed a straight-line interpolation to determine the rate from the available term maturities.

Fair Value The fair value of the Company's nonvested awards and performance awards subject to an AEPS condition for fiscal years 2013 and 2012, is the price of the Company's shares on the grant date. The weighted average grant date fair value of awards granted are as follows:

	Fiscal Years	
	2013	2012
Nonvested awards:		
Weighted-average fair value	\$ 30.26	\$ 13.14
Performance awards		
Weighted-average fair value	\$ 30.01	\$ 11.16

The fair value of the Company's shares related to options granted to employees, shares issued from the ESPP and performance awards subject to TSR/ROIC conditions for fiscal years 2013 and 2012 were estimated using the following weighted-average assumptions:

	Fiscal Years	
	2013	2012
Options		
Expected term (in years)	4.2	4.2
Volatility	41 - 53%	49 - 53%
Weighted-average volatility	52%	50%
Expected dividend rate	3.6 - 5.8%	3.8 - 6.5%
Weighted-average expected dividend rate	4.4%	5.9%
Risk-free interest rate	0.5 - 1.1%	0.6 - 0.9%
Weighted-average fair value	\$8.96	\$3.61
ESPP		
Expected term (in years)	0.5	0.5
Volatility	38 - 46%	45 - 54%
Weighted-average volatility	42%	49%
Expected dividend rate	2.2 - 4.2%	3.9 - 5.2%
Weighted-average expected dividend rate	3.2%	4.7%
Risk-free interest rate	0.1%	0.1 - 0.2%
Weighted-average fair value	\$7.74	\$4.89
Performance restricted share awards subject to market condition		
Expected term (in years)	2.98	2.96
Weighted-average volatility	48%	65%
Expected dividend rate	4.3%	6.4%
Risk-free interest rate	0.3%	0.3%
Weighted-average fair value	\$26.41	\$10.05

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)***Share-Based Compensation Expense*

The Company recorded \$76 million and \$51 million of share-based compensation during fiscal years 2013 and 2012, respectively. Management has made an estimate of expected forfeitures and is recognizing compensation costs only for those equity awards expected to vest. When estimating forfeitures, the Company considers voluntary termination behavior as well as analysis of actual forfeited awards.

Share Option Activity

The Company issues new ordinary shares upon exercise of share options. The following is a summary of option activities:

Options	Number of Shares (In millions)	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (In years)	Aggregate Intrinsic Value (US dollars In millions)
Outstanding at 29 June 2012	22.6	\$ 13.18	3.3	\$ 264
Granted	1.8	30.33		
Exercised	(14.5)	14.53		
Forfeitures	(0.3)	10.89		
Expirations	(0.1)	14.22		
Outstanding at 28 June 2013	9.5	\$ 14.60	3.8	\$ 286
Vested and expected to vest at 28 June 2013	9.1	\$ 14.11	3.7	\$ 273
Exercisable at 28 June 2013	4.9	\$ 10.78	2.6	\$ 167

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the quoted price of the Company's ordinary shares for the options that were in-the-money at 28 June 2013. During fiscal years 2013 and 2012, the aggregate intrinsic value of options exercised under the Company's stock option plans was \$272 million and \$245 million, respectively, determined as of the date of option exercise. The aggregate fair value of options vested during fiscal year 2013 was approximately \$11 million.

At 28 June 2013, the total compensation cost related to options granted to employees but not yet recognized was approximately \$22 million, net of estimated forfeitures of approximately \$1 million. This cost is being amortized on a straight-line basis over a weighted-average remaining term of approximately 2.5 years and will be adjusted for subsequent changes in estimated forfeitures.

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)***Nonvested Share Activity*

The following is a summary of nonvested share activities which do not contain a performance condition:

Nonvested Awards	Number of Shares (In millions)	Weighted-Average Grant-Date Fair Value
Nonvested at 29 June 2012	4.0	\$ 12.62
Granted	2.9	\$ 30.26
Forfeitures	(0.2)	\$ 18.33
Vested	(1.3)	\$ 13.06
Nonvested at 28 June 2013	5.4	\$ 22.07

At 28 June 2013, the total compensation cost related to nonvested awards granted to employees but not yet recognized was approximately \$89 million, net of estimated forfeitures of approximately \$6 million. This cost is being amortized on a straight-line basis over a weighted-average remaining term of 2.9 years and will be adjusted for subsequent changes in estimated forfeitures. The aggregate fair value of nonvested awards vested during fiscal year 2013 was approximately \$40 million.

Performance Share Activity

The following is a summary of nonvested share activities which contain a performance condition:

Performance Awards	Number of Shares (In millions)	Weighted-Average Grant-Date Fair Value
Performance awards at 29 June 2012	1.7	\$ 10.69
Granted	1.2	\$ 27.42
Forfeitures		\$
Vested	(0.3)	\$ 11.25
Performance awards at 28 June 2013	2.6	\$ 18.44

At 28 June 2013, the total compensation cost related to performance awards granted to employees but not yet recognized was approximately \$39 million. This cost is being amortized on a straight-line basis over a weighted-average remaining term of 2.8 years.

ESPP

During fiscal years 2013 and 2012, the aggregate intrinsic value of shares purchased under the Company's ESPP was approximately \$17 million and \$17 million respectively. At 28 June 2013, the total compensation cost related to options to purchase the Company's ordinary shares under the ESPP but not yet recognized was approximately \$1 million. This cost will be amortized on a straight-line basis over a weighted-average period of approximately one month. During fiscal year 2013, the Company issued 2.0 million ordinary shares with a weighted-average purchase price of \$23.63 per share.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Tax-Deferred Savings Plan

The Company has a tax-deferred savings plan, the Seagate 401(k) Plan (the "401(k) plan"), for the benefit of qualified employees. The 401(k) plan is designed to provide employees with an accumulation of funds at retirement. Qualified employees may elect to make contributions to the 401(k) plan on a bi-weekly basis. Pursuant to the 401(k) plan, the Company matches 50% of employee contributions, up to 6% of compensation, subject to maximum annual contributions of \$4,500 per participating employee. During fiscal years 2013 and 2012, the Company made matching contributions of \$14 million and \$13 million, respectively.

Deferred Compensation Plan

On 1 January 2001, the Company adopted the SDCP for the benefit of eligible employees. This plan is designed to permit certain discretionary employer contributions, in excess of the tax limits applicable to the 401(k) plan and to permit employee deferrals in excess of certain tax limits. The Company's assets designated to pay benefits under the plan are held by a rabbi trust. The assets and liabilities of a rabbi trust are accounted for as assets and liabilities of the Company. As of 28 June 2013 and 29 June 2012, the assets held in the rabbi trust were approximately \$79 million and \$73 million, respectively, and are included in Restricted cash and investments in the Consolidated Balance Sheets. The deferred compensation obligation related to the rabbi trust included in Accrued expenses on the accompanying Consolidated Balance Sheets was approximately \$87 million and \$82 million as of 28 June 2013 and 29 June 2012, respectively.

Directors' Emolument

During the year ended 28 June 2013, the Company paid \$16 million to its directors in respect of duties relating to Seagate Technology plc. Of the total paid, \$13 million was for managerial services, which included compensation for Mr. Luczo's service as President and Chief Executive Officer, and \$3 million was for director services, which included compensation for all non-employee directors.

During the year ended 29 June 2012, the Company paid \$10 million to its directors in respect of duties relating to Seagate Technology plc. Of the total paid, \$8 million was for managerial services, which included compensation for Mr. Luczo's service as President and Chief Executive Officer, and \$2 million was for director services, which included compensation for all non-employee directors.

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****12. Earnings Per Share**

The following table sets forth the computation of basic and diluted net income per share:

(In millions, except per share data)	Fiscal Years Ended	
	28 June 2013	29 June 2012
Numerator:		
Net income attributable to Seagate Technology plc	\$ 1,838	\$ 2,862
Number of shares used in per share calculations:		
Total shares for purposes of calculating basic net income per share attributable to Seagate Technology plc	370	426
Weighted-average effect of dilutive securities:		
Employee equity award plans	12	15
Total shares for purpose of calculating diluted net income per share attributable to Seagate Technology plc	382	441
Net income per share attributable to Seagate Technology plc shareholders:		
Basic	\$ 4.97	\$ 6.72
Diluted	\$ 4.81	\$ 6.49

The following potential shares were excluded from the computation of diluted net income per share as their effect would have been anti-dilutive:

(In millions)	Fiscal Years Ended	
	28 June 2013	29 June 2012
Employee equity award plans		7

13. Business Segment and Geographic Information

The Company has concluded that its manufacture and distribution of disk drives constitutes one reporting segment. The Company's manufacturing operations are based on technology platforms that are used to produce various disk drive products that serve multiple disk drive applications and markets. The Company's main technology platforms are primarily focused around areal density of media and read/write head technologies. In addition, the Company also invests in certain other technology platforms including motors, servo formatting read/write channels, solid state and other technologies. The Company has determined that its Chief Executive Officer is the Company's chief operating decision maker (CODM) as he is responsible for reviewing and approving investments in the Company's technology platforms and manufacturing infrastructure.

In fiscal years 2013 and 2012, Dell Inc. accounted for approximately 13% and 15% of consolidated revenue, respectively, while Hewlett-Packard Company accounted for approximately 10% and 14% of consolidated revenue, respectively. No other customer accounted for more than 10% of consolidated revenue in any year presented.

Other long-lived assets consist of tangible assets, other intangible assets, capital leases, equity investments and certain other debtors as recorded by the Company's operations in each area.

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The following table summarizes the Company's operations by geographic area:

	Fiscal Years Ended	
	28 June	29 June
	2013	2012
	(In millions)	
Revenue from external customers⁽¹⁾:		
Singapore	\$ 7,429	\$ 7,847
United States	3,620	3,845
The Netherlands	2,804	3,089
Other	498	158
Consolidated	\$ 14,351	\$ 14,939
Long-lived assets:		
Singapore	\$ 881	\$ 868
Thailand	398	409
United States	427	318
China	212	270
Malaysia	129	144
Other	852	928
Consolidated	\$ 2,899	\$ 2,937

(1) Revenue is attributed to countries based on the shipping location.

14. Legal, Environmental and Other Contingencies

The Company assesses the probability of an unfavorable outcome of all its material litigation, claims, or assessments to determine whether a liability had been incurred and whether it is probable that one or more future events will occur confirming the fact of the loss. In the event that an unfavorable outcome is determined to be probable and the amount of the loss can be reasonably estimated, the Company establishes an accrual for the litigation, claim or assessment. In addition, in the event an unfavorable outcome is determined to be less than probable, but reasonably possible, the Company will disclose an estimate of the possible loss or range of such loss; however, when a reasonable estimate cannot be made, the Company will provide disclosure to that effect. Litigation is inherently uncertain and may result in adverse rulings or decisions. Additionally, the Company may enter into settlements or be subject to judgments that may, individually or in the aggregate, have a material adverse effect on its results of operations. Accordingly, actual results could differ materially.

Intellectual Property Litigation

Convolve, Inc. ("Convolve") and Massachusetts Institute of Technology ("MIT") v. Seagate Technology LLC, et al. On 13 July 2000, Convolve and MIT filed suit against Compaq Computer Corporation and Seagate Technology LLC in the U.S. District Court for the Southern District of New York, alleging infringement of U.S. Patent Nos. 4,916,635, "Shaping Command Inputs to Minimize Unwanted Dynamics" (the '635 patent) and U.S. Patent No. 5,638,267, "Method and Apparatus for Minimizing Unwanted Dynamics in a Physical System" (the '267 patent), misappropriation of trade secrets, breach of contract and other claims. In the complaint, the plaintiffs requested injunctive relief, \$800 million in compensatory damages and unspecified punitive damages, including for willful infringement and willful and malicious misappropriation. On 16 January 2002, Convolve filed an amended complaint, alleging defendants infringe US Patent No. 6,314,473, "System for Removing

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Selected Unwanted Frequencies in Accordance with Altered Settings in a User Interface of a Data Storage Device," (the '473 patent"). The '635 patent expired on 12 September 2008. The court ruled in 2010 that the '267 patent was out of the case.

On 16 August 2011, the court granted in part and denied in part the Company's motion for summary judgment. The court granted summary judgment in favor of the Company on all patent infringement claims and on 11 of the 15 remaining alleged trade secrets. The court also denied Convolv's request for enhanced damages as moot and dismissed Convolv's request for injunctive relief. Following this ruling, the parties entered into a stipulation to conditionally dismiss without prejudice the remaining claims in order to facilitate an appeal of the 16 August 2011 order by Convolv to the U.S. Court of Appeals for the Federal Circuit. Pursuant to this stipulation, the court entered a final judgment on 4 October 2011. Convolv filed its notice of appeal to the U.S. Court of Appeals for the Federal Circuit on 3 November 2011. The Court of Appeals issued its ruling on 1 July 2013; the Court of Appeals: 1) affirmed the district court's summary judgment rulings that Seagate did not misappropriate any of the alleged trade secrets and that the asserted claims of the '635 patent are invalid; 2) reversed and vacated the district court's summary judgment of non-infringement with respect to the '473 patent; and 3) remanded the case for further proceedings on the '473 patent. On 16 July 2013, Convolv filed a petition for panel rehearing at the Court of Appeals; that petition was denied on 31 July 2013. In view of the district court's 16 August 2011 ruling and the Court of Appeals' 1 July 2013 ruling and the uncertainty regarding the amount of damages, if any, that could be awarded Convolv in this matter, the Company does not believe that it is currently possible to determine a reasonable estimate of the possible range of loss related to this matter.

Alexander Shukh v. Seagate Technology On 12 February 2010, Alexander Shukh filed a complaint against the Company in the U.S. District Court for the District of Minnesota, alleging, among other things, employment discrimination based on his Belarusian national origin and wrongful failure to name him as an inventor on several patents and patent applications. Mr. Shukh's employment was terminated as part of a company-wide reduction in force in fiscal year 2009. He seeks damages in excess of \$75 million. The Company believes the claims are without merit and intends to vigorously defend this case. A date for the start of trial has not yet been scheduled. In view of the uncertainty regarding the amount of damages, if any, that could be awarded in this matter, the Company does not believe that it is currently possible to determine a reasonable estimate of the possible range of loss related to this matter.

Rembrandt Data Storage, LP v. Seagate Technology LLC On 10 November 2010, Rembrandt Data Storage, LP filed suit against Seagate Technology LLC in the U.S. District Court for the Western District of Wisconsin alleging infringement of U.S. Patent No. 5,995,342 C1, "Thin Film Heads Having Solenoid Coils," and U.S. Patent No. 6,195,232, "Low-Noise Toroidal Thin Film Head With Solenoidal Coil." The complaint seeks unspecified compensatory damages, enhanced damages, injunctive relief, and attorneys' fees and costs. On 2 March 2012, the district court granted Seagate's motion for summary judgment of non-infringement and entered judgment in favor of Seagate. On 7 March 2012, Rembrandt appealed to the U.S. Court of Appeals for the Federal Circuit. On 10 December 2012, the Court of Appeals affirmed the district court's judgment in favor of Seagate. In view of the Court of Appeals' 10 December 2012 ruling, the Company does not expect this matter will result in a loss.

Rambus, Inc. ITC Investigation re Certain Semiconductor Chips and Products Containing the Same On 1 December 2010, Rambus, Inc. filed a complaint with the International Trade Commission seeking an investigation pursuant to Section 337 of the Tariff Act of 1930, as amended. The complaint names Seagate Technology LLC and numerous other respondents, including LSI, Inc. and ST Microelectronics, Inc., alleging that Seagate products incorporate semiconductor products made by LSI

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

and STMicroelectronics that infringe various patents owned by Rambus. The ITC initiated an investigation on 29 December 2010. Rambus seeks an order to exclude entry of infringing products into the U.S. and a cease and desist order. On 25 July 2012, the ITC gave notice that it had determined to terminate the investigation with a finding of no violation of Section 337 by Seagate and the other respondents. On 21 September 2012, Rambus filed a notice of appeal to the U.S. Court of Appeals for the Federal Circuit. On 20 June 2013, Rambus filed a request with the Court of Appeals to withdraw the appeal, stating there was no ongoing dispute between Rambus and Seagate as a result of Rambus' settlements with other respondents. On 24 June 2013, the Court of Appeals dismissed the appeal. In light of the dismissal of the appeal, the Company does not expect this matter will result in a loss.

LEAP Co., Ltd. v. Seagate Singapore International Headquarters Pte. Ltd. and Nippon Seagate Inc. On 4 July 2012, LEAP Co., Ltd. filed a lawsuit in the Tokyo District Court of Japan against Seagate Singapore International Headquarters Pte. Ltd., Nippon Seagate Inc. and Buffalo Inc. alleging wrongful termination of purchase agreements and other claims, and seeking approximately \$38 million in damages. The Company believes the claims are without merit and intends to vigorously defend this case. In view of the uncertainty regarding the amount of damages, if any, that could be awarded in this matter, the Company does not believe that it is currently possible to determine a reasonable estimate of the possible range of loss related to this matter.

Realtek Semiconductor Corporation ITC Investigation re Certain Integrated Circuit Chips and Products Containing the Same On 19 September 2012, Realtek Semiconductor Corporation filed a complaint with the International Trade Commission seeking an investigation pursuant to Section 337 of the Tariff Act of 1930, as amended. The complaint names LSI Corporation and Seagate Technology as respondents and alleges infringement of U.S. patents relating to integrated circuit chips that include bond pad structures. Realtek seeks an order to exclude entry of infringing integrated circuit chips and products containing the infringing integrated circuit chips into the U.S. and a cease and desist order. The ITC initiated an investigation on 18 October 2012. The target date for completion of the investigation is 24 February 2014. In view of the uncertainty regarding the possible outcome of this case and the nature of the relief sought, the Company does not believe that it is currently possible to determine a reasonable estimate of the possible loss or range of loss, or other possible adverse result, if any, that may be incurred with respect to this matter.

Enova Technology Corporation v. Seagate Technology (US) Holdings, Inc., et al. On 5 June 2013, Enova Technology Corporation filed a complaint against Seagate Technology (US) Holdings, Inc. and Seagate Technology LLC in the U.S. District Court for the District of Delaware alleging infringement of U.S. Patent No. 7,136,995, "Cryptographic Device," and U.S. Patent No. 7,900,057, "Cryptographic Serial ATA Apparatus and Method." The complaint seeks unspecified compensatory damages, enhanced damages, injunctive relief, attorneys' fees, and other relief. The Company believes the claims are without merit and intends to vigorously defend this case. In view of the uncertainty regarding the amount of damages, if any, that could be awarded in this matter, the Company does not believe that it is currently possible to determine a reasonable estimate of the possible range of loss related to this matter.

Environmental Matters

The Company's operations are subject to U.S. and foreign laws and regulations relating to the protection of the environment, including those governing discharges of pollutants into the air and water, the management and disposal of hazardous substances and wastes and the cleanup of contaminated sites. Some of the Company's operations require environmental permits and controls to

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

prevent and reduce air and water pollution, and these permits are subject to modification, renewal and revocation by issuing authorities.

The Company has established environmental management systems and continually updates its environmental policies and standard operating procedures for its operations worldwide. The Company believes that its operations are in material compliance with applicable environmental laws, regulations and permits. The Company budgets for operating and capital costs on an ongoing basis to comply with environmental laws. If additional or more stringent requirements are imposed on the Company in the future, it could incur additional operating costs and capital expenditures.

Some environmental laws, such as the Comprehensive Environmental Response Compensation and Liability Act of 1980 (as amended, the "Superfund" law) and its state equivalents, can impose liability for the cost of cleanup of contaminated sites upon any of the current or former site owners or operators or upon parties who sent waste to these sites, regardless of whether the owner or operator owned the site at the time of the release of hazardous substances or the lawfulness of the original disposal activity. The Company has been identified as a potentially responsible party at several sites. At each of these sites, the Company has an assigned portion of the financial liability based on the type and amount of hazardous substances disposed of by each party at the site and the number of financially viable parties. The Company has fulfilled its responsibilities at some of these sites and remains involved in only a few at this time.

While the Company's ultimate costs in connection with these sites is difficult to predict with complete accuracy, based on its current estimates of cleanup costs and its expected allocation of these costs, the Company does not expect costs in connection with these sites to be material.

The Company may be subject to various state, federal and international laws and regulations governing the environment, including those restricting the presence of certain substances in electronic products. For example, the European Union ("EU") enacted the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment, which prohibits the use of certain substances, including lead, in certain products, including disk drives, put on the market after 1 July 2006. Similar legislation has been or may be enacted in other jurisdictions, including in the United States, Canada, Mexico, Taiwan, China, Japan and others. The European Union REACH Directive (Registration, Evaluation, Authorization, and Restriction of Chemicals, EC 1907/2006) also restricts substances of very high concern ("SVHCs") in products. If the Company or its suppliers fails to comply with the substance restrictions, recycle requirements or other environmental requirements as they are enacted worldwide, it could have a materially adverse effect on the Company's business.

Other Matters

The Company is involved in a number of other judicial and administrative proceedings incidental to its business, and the Company may be involved in various legal proceedings arising in the normal course of its business in the future. Although occasional adverse decisions or settlements may occur, the Company believes that the final disposition of such matters will not have a material adverse effect on its financial position or results of operations.

15. Commitments

Leases. The Company leases certain property, facilities and equipment under non-cancelable lease agreements. Land and facility leases expire at various dates through 2067 and contain various provisions for rental adjustments including, in certain cases, a provision based on increases in the Consumer Price Index. Also, certain leases provide for renewal of the lease at the Company's option at

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expiration of the lease. All of the leases require the Company to pay property taxes, insurance and normal maintenance costs.

Future minimum lease payments for operating leases, substantially all of which relates to land and buildings, (including accrued lease payments relating to restructuring plans) with initial or remaining terms of one year or more were as follows at 28 June 2013 (lease payments are shown net of sublease income):

Fiscal Years	Operating Leases (US dollars in millions)	
2014	\$	31
2015		20
2016		15
2017		9
2018		9
Thereafter		81
	\$	165

Total rent expense for all land, facility and equipment operating leases, net of sublease income, was \$35 million and \$34 million for fiscal years 2013 and 2012, respectively. Total sublease rental income for fiscal years 2013 and 2012 was \$4 million and \$6 million, respectively. The Company subleases a portion of its facilities that it considers to be in excess of current requirements. As of 28 June 2013, total future lease income to be recognized for the Company's existing subleases is approximately \$7 million.

During the fiscal year 2011, the Company entered into a sale-leaseback transaction for its AMK facility in Singapore. The transaction was completed in the fourth fiscal quarter and net proceeds were \$73 million. Upon execution of the sale, the Company recognized a \$15 million gain and an additional \$26 million of deferred gain. The deferred gain is being recognized ratably over the minimum lease term of three years, as an offset to the related rental expense. The Company considers this lease as a normal leaseback and classified the lease as an operating lease. As of 28 June 2013 the total future minimum lease payments for the leaseback were \$4 million, which are included in the total future minimum lease payments for operating leases shown above.

The Company recorded amounts for both adverse and favorable leasehold interests and for exit costs that apply directly to the lease commitments assumed through the 2006 acquisition of Maxtor. As of 28 June 2013, the Company had a \$6 million adverse leasehold interest related to leases acquired from Maxtor. The adverse leasehold interest is being amortized to Cost of revenue and Operating expenses over the remaining duration of the leases. In addition, the Company had \$9 million and \$12 million remaining in accrued exit costs related to the planned exit of Maxtor leased excess facilities at 28 June 2013 and 29 June 2012, respectively.

Capital Expenditures. The Company's non-cancelable commitments for construction of manufacturing and product development facilities and purchases of equipment approximated \$284 million at 28 June 2013, and included \$135 million related to research and development projects.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Guarantees

Indemnifications to Officers and Directors

On 4 May 2009, Seagate Technology, an exempted company incorporated with limited liability under the laws of the Cayman Islands ("Seagate-Cayman"), then the parent company, entered into a new form of indemnification agreement (the "Revised Indemnification Agreement") with its officers and directors of Seagate-Cayman and its subsidiaries (each, an "Indemnitee"). The Revised Indemnification Agreement provides indemnification in addition to any of Indemnitee's indemnification rights under Seagate-Cayman's Articles of Association, applicable law or otherwise, and indemnifies an Indemnitee for certain expenses (including attorneys' fees), judgments, fines and settlement amounts actually and reasonably incurred by him or her in any action or proceeding, including any action by or in the right of Seagate-Cayman or any of its subsidiaries, arising out of his or her service as a director, officer, employee or agent of Seagate-Cayman or any of its subsidiaries or of any other entity to which he or she provides services at Seagate-Cayman's request. However, an Indemnitee shall not be indemnified under the Revised Indemnification Agreement for (i) any fraud or dishonesty in the performance of Indemnitee's duty to Seagate-Cayman or the applicable subsidiary of Seagate-Cayman or (ii) Indemnitee's conscious, intentional or willful failure to act honestly, lawfully and in good faith with a view to the best interests of Seagate-Cayman or the applicable subsidiary of Seagate-Cayman. In addition, the Revised Indemnification Agreement provides that Seagate-Cayman will advance expenses incurred by an Indemnitee in connection with enforcement of the Revised Indemnification Agreement or with the investigation, settlement or appeal of any action or proceeding against him or her as to which he or she could be indemnified.

On 3 July 2010 pursuant to a corporate reorganization, the common shareholders of Seagate-Cayman became ordinary shareholders of Seagate Technology PLC (the Company) and Seagate-Cayman became a wholly owned subsidiary of the Company, as described more fully in the Current Report on Form 8-K filed by the Company on 6 July 2010 (the "Redomestication"). On 27 July 2010, in connection with the Redomestication, the Company, as sole shareholder of Seagate-Cayman, approved a form of deed of indemnity (the "Deed of Indemnity"), which provides for the indemnification by Seagate-Cayman of any director, officer, employee or agent of the Company, Seagate-Cayman or any subsidiary of the Company (each, a "Deed Indemnitee"), in addition to any of a Deed Indemnitee's indemnification rights under the Company's Articles of Association, applicable law or otherwise, with a similar scope to the Revised Indemnification Agreement. Seagate-Cayman entered into the Deed of Indemnity with certain Deed Indemnitees effective as of 3 July 2010 and continues to enter into the Deed of Indemnity with additional Deed Indemnitees from time to time.

The nature of these indemnification obligations prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay on behalf of its officers and directors. Historically, the Company has not made any significant indemnification payments under such agreements and no amount has been accrued in the accompanying consolidated financial statements with respect to these indemnification obligations.

Intellectual Property Indemnification Obligations

The Company has entered into agreements with customers and suppliers that include limited intellectual property indemnification obligations that are customary in the industry. These guarantees generally require the Company to compensate the other party for certain damages and costs incurred as a result of third party intellectual property claims arising from these transactions. The nature of the intellectual property indemnification obligations prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay to its customers and suppliers.

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Historically, the Company has not made any significant indemnification payments under such agreements and no amount has been accrued in the accompanying consolidated financial statements with respect to these indemnification obligations.

Product Warranty

The Company estimates probable product warranty costs at the time revenue is recognized. The Company generally warrants its products for a period of one to five years. The Company uses estimated repair or replacement costs and uses statistical modeling to estimate product return rates in order to determine its warranty obligation. Changes in the Company's product warranty liability during the fiscal years ended 28 June 2013 and 29 June 2012 were as follows:

(US dollars in millions)	Fiscal Years Ended	
	28 June 2013	29 June 2012
Balance, beginning of period	\$ 363	\$ 348
Warranties issued	193	169
Repairs and replacements	(276)	(284)
Changes in liability for pre-existing warranties, including expirations	37	58
Warranty liability assumed from acquisitions	3	72
Balance, end of period	\$ 320	\$ 363

17. Related Party Transactions

In connection with the Company's acquisition of the Samsung HDD business, Samsung became a shareholder of the Company and appointed one of its executives to the Company's Board of Directors.

Samsung Electronics Co. Ltd. ("Samsung") The Company recorded revenue of \$413 million and \$407 million from sales to Samsung for fiscal year 2013 and 2012, respectively. The Company made payments to Samsung in fiscal years 2013 and 2012 of \$393 million and \$102 million, respectively, related to purchases of various components. The Company had accounts payable to Samsung of \$48 million and \$25 million at 28 June 2013 and 29 June 2012, respectively. The Company had accounts receivable from Samsung of \$49 million and \$64 million at 28 June 2013 and 29 June 2012, respectively.

During the years presented, members of the Company's board of directors also served on the boards of the following companies with which the Company had transactions:

Symantec Corporation ("Symantec") The Company made payments of \$30 million for the purchase of its new Cupertino, California facility to Symantec in fiscal year 2011.

United Parcel Service, Inc. ("UPS") The Company made payments for freight and logistics services to UPS of \$94 million in fiscal year 2012. At 29 June 2012, the Company had accounts payable to UPS of \$15 million. UPS was no longer deemed a related party during fiscal year 2013.

LSI Corporation ("LSI") The Company recorded revenue of \$4 million from sales to LSI for fiscal year 2012. There was no material revenue in fiscal year 2013. The Company made payments to LSI in fiscal years 2013 and 2012 of \$574 million and \$685 million, respectively, related to purchases of

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various components. The Company had accounts payable to LSI of \$79 million and \$455 million at 28 June 2013 and 29 June 2012, respectively.

Microsoft Corporation ("Microsoft") The Company recorded revenue of \$141 million and \$54 million from sales to Microsoft for fiscal year 2013 and 2012, respectively. The Company made payments to Microsoft in fiscal year 2013 and 2012 of \$2 million and \$24 million, respectively, related to purchases of licensed software. The Company had accounts receivable from Microsoft of \$33 million and \$39 million at 28 June 2013 and 29 June 2012.

18. Employees and Remuneration

The average number of persons employed by the Company during each year was as follows:

	Fiscal Years Ended	
	28 June 2013	29 June 2012
	(in thousands)	
Manufacturing	47	47
Product development	5	5
Sales, marketing, general & administrative	3	3
	55	55

Employee costs during each year consist of the following:

	Fiscal Years Ended	
	28 June 2013	29 June 2012
	(US dollars in millions)	
Salaries and wages	\$ 1,509	\$ 1,416
Social security costs ⁽¹⁾	393	351
Share-based compensation	76	51
	\$ 1,978	\$ 1,818

(1) Social security costs includes social security costs, employer paid payroll taxes, and other employee benefits paid by the Company.

19. Auditors' Remuneration

Total auditors' remuneration was \$6.0 million and \$5.7 million for the years ended 28 June 2013 and 29 June 2012, respectively. These amounts reflect fees for all professional services rendered by Ernst & Young and its affiliated firms.

The fees paid to Ernst & Young Ireland in respect of the audit of the group accounts was \$0.1 million for both years ended 28 June 2013 and 29 June 2012. In addition, Ernst & Young Ireland received fees of \$0.10 million and \$0.08 million for other assurance services and nil for tax and other non-audit services in respect of the years ended 28 June 2013 and 29 June 2012.

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****20. Post Balance Sheet Events***Dividends*

On 24 July 2013, our Board of Directors approved a cash dividend of \$0.38 per share, which were paid on 21 August 2013 to shareholders of record as of the close of business on 7 August 2013.

July 2013 Stock Repurchase Program

The Board of Directors has authorized the Company to repurchase up to \$2.5 billion of its outstanding ordinary shares (the "July 2013 Authorization").

21. Subsidiary Undertakings

The subsidiary undertakings of Seagate Technology plc which have a substantial effect on the financial position of the Company are listed below. Unless noted herein, all subsidiary undertakings are wholly owned by Seagate Technology plc and their financial results are included in the Company's consolidated financial statements.

Company	Jurisdiction	Registered Address	Nature of Business	Percent Owned
Seagate Technology	Cayman	c/o Maples and Calder, P. O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	Holding company	100%
Seagate Technology (Dublin Branch)	Ireland	38/39 Fitzwilliam Square, Dublin, 2, Ireland	Ireland branch of Seagate Technology	100%
Seagate Technology HDD Holdings	Cayman	c/o Maples and Calder, P. O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	Holding company	100%
Seagate Technology HDD Holdings (Dublin Branch)	Ireland	38/39 Fitzwilliam Square, Dublin, 2, Ireland	Ireland branch of Seagate Technology HDD Holdings	100%
Seagate HDD Cayman	Cayman	c/o Maples and Calder, P. O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	Holding company	100%
Seagate Technology (US) Holdings, Inc.	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801	Holding company	100%

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Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Company	Jurisdiction	Registered Address	Nature of Business	Percent Owned
Seagate Technology LLC	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801	Designs, manufactures, markets and sells computer disk drives.	100%
Seagate Technology International	Cayman	c/o Maples and Calder, P. O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	Designs, manufactures, markets and sells computer disk drives.	100%
Seagate Technology International (Netherlands Branch)	Netherlands	Koolhovenlaan 1, 1119 NB, Schiphol-Rijk, The Netherlands	Netherlands branch of Seagate Technology International	100%
Seagate Technology International (Singapore Branch)	Singapore	7000 Ang Mo Kio Avenue 5, 569877, Singapore	Singapore branch of Seagate Technology International	100%
Seagate Brasil Representacao de produtos de Informatica Ltda.	Brazil	Avenida Torquato Tapajos, 7503, Modulo Contiguos 7, 2nd floor, Taruma, Zip Code 69041-025, Manaus, Brazil	Marketer of disk drives	100%
Seagate International (Johor) Sdn. Bhd.	Malaysia	B-11-8, Level 11, Megan Avenue II, Jalan Yap Kwan Seng, Kuala Lumpur, 50450, Malaysia	Substrate manufacturer	100%
Seagate Singapore International Headquarters Pte. Ltd.	Singapore	50 Raffles Place #06-00, Singapore Land Tower 048623, Singapore	Exports products manufactured in Asia	100%
Seagate Technology International (Wuxi) Co. Ltd.	China	Export Processing Zone, B No. 2, Xing Chuang Er Lu Wuxi, Jiangsu China, Peoples Republic of	Drive manufacturer	100%

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Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Company	Jurisdiction	Registered Address	Nature of Business	Percent Owned
Seagate Technology (Suzhou) Co. Ltd.	China	No. 1 Wu Xiang Road, Zone A, Export Processing Zone, 200 Suhong Zhong Road, Suzhou Industrial Park, 215021, People's Republic of China	Disk drive manufacturer	100%
Seagate Technology (Ireland)(Springtown Branch)	United Kingdom	c/o Maples and Calder, P. O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands	N. Ireland Branch of Seagate Technology (Ireland)	100%
Seagate Technology (Thailand) Limited	Thailand	1627 Moo 7, Teparuk Road, Tambol Teparuk, Amphur Muang, Samutprakarn, 10270, Thailand	Manufacturer of disk drives and related peripherals	100%

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SEAGATE TECHNOLOGY PLC
PARENT COMPANY BALANCE SHEET

(US dollars in millions)	Note	28 June 2013	29 June 2012
ASSETS			
Fixed assets:			
Financial assets investment in subsidiary	3	\$ 6,383	\$ 6,306
Current assets:			
Amounts due from subsidiaries		2	688
Debtors			1
Cash		1	1
 Total Assets		 \$ 6,386	 \$ 6,996
LIABILITIES			
Capital and reserves:			
Share capital	5	\$	\$
Share premium	6	1,375	1,116
Other reserves	6	178	102
Profit and loss account	6	4,593	3,502
		6,146	4,720
Creditors Amounts falling due within one year:			
Amounts due to subsidiaries	4	235	2,274
Creditors		5	2
		240	2,276
 Total Liabilities		 \$ 6,386	 \$ 6,996

Approved by the Board of Directors on 4 September 2013 and signed on its behalf by:

/s/ STEPHEN J. LUCZO

/s/ KRISTEN M. ONKEN

Stephen J. Luczo

Kristen M. Onken
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NOTES TO THE PARENT COMPANY BALANCE SHEET

1. Accounting Policies

Accounting Convention and Basis of Preparation of Financial Statements. The financial statements are prepared under the historical cost convention and in accordance with the Companies Acts, 1963 to 2012 and Irish generally accepted accounting practice. The accompanying balance sheet of Seagate Technology plc is presented as an individual undertaking. The financial statements are presented in United States dollars, which is the Company's functional and presentation currency.

Profit and Loss Account. In accordance with Section 148(8) of the Companies Act, 1963, and Section 7(1A) of the Companies (Amendment) Act, 1986, Seagate Technology plc is availing of the exemption from presenting the individual profit and loss account. Seagate Technology plc's profit for the fiscal years ended 28 June 2013 and 29 June 2012 was \$3,263 million and \$794 million, respectively.

Statement of Cash Flows. Seagate Technology plc is availing the exemption afforded by Financial Reporting Standard (FRS) No. 1, *Cash Flow Statements*, not to provide a statement of cash flows.

Investment in Subsidiary. The Company's investment in Seagate Technology ("Seagate-Cayman"), a wholly owned subsidiary, was recorded at cost which equaled fair value on 3 July 2010, the date that the Company become the parent of Seagate-Cayman, based on the Company's market capitalization at that time. This initial valuation is the Company's cost basis for its investment in Seagate-Cayman. The investment is tested for impairment if circumstances or indicators suggest that impairment may exist.

Guarantees and Contingencies. The Company has guaranteed certain liabilities and credit arrangements of group entities. The Company reviews the status of these guarantees at each reporting date and considers whether it is required to make a provision for payment on those guarantees based on the probability of the commitment being called. For more information on these guarantees, see the Consolidated Financial Statements "Note 16 Guarantees."

The Company concluded that as the likelihood of the guarantees being called upon is remote, no provisions for any guarantees have been booked to these financial statements.

Share-based Payments. The Seagate Technology group operates several share-based payment plans. The share-based payment expense associated with the share plans is recognized as an expense by the entity which receives services in exchange for the share-based compensation. On an individual undertaking basis, the profit and loss account is charged with the expense related to the services received by Seagate Technology plc. The remaining portion of the share-based payments represents a contribution to group entities and is added to the carrying amount of those investments.

Taxation. Corporation tax is provided on taxable profits at the current rates.

Deferred taxation is accounted for in respect of all timing differences at expected tax rates. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. A deferred tax asset is only recognized when it is more likely than not the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be recovered.

The corporate tax rate applicable to the Company in Ireland is 25%. No deferred tax asset has been recorded in respect of losses as it is not more likely than not that there will be future taxable profits against which to utilize the losses.

Table of Contents**NOTES TO THE PARENT COMPANY BALANCE SHEET (Continued)****2. History and Description of the Company**

Seagate Technology plc became the parent company in the Seagate group following a reorganization that took place in 2010.

The principal activity of Seagate Technology plc is an investment holding company. Seagate Technology plc is the parent company of subsidiaries that design, manufacture, market and sell data storage products.

The Company's registered address is 38/39 Fitzwilliam Square, Dublin 2, Ireland.

3. Financial Assets Investment in Subsidiary

(US dollars in millions)

At 1 July 2011	\$ 6,258
Capital contribution in respect of share-based payment plans	48
Impairments	
At 29 June 2012	6,306
Capital contribution in respect of share-based payment plans	74
Additional investment in subsidiary	3
Impairments	
At 28 June 2013	\$ 6,383

As at 28 June 2013, the Company had the following subsidiary:

Company name	Registered office	Nature of business
Seagate Technology	Cayman Islands	Investment holding

The above subsidiary holding represents 100% of the common shares of the subsidiary, which is unlisted.

4. Amounts Due to Subsidiaries

The balance is primarily comprised of notes due to Seagate-Cayman. The Company borrowed \$1,919 million during fiscal year 2013. The Company repaid \$3,270 million by way of applying dividends declared by Seagate-Cayman and \$688 million was repaid by applying funds received from settling the intercompany receivable due from another group company. The remaining balance outstanding as of 28 June 2013 of \$235 million is unsecured, interest free and is due within one year.

5. Share Capital

	28 June 2013	29 June 2012
	(US dollars in millions)	
Authorized:		
40,000 deferred shares of €1 par value per share	\$	\$
1,250,000,000 ordinary shares of \$.00001 par value per share		
100,000,000 undesignated preferred shares of \$.00001 par value per share		
	\$	\$

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NOTES TO THE PARENT COMPANY BALANCE SHEET (Continued)

	28 June 2013	29 June 2012
	(US dollars in millions)	
<i>Allotted, called up and fully paid:</i>		
40,000 deferred shares of €1 par value per share	\$	\$
359,437,036 (2012: 396,032,905) ordinary shares of \$.00001 par value per share		
	\$	\$

During the period from 29 June 2012 to 28 June 2013, approximately 17 million ordinary shares were issued in respect of share-based payment plans and 54 million ordinary shares were repurchased and cancelled.

6. Reserves

	Number of Ordinary Shares (In millions)	Share Premium	Profit and Loss Account (US dollars in millions)	Other Reserves	Total
Balance at 2 July 2011	425	\$ 84	\$ 5,503	\$ 51	\$ 5,638
Income for the period			794		794
Repurchase and cancellation of ordinary shares	(101)		(2,426)		(2,426)
Issuance of shares in connection with the acquisition of Samsung HDD assets and liabilities	45	688			688
Issuance of shares in respect of share-based payment plans	27	344			344
Dividends to shareholders			(369)		(369)
Share-based compensation				51	51
Balance at 29 June 2012	396	\$ 1,116	\$ 3,502	\$ 102	\$ 4,720
Income for the period			3,263		3,263
Repurchase and cancellation of ordinary shares	(54)		(1,654)		(1,654)
Issuance of shares in respect of share-based payment plans	17	259			259
Dividends to shareholders			(518)		(518)
Share-based compensation				76	76
Balance at 28 June 2013	359	\$ 1,375	\$ 4,593	\$ 178	\$ 6,146

Dividends

During fiscal year 2013, the Company declared and paid cash dividends of \$1.40 per share of its ordinary shares, aggregating \$518 million. During fiscal year 2012, the Company declared and paid cash dividends of \$0.86 per share of its ordinary shares, aggregating \$369 million.

Capital Redemption Reserve Fund

Other reserves includes an amount of \$2,120 and \$1,580 for fiscal years 2013 and 2012, respectively, representing a Capital Redemption Reserve Fund.

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NOTES TO THE PARENT COMPANY BALANCE SHEET (Continued)

7. Share-Based Payments

Total share based payment expense in respect of share based payment plans was \$76 million and \$51 million for the fiscal years ended 28 June 2013 and 29 June 2012, of which \$74 million and \$48 million, respectively, was included as a capital contribution in Investment in subsidiary (Note 3). Share based payment expense and shares issued in respect of share based payment plans are included in Note 11 to the Consolidated Financial Statements.

8. Related Party Transactions

The Company has availed of the exemption provided in FRS 8, *Related Party Disclosures*, 3(c) which exempts disclosure of transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group. See Note 17 to the Consolidated Financial Statements for the companies with which the Company had related party transactions.

9. Auditor's Remuneration

The fees paid to Ernst & Young Ireland in respect of the audit of the Company individual accounts was \$0.05 million for both periods ended 28 June 2013 and 29 June 2012. In addition, Ernst & Young Ireland received fees of \$0.15 million and \$0.13 million for other assurance services in those periods. Ernst & Young Ireland did not receive any fees for tax or other non audit services in 2013 or 2012. Note 19 to the Consolidated Financial Statements provides additional information regarding auditor's remuneration.

10. Post Balance Sheet Events

Dividends

On 24 July 2013, the Board of Directors approved a cash dividend of \$0.38 per share, which were paid on 21 August 2013 to shareholders of record as of the close of business on 7 August 2013.

July 2013 Stock Repurchase Program

The Board of Directors has authorized the Company to repurchase up to \$2.5 billion of its outstanding ordinary shares (the "July 2013 Authorization").

11. Approval of Financial Statements

The directors approved the financial statements and authorized them for issue on 4 September 2013.

**CHARTER OF THE COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS
OF SEAGATE TECHNOLOGY plc**

I. PURPOSE

The Compensation Committee (the "Committee") shall provide assistance to the Board of Directors (the "Board of Directors") of Seagate Technology plc (the "Company") by fulfilling the Committee's responsibilities and duties outlined in Section IV.

II. STRUCTURE AND QUALIFICATIONS

Composition

1. The Committee shall be comprised of three (3) or more members of the Board of Directors and each of whom shall meet the independence standards set forth in The Nasdaq Marketplace Rules, including Rule 5605 and IM-5605-6, and the provisions of Rule 10C-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as determined by the Board of Directors, each of whom shall be selected by and serve at the pleasure of the Board of Directors. In selecting members to serve on the Committee, the Board of Directors shall consider (i) the source of compensation of such member, including any consulting, advisory or other compensatory fee paid by the Company to such member and (ii) whether such member is affiliated with the Company (or any subsidiary or affiliate thereof) to determine whether such compensation or affiliation may impair such member's judgment.
2. At least two (2) members of the Committee shall generally satisfy the requirements for a "non-employee director" for purposes of Rule 16b-3 promulgated under the Exchange Act and for an "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder (Section "162(m)").¹

Appointment and Removal

Each member of the Committee shall be appointed by the Board of Directors and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board of Directors.

Chairperson

Unless a Chairperson is elected by the Board of Directors, the members of the Committee shall designate a Chairperson by the majority vote of the full Committee membership. The Chairperson of the Committee will chair all regular sessions of the Committee and is responsible for setting the agendas for Committee meetings. In the absence of the Chairperson of the Committee, the Committee shall select another member to preside.

¹ Rule 16b-3 provides an exception from the "short swing profits" rules under Section 16 of the Securities Exchange Act of 1934 for acquisitions from the issuer of issuer equity securities if they are approved by the board of directors of the issuer, or a committee of the board of directors that is composed solely of two or more "non-employee directors" (as defined in Rule 16b-3).

Section 162(m) of the Internal Revenue Code limits tax deductions by public companies for annual compensation in excess of \$1 million paid to named executive officers, except for "performance based compensation" awarded by a committee consisting solely of two or more "outside directors" (as defined).

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Delegation to Subcommittees

The Committee may form subcommittees composed of two or more of its members for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate.

The Committee may delegate to one or more officers of the Company the authority to make grants and awards of cash or options or other equity securities to any non-Section 16 officer² of the Company under the Company's incentive-compensation or other equity-based plans as the Committee deems appropriate and in accordance with the terms of such plan; provided that such delegation is in compliance with the plan and Articles of Association and applicable law. In the event of such delegation, the delegated officer(s) shall report to the Committee the awards made in a timely manner.

III. MEETINGS

1. The Committee shall meet at least four (4) times each year and at such other times as it deems necessary to fulfill its responsibilities. The Chairperson of the Board of Directors or any member of the Committee may call meetings of the Committee. Attendance may be in person or by telephone or other form of electronic communication by which each member may communicate with each other member in attendance. The Committee may also act by written consent.
2. As part of its review and establishment of the performance criteria and compensation of designated key executives, the Committee should meet separately at least on an annual basis with the CEO, the Company's principal human resources executive, and any other corporate officers, as it deems appropriate. However, the Committee should meet regularly without such officers present. The CEO may not be present during voting or deliberations with respect to determination of his or her compensation.
3. A majority of the Committee shall constitute a quorum for the transaction of business and the act of a majority of those present at any meeting at which there is a quorum shall be the act of the Committee.

IV. DUTIES AND RESPONSIBILITIES

The following functions shall be the common recurring activities of the Committee in carrying out its purpose outlined in Section I of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be required or appropriate in light of business, legislative, regulatory, legal or other conditions or changes or as decided by the Board of Directors. The Committee shall also carry out any other related responsibilities and duties delegated to it by the Board of Directors from time to time.

² In order to comply with Rule 16b-3 under the Exchange Act, the delegated authority to one or more officers should specifically exclude grants to persons who are directors or executive officers of the company as of the *grant date*. In addition, in order to meet the "performance-based" exemption under Section 162(m) of the Internal Revenue Code, an award must (among other things) be approved in advance by a committee of the board consisting solely of two or more directors who are "outside" directors (which would not include the CEO). It is the time that the taxable event occurs (*e.g.*, the *exercise date* in the case of a nonqualified option, or the *vesting date* in the case of a performance-based restricted stock award) that is the relevant focus for purposes of determining a grantee's status as a "covered employee", since that is the time the company seeks to take the tax deduction.

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The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate. The Committee may, in its sole discretion, retain, obtain advice from and terminate any advisors to the Committee, including any compensation consultant assisting the Committee in the evaluation of director, CEO or executive officer compensation for this purpose, and any other outside consultants, legal counsel or other advisors (any such person hereafter referred to as an "Advisor") to provide advice or other assistance to the Committee. The Committee shall be directly responsible for the oversight of the work of any such Advisor. The Committee shall have sole authority to appoint any such Advisor and approve the fees, other retention terms and other terms of service for any such Advisor. The Company will provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any such Advisor.

The Committee may select or receive advice from an Advisor, other than in-house legal counsel, only after taking into consideration the following factors and any additional factors as may be required the Nasdaq Stock Market:

- (i) the provision of other services to the Company by the person that employs the Advisor;
- (ii) the amount of fees received from the Company by the person that employs the Advisor, as a percentage of the total revenue of the person that employs such Advisor;
- (iii) the policies and procedures of the person that employs the Advisor that are designed to prevent conflicts of interest;
- (iv) any business or personal relationship of the Advisor with a member of the Committee;
- (v) any shares of the Company owned by the Advisor; and
- (vi) any business or personal relationship of the Advisor or the person employing the Advisor with an executive officer of the Company.

The Committee may select, or receive advice from, any Advisor, including an Advisor that is not found to be independent, so long as that the Committee has first considered the foregoing factors in its selection process for all Advisors other than in-house legal counsel.

On at least an annual basis, the Committee shall consider whether any compensation consultant providing advice to the Committee has a conflict of interest in accordance with Item 407(e)(3)(iv) of Regulation S-K and, in determining whether a conflict of interest exists, shall consider the six factors affecting independence listed above.

The Committee shall also establish policies and procedures for the pre-approval of compensation-related or other services to be provided by any Advisor retained by the Committee, and approve in advance any compensation or non-compensation engagement or relationship between the Company and such Advisor.

Setting Compensation for Executive Officers and Directors

1. Establish and review the overall compensation philosophy of the Company.
2. Recommend to the independent directors of the Board of Directors any material change to compensation, compensation plans and equity grants specific to the Chief Executive Officer. The approval of a majority of the independent directors of the Board, adjusted as described below, shall be required to approve such compensation, plans and equity grants.
 - (i) With respect to any element of the Chief Executive Officer's compensation that is intended to qualify as performance-based compensation under Section 162(m), only those independent directors who qualify as "outside directors" (within the meaning of Section 162(m)) shall be

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entitled to approve such compensation and the approval of a majority of those independent directors shall be required.

(ii)

With respect to any element of the Chief Executive Officer's compensation involving a grant of the Company's securities, only those independent directors who qualify as "non-employee directors" (as defined in Rule 16b-3) shall be entitled to approve such grant and the approval of a majority of those independent directors shall be required.

3.

Review and approve corporate goals and objectives relevant to CEO's and other executive officers' compensation, including annual performance objectives, if any.

4.

Evaluate the performance of the CEO in light of such goals and objectives and, either as a committee or together with the other independent directors (as directed by the Board of Directors), determine and approve the annual salary, bonus, equity-based incentive and other benefits, direct and indirect, of the CEO³.

5.

With the CEO, review and approve, or make recommendations to the Board of Directors with respect to the annual salary, bonus, equity and equity-based incentives and other benefits, direct and indirect, of the other executive officers.

6.

In connection with executive compensation programs⁴:

(i)

review and recommend to the Board of Directors, or approve, new executive compensation programs;

(ii)

review on a periodic basis the operations of the Company's executive compensation programs to determine whether they are effective in achieving their intended purpose(s); and

(iii)

establish and periodically review policies for the administration of executive compensation programs.

7.

Establish and periodically review policies in the area of senior management perquisites.

8.

Discuss the results of the shareholder advisory vote on "say-when-on-pay" and "say-on-pay," if any, with regard to the named executive officers.

9.

Review and recommend to the Board of Directors the compensation for non-employee directors as well as directors and officers indemnification and insurance matters.

10.

Serve as the Plan Committee designated in the various short-term and long-term cash incentive plans of the Company or appointing an employee or group of employees to serve as the Plan Committee.

11.

Review and make recommendations to the Board of Directors, or approve, any employment contracts or other transactions with current or former executive officers of the Company, including severance or termination arrangements.

3

Compensatory grants of the Company's securities to the executive officers may only be approved by a committee consisting solely of "non employee directors" (as defined in Rule 16b-3) and performance-based compensation of the Named Executive Officers may only be approved by a committee consisting of "outside directors" within the meaning of Section 162(m)).

4

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If necessary to satisfy the requirements for either (i) an otherwise available exclusion from potential short-swing trading profits liability under Section 16(b) of the Exchange Act pursuant to Rule 16b-3, or (ii) tax deductibility under Section 162(m), then any such action may only be taken by a subcommittee consisting solely of "non employee directors" and/or "outside directors" as applicable.

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12. Review and discuss with management, on at least an annual basis, management's assessment of whether risks arising from the Company's compensation policies and practices for all employees, including non-executive officers, are reasonably likely to have a material adverse effect on the Company.
13. Overseeing the Company's share ownership guidelines for senior executives, annually measuring progress against the guidelines and considering this progress in determining future equity grants and updating the guidelines as necessary and appropriate.

Monitoring Incentive and Equity-Based Compensation Plans

14. Oversee the design and administration of the Company's compensation policies and benefit programs for employees generally with regard to material business risk associated with the operation of these programs and determine whether risks arising from any of such policies or programs are reasonably likely to have a material adverse effect on the Company.
15. Review and approve, or make recommendations to the Board of Directors with respect to, the Company's incentive compensation plans and equity-based plans, and oversee the activities of the individuals responsible for administering those plans.⁴
16. Review and make recommendations to the Board of Directors, or approve, all equity-based awards, including pursuant to the Company's equity-based plans.^{3,4}
17. Appoint and remove plan administrators for the Company's retirement plans for the Company's employees and perform other duties that the Board of Directors may have with respect to the Company's retirement plans.
18. Review and make recommendations with respect to shareholder proposals related to compensation matters.

Reports

19. Prepare the compensation committee report on executive officer compensation as required by the SEC to be included in the Company's annual proxy statement or annual report on Form 10-K filed with the SEC.
20. Oversee the preparation of a "Compensation Discussion and Analysis (CD&A)" for inclusion in the Company's annual proxy statement or annual report on Form 10-K, in accordance with the rules of the SEC. The Committee shall review and discuss the CD&A with management each year and, based on that review and discussion, determine whether or not to recommend to the Board of Directors that the CD&A be included in the Company's annual proxy statement or annual report on Form 10-K, as applicable.
21. Report regularly to the Board of Directors including:
 - (i) following all meetings of the Committee; and
 - (ii) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities.

The Committee shall provide such recommendations to the Board of Directors as the Committee may deem appropriate. The report to the Board of Directors may take the form of an oral report by the Chairperson or any other member of the Committee designated by the Committee to make such report.
22. Maintain minutes or other records of meetings and activities of the Committee.

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V. ANNUAL PERFORMANCE EVALUATION

1. The Committee shall periodically perform a review and evaluation of the performance of the Committee and its members, including by reviewing the compliance of the Committee with this Charter.
2. In addition, the Committee shall review and reassess periodically the adequacy of this Charter and recommend to the Board of Directors any improvements to this Charter that the Committee considers necessary or appropriate.
3. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.

As amended and restated by the Board of Directors effective as of April 24, 2013.

