

Seagate Technology plc
Form PRE 14A
August 22, 2016

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[Table of Contents](#)

[TABLE OF CONTENTS](#)

[Table of Contents](#)

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 under §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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- (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
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-

Table of Contents

September 9, 2016

Dear Fellow Shareholder:

You are cordially invited to attend the 2016 Annual General Meeting of Shareholders of Seagate Technology plc, which will be held at 9:30 a.m. local time on Wednesday, October 19, 2016, at the Intercontinental Hotel, Simmonscourt Road, Dublin 4, Ireland.

Details of the business to be presented at the meeting may be found in the Notice of Annual General Meeting of Shareholders and the Proxy Statement accompanying this letter.

We hope you are planning to attend the meeting. Your vote is important. Whether or not you plan to attend the meeting, please submit your proxy as soon as possible so that your shares may be represented at the 2016 Annual General Meeting.

On behalf of the Board of Seagate Technology plc, I thank you for your continued support.

Sincerely,

Stephen J. Luczo
Chairman and Chief Executive Officer

Table of Contents

SEAGATE TECHNOLOGY PUBLIC LIMITED COMPANY

NOTICE OF 2016 ANNUAL GENERAL MEETING OF SHAREHOLDERS

The 2016 Annual General Meeting of Shareholders of Seagate Technology plc ("Seagate" or the "Company"), a company incorporated under the laws of Ireland, will be held on Wednesday, October 19, 2016, at 9:30 a.m. local time, at the Intercontinental Hotel, Simmonscourt Road, Dublin 4, Ireland.

The purposes of the 2016 Annual General Meeting are:

General Proposals:

1.

By separate resolutions, to elect as directors the following incumbent directors who shall retire in accordance with the Articles of Association and, being eligible, offer themselves for election and to elect as a director:

- | | | |
|-------------------------|--------------------------|------------------------|
| (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. Dambisa F. Moyo | (h) Dr. Chong Sup Park | (i) Stephanie Tilenius |
| (j) Edward J. Zander | | |

2.

Approve, in an advisory, non-binding vote, the compensation of the Company's named executive officers.

3.

Approve an amendment and restatement of the Seagate Technology plc 2012 Equity Incentive Plan (the "2012 Plan") to increase the number of shares available for issuance.

4.

Approve the Rules of the Seagate Technology Public Limited Company 2012 Equity Incentive Plan for Share Awards Granted to Participants in France.

5.

Ratify, in an advisory, non-binding vote, the appointment of Ernst & Young LLP as the independent auditors of the Company and to authorize, in a binding vote, the audit committee of the Company's board of directors (the "Board") to set the auditors' remuneration.

Governance Proposals:

6.

Amend the Company's (A) Articles of Association to make certain administrative amendments and (B) Memorandum of Association to make certain administrative amendments.

7.

Amend the Company's Articles of Association to (A) provide for a plurality voting standard in the event of a contested director election and (B) grant the Board sole authority to determine its size.

Annual Irish Law Proposals:

8.

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Grant the Board the authority to issue shares under Irish law.

9.

Grant the Board the authority to opt-out of statutory pre-emption rights under Irish law.

10.

Determine the price range at which the Company can re-allot shares that it acquires as treasury shares under Irish law.

Other:

11.

To conduct such other business properly brought before the meeting.

Table of Contents

The Board recommends that you vote "FOR" each director nominee included in Proposal 1 and for each of Proposals 2 through 10. The full text of these proposals is set forth in the accompanying proxy statement.

Proposals 1, 2, 3, 4, 5 and 8 are ordinary resolutions, requiring the approval of a simple majority of the votes cast at the meeting. Proposals 6A, 6B, 7A, 7B, 9 and 10 are special resolutions, requiring the approval of not less than 75% of the votes cast.

Only shareholders of record as of the close of business on August 23, 2016, are entitled to receive notice of and to vote at the Annual General Meeting. **Please provide your proxy even if you plan on attending the meeting. Instructions on how to vote your proxy is set forth in the accompanying proxy statement.**

During the meeting, following a review of Seagate's business and affairs, management will also present Seagate's Irish financial statements for the fiscal year ended July 1, 2016 and the reports of the directors and auditors thereon.

By order of the Board

Regan J. MacPherson,
Company Secretary

September 9, 2016

Table of Contents

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS
FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON OCTOBER 19, 2016:**

We will be relying on the U.S. Securities and Exchange Commission (the "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") instead of a paper copy of our Proxy Statement, our Irish financial statements for fiscal year 2016, the proxy card and our Annual Report on Form 10-K for fiscal year 2016 (collectively, the "Proxy Materials"). The Notice also contains instructions on how to request a paper copy of the Proxy Materials. 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.

IF YOU ARE A SHAREHOLDER WHO IS ENTITLED TO ATTEND, SPEAK AND VOTE, THEN YOU ARE ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND, SPEAK AND VOTE ON YOUR BEHALF. A PROXY IS NOT REQUIRED TO BE A SHAREHOLDER IN THE COMPANY. IF YOU WISH TO APPOINT AS PROXY ANY PERSON OTHER THAN THE INDIVIDUALS SPECIFIED ON THE PROXY CARD, PLEASE CONTACT THE COMPANY SECRETARY AT OUR REGISTERED OFFICE AND ALSO NOTE THAT YOUR NOMINATED PROXY MUST ATTEND THE ANNUAL GENERAL MEETING IN PERSON IN ORDER FOR YOUR VOTES TO BE CAST.

Table of Contents

SUMMARY INFORMATION

This summary highlights information contained elsewhere in this Proxy Statement. For more complete information about the topics summarized below, please review Seagate Technology plc's Annual Report on Form 10-K and the entire Proxy Statement.

2016 Annual General Meeting of Shareholders

Date and Time: Wednesday, October 19, 2016 at 9:30 a.m. local time

Place: Intercontinental Hotel
Simmons Court Road
Dublin 4 Ireland

Record Date: August 23, 2016

Voting: Shareholders as of close of business on the Record Date are entitled to vote on the proxy proposals. Each ordinary share is entitled to one vote for each director nominee and each of the other proposals.

Attendance: All shareholders as of the close of business on the Record Date may attend the 2016 Annual General Meeting of Shareholders ("2016 AGM"). You can attend, speak and vote at the meeting even if you have completed and submitted a form of proxy. Your nominated proxy must attend the 2016 AGM in person in order for your votes to be cast.

Proxy Materials: The Proxy Materials were first made available to shareholders on or about September 9, 2016.

Proposals, voting recommendations and vote required:

The board of directors (the "Board") of Seagate Technology plc ("Seagate" or the "Company") recommends that you vote "FOR" each of the proposals that will be submitted for shareholder approval at the 2016 AGM.

Proposals:	Vote required:	Board Recommendation	Page:
1. Election of 10 Director Nominees	Majority of Votes Cast	FOR each nominee	14
2. Advisory Vote on Executive Compensation	Majority of Votes Cast	FOR	63
3. Amend and Restate the 2012 Equity Incentive Plan	Majority of Votes Cast	FOR	64
4. Approve the Rules of the Seagate Technology Public Limited Company 2012 Equity Incentive Plan for Share Awards Granted to Participants in France	Majority of Votes Cast	FOR	78
5. Ratify the Appointment and Remuneration of Auditors	Majority of Votes Cast	FOR	79
6. Amend the Company's:			
6A. Articles of Association to Make Certain Administrative Amendments; and	75% of Votes Cast	FOR	82
6B. Memorandum of Association to Make Certain Administrative Amendments.	75% of Votes Cast	FOR	83

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Table of Contents

Proposals:	Vote required:	Board Recommendation	Page:
7. Amend the Company's Articles of Association to: 7A. Provide for a Plurality Voting Standard in Contested Director Elections; and 7B. Grant Board Sole Authority to Determine its Size	75% of Votes Cast	FOR	84
8. Grant Board Authority to Issue Shares	Majority of Votes Cast	FOR	86
9. Grant Board Authority to Opt-Out of Statutory Pre-emption Rights	75% of Votes Cast	FOR	87
10. Determine Price Range for the Re-Allotment of Treasury Shares	75% of Votes Cast	FOR	89

During the meeting, following a review of Seagate's business and affairs, management will also present, and the auditors will report to shareholders on, Seagate's Irish financial statements for the fiscal year ended July 1, 2016.

Seagate's Corporate Governance Highlights

The Board consists of a substantial majority of independent directors.	The Board has a lead independent director ("Lead Independent Director").
Directors must receive a majority of shareholder votes cast to be elected.	The non-executive directors meet regularly in executive sessions.
Directors and executive officers are subject to share ownership guidelines.	Executive officers are subject to a "clawback" policy.
All directors are elected annually by shareholders.	The Company maintains an anti-hedging policy for all directors and employees.
The Board and each committee perform a periodic self-evaluation.	The Board oversees enterprise risk management.
The Board undertakes succession planning for all executive levels, including the CEO and the Board.	

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Table of Contents

Director Nominees

We are asking our shareholders to elect, by separate resolutions, each of the director nominees described below:

Nominee	Age	Director Since	Principal Occupation	Independent	Current Committee Membership
Stephen J. Luczo	59	2000	Chairman and Chief Executive Officer of Seagate Technology plc	No	None
Frank J. Biondi, Jr.	71	2005	Senior Managing Director of WaterView Advisors LLC	Yes	Compensation Finance (Chair)
Michael R. Cannon	63	2011	Former President, Global Operations, Dell, Inc.	Yes	Audit Nominating and Corporate Governance (Chair)
Mei-Wei Cheng	66	2012	Non-Executive Chairman of Pactera Technology International Ltd.	Yes	Audit Finance

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William T. Coleman

68

2012

Chief Executive
Officer of Veritas
Technologies LLC

Yes

Finance

Nominating and Corporate
Governance

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Table of Contents

Nominee	Age	Director Since	Principal Occupation	Independent	Current Committee Membership
Jay L. Geldmacher	60	2012	Chief Executive Officer of Artesyn Embedded Technologies	Yes	Compensation
Dr. Dambisa F. Moyo	47	2015	Economist and Author	Yes	Audit Finance
Dr. Chong Sup Park	68	2006	Former Chairman and Chief Executive Officer of Maxtor	Yes	Compensation Nominating and Corporate Governance
Stephanie Tilenius	49	2014	Chief Executive Officer and Co-Founder of Vida Health, Inc.	Yes	Finance Nominating and Corporate Governance

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Edward J. Zander

69

2009

Former Chairman and Chief
Executive Officer of
Motorola, Inc.

Yes

Compensation (Chair)

For further biographical information about our director nominees see pages 14 through 19 of this Proxy Statement.

Table of Contents

Advisory Approval of the Compensation of Our Executives.

We are asking for your advisory approval of the compensation of our named executive officers (our "NEOs."). While our Board intends to carefully consider the shareholder vote resulting from the proposal, the final vote will not be binding on us and is advisory in nature.

Before considering this proposal, please read our "Compensation Discussion and Analysis" starting on page 33, which explains our executive compensation programs and the Compensation Committee's compensation decisions.

Approval of our Amended and Restated 2012 Equity Incentive Plan.

We are asking you to approve our Amended and Restated Seagate Technology plc 2012 Equity Incentive Plan, which increases the number of shares reserved for issuance under the current plan by 7,500,000 shares and to make certain administrative updates. A detailed discussion about the amendments is included in Proposal 3, starting on page 64.

Approval of the Rules of the Seagate Technology Public Limited Company 2012 Equity Incentive Plan for Share Awards Granted to Participants in France.

We are asking you to approve the Rules of the Seagate Technology Public Limited Company 2012 Equity Incentive Plan for Share Awards Granted to Participants in France, so that we may grant tax qualified stock awards in France. A detailed discussion about the amendments is included in Proposal 4, starting on page 78.

Ratification of the appointment of Ernst & Young LLP, and authorization to set auditors' remuneration.

We are asking you to ratify the appointment of Ernst & Young LLP as our auditors, and to authorize the Audit Committee to set their remuneration.

Amend our (A) Articles of Association to make certain administrative amendments and (B) Memorandum of Association to make certain administrative amendments.

We are asking you to amend our Articles of Association and Memorandum of Association to make certain administrative updates to ensure that they are not impacted by the introduction of the Companies Act 2014 that took effect in Ireland on June 1, 2015 and to make other related administrative, non-material changes. A detailed discussion about the amendments is included in Proposals 6A and 6B, starting on page 82. Under Irish law the updates must be approved by special resolution, which requires the affirmative vote of at least 75% of the votes cast.

Amend our Articles of Association to (A) provide for a plurality voting standard in the event of a contested director election and (B) grant the Board sole authority to determine its size.

We are asking you to amend our Articles of Association to provide for a plurality voting standard in the context of a contested director election and to provide the Board the sole authority to set its size. A detailed discussion about the amendments is included in Proposals 7A and 7B, starting on page 84. Under Irish law these proposals must be approved by special resolution, which requires the affirmative vote of at least 75% of the votes cast.

Grant the Board authority to issue shares.

We are asking you to grant our Board authority to issue shares under Irish law. This authority is fundamental to our business and granting the Board this authority is a routine matter for public companies incorporated in Ireland.

Table of Contents

Grant the Board authority to opt-out of statutory pre-emption rights.

We are asking you to grant the Board authority to issue shares for cash without first offering shares to existing shareholders. This authority is fundamental to our business and granting the Board this authority is a routine matter for public companies incorporated in Ireland. Under Irish law this proposal must be approved by special resolution, which requires the affirmative vote of at least 75% of the votes cast.

Determine the price range at which the Company can re-allot shares held as treasury shares.

We are asking you to determine the price range at which the Company can re-allot shares held as treasury shares. From time to time the Company may acquire ordinary shares and hold them as treasury shares. The Company may re-allot such treasury shares, and under Irish law, our shareholders must authorize the price range at which we may re-allot any shares held in treasury. Under Irish law this proposal must be approved by special resolution, which requires the affirmative vote of at least 75% of the votes cast.

Executive Compensation

Pay for Performance

The general philosophy and structure of our executive compensation programs emphasize strong alignment between executive pay and corporate financial performance. In addition, our compensation philosophy is designed to align our executive compensation programs with long term shareholder interests. In the Company's fiscal year ended July 1, 2016 ("fiscal year 2016"), a majority of our long term equity incentive awards were granted in the form of performance based restricted share units, which vest dependent upon the achievement of pre-established performance objectives, including return on invested capital, relative total shareholder return and adjusted earnings per share, reflecting a strong emphasis on pay for performance and the alignment of interests between our NEOs and our shareholders. In addition, over 87% of our NEO total annual targeted compensation is at risk.

Highlights of fiscal year 2016 financial performance include:

We shipped 169 million units totaling 233 exabytes, generating revenue of \$11.2 billion and gross margins of 23% of revenue.

We repurchased approximately 24 million of our ordinary shares during the year for approximately \$1.1 billion.

We paid \$727 million in dividends during the year.

We completed our acquisition of Dot Hill Systems Corp. ("Dot Hill"), a supplier of software and hardware storage systems for \$674 million in cash.

Please review our "Compensation Discussion and Analysis" for additional information and definitions of financial metrics.

2017 AGM

Deadline for shareholder proposals for inclusion in the proxy statement:	May 3, 2017
Period for shareholder nomination of directors:	April 3, 2017 to May 3, 2017
Deadline for all other proposals:	July 17, 2017

For further information see the section entitled "Shareholder Proposals and Nominations" of this Proxy.

Table of Contents

TABLE OF CONTENTS

<u>GENERAL INFORMATION</u>	9
<u>PROPOSALS REQUIRING YOUR VOTE</u>	14
<u>Proposals 1(a) through 1(j) Election of Directors</u>	14
<u>CORPORATE GOVERNANCE</u>	20
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	24
<u>Compensation of Directors</u>	28
<u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	30
<u>SECURITY OWNERSHIP CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	30
<u>COMPENSATION DISCUSSION & ANALYSIS</u>	33
<u>Compensation Committee Report</u>	50
<u>COMPENSATION OF NAMED EXECUTIVE OFFICERS</u>	52
<u>Proposal 2 An Advisory, Non-Binding Vote on the Company's Executive Compensation</u>	63
<u>Proposal 3 Approval of Amendments to the Amended and Restated Seagate Technology PLC 2012 Equity Incentive Plan</u>	64
<u>EQUITY COMPENSATION PLAN INFORMATION</u>	77
<u>Proposal 4 Approval of the Rules of the Seagate Technology Public Limited Company 2012 Equity Incentive Plan for Share Awards Granted to Participants in France</u>	78
<u>Proposal 5 Non-Binding Ratification of Appointment of Ernst & Young LLP and Binding Authorization of Audit Committee to Set Auditors' Remuneration</u>	79
<u>Audit Committee Report</u>	80
<u>Proposals No. 6A and 6B Vote to Amend the Company's: (A) Articles of Association to Make Certain Administrative Amendments; and (B) Memorandum of Association to Make Certain Administrative Amendments</u>	82
<u>Proposals 7A and 7B Vote to Amend the Company's Articles of Association to: (A) Provide for a Plurality Voting Standard in the Event of a Contested Director Election; and (B) Grant the Board Sole Authority to Determine its Size</u>	84
<u>Proposal 8 Grant Board Authority to Issue Shares</u>	86
<u>Proposal 9 Grant Board Authority to Opt-Out of Statutory Pre-Emption Rights</u>	87
<u>Proposal 10 Determine the Price Range at Which the Company Can Re-Allot Shares Held as Treasury Shares</u>	89
<u>SHAREHOLDER PROPOSALS AND NOMINATIONS</u>	90
<u>IRISH COMPANIES ACT OF 2014</u>	91
<u>INCORPORATION BY REFERENCE</u>	91
<u>ANNUAL REPORT</u>	91
<u>HOUSEHOLDING</u>	92

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Table of Contents

<u>APPENDIX A: DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 1 JULY 2016</u>	<u>A-1</u>
<u>APPENDIX B: PROPOSED AMENDMENTS TO AMENDED AND RESTATED SEAGATE TECHNOLOGY PUBLIC LIMITED COMPANY 2012 EQUITY INCENTIVE PLAN</u>	<u>B-1</u>
<u>APPENDIX C: RULES OF THE SEAGATE TECHNOLOGY PUBLIC LIMITED COMPANY 2012 EQUITY INCENTIVE PLAN FOR SHARE AWARDS GRANTED TO PARTICIPANTS IN FRANCE</u>	<u>C-1</u>
<u>APPENDIX D: AMENDMENTS TO MEMORANDUM AND ARTICLES OF ASSOCIATION</u>	<u>D-1</u>
<u>APPENDIX E: SUMMARY OF OPTIONAL PROVISIONS FROM WHICH THE COMPANY PROPOSES TO OPT-OUT</u>	<u>E-1</u>
<u>APPENDIX F: PLURALITY VOTING IN CONTESTED ELECTIONS AND BOARD SIZE AMENDMENTS TO ARTICLES OF ASSOCIATION</u>	<u>F-1</u>

PROXY STATEMENT

In this Proxy Statement, "Seagate Technology," "Seagate," the "Company," "we," "us" and "our" refer to Seagate Technology plc, an Irish public limited company. This Proxy Statement and the enclosed proxy card, or the Notice of Internet Availability of Proxy Materials, are first being mailed to shareholders of record at the close of business on August 23, 2016 (the "Record Date") on or about September 9, 2016.

GENERAL INFORMATION

Following are questions and answers concerning voting and solicitation and other general information.

Why did I receive this Proxy Statement?

We sent you this Proxy Statement or a Notice of Internet Availability of Proxy Materials ("Notice") on or around September 9, 2016 because our Board is soliciting your proxy to vote at the Company's 2016 Annual General Meeting of Shareholders ("2016 AGM").

Why are there two sets of financial statements covering the same fiscal period?

This Proxy Statement summarizes the information you need to know to vote on an informed basis. U.S. securities laws require us to send you our 2016 Form 10-K, which includes our financial statements prepared in accordance with U.S. GAAP. These financial statements are included in the mailing of this Proxy Statement. Irish law also requires us to provide you with our Irish financial statements for our fiscal year 2016 including the reports of our directors and auditors thereon, which accounts have been prepared in accordance with Irish law. The Irish financial statements are included as Appendix A to this Proxy Statement, are available at www.proxyvote.com, and, as required as a matter of Irish law, will be laid before the 2016 AGM.

What do I need to do to attend the 2016 AGM?

All shareholders as of the Record Date are invited to attend the 2016 AGM. In order to be admitted, you must present a form of personal identification and evidence 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. Shareholders of record may provide identification matching that of a shareholder appearing on the Company's register, a copy of a share certificate or other evidence of share ownership.

Who may vote?

You are entitled to vote if you owned the Company's ordinary shares at the close of business on the Record Date. At that time, there were [●] of the Company's ordinary shares outstanding and entitled to vote. Each ordinary share that you own entitles you to one vote on all matters to be voted on a poll at the 2016 AGM.

Table of Contents

How do I vote?

Shareholders of record can cast their votes by proxy by:

using the Internet and voting at www.proxyvote.com;

calling 1.800.690.6903 and following the telephone prompts; or

completing, signing and returning a proxy card by mail (which will be forwarded to Seagate's registered address in Ireland electronically).

If you have received a Notice it contains a control number that will allow you to access the Proxy Materials online. If you have received a paper copy of our Proxy Materials, a printed proxy card has been enclosed. If you have not received a paper copy of our Proxy Materials and wish to vote by mail, please follow the instructions included in the Notice to obtain a paper proxy card. 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.

The Notice is not a proxy card and it cannot be used to vote your shares.

Shareholders of record may also vote their shares directly by attending the 2016 AGM and casting their vote in person or appointing one or more proxies (who do not have to be shareholders) to attend the 2016 AGM and cast votes on their behalf in accordance with the shareholder's instructions.

Street name holders must vote their shares in the manner prescribed by their bank, brokerage firm or nominee. If you do not receive the voting instructions, please contact your bank, brokerage firm or nominee directly. Street name holders who wish to vote in person at the 2016 AGM must obtain a legal proxy from their bank, brokerage firm or nominee. Street name holders will need to bring the legal proxy with them to the 2016 AGM and hand it in with a signed ballot that is available upon request at the meeting. Street name holders will not be able to vote their shares at the 2016 AGM without a legal proxy and a signed ballot.

In order to be timely processed, your vote must be received by 11:59 p.m. Eastern Standard Time on October 16, 2016 (or, if you are a street name holder, such earlier time as your bank, brokerage firm or nominee may require).

May I revoke my proxy?

If you are a registered holder of the Company's shares you may revoke your proxy at any time before it is voted at the 2016 AGM by:

notifying the Company Secretary in writing: c/o Seagate Technology plc at 38/39 Fitzwilliam Square, Dublin 2, Ireland, Attention: Company Secretary;

submitting another properly signed proxy card with a later date or another Internet or telephone proxy at a later date but prior to the close of voting described above; or

by voting in person at the 2016 AGM.

Table of Contents

How will my proxy get voted?

Merely attending the 2016 AGM does not revoke your proxy. To revoke a proxy, you must take one of the actions described above.

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.

If your proxy is properly submitted, you are legally designating the person or persons named in the proxy card to vote your shares as you have directed. Unless you name a different person or persons to act as your proxy, Dr. Chong Sup Park and Regan J. MacPherson (the "Company Designees") shall act as your proxies. If you sign and return your proxy without indicating how your shares are to be voted and name anyone other than a Company Designee as your proxy, that person may vote your shares at their discretion. If you name a Company Designee as your proxy without indicating how your shares are to be voted, the Company Designee shall vote your shares as the Board recommends on each proposal in this Proxy Statement and at their discretion regarding any other matter properly presented for a vote at the 2016 AGM. The Board currently does not know of any matters to be raised at the 2016 AGM other than the proposals contained in this Proxy Statement.

If you are a street name holder, the rules of the NASDAQ permit your bank, brokerage firm or nominee to vote your shares at their discretion on "routine" matters if it does not receive instructions from you.

The following Proposals are **routine matters**:

Proposal 5 (Ratification of the Appointment and Remuneration of Auditors)

Proposal 8 (Authority to Issue Shares)

Proposal 10 (Determination of Price Range)

However, your bank, brokerage firm or nominee may not vote your shares on "non-routine" matters if it does not receive instructions from you ("broker non-votes"). Broker non-votes will be counted for the purposes of a quorum, but will not be counted as votes for or against the non-routine matters, but rather will be regarded as votes withheld and will not be counted in the calculation of votes for or against the resolution.

The following Proposals are **non-routine matters**:

Proposal 1(a)-(j) (Director Elections)

Proposal 2 (Advisory Vote on Executive Compensation)

Proposal 3 (Adoption of the Amended and Restated 2012 Equity Incentive Plan)

Proposal 4 (Approval of the Rules of the Seagate Technology Public Limited Company 2012 Equity Incentive Plan for Share Awards Granted to Participants in France)

Proposal 6A (Amend our Articles of Association for Administrative Purposes)

Table of Contents

Proposal 6B (Amend our Memorandum of Association for Administrative Purposes)

Proposal 7A (Amend our Articles of Association for Plurality Voting Standard in the Event of Contested Director Election)

Proposal 7B (Amend our Articles of Association to Grant the Board the Sole Authority to Determine Its Size)

Proposal 9 (Board Authority to Opt-out of Statutory Pre-emption Rights).

What constitutes a quorum?

The presence (in person or by proxy) of shareholders entitled to exercise a majority of the voting power of the Company on the Record Date is necessary to constitute a quorum for the conduct of business. Abstentions and broker non-votes are treated as "shares present" for the purposes of determining whether a quorum exists.

What vote is required to approve each of the proposals?

Majority of Votes Cast Required to Approve:

Proposal 1(a)-(j) (Director Elections)

Proposal 2 (Advisory Vote on Executive Compensation)

Proposal 3 (Adoption of the Amended and Restated 2012 Equity Incentive Plan)

Proposal 4 (Approval of the Rules of the Seagate Technology Public Limited Company 2012 Equity Incentive Plan for Share Awards Granted to Participants in France)

Proposal 5 (Ratification of the Appointment and Remuneration of Auditors)

Proposal 8 (Authority to Issue Shares)

75% of Votes Cast Required to Approve:

Proposal 6A (Amend our Articles of Association for Administrative Purposes)

Proposal 6B (Amend our Memorandum of Association for Administrative Purposes)

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Proposal 7A (Amend our Articles of Association for Plurality Voting Standard in the Event of Contested Director Election)

Proposal 7B (Amend our Articles of Association to Grant the Board the Sole Authority to Determine Its Size)

Proposal 9 (Board Authority to Opt-out of Statutory Pre-emption Rights)

Proposal 10 (Determination of Price Range)

Although abstentions and broker non-votes are counted as "shares present" at the 2016 AGM for the purpose of determining whether a quorum exists, they are not counted as votes cast either "for" or "against" the proposal and, accordingly, do not affect the outcome of the vote.

Table of Contents

Who pays the expenses of this proxy statement?

We have hired Morrow & Co to assist in the distribution of Proxy Materials and the solicitation of proxies. We expect to pay Morrow & Co a fee for these services estimated at \$10,000 plus out-of-pocket expenses. Proxies will be solicited on behalf of our Board by mail, in person, by telephone and through the Internet. We will bear the cost of soliciting proxies. We will also reimburse brokers and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding Proxy Materials to the persons for whom they hold shares.

How will voting be counted on any other matters that may be presented at the 2016 AGM?

Although we do not know of any matters to be presented or acted upon at the 2016 AGM other than the items described in this Proxy Statement. If any other matter is proposed and properly and validly presented at the 2016 AGM, the proxy holders will vote on such matters in accordance with their best judgment.

Board recommendations. Voting procedures and tabulation.

The Board recommends that you vote your shares "FOR" each of the proposals in this Proxy Statement. The Board appointed an inspector of elections to act at the 2016 AGM and to make a written report thereof. Prior to the 2016 AGM, the inspector will sign an oath to perform his or her duties in an impartial manner and according to the best of his or her ability. The inspector will ascertain the number of ordinary shares outstanding, determine the ordinary shares represented at the 2016 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.

Table of Contents

PROPOSALS REQUIRING YOUR VOTE

PROPOSALS 1(a) 1(j) ELECTION OF DIRECTORS

(Ordinary Resolutions)

The Company uses a majority of votes cast standard for the election of directors. A majority of the votes cast means that the number of votes cast "for" a director nominee must exceed the number of votes cast "against" that director nominee. Each of the Board nominees is being nominated for election for a one-year term beginning at the end of the 2016 AGM to be held on October 19, 2016 and expiring at the end of the 2017 Annual General Meeting of Shareholders (the "2017 AGM").

Under our Articles of Association, if a director is not re-elected in a director election, then that director will not be appointed and the position on the Board that would have been elected or 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 Articles of Association, subject to approval 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(s) shall be elected.

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

- (a) **Stephen J. Luczo age 59, Director since 2000**, Mr. Luczo has been our CEO since January 2009 and Chairman of the Board since 2002. 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 (Seagate Technology plc's predecessor) and, in July 1998, he was promoted to CEO at which time he joined the Board as a director of Seagate Technology. Mr. Luczo resigned as CEO effective as of July 2004, but remained 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. Mr. Luczo also served as our President from January 2009 until October 2013. 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. Mr. Luczo served on the board of directors of Microsoft Corporation from May 2012 to March 2014.

Expertise: As our CEO, Mr. Luczo brings significant expertise to our Board in financial matters, business development, and operations, along with senior leadership experience, global experience and knowledge of competitive strategy and competition. As CEO, Mr. Luczo has direct responsibility for the Company's strategy and operations. With a background in investment banking and his public company board experience, Mr. Luczo also brings additional expertise in mergers and acquisitions and financial issues facing large companies.

Table of Contents

- (b) **Frank J. Biondi, Jr. age 71, Director since 2005** Mr. Biondi 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. and ViaSat, Inc. Within the past five years, Mr. Biondi has served on the board of directors of Cablevision Systems Corporation, Hasbro, Inc. and RealD, Inc.

Expertise: As Senior Managing Director of a private equity firm, and as a former CEO of several companies with substantial media experience, Mr. Biondi's significant financial, international, business development and operations expertise, and his service with other public companies enhances the overall perspective of the Board.

- (c) **Michael R. Cannon age 63, Director 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. He was the President, CEO 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 CEO 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. He has served on the board of directors of Lam Research Corporation since February 2011 and on the board of directors of Dialog Semiconductor plc since February 2013. Within the past five years, Mr. Cannon has served on the board of directors of Adobe Systems and Elster Group SE.

Expertise: Mr. Cannon has extensive industry expertise, including expertise in the disk drive business that is invaluable to our Board. Mr. Cannon brings international, technological, operations, and research and development expertise to our Board through his service as a public company President, CEO and member of boards of directors. In addition, he has significant leadership experience from his role as a senior executive with other companies.

Table of Contents

- (d) **Mei-Wei Cheng age 66, Director since 2012** Mr. Cheng has served as the Non-Executive Chairman of Pactera Technology International Ltd., a Blackstone portfolio company, since February 2015. Mr. Cheng served as CEO of Siemens North East Asia and President and CEO of Siemens Ltd., China from July 2010 until April 2014. 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. Mr. Cheng currently sits on the China Advisory Boards of CRH plc and Magna International. Within the past five years, Mr. Cheng has served on the board of directors of Diebold, Inc.

Expertise: With his expertise as an executive in the Asia region with several large multinational corporations, Mr. Cheng offers significant international executive level leadership experience to our board, with expertise in international business, business development, technology and sales and marketing. He also brings his experience gained from other board service.

- (e) **William T. Coleman age 68, Director since 2012** Mr. Coleman has been CEO and member of the board of directors of Veritas Technologies LLC since February 2016. He was a partner with Alsop Louie Partners, a venture capital firm that invests in early stage technology, from June of 2010 to January of 2016. Mr. Coleman also served as the Chairman and CEO of Resilient Network Systems, Inc. from January 2013 until January 2014. Before joining Alsop Louie, Mr. Coleman was founder, Chairman of the Board and CEO 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 CEO from 1995 to October 2001. Prior to BEA, Mr. Coleman held various executive management positions at Sun Microsystems, Inc. Mr. Coleman served on the board of directors of Palm Inc. from July 2006 to September 2009. Within the past five years, Mr. Coleman has also served on the board of directors of Symantec Corp.

Table of Contents

Expertise: As a partner of a private equity firm and with his prior experience as Chairman, CEO, and founder of several technology companies Mr. Coleman is an experienced leader with significant expertise in business development, technology, sales and marketing, and research and development. In addition, his varied private and public company board service allows him to provide a diverse perspective to our Board.

(f) **Jay L. Geldmacher age 60, Director since 2012**

Mr. Geldmacher has served as CEO of Artesyn Embedded Technologies, a spin off from the Embedded Computing and Power business of Emerson Electric Co., since November, 2013. Between 2007 and 2013, Mr. Geldmacher 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. Mr. Geldmacher has also served on the board of the University of Arizona Business School since 2002. Within the past five years, Mr. Geldmacher has served on the board of directors of Owens-Illinois, Inc.

Expertise: As a CEO, Mr. Geldmacher brings international, technological, and operational expertise to our Board, along with cross board experience from his service on public company and university boards.

(g) **Dr. Dambisa F. Moyo age 47, Director since 2015**

Dr. Moyo is a global economist and commentator on the macroeconomy. Since 2008, Dr. Moyo has principally been engaged in researching, speaking and writing about international macroeconomics. Between 2001 and 2008, Dr. Moyo served as an economist for Goldman Sachs' debt capital markets, hedge fund coverage and global macroeconomics teams. From 1993 to 1995, she served as a consultant to the World Bank. Dr. Moyo currently serves on the board of directors of Barclays Bank PLC, Barrick Gold Corporation, and SABMiller PLC. Dr. Moyo was elected to the board of directors of Chevron Corporation ("Chevron Board") on August 9, 2016 and her appointment to the Chevron Board will be effective October 11, 2016. Within the past five years, Dr. Moyo has served on the board of directors of Lundin Petroleum AB.

Expertise: Dr. Moyo's political, public administration, and financial expertise, and her experience analyzing global markets and international affairs are an important contribution to the Board's business strategy. With her board service for public companies and audit committee experience, she provides cross board perspective and expertise.

Table of Contents

- (h) **Dr. Chong Sup Park** age 68, Director since 2006
- 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. Within the past five years, Dr. Park has served on the boards of directors of Computer Sciences Corporation, Brooks Automation, Inc., Enphase Energy, Inc. and Ballard Power Systems, Inc.

Expertise: As a former board chair and CEO, and having held other senior management positions with other companies, Dr. Park contributes significant international, business development, technological and sales and marketing experience to our Board. In addition, Dr. Park has extensive industry expertise, including expertise in the disk drive business that he brings to our Board. Dr. Park's board service with other public companies provides cross board experience.

- (i) **Stephanie Tilenius** age 49, Director since 2014
- Ms. Tilenius is CEO and Co-Founder of Vida Health, Inc. since January 2014. Ms. Tilenius was an Executive in Residence at Kleiner Perkins Caufield & Byers, a venture capital firm, from June 2012 until October 2014, primarily focusing on companies within its Digital Growth Fund. From February 2010 until June 2012, Ms. Tilenius was vice president of global commerce and payments at Google, Inc., where she oversaw digital commerce, product search and payments. Prior to joining Google, she was at eBay Inc. from March 2001 until October 2009, ultimately as Senior Vice President of eBay.com and global products. Ms. Tilenius was also a co-founder of PlanetRx.com and has worked at other technology and business enterprises. Ms. Tilenius currently serves on the board of directors of Coach Inc. and RedBubble Ltd. She serves as Chair of the Advisory Board of the Harvard Business School California Research Center.

Expertise: Ms. Tilenius is an experienced senior executive in the consumer internet sector. She contributes her leadership, strategic insight, digital and ecommerce expertise, and her experience as a company founder to our Board, along with cross-board experience as a board member for other public and private companies.

Table of Contents

- (j) **Edward J. Zander** age 69, 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.

Expertise: Mr. Zander brings financial, technological, sales and marketing, and research and development 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 relationships between any of the directors, director nominees or our executive officers, nor are any of our directors, director nominees or executive officers party to any legal proceedings adverse to us.

Table of Contents

CORPORATE GOVERNANCE

Corporate Governance Guidelines

Our Corporate Governance Guidelines, together with the Board committee charters, provide the framework for the corporate governance of the Company. Following is a summary of our Corporate Governance Guidelines. Our Corporate Governance Guidelines, as well as the charters of each of our Board committees, are available on our website at www.seagate.com, under "Investors Corporate Governance."

Role of the Board

The Board, elected annually by our shareholders, directs and oversees the management of the business and affairs of the Company. In this oversight role, the Board serves as the ultimate decision-making body of the Company, except for those matters reserved to the shareholders.

The Board and its committees have the primary responsibilities of:

Reviewing, monitoring and approving the Company's strategic direction, annual operating plan and major corporate actions;

Monitoring and evaluating the performance of the Company;

Evaluating the performance of our CEO;

Reviewing and approving CEO and senior management succession planning;

Advising and counseling the Company's management;

Overseeing the Company's ethics programs and legal compliance, including the Company's Code of Ethics; and

Overseeing the Company's enterprise risk management processes and 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 holds both offices. The Board believes that having Mr. Luczo serving in the combined role of Chairman and CEO is the most effective structure for the Company at this time, and that it has worked well for the Company. It is the Board's view that the Company's corporate governance principles, the quality, stature and substantive business knowledge of the members of the Board, as well as the Board's culture of open communication with the CEO and senior management are conducive to Board effectiveness with a combined Chairman and CEO position.

In addition, the Board has a Lead Independent Director and it believes this role addresses the need for independent leadership and an organizational structure for the independent directors. The Board appoints the Lead Independent Director each year after the AGM for an one-year term. The Lead Independent Director coordinates the activities of the other non-employee 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.

Dr. Park has served as our Lead Independent Director since October 26, 2011 having been re-appointed by the Board annually since that date.

Table of Contents

Board Risk Oversight

The Board has oversight responsibility of the processes established to report and monitor systems for material risks applicable to the Company. The Board and its committees focus on the Company's general risk management strategy and the most significant risks facing the Company and ensure that appropriate risk mitigation strategies are implemented by management. The full Board is responsible for considering strategic risks and succession planning, and the committees oversee other categories of risk including:

risks associated with the Company's systems of disclosure controls and internal controls over financial reporting, risks associated with foreign exchange, insurance, credit and debt;

risks associated with the Company's compliance with legal and regulatory requirements; and

risks related to the attraction and retention of talent and risks related to the design of compensation programs and arrangements.

Finally, as part of its oversight of the Company's executive compensation program, the Compensation Committee considers the impact of the Company's executive compensation program and the incentives created by the compensation awards that it administers on the Company's risk profile. In addition, the Company reviews all of its compensation policies and procedures, including the incentives that they create and factors that may reduce the likelihood of excessive risk taking, to determine whether they present a significant risk to the Company. Based on this review, the Company has concluded that its compensation policies and procedures are not reasonably likely to have a material adverse effect on the Company.

Director Compensation and Share Ownership

It is the Board's practice to maintain a fair and straightforward compensation program at the Board level, which is designed to be competitive with compensation programs from comparable companies. The Compensation Committee recommends and administers the policies that govern the level and form of director compensation, with oversight from the independent directors. In addition, the Compensation Committee believes that a substantial portion of the total director compensation package should be in the form of equity in the Company in order to better align the interests of the Company's directors with the long-term interests of its shareholders. As such, the directors are subject to a share ownership requirement of four times the annual cash retainer paid to the directors as described in more detail later in this Proxy Statement.

Board Composition

The Board consists of a substantial majority of independent, non-employee directors. In addition, our Corporate Governance Guidelines require that all members of the standing committees of the Board must be independent directors. The Board has the following four standing committees: Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee, and Finance Committee. The Board has determined that each member of each of these committees is "independent" as defined in the NASDAQ listing standards and that each member of the Compensation Committee and Audit Committee meet applicable NASDAQ and SEC independence standards for such committees. Committee memberships and chairs are rotated periodically.

Board Diversity

The Board has not adopted a formal policy with regard to the consideration of diversity in identifying director nominees. The Nominating and Corporate Governance Committee considers the skills, expertise and background of director nominees. The Nominating and Corporate Governance Committee seeks director nominees that would complement the existing Board and ensure that its

Table of Contents

members are appropriately diverse and consists of members with various and relevant backgrounds, skills, knowledge and experience.

Board Advisors

The Board and its committees may, under their respective charters, retain their own advisors to carry out their responsibilities.

Executive Sessions

The Company's independent directors meet privately in regularly scheduled executive sessions of the Board and committees, without management present, to consider such matters as the independent directors deem appropriate. These executive sessions are typically held at each Board and Committee meeting.

Board Evaluation

The Nominating and Corporate Governance Committee assists the Board in periodically evaluating its performance and the performance of the Board committees. Each committee conducts periodic self-evaluation and the Board conducts periodic peer-to-peer evaluations. The effectiveness of individual directors is considered each year when the Board nominates directors to stand for election.

Director Orientation and Education

The Company has developed an orientation program for new directors and reimburses directors for continuing education. In addition, the directors are given full access to management and other employees as a means of providing additional information.

Director Nomination Process

The Nominating and Corporate Governance Committee reviews the composition of the full Board to identify the qualifications and areas of expertise needed to further enhance the composition of the Board, makes recommendations to the Board concerning the appropriate size and needs of the Board and, on its own, with the assistance of other Board members or management, a search firm or others, identifies candidates with those qualifications. In considering candidates, the Nominating and Corporate Governance Committee takes into account all factors it considers appropriate, including professional experience, understanding of business and financial issues, ability to exercise sound judgment, diversity, leadership, and achievements and experience in matters affecting business and industry. The Nominating and Corporate Governance Committee considers the entirety of each candidate's credentials and believes that at a minimum each nominee should satisfy the following criteria: highest character and integrity, experience and understanding of strategy, sufficient time to devote to Board matters, and no conflict of interest that would interfere with performance as a director. The Nominating and Corporate Governance Committee seeks to ensure that the Board is composed of members whose particular expertise, qualifications, attributes and skills, when taken together, allow the Board to satisfy its oversight responsibilities effectively. Shareholders may recommend candidates for consideration for Board membership by sending the recommendation to the Nominating and Corporate Governance Committee, care of the Company Secretary. Candidates recommended by shareholders are evaluated in the same manner as director candidates identified by any other means.

Term Limits and Retirement

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.

Table of Contents

Director Independence

The Board has determined that all of our current directors and director nominees, except Stephen J. Luczo, who is an employee of the Company, are independent under the NASDAQ listing standards and the Corporate Governance Guidelines, which are consistent with the NASDAQ listing standards. When assessing director independence, the Board considers the various commercial, charitable and employment transactions and relationships known to the Board (including those identified through annual directors questionnaires) that exist between the Company and the entities with which our directors or members of their immediate families are, or have been, affiliated. The Board evaluated certain transactions that arose in the ordinary course of business between the Company and such entities and which occurred on the same terms and conditions available to other customers and suppliers. After reviewing these transactions and such other information as the Board deemed advisable, the Board determined that Messrs. Biondi, Cannon, Cheng, Coleman, Geldmacher and Zander, Mses. Onken and Tilenius and Drs. Park and Moyo are independent under both the Company's Corporate Governance Guidelines and the applicable NASDAQ rules.

Director Changes

Ms. Kristen M. Onken, currently serving as a member of our Board, will retire at the 2016 AGM. This is not due to any disagreement with the Company's management or Board.

Communications with Directors

Shareholders and other interested parties wishing to communicate with the Board, the non-employee directors or any individual director (including our Lead Independent Director and any Committee Chair) may do so by sending a communication to the Board and/or a particular member of the Board, care of the Company Secretary at Seagate Technology plc, 10200 S. De Anza Boulevard, Cupertino, California 95014. Depending upon the nature of the communication and to whom it is directed, the Company Secretary will: (a) forward the communication to the appropriate director or directors; (b) forward the communication to the relevant department within the Company; or (c) attempt to handle the matter directly (for example, a communication dealing with a share ownership matter).

Code of Ethics

The Company has adopted a Code of Ethics applicable to the CEO, the CFO, and the principal accounting officer or controller or persons performing similar functions of Seagate Technology plc. The Code of Ethics is available at www.seagate.com, under "Investors." Amendments to, or waivers of the Code of Ethics will be disclosed promptly on our website or on a current report on Form 8-K. No such waivers were requested or granted in the fiscal year 2016.

Securities Trading Policy and Other Restrictions

The Company prohibits its directors and executive officers from (i) purchasing any financial instruments designed to hedge or offset any decrease in the market value of Company securities and (ii) engaging in any form of short-term speculative trading in Company securities. Directors and executive officers are also prohibited from holding Company securities in a margin account or pledging Company securities as collateral for a loan unless the General Counsel provides pre-clearance after the director or executive officer clearly demonstrates the financial capability to repay the loan without resort to the pledged securities.

Table of Contents

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Our Board has adopted a written policy for approval of transactions with our directors, director nominees, executive officers, shareholders that beneficially own more than 5% of our shares and immediate family members of such persons (each, a "Related Person"). Pursuant to the policy, if any Related Person has a direct or indirect material interest in a transaction or potential transaction in which the amount involved exceeds \$120,000, he or she must promptly report it to the General Counsel of the Company or her designee. The Nominating and Corporate Governance Committee then reviews any such transactions and determines whether or not to approve or ratify them. 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; whether the transaction would interfere with the Related Person's judgment in fulfilling his or her duties 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 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.

In addition, if the transaction involves a director, the Nominating and Corporate Governance Committee will consider whether such transaction would impact such director's independence under NASDAQ rules or qualifications to serve on committees under the Company's Corporate Governance Guidelines and applicable NASDAQ and SEC rules. 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.

Christine Silva, Mr. O'Malley's spouse, is employed as a Senior Staff Program/Project Manager by the Company and receives total annual cash compensation from the Company of approximately \$167,936 and is eligible to participate in the Company's general employee benefit plans, including vacation and health plans. In fiscal year 2016, Ms. Silva was granted \$40,974 of our restricted share units ("RSUs") that will vest over four years. Ms. Silva's compensation is commensurate with that of other employees in similar positions. The Company's Nominating and Corporate Governance Committee has ratified the terms of Ms. Silva's employment and compensation.

Josip Relota, Mr. Luczo's brother-in-law, has been employed as a software engineer by one of our subsidiaries since June 24, 2013. On August 21, 2015, such subsidiary became one of our wholly owned subsidiaries (the "Reorganization"). In connection with such employment, Mr. Relota receives total annual cash compensation of approximately \$161,976. In addition, Mr. Relota is eligible to participate in our general employee benefit plans, including vacation and health plans. In fiscal year 2016, Mr. Relota was granted \$98,214 of our RSUs that would vest over four years. In connection with the Reorganization, Mr. Relota received \$11,632 for his vested equity in such subsidiary, \$11,648 for his unvested equity in such subsidiary, which will vest over 3 years conditioned upon his continued employment, \$185,000 cash bonus, which will vest over 2 years conditioned upon his continued employment and \$120,000 new hire equity grant that will vest over 4 years conditioned upon his continued employment. Mr. Relota's compensation and his treatment in connection with the Reorganization, including the amount received for the liquidation of his vested and unvested equity, his cash bonus and new hire equity grant, are 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.

Table of Contents

Committees of the Board

Audit Committee

Members: Kristen M. Onken¹, Chair
Michael R. Cannon
Mei-Wei Cheng
Dr. Dambisa F. Moyo

Key Functions:

Review annual audited and quarterly financial statements, as well as the Company's disclosures under "Management's Discussion and Analysis of Financial Conditions and Results of Operations," with management and the independent auditors.

Obtain and review periodic reports, at least annually, from management assessing the effectiveness of the Company's internal controls and procedures for financial reporting.

Review the Company's processes to assure compliance with all applicable laws, regulations and corporate policy.

Recommend the public accounting firm to be proposed for appointment by the shareholders as our independent auditors and review the performance of the independent auditors.

Review the scope of the audit and the findings and approve the fees of the independent auditors.

Approve in advance permitted audit and non-audit services to be performed by the independent auditors.

Satisfy itself as to the independence of the independent auditors and ensure receipt of their annual independence statement.

The Board has determined that all current members of the Audit Committee meet the applicable NASDAQ and SEC standards for membership on the Audit Committee, and that each of Mr. Cannon, Mr. Cheng, Dr. Moyo and Ms. Onken is an audit committee financial expert, as that term is defined by rules of the SEC.

A copy of the charter of the Audit Committee is available on our website, www.seagate.com, under the heading "Investors Corporate Governance."

Compensation Committee

Members: Edward J. Zander, Chair
Frank J. Biondi, Jr.
Jay L. Geldmacher
Dr. Chong Sup Park

Key Functions:

Establish executive compensation policies.

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Review and approve the goals and objectives relevant to the compensation of the CEO, evaluate the CEO's performance against those goals and objectives and set the CEO's compensation level based on this evaluation. The Compensation Committee Chair presents all compensation decisions pertaining to the CEO to the full Board.

¹ Ms. Kristen M. Onken, currently serving as a member of our Board will retire at the 2016 AGM.

Table of Contents

Approve compensation of officers and key employees.

Review and approve executive compensation and benefit programs.

Administer the Company's equity compensation plans.

Review and recommend significant changes in principal employee benefit programs.

Approve and oversee Compensation Committee consultants.

For a discussion concerning the processes and procedures for determining executive and director compensation and the role of executive officers and compensation consultants in determining or recommending the amount or form of compensation, see "Compensation Discussion and Analysis" and "Compensation of Directors," respectively.

The Board has determined that each member of the Compensation Committee meets all applicable NASDAQ and SEC standards for membership on the Compensation Committee. In addition, the Board has determined that each member of the Compensation Committee qualifies as a "Non-Employee Director" within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934 and an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code of 1986 (the "Code").

A copy of the charter of the Compensation Committee is available on our website, www.seagate.com, under the heading "Investors Corporate Governance."

Nominating and Corporate Governance Committee

Members: Michael R. Cannon, Chair
William T. Coleman
Dr. Chong Sup Park
Stephanie Tilenius

Key Functions:

Identify individuals qualified to become directors and recommend candidates for all directorships, and committee memberships.

Review the Company's Corporate Governance Guidelines and committee charters, and make recommendations for changes.

Consider questions of independence, related party transactions, and potential conflicts of interest of directors and executive officers.

Take a leadership role in shaping the corporate governance of the Company.

The Board has determined that each member of the Nominating and Corporate Governance Committee is "independent" as defined in the NASDAQ listing standards and the Company's Corporate Governance Guidelines.

A copy of the charter of the Nominating and Corporate Governance Committee is available on our website, www.seagate.com, under the heading "Investors Corporate Governance."

Table of Contents

Finance Committee

Members: Frank J. Biondi, Jr., Chair
Mei-Wei Cheng
William T. Coleman
Dr. Dambisa F. Moyo
Stephanie Tilenius

Key Functions:

Consider the Company's 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.

Consider the Company's dividend policy; share repurchase programs; securities issuances; and corporate development plans.

Evaluate and authorize potential strategic or financial transactions in amounts up to \$100 million.

Review potential strategic or financial transactions in excess of \$100 million, and make recommendations to the Board.

The Board has determined that each member of the Finance Committee is "independent" as defined in the NASDAQ listing standards and the Company's Corporate Governance Guidelines.

A copy of the charter of the Finance Committee is available on our website, www.seagate.com, under the heading "Investors Corporate Governance."

Board, Committee and Annual Meeting Attendance

The Board and its committees held the following number of meetings during the fiscal year ended July 1, 2016:

Board	4
Audit Committee	5
Compensation Committee	6
Nominating and Corporate Governance Committee	4
Finance Committee	5

Each incumbent director attended over 75% or more of the total number of meetings of the Board and the committees on which he or she served during the fiscal year 2016. The Company's non-employee directors held 4 executive sessions without management present during the fiscal year 2016. It is the Board's general practice to hold an executive session of the independent directors in connection with regularly scheduled Board meetings.

The Company expects all Board members to attend the AGM, but from time to time other commitments prevent all directors from attending the meeting. All of the Company's directors attended the most recent AGM (the "2015 AGM"), which was held on October 21, 2015 in Dublin, Ireland.

Table of Contents**COMPENSATION OF DIRECTORS**

Our director compensation program is designed to compensate non-employee directors fairly for work required for a company of our size and scope and align their interests with the long-term interests of our shareholders. The program reflects our desire to attract, retain and use the expertise of highly qualified people serving on the Company's Board. Employee-directors do not receive any additional compensation for serving as a director.

Our 2016 director compensation program for non-employee directors consisted of the following elements:

Board or Board Committee	Membership	Retainer as of October 19, 2016	
Board	Non-executive Chairperson	\$	150,000
	Member	\$	80,000
	Chairperson		
Audit Committee		\$	35,000
	Member	\$	15,000
	Chairperson		
Compensation Committee		\$	30,000
	Member	\$	10,000
	Chairperson		
Nominating and Corporate Governance Committee		\$	20,000
	Member	\$	10,000
	Chairperson		
Finance Committee		\$	20,000
	Member	\$	10,000
Lead Independent Director		\$	30,000
Annual Restricted Share Unit Award		\$	250,000

Each newly appointed or elected non-employee director (including non-employee directors reelected at the AGM) 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 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 RSUs. 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")).

In addition to the cash compensation and equity awards, all members of the Board are reimbursed for their reasonable out-of-pocket travel expenses incurred in attending Board related activities.

Share Ownership Requirement

To align the interests of directors with shareholders, the Board adopted a share ownership requirement of four times the annual board cash retainer for non-executive directors. Until a director satisfies the mandatory ownership level, he or she may not sell more than that number of (i) shares that vest pursuant to any outstanding restricted share award or restricted share unit award or (ii) shares that are obtained upon the exercise of any option as is necessary, in each case, to cover the tax liability associated with the vesting or exercise of the equity award. Once attaining the minimum level of Company share ownership, a director must maintain this minimum level of Company share ownership until his or her resignation or retirement from the Board. In setting the share ownership requirement,

Table of Contents

the Board considered the input of the independent compensation consultant, the Company's current share price and the period of time it would take a director to reach the required ownership level. Executive directors are subject to the share ownership requirements described in the Compensation Discussion and Analysis section of this Proxy Statement.

2016 Director Compensation

The compensation paid or awarded to our non-employee directors for fiscal year 2016 is summarized in the table below:

	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)⁽¹⁾	Total (\$)
Frank J. Biondi, Jr.	110,000	163,544	273,544
Michael R. Cannon	115,000	163,544	278,544
Mei-Wei Cheng	105,000	163,544	268,544
William T. Coleman	100,000	163,544	263,544
Jay L. Geldmacher	90,000	163,544	253,544
Dr. Dambisa F. Moyo	73,500	163,544	237,044
Kristen M. Onken	115,000	163,544	278,544
Dr. Chong Sup Park	130,000	163,544	293,544
Gregorio Reyes ⁽²⁾	31,731	0	31,731
Stephanie Tilenius	100,000	163,544	263,544
Edward J. Zander	110,000	163,544	273,544

(1) The amounts shown represent the aggregate grant date fair value of restricted share unit awards granted in fiscal year 2016 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-employee 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 2016 regarding assumptions underlying valuation of equity awards. Additional information regarding the RSUs awarded to or held by each non-employee director on the last day of fiscal year 2016 is set forth in the table below.

(2) Mr. Reyes served as a director until our 2015 AGM on October 19, 2015, at which time he did not stand for re-election.

The aggregate number of invested RSUs and outstanding options for each of our non-employee directors as of the fiscal year ended July 1, 2016 is set forth in the table below:

Director	Number of RSUs Granted in fiscal year 2016	Aggregate Number of RSUs	Aggregate Number of Restricted Shares	Aggregate Number of Options
Frank J. Biondi, Jr.	5,182	5,182		1,251
Michael R. Cannon	5,182	5,182		
Mei-Wei Cheng	5,182	5,182		
William T. Coleman	5,182	5,182		
Jay L. Geldmacher	5,182	5,182		
Dr. Dambisa F. Moyo	5,182	5,182		
Kristen M. Onken	5,182	5,182		
Dr. Chong Sup Park	5,182	5,182		
Stephanie Tilenius	5,182	5,182		
Edward J. Zander	5,182	5,182		10,000

Table of Contents**SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors and officers, and persons who beneficially own more than 10% of the Company's ordinary shares, to file reports of ownership and reports of changes in ownership with the SEC. To the Company's knowledge, based solely on its review of such forms received by the Company and written representations that no other reports were required, all Section 16(a) filing requirements were complied with for the fiscal year 2016.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth as of August 15, 2016, the beneficial ownership of our ordinary shares by (i) each director and director nominee of the Company, (ii) each executive officer of the Company named in the Summary Compensation Table below, and (iii) all directors and executive officers of the Company as a group:

Name of Beneficial Owner	Number of Ordinary Shares Beneficially Owned	Percentage of Class Beneficially Owned ⁽¹⁾
Directors and named executive officers:		
Philip G. Brace	92,266 ⁽²⁾	*
Stephen J. Luczo	2,334,314 ⁽³⁾	*
Regan J. MacPherson	10,749 ⁽⁴⁾	*
David H. Morton, Jr.	29,526 ⁽⁵⁾	*
William D. Mosley	392,163 ⁽⁶⁾	*
Patrick J. O'Malley	684,471 ⁽⁷⁾	*
Albert A. Pimentel	778,949 ⁽⁸⁾	*
Frank J. Biondi, Jr.	23,946	*
Michael R. Cannon	13,404	*
Mei-Wei Cheng	9,794	*
William T. Coleman	13,235	*
Jay L. Geldmacher	5,365	*
Dr. Dambisa F. Moyo		*
Kristen M. Onken	20,413	*
Dr. Chong Sup Park	32,735	*
Stephanie Tilenius	2,710	*
Edward J. Zander	94,305 ⁽⁹⁾	*
All directors, director nominees and executive officers as a group (18 persons)	4,613,526 ⁽¹⁰⁾	1.54%

*

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

The following table sets forth each shareholder which is known by us to be the beneficial owner of more than 5% of the outstanding ordinary shares of the Company as of August 15, 2016 based solely

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Table of Contents

on the information filed by such shareholder on Schedule 13G under the Securities Exchange Act of 1934:

Name and Address of Beneficial Owner	Number of Ordinary Shares Beneficially Owned	Percentage of Class Beneficially Owned ⁽¹⁾
Greater than five percent holders:		
FMR LLC 245 Summer Street Boston, MA 02210	38,158,775 ⁽¹¹⁾	12.76%
Clearbridge Investments, LLC 620 8th Ave. New York, NY 10018	32,505,983 ⁽¹²⁾	10.87%
The Vanguard Group, Inc. 100 Vanguard Blvd., Malvern, PA 19355	25,530,175 ⁽¹³⁾	8.53%
BlackRock, Inc. 55 East 52 nd Street New York, NY 10055	15,467,983 ⁽¹⁴⁾	5.2%

*

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

- (1) Percentage of class beneficially owned is based on 299,768,677 ordinary shares outstanding as of August 15, 2016. Each ordinary share is entitled to one vote. Ordinary shares issuable upon the exercise of options currently exercisable or exercisable within 60 days of August 15, 2016, RSUs and PSUs vesting within 60 days of August 15, 2016, 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) Includes 54,912 ordinary shares subject to options that are currently exercisable or which will become exercisable within 60 days of August 15, 2016 and up to 21,939 PSUs which may vest within 60 days of August 15, 2016 and 15,415 ordinary shares held directly by Mr. Brace.
- (3) Includes 467,700 ordinary shares subject to options that are currently exercisable or which will become exercisable within 60 days of August 15, 2016, up to 26,172 PSUs which may vest within 60 days of August 15, 2016, 1,826,969 ordinary shares held by the Stephen J. Luczo Revocable Trust and 13,473 ordinary shares held directly by Mr. Luczo.
- (4) Includes 3,117 ordinary shares subject to options that are currently exercisable or which will become exercisable within 60 days of August 15, 2016 and up to 2,435 RSUs which may vest within 60 days of August 15, 2016 and 5,197 ordinary shares held directly by Ms. MacPherson.
- (5) Includes 16,667 ordinary shares subject to options that are currently exercisable or which will become exercisable within 60 days of August 15, 2016, up to 7,196 RSUs which may vest within 60 days of August 15, 2015 and 2,160 PSUs which may vest within 60 days of August 15, 2016 and 1,343 ordinary shares held directly by Mr. Morton. Mr. Morton holds PSUs pursuant to which he is eligible to vest in up to an additional 2,160 ordinary shares within 60 days of August 15, 2016.
- (6) Includes 154,586 ordinary shares subject to options that are currently exercisable or which will become exercisable within 60 days of August 15, 2016, up to 73,126 PSUs which may vest within 60 days of August 15, 2016 and 114,451 ordinary shares held directly by Mr. Mosley. Mr. Mosley holds PSUs pursuant to which he is eligible to vest in up to an additional 50,000 ordinary shares within 60 days of August 15, 2016.
- (7) Includes 58,233 ordinary shares subject to options that are currently exercisable or which will become exercisable within 60 days of August 15, 2016, up to 51,794 PSUs which may vest within 60 days of August 15, 2016, 2,864 ordinary shares held directly by Mr. O'Malley, 535,971 ordinary shares held by the Patrick J. O'Malley III Separate Property Trust and 609 ordinary shares held by Mr. O'Malley's spouse. Mr. O'Malley holds PSUs pursuant to which he is eligible to vest in up to an additional 35,000 ordinary shares within 60 days of August 15, 2016.

(8)

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Includes 561,943 ordinary shares subject to options that are currently exercisable or which will become exercisable within 60 days of August 15, 2016, up to 55,876 PSUs which may vest within 60 days of August 15, 2016, 126,130 ordinary shares

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Table of Contents

held by the Pimentel Family Trust. Mr. Pimentel holds PSUs pursuant to which he is eligible to vest in up to an additional 35,000 ordinary shares within 60 days of August 15, 2016.

- (9) Includes 10,000 ordinary shares subject to options that are currently exercisable or which will become exercisable within 60 days of August 15, 2016 and 41,196 ordinary shares held by Zanadu Capital Partners, L.P. and 43,109 ordinary shares held by the Edward and Mona Zander Living Trust.
- (10) Executive officers, other than our NEOs, as a group, hold 5,272 ordinary shares subject to options that are currently exercisable or which will become exercisable within 60 days of August 15, 2016, hold 10,920 PSUs vesting within 60 days of August 15, 2016 and 8,182 RSUs vesting within 60 days of August 15, 2016. Executive Officers, other than our NEOs, as a group, are eligible to vest in up to an additional 10,920 ordinary shares within 60 days of August 15, 2016.
- (11) Based solely on information reported by FMR LLC ("FMR") on the eighth amendment to Schedule 13G filed with the SEC on February 12, 2016 and reporting ownership as of December 31, 2015. FMR has sole voting power over 3,787,375 ordinary shares and sole dispositive power over 38,158,775 ordinary shares.
- (12) Based solely on information reported by Clearbridge Investments, LLC ("Clearbridge") on the fourth amendment to Schedule 13G filed with the SEC on February 16, 2016, and reporting ownership as of December 31, 2015. Clearbridge has sole voting power over 31,869,180 ordinary shares and sole dispositive power over 32,505,983 ordinary shares.
- (13) Based solely on information reported by The Vanguard Group, Inc. ("Vanguard") on the third amendment to Schedule 13G filed with the SEC on February 10, 2016, and reporting ownership as of December 31, 2015. Vanguard has sole voting power over 499,141 ordinary shares, shared voting power over 30,500 ordinary shares, sole dispositive power over 24,991,523 ordinary shares and shared dispositive power over 538,652 ordinary shares.
- (14) Based solely on information reported by BlackRock, Inc. ("BlackRock") on first amendment to the Schedule 13G filed with the SEC on February 10, 2016, and reporting ownership as of December 31, 2015. BlackRock has sole voting power over 13,663,968 ordinary shares and sole dispositive power over 15,467,983 ordinary shares.

Table of Contents

COMPENSATION DISCUSSION & ANALYSIS

Executive Summary

2016 Executive Compensation Highlights

The key executive compensation decisions for fiscal year 2016 were as follows:

Our general philosophy and structure of the Company's executive compensation programs emphasize strong alignment between executive pay and corporate financial performance, as evidenced with more than 95% of the votes cast for the approval of the "say-on-pay" proposal at our 2015 annual general meeting of shareholders;

Appointment of Philip G. Brace to President, Cloud Systems and Silicon Group ("CSSG"). In connection with Mr. Brace's appointment, the Compensation Committee of the Board approved an annual base salary of \$600,018. No other changes were made to Mr. Brace's compensation arrangements in connection with his appointment as President CSSG.

Appointment of William D. Mosley to President and Chief Operating Officer. In connection with Mr. Mosley's appointment, the Compensation Committee of the Board approved an annual base salary of \$800,010 on July 25, 2016. No other changes were made to Mr. Mosley's compensation arrangements in connection with his appointment as President and Chief Operating Officer.

Appointment of David H. Morton, Jr. to Executive Vice President and Chief Financial Officer. In connection with Mr. Morton's appointment, the Compensation Committee of the Board approved an annual base salary of \$525,013 and a target bonus opportunity of 100% of base salary.

Appointment of Regan J. MacPherson to Senior Vice President and General Counsel. In connection with Ms. MacPherson's appointment, the Compensation Committee of the Board approved an annual base salary of \$330,013, a target bonus opportunity of 75% of base salary and an option award with a target value of \$600,000.

No increase in base pay for our NEOs, except Messrs. Morton, Mosley and Brace and Ms. MacPherson in recognition of their appointments, and;

No annual bonus payout for fiscal year 2016 as a result of the Company's financial performance; and

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

Fiscal Year 2016 Company Highlights

On July 22, 2015, Philip G. Brace was appointed President of the CSSG. Mr. Brace joined the Company on September 2, 2014 as Executive Vice President and Chief Technology Officer of Silicon Solutions and was subsequently promoted to Interim President of CSES on April 30, 2015 before being appointed President of the CSSG.

On October 6, 2015, Seagate completed its acquisition of Dot Hill and its Assured SAN RealStor family of block-level storage RAID systems, which provide hybrid and all-flash storage arrays. Sold through Original Equipment Manufacturers like Hewlett-Packard Enterprise, Stratus, Teradata, Quantum, Tektronix, Autodesk and others, this product line enables our partners to offer customized, cost-effective and high-performing solutions, serving both entry level and mid-range storage needs. Dot

Table of Contents

Hill's external storage array-based systems and software products will complement and expand Seagate's storage systems offerings and be offered as part of CSSG.

On October 21, 2015, David H. Morton, Jr. was promoted to Executive Vice President and Chief Financial Officer. Prior to his appointment, Mr. Morton served as Senior Vice President, Finance, Treasurer and Principal Accounting Officer since April 2014. Patrick J. O'Malley, our former Chief Financial Officer will remain with Seagate as Executive Vice President with responsibilities for a broad range of strategic and operational issues.

On March 21, 2016, Regan J. MacPherson was appointed Senior Vice President and General Counsel. Prior to her appointment, she had been serving as Interim General Counsel since August 2015 and has served in various roles of increasing responsibility in Seagate's legal department since joining the Company in July 2005.

On June 27, 2016, William D. Mosley, was named President and Chief Operating Officer. Prior to his appointment, Mr. Mosley served as President, Operations and Technology since October 2013 and as Executive Vice President, Operations from March 2011 until October 2013.

Highlights of the Company's fiscal year 2016 financial performance include:

We shipped 169 million units totaling 233 exabytes, generating revenue of \$11.2 billion and gross margins of 23% of revenue.

We repurchased approximately 24 million of our ordinary shares during the year for approximately \$1.1 billion.

We paid \$727 million in dividends during the year.

We completed our acquisition of Dot Hill, a supplier of software and hardware storage systems for \$674 million in cash.

The following table presents certain key financial metrics for the past three fiscal years:

(in millions except EPS and exabytes)	Fiscal 2016	Fiscal 2015	Fiscal 2014
Exabytes shipped	233	228	202
Revenues	\$ 11,160	\$ 13,739	\$ 13,724
Gross margin	\$ 2,615	\$ 3,809	\$ 3,846
Income from operations	\$ 445	\$ 2,058	\$ 1,776
Net income	\$ 248	\$ 1,742	\$ 1,570
Diluted earnings per share	\$ 0.82	\$ 5.26	\$ 4.52

Executive Compensation Practices

Our executive compensation program is heavily weighted towards compensating our executives based on company performance. We have implemented executive compensation policies and practices that reinforce our pay for performance philosophy and align with commonly viewed best practices and sound governance principles. The following chart summarizes our policies and practices:

What We Do

- ii Performance-based equity incentives
- ii Caps on performance-based cash and equity incentive compensation for our NEOs
- ii Balance of financial and operating performance metrics in annual and equity incentive plans

ii

Significant portion of executive compensation at risk based on corporate performance

Table of Contents

ii Clawback on incentive compensation

ii Annual review and approval of our compensation strategy

ii Prohibition on short sales, hedging of share ownership positions and transactions involving derivatives of our ordinary shares

ii Meaningful share ownership guidelines for executive officers and directors

ii Non-classified Board structure; all Board members are elected annually by a majority vote of our shareholders

ii 100% independent directors on our Compensation Committee

ii Independent compensation consultant engaged by our Compensation Committee

ii Annual risk assessment of our compensation programs and practices

What We Don't Do

χ No "single trigger" change of control benefits

χ No employment agreements, guaranteed salary increases or guaranteed bonus payments for our executives

χ No defined benefit pension plan or supplemental executive pension plan

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

χ No post-termination retirement- or pension-type non-cash benefits or perquisites for our executives

χ No repricing of options without shareholder approval

χ No dividend equivalents on unvested restricted share units and performance share units

Named Executive Officers

The NEOs for fiscal year 2016 are:

Name	Job Title
Stephen J. Luczo	Chairman and Chief Executive Officer
David H. Morton, Jr.	Executive Vice President and Chief Financial Officer
Philip G. Brace	President, Cloud Systems and Silicon Group

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William D. Mosley	President and Chief Operating Officer
Regan J. MacPherson	Senior Vice President and General Counsel
Patrick J. O'Malley ⁽¹⁾	Executive Vice President, Advisor to the CEO
Albert A. Pimentel ⁽²⁾	Executive Vice President, Advisor to the CEO

(1) Mr. O'Malley transitioned from his role as Chief Financial Officer ("CFO") effective October 21, 2015 and continues to serve as Executive Vice President, Advisor to the CEO, but no longer holds a policy-making position within the Company.

(2) Mr. Pimentel transitioned from his role as President, Global Markets and Customers, effective January 4, 2016 and continues to serve as Executive Vice President, Advisor to the CEO, but no longer holds a policy-making position within the Company.

Table of Contents

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 executive officers to achieve and exceed business objectives as approved by the Board;
- align executive officer and shareholder interests to optimize long-term 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 executive officers through competitive pay programs
Annual Incentive <i>Executive Officer Performance Bonus Plan</i>	Achievement of Company annual financial and operational goals and attainment of management-based objectives for Presidents.	Motivate executive officers to achieve and exceed annual business objectives Manage total compensation costs in support of financial performance
Long-Term Equity Incentives <i>Equity Awards</i>	Increased shareholder value through achievement of long-term strategic goals such as earnings per share, return on invested capital and total shareholder return relative to peers	Align executive officers and shareholder interests to optimize shareholder return Motivate executive officers to achieve and exceed long-term business objectives

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 executive officers, 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 officer's total compensation package; and
- approval of any changes to our officers' total compensation packages, including base salary, annual and long-term incentive award opportunities, share ownership guidelines and retention programs.

Table of Contents

The Compensation Committee recommends to the independent directors of the Board the 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 as its own independent consultant, for advice and counsel throughout fiscal year 2016 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 2016 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, and annual review of our severance plan and share ownership guidelines. F.W. Cook also developed recommendations to the Compensation Committee for 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 the Company's management except as directed by the Compensation Committee, and did not provide any such services in fiscal year 2016. 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 in determining 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 executive officers, including the other NEOs. These recommendations are based upon his assessment of each executive officer'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 executive officers' 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 Shareholder Advisory Vote

At the 2015 AGM, the Company's shareholders overwhelmingly approved the advisory proposal regarding the compensation of the Company's NEOs with more than 95% of the votes cast in favor of

Table of Contents

our executive compensation programs (excluding abstentions). The Board appreciates the shareholders' continued 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 executive officers for generating sustainable profitability and delivering long-term value for our shareholders. No significant changes were made to the Company's executive compensation strategy in fiscal year 2016. The Board and the Compensation Committee will continue to consider the results of the Company's shareholder advisory votes when making future compensation decisions for the NEOs. The shareholder advisory vote occurs on an annual basis.

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 comparable 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 executive officers in similar roles.

As part of our annual review cycle, the Compensation Committee reviewed the NEO Peer Group and did not make changes to the selection criteria for fiscal year 2016. NEO 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 distributors), having a minimum market value of at least \$3 billion and between \$4-\$35 billion in trailing twelve-month sales.

The Compensation Committee monitors a "watch list" of companies to support year-over-year consistency among companies in the NEO Peer Group. Companies identified as part of the "watch list" will only be added to the NEO Peer Group after meeting sales and market value criteria for two consecutive years and once added to the NEO Peer Group will only be removed after failing to meet sales and market value criteria for two consecutive years, provided they meet at least 75% of the criteria minimum value.

Table of Contents

For fiscal year 2016, the NEO Peer Group included the following companies:

Peer Group for Fiscal Year 2016⁽¹⁾

Company Name	Sales		Market Value (\$M)
	TTM (\$M)	FYE (\$M)	
Amphenol Corp.	\$ 5,165	\$ 4,615	\$ 15,902
Applied Materials Inc.	\$ 8,796	\$ 7,509	\$ 26,914
Broadcom Corp. ⁽²⁾	\$ 8,349	\$ 8,305	\$ 24,793
Corning Inc.	\$ 9,267	\$ 7,819	\$ 26,191
EMC Corp.	\$ 24,073	\$ 23,222	\$ 58,466
Flextronics International Ltd.	\$ 27,079	\$ 26,109	\$ 6,315
Freescale Semiconductor Ltd. ⁽³⁾	\$ 4,613	\$ 4,186	\$ 6,047
Harris Corp.	\$ 4,975	\$ 5,012	\$ 7,280
Jabil Circuit Inc.	\$ 15,762	\$ 15,762	\$ 4,067
Juniper Networks Inc.	\$ 4,799	\$ 4,669	\$ 10,008
Micron Technology Inc.	\$ 16,358	\$ 16,358	\$ 35,521
Motorola Solutions Inc.	\$ 6,562	\$ 8,696	\$ 16,182
NCR Corp	\$ 6,493	\$ 6,123	\$ 4,660
NetApp Inc.	\$ 6,298	\$ 6,325	\$ 13,931
NVIDIA Corp.	\$ 4,575	\$ 4,130	\$ 10,589
QUALCOMM Inc.	\$ 26,487	\$ 26,487	\$ 131,585
SanDisk Corp. ⁽⁴⁾	\$ 6,620	\$ 6,170	\$ 21,109
TE Connectivity Ltd.	\$ 13,912	\$ 13,912	\$ 25,018
Texas Instruments Inc.	\$ 12,805	\$ 12,205	\$ 52,456
Western Digital Corp.	\$ 15,269	\$ 15,130	\$ 23,019
Peer Group Median	\$ 8,573	\$ 8,062	\$ 18,645
Peer Group Average	\$ 11,413	\$ 11,137	\$ 26,003
Seagate Technology plc	\$ 14,020	\$ 13,724	\$ 20,556

(1) The following table is based on information available as of October 31, 2014.

(2) Acquired by Avago Technologies in February 2016

(3) Acquired by NXP Semiconductors NV in December 2015

(4) Acquired by Western Digital Corp. in May 2016

Freescale Semiconductor Ltd. and NVIDIA Corp. were added to the NEO Peer Group from the watch list upon meeting the NEO Peer Group selection criteria for two years. Xerox Corp. was removed from the NEO Peer Group due to a change in their GICS (new GICS 4510: Software and Services). ARRIS Group Inc. and Lam Research Corp. were placed on the watch list as potential companies to be added to the NEO Peer Group for fiscal year 2017 if these companies continue to meet the applicable sales and market value criteria.

How We Determine Individual Compensation Amounts*Current Named Executive Officers*

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 Vice President of Human Resources, along with members of her staff, 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)

Table of Contents

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. For fiscal year 2016, Mr. Luczo's total annual target compensation was 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 was "at risk." The Compensation Committee has determined this differential is consistent with that found among our NEO Peer Group companies. As a result, for fiscal year 2016, the mix of total annual target compensation for Mr. Luczo was 10% annual base salary, 15% target annual incentives and 75% long-term equity incentive, and the average mix of total annual target compensation for Messrs. Brace, Morton and Mosley and Ms. MacPherson was 15% annual base salary, 17% target annual incentives and 68% long-term equity incentives.

Total Annual Target Compensation Mix

Mr. Luczo

**Other NEOs
(Average)**

We do not benchmark the total annual compensation of our executive officers to a specific market percentile, although the total annual target compensation (including base salary, target annual incentive and long-term incentives) for the NEOs generally falls near the median for similar positions within the NEO Peer Group. We believe the total executive pay opportunity is appropriate to attract and retain top leadership talent in a competitive labor market in our industry segment, particularly given our size relative to the NEO Peer Group and in light of the uncertainty of the actual amount of pay that each NEO can earn given the volatility of our business. Due to our emphasis on performance-based pay, the

Table of Contents

amounts actually received by our NEOs are heavily dependent on the Company's financial performance.

While we consider the pay practices of our NEO Peer Group companies in determining target compensation for our executive officers, 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. The 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, overall retention value, internal pay equity, and projected future value of the total compensation package.

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;

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 based on a broad range of factors, which include the competitive marketplace, the role of the NEO, skills and performance. 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 executive officers through the use of performance-based incentives that are consistent with our strategy of motivating executive officers to achieve and exceed annual and multi-year business objectives.

During fiscal year 2016, Mr. Morton's base salary increased from \$350,002 to \$525,013, Mr. Brace's base salary increased from \$500,011 to \$600,018 and Ms. MacPherson's base salary increased from \$219,294 to \$330,013, to recognize Mr. Morton's appointment as Executive Vice President and Chief Financial Officer, Mr. Brace's appointment as President, CSSG and Ms. MacPherson's appointment as Senior Vice President and General Counsel. Subsequently, Mr. Mosley's base salary increased from \$600,018 to \$800,010 to recognize his appointment as President and Chief Operating Officer on July 25, 2016. The base salaries of the other NEOs were not changed during fiscal year 2016.

Annual Bonus Plan

Executive Officer Performance Bonus

All NEOs participate in our shareholder-approved Executive Officer Performance Bonus Plan ("EOPB"), 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 is based on the competitive marketplace and the NEO's role, as well as taking internal pay equity into consideration. Actual payments under the EOPB 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 other independent directors of the Board, determine the

Table of Contents

material terms of Mr. Luczo's bonus opportunity under the EOPB, including the amount of Mr. Luczo's target bonus opportunity, and the payout level based on performance results.

On July 21, 2015, the Compensation Committee approved the performance metrics and funding targets to be used for calculating annual bonus awards for each executive officer for fiscal year 2016 under the EOPB. Funding of the EOPB for fiscal year 2016 was determined based on the Company's performance with respect to the following metrics:

revenues,

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

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.

While we track many operational and strategic performance goals throughout the year, operating margin and revenue together are considered a key measure of our success in achieving profitable growth and were selected for fiscal year 2016 to continue to align payouts under the EOPB 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 2016, 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 executive officers under the EOPB. For purposes of illustration, the range of overall bonus funding as a percentage of target for fiscal year 2016, assuming annual revenues of \$13 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 2016:

Performance Level	Operating Margin	Funding as % of Target
Threshold	12.0%	50%
Target	16.0%	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 2016. 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 reduced by 1.25% for each of our five key markets each quarter that do not achieve the minimum RQC BiC performance requirement, with up to 25% of the funding subject to quality performance.

The funded amount, once approved by the Compensation Committee, is allocated among eligible participants. Funding for individual bonuses paid to our NEOs is based upon each executive officer's target bonus expressed as a percentage of base salary. For fiscal year 2016, 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 subject to performance conditions than is the case for the other NEOs) and

Table of Contents

based on their role in the Company, the other NEOs had a target bonus ranging from 75% to 125% 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.

Based on our actual performance for fiscal year 2016, we did not achieve the minimum threshold of our adjusted operating margin of 16% or revenue of \$13 billion. Because we did not achieve the minimum threshold none of our NEOs received any cash bonus for fiscal year 2016.

Named Executive Officer	Annual Salary	Target Bonus Percentage	FY2016 EOPB Funding	FY2016 EOPB Payment
Stephen J. Luczo	\$ 1,200,056	150%	0%	\$ 0
David H. Morton, Jr.	\$ 525,013	100%	0%	\$ 0
Philip G. Brace	\$ 600,018	100%	0%	\$ 0
William D. Mosley	\$ 600,018	100%	0%	\$ 0
Regan J. MacPherson	\$ 330,013	75%	0%	\$ 0
Albert A. Pimentel	\$ 600,018	100%	0%	\$ 0
Patrick J. O'Malley	\$ 565,011	100%	0%	\$ 0

Management-Based Objectives Component of EOPB for Presidents

As part of our strategic performance-based cash incentive program, in fiscal year 2016 the Compensation Committee approved a cash bonus opportunity for each of our Presidents, Messrs. Mosley and Brace, to earn up to 25% of each executive's annual base salary based on achievement of key operational goals (the "MBO Bonus"). The payout was based on the level of funding of the EOPB for the Company's fiscal year 2016, up to target, as well as the CEO's assessment of achievement of individual goals tied to strategic objectives for each President's organization during the fiscal year 2016 as follows:

Mr. Mosley's goals consisted of (1) driving technology initiatives, weighted at 50%, and (2) improving operational efficiencies, weighted at 50%. At the end of fiscal year 2016, it was determined that Mr. Mosley achieved 75% and 25% against each of these goals, respectively, for a weighted average of 50% of the target; and

Mr. Brace's goals consisted of (1) driving development and business initiatives, weighted at 50%, and (2) driving strategic initiatives, weighted at 50%. At the end of fiscal year 2016, it was determined that Mr. Brace achieved 90% and 10% against each of these goals, respectively, for a weighted average of 50% of the target.

In each case, we did not specify a quantitative target that must be achieved, but we considered the goals aggressive yet attainable within the fiscal year.

Because we did not achieve the minimum threshold of our adjusted operating margin or revenue for funding the EOPB as stated above, Messrs. Mosley and Brace did not receive an MBO Bonus for fiscal year 2016.

Table of Contents

Long-Term Equity Incentives

In fiscal year 2016, the Compensation Committee awarded equity awards to the NEOs under the terms of the 2012 Plan. The 2012 Plan is designed to:

focus executive officers 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 executive officers; and

provide the Company's management team with an opportunity for greater equity ownership and related incentives to increase shareholder return.

Our NEOs' awards are based on the economic value of comparable awards to executive officers in the Company's Peer Group, the NEO's role, individual performance and future potential. Our equity award guidelines and mix of the type of awards granted are based on an analysis 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, and the pool of available shares. In determining the award for each NEO, the Compensation Committee also considers the Company's goals for retaining the NEO 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; and

potential future value (holding power) of unvested equity.

NEOs are generally awarded equity on an annual basis, typically in mid-September, as part of our annual award cycle. For fiscal year 2016, the annual equity awards granted to the NEOs consisted of a mix of time-vesting options, Threshold Performance Share Units and Performance Share Units (each 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.

For our NEOs, except Mr. Morton and Ms. MacPherson, the mix of long-term equity incentives, 20% options, 30% Threshold Performance Share Units, and 50% Performance 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. Mr. Morton received a mix of 25% options, 40% time-based RSUs and 35% Performance Share Units and Ms. MacPherson received a mix of 30% options, 50% time-based RSUs and 20% Performance Share Units. She also received an option award with a target value of \$600,000 in recognition of her appointment as Senior Vice President and General Counsel.

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.

Table of Contents

Share Awards

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 CEO, presidents and executive vice presidents are not eligible to receive RSUs. We believe that long-term equity awards made to our executives at these levels should consist only of options and performance-vesting shares or units.

Threshold Performance Share Units

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. Each TPSU represents the right to receive one of our ordinary shares.

For each tranche of a 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 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). TPSU awards may become fully vested as early as four years from the grant date 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 TPSUs will be forfeited. Vesting for these awards is uncertain yet considered likely due to the cumulative vesting feature. For market comparison purposes, we compare the value of TPSU awards for our NEOs with time-based restricted shares or RSUs awarded by other companies in the NEO Peer Group. For purposes of the TPSU awards, AEPS is based on diluted earnings per share, calculated in accordance with U.S. 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 2016 was above the \$1.00 AEPS threshold; therefore, an additional 25% of each of the outstanding TPSU awards will vest on their next scheduled vesting date following the end of fiscal year 2016.

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 ("TSR") 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. 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 (as described below). Payout of the targeted number of PSUs will occur 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. For PSUs awarded prior to fiscal year 2014, the number of PSUs that will be earned will be determined on the basis of actual ROIC

Table of Contents

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. For PSUs awarded beginning in fiscal year 2014, ROIC achieved will be calculated based on a range rather than by linear interpolation between a preset minimum and maximum. 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. For fiscal year 2016, the relative TSR modifier is interpolated between 25th to 75th percentiles.

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. For awards granted in fiscal year 2016, assuming the minimum performance threshold is achieved, the actual number of ordinary shares that may vest ranges from 38% of the target number of PSUs (for an ROIC of approximately 65% of target and relative TSR below the selected peer group median) to 200% of the target number of PSUs (for an ROIC in excess of approximately 135% of target and relative TSR equal to or above the 75th percentile of the selected peer group). The specific ROIC target values for the PSUs are not publicly disclosed at the time of grant due to the proprietary nature and competitive sensitivity of the information. 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 2015 included a broader range of companies than the NEO Peer Group to allow for comparison of our performance against a wider range 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 26 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 of at least \$4 billion.

Table of Contents**PSU Peer Group**

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

In fiscal year 2013, we granted PSUs to Messrs. Luczo, Morton, Mosley, Pimentel and O'Malley that were eligible to vest after the end of a three-year performance period ending on July 3, 2015, subject to continued employment and the achievement of target ROIC over the performance period, modified by a factor based on our TSR percentile compared with a selected peer group. On September 21, 2015, the Compensation Committee certified the level of achievement of the financial performance metrics for the three-year period, such that the PSUs vested at 157% of target based on a three-year average annual ROIC of 64%, and relative TSR at the 73rd percentile over the three-year period. As a result, the following numbers of ordinary shares were issued to the executive officers:

Named Executive Officer	FY2013 PSUs	
	Target PSUs	Earned
Stephen J. Luczo	287,790	451,830
David H. Morton, Jr.	2,800	4,396
William D. Mosley	40,000	62,800
Albert A. Pimentel	40,000	62,800
Patrick J. O'Malley	40,000	62,800

As the certification of our financial performance with respect to the PSUs granted in fiscal year 2014, which have a three-year performance period ending on July 1, 2016, 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.

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 directly or indirectly owned (for example, through a trust), along with unvested 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.

Table of Contents

Our NEOs will be required to own shares in an amount equal to an applicable target value based on a multiple of annual salary. Our NEOs were required to meet the guidelines by July 1, 2016, with the exception of Messrs. Morton and Brace, and Ms. MacPherson who are required to meet the guidelines by October 21, 2020, April 30, 2020 and September 1, 2020, respectively. The share ownership guidelines are as follows:

Role	Ownership Guideline Multiple of Salary	Equivalent Dollar Value⁽¹⁾
CEO	6x	\$ 7,200,300
Presidents	4x	\$ 2,300,100
Executive Vice Presidents	3x	\$ 1,517,400
Other NEOs	2x	\$ 688,300

(1) Based on average salaries of executive officers in each role for fiscal year 2016.

All of the NEOs have met or 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 executive officers, other than vacation and severance benefits (see "Severance and Change in Control Benefits," below).

We do not generally provide perquisites to our NEOs except that we provide the use of our corporate aircraft to our NEOs which may be used for travel with a personal element, provided they fully reimburse us for the aggregate incremental cost of any such usage. 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. Messrs. Luczo and O'Malley continue to participate in a group replacement life insurance plan that was closed to new participants as of January 2002.

Nonqualified Deferred Compensation Plan

The 2015 Seagate Deferred Compensation Plan (the "SDCP") effective January 1, 2015 allows our NEOs (and other eligible employees) whose annual base pay salary is \$165,000 or more, or whose target commissions and annual base salary in the aggregate is \$165,000 or more to defer on a pre-tax basis (i) up to 70% of their base salary, (ii) up to 70% of commissions, and (iii) 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 below titled "Fiscal Year 2016 Nonqualified Deferred Compensation." The SDCP is a successor plan to the Seagate Deferred Compensation Plan, as amended, which became frozen with respect to all deferrals made thereunder on or prior to December 31, 2015.

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. The purpose of the Fifth

Table of Contents

Amended and Restated Seagate Technology 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 receive a level of severance benefits under the terms of the Severance Plan that reflects their level of responsibility within our organization, the strategic importance of their 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. Consistent with our compensation philosophy, the Severance Plan provides for severance only in the event of an involuntary termination (i.e., a termination by us without "cause" or by the Executive for "good reason"). The Severance Plan includes the following features:

severance benefits do not include a guaranteed bonus amount;

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 equal or 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

Table of Contents

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 EOPB 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. We received 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). The Amended and Restated Plan, which amends and restates the 2012 Plan, is being submitted for shareholder approval at the 2016 AGM (See Proposal 3) to, among other things preserve the Company's ability to grant equity-based awards 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

Seagate's Securities Trading Policy prohibits all employees (including our NEOs) and Board members from taking "short" positions in our securities or engaging in hedging or other monetization transactions with respect to our securities. We discourage our executive officers 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 a 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.

Pay Recovery Policy

Our Pay Recovery Policy 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 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 final rules pursuant to the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Compensation Committee Report

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 2016.

COMPENSATION COMMITTEE

Edward J. Zander, Chairman
Frank J. Biondi, Jr.
Jay L. Geldmacher
Dr. Chong Sup Park

Table of Contents

Compensation Committee Interlocks and Insider Participation

None of the members of our Compensation Committee during fiscal year 2016: was an employee of the Company or any of its subsidiaries at any time during fiscal year 2016, has ever been an executive officer of the Company or any of its subsidiaries, or had a relationship with the Company during that period requiring disclosure pursuant to Item 404(a) of Regulation S-K. No executive officers 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 2016.

Table of Contents**COMPENSATION OF NAMED EXECUTIVE OFFICERS**

Our Summary Compensation Table below shows the total compensation paid to or earned by each of our NEOs with respect to the fiscal years ending 2016, 2015 and 2014. The amounts reported reflect rounding, which may result in slight variations between amounts shown in the Total columns and the sum of their components as reflected in the tables.

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⁾⁽³⁾	
Current CEO and CFO							
Stephen J. Luczo Chairman and Chief Executive Officer	2016	1,246,212	7,339,382	1,831,036		4,215	10,420,845
	2015	1,200,056	7,555,140	1,732,557	1,155,654	3,884	11,647,291
	2014	1,153,886			1,458,068	3,563	2,615,517
David H. Morton, Jr. ⁽⁴⁾ Executive Vice President and Chief Financial Officer	2016	484,625	710,240	240,927		4,500	1,440,292
Philip G. Brace ⁽⁵⁾ President, Cloud Systems and Silicon Group	2016	610,017	2,935,781	732,418		7,974	4,286,190
	2015	392,316	3,588,650	777,129	263,901	4,500	5,026,496
William D. Mosley President and Chief Operating Officer	2016	623,095	2,935,781	732,418		12,355	4,303,649
	2015	600,018	2,488,763	427,708	463,217	29,470	4,009,176
	2014	579,561	3,080,300	494,532	573,497	4,500	4,732,390
Regan J. MacPherson ⁽⁶⁾ Senior Vice President and General Counsel	2016	293,317	242,954	708,158		5,828	1,250,257
Patrick J. O'Malley Executive Vice President	2016	586,742	1,699,657	424,036		9,058	2,719,493
	2015	565,011	1,422,150	244,405	362,737	23,656	2,617,959
	2014	560,710	2,156,210	346,172	457,659	7,860	3,528,611
Albert A. Pimentel Executive Vice President	2016	623,095	2,935,781	732,418		4,500	4,295,794
	2015	600,018	2,488,763	427,708	458,402	181,460	4,156,351
	2014	600,018	2,156,210	346,172	583,217	23,428	3,709,045

(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 ASC 718, excluding the effect of estimated forfeitures. For time-based share units, the grant date fair value was determined using the closing share price of Seagate ordinary shares on the date of grant, adjusted for the present value of expected dividends. 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 PSUs and TPSUs, assuming the achievement of the highest level of performance, is \$12,138,189 for Mr. Luczo, \$1,063,870 for Mr. Morton, \$4,855,322 for each of Messrs. Brace, Mosley and Pimentel, \$2,810,965 for Mr. O'Malley and \$318,744 for Ms. MacPherson. 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 July 1, 2016.

Table of Contents

- (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			4,215	4,215
David H. Morton, Jr.		4,500		4,500
Philip G. Brace	3,474	4,500		7,974
William D. Mosley	7,855	4,500		12,355
Regan J. MacPherson		5,828		5,828
Patrick J. O'Malley		6,327	2,731	9,058
Albert A. Pimentel		4,500		4,500

- (a) Personal guest travel consists of travel costs incurred for the executive's spouse in connection with a research and development incentive program offered to all eligible employees.
- (b) 401(k) match is for the 401(k) Plan contribution provided to all U.S. employees who participate in the 401(k) Plan. The maximum amount is \$4,500 per calendar year, but it may be higher for a particular fiscal year.
- (3) We provide the use of our corporate aircraft to our NEOs primarily so that they can travel to business functions and different facilities in the course of their duties. Certain trips taken by our NEOs in fiscal year 2016 may have had a personal element. To the extent that a travel leg has a personal element to it, our NEOs have fully reimbursed the Company for the aggregate incremental cost of such leg to us. Such reimbursement includes the costs of "wheels up time", a portion of fuel and insurance costs, catering, excise taxes, and crew expenses.
- (4) Mr. Morton was appointed Executive Vice President and CFO on October 21, 2015 and was not an NEO prior to such appointment.
- (5) Mr. Brace was not an NEO in 2014.
- (6) Ms. MacPherson was appointed Senior Vice President and General Counsel on March 21, 2016 and was not an NEO prior to such appointment.

Table of Contents**Grants of Plan-Based Awards Table for Fiscal Year 2016**

Name	Type of Award	Date of Compensation		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 Option Awards	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards ⁽²⁾
		Committee Action	Grant Date	Threshold (\$)	Target (\$)	Maximum (\$)	Target (#)	Maximum (#)			
Stephen J. Luczo	Cash Bonus			900,042	1,800,084	3,600,168					
	Time Option	7/22/2015	9/9/2015 ⁽³⁾						194,384	50.10	1,831,036
	PSU	7/22/2015	9/9/2015 ⁽⁴⁾				101,369	202,738			4,798,808
	TPSU	7/22/2015	9/9/2015 ⁽⁵⁾				56,887				2,540,573
David H. Morton, Jr.	Cash Bonus			262,507	525,013	1,050,026					
	Time Option	7/21/2015	9/9/2015 ⁽³⁾						25,577	50.10	240,927
	PSU	7/21/2015	9/9/2015 ⁽⁴⁾				7,470	14,940			353,630
	RSU	7/21/2015	9/9/2015 ⁽⁶⁾				7,985				356,610
Philip G. Brace	Cash Bonus			300,009	750,022	1,200,035					
	Time Option	7/21/2015	9/9/2015 ⁽³⁾						77,754	50.10	732,418
	PSU	7/21/2015	9/9/2015 ⁽⁴⁾				40,548	81,096			1,919,542
	TPSU	7/21/2015	9/9/2015 ⁽⁵⁾				22,755				1,016,238
William D. Mosley	Cash Bonus			300,009	750,022	1,200,035					
	Time Option	7/21/2015	9/9/2015 ⁽³⁾						77,754	50.10	732,418
	PSU	7/21/2015	9/9/2015 ⁽⁴⁾				40,548	81,096			1,919,542
	TPSU	7/21/2015	9/9/2015 ⁽⁵⁾				22,755				1,016,238
Regan J. MacPherson	Cash Bonus			123,755	247,510	495,020					
	Time Option	7/21/2015	9/9/2015 ⁽³⁾						11,510	50.10	108,421
	PSU	7/21/2015	9/9/2015 ⁽⁴⁾				1,601	3,202			75,791
	RSU	7/21/2015	9/9/2015 ⁽⁶⁾				3,743				167,162
	Time Option	3/6/2016	3/21/2016 ⁽³⁾						89,286	36.54	599,737
Patrick J. O'Malley	Cash Bonus			282,506	565,011	1,130,022					
	Time Option	7/21/2015	9/9/2015 ⁽³⁾						45,016	50.10	424,036
	PSU	7/21/2015	9/9/2015 ⁽⁴⁾				23,475	46,950			1,111,307
	TPSU	7/21/2015	9/9/2015 ⁽⁵⁾				13,174				588,351
Albert A. Pimentel	Cash Bonus			300,009	600,018	1,200,035					
	Time Option	7/21/2015	9/9/2015 ⁽³⁾						77,754	50.10	732,418
	PSU	7/21/2015	9/9/2015 ⁽⁴⁾				40,548	81,096			1,919,542
	TPSU	7/21/2015	9/9/2015 ⁽⁵⁾				22,755				1,016,238

(1)

Amounts shown were the potential range of payments for fiscal year 2016 for the NEOs under the EOPB. This range varied based on the individual's position and bonus target as a percentage of fiscal year 2016 ending base salary (150% percent of base salary for Mr. Luczo, 100% for Messrs. Brace and Mosley, 100% for Messrs. Morton, Pimentel and O'Malley and 75% for Ms. MacPherson). Each of Messrs. Brace and Mosley have an additional bonus target of 25% of their annual base salary based on the achievement of individual goals tied to strategic objectives for each their organization during fiscal year 2016. For a description of the EOPB, refer to the section above entitled "Annual Bonus Plan."

- (2) In accordance with SEC rules, this column represents the aggregate grant date fair value calculated in accordance with ASC 718, excluding the effect of estimated forfeitures. For all performance share units, we have assumed the probable outcome of related performance conditions as defined by ASC 718 at target levels. For time-based share units, the grant date fair value was determined using the closing share price of Seagate ordinary shares on the date of grant, adjusted for the present value of expected dividends. The aggregate grant date fair value for these PSUs and TPSUs, assuming the achievement of the highest level of performance, is \$12,138,189 for Mr. Luczo, \$1,063,870 for Mr. Morton, \$4,855,322 for each of Messrs. Brace, Mosley and Pimentel, \$2,810,965 for Mr. O'Malley and \$318,744 for Ms. MacPherson. 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 July 1, 2016.
- (3) Options awarded during fiscal year 2016 under the 2012 Plan are subject to a four-year vesting schedule. 25% of the shares subject to the option vest on the first anniversary of the vesting commencement date and the remaining 75% of the shares subject to option will vest proportionally on a monthly basis for the next three years, contingent on continuous service. For a description of the options, refer to the section entitled "Compensation Discussion and Analysis Long Term Equity Incentives Options."
- (4) PSUs awarded during fiscal year 2016 under 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 PSUs, refer to the section entitled "Compensation Discussion and Analysis Long-Term Equity Incentives Share Awards Performance Share Units."
- (5) TPSUs awarded during fiscal year 2016 under the 2012 Plan. Vesting is contingent on continuous service and satisfaction of performance vesting requirements. The first tranche vests no sooner than the first anniversary of the vesting commencement date, subject to the satisfaction of specified performance criteria. The remaining tranches continue to vest annually thereafter subject to the achievement of the subsequent annual performance goals, with the ability to catch-up vesting each year if a given annual performance goal is not 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 TPSUs, refer to the section entitled "Compensation Discussion and Analysis Long-Term Equity Incentives Share Awards Threshold Performance Shares and Threshold Performance Share Units."
- (6) RSUs awarded during fiscal year 2016 under the 2012 Plan are subject to a four-year vesting schedule. These units vest 25% annually, contingent on continuous service. For a description of the RSUs, refer to the section entitled "Compensation Discussion and Analysis Long-Term Equity Incentives Share Awards Restricted Share Units."

Table of Contents**Outstanding Equity Awards at Fiscal Year 2016**

Name	Option Awards					Stock Awards			Equity Incentive Plan Awards: Market or Value of Unearned Shares, Units or Other Rights that have not Vested (\$) ⁽¹⁾
	Stock Option Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Stock Award Date	Market Value of Shares or Units of Stock That have not Vested (\$) ⁽¹⁾	Equity Incentive Plan Awards: Number of unearned shares, units or rights that have not Vested (#)	
Stephen J. Luczo	9/13/2010 ⁽²⁾	34,375		11.065	9/13/2017				
	8/1/2012 ⁽²⁾	103,924	3,998	30.230	8/1/2019				
	8/1/2012 ⁽⁴⁾	206,300		30.230	8/1/2019				
						8/1/2012 ⁽³⁾		21,585	518,688
	9/9/2014 ⁽²⁾	55,824	71,776	60.830	9/9/2021	9/9/2014 ⁽³⁾		35,850	861,476
						9/9/2014 ⁽⁵⁾		79,700	1,915,191
	9/9/2015 ⁽²⁾		194,384	50.100	9/9/2022	9/9/2015 ⁽³⁾		56,887	1,366,995
						9/9/2015 ⁽⁵⁾		101,369	2,435,897
David H. Morton, Jr.	9/10/2012 ⁽²⁾	1,750	657	29.870	9/10/2019				
						9/10/2012 ⁽⁶⁾		2,750	66,083
	9/9/2013 ⁽²⁾	2,362	2,532	40.160	9/9/2020	9/9/2013 ⁽⁶⁾		2,700	64,881
						9/9/2013 ⁽⁵⁾		2,160	51,905
	9/9/2014 ⁽²⁾	3,609	4,641	60.830	9/9/2021	9/9/2014 ⁽⁶⁾		3,300	79,299
						9/9/2014 ⁽⁵⁾		3,850	92,516
	9/9/2015 ⁽²⁾		25,577	50.100	9/9/2022	2/20/2015 ⁽³⁾		30,000	720,900
						9/9/2015 ⁽⁶⁾		7,985	191,880
						9/9/2015 ⁽⁵⁾		7,470	179,504
Philip G. Brace	10/21/2014 ⁽²⁾	29,791	35,209	55.210	10/21/2021				
						10/21/2014 ⁽³⁾		48,750	1,171,463
	9/9/2015 ⁽²⁾		77,754	50.100	9/9/2022	9/9/2015 ⁽³⁾		22,755	546,803
						9/9/2015 ⁽⁵⁾		40,548	974,368
William D. Mosley	9/13/2010 ⁽²⁾	38,581		11.065	9/13/2017				
	9/10/2012 ⁽²⁾	37,499	2,501	29.870	9/10/2019				
						9/10/2012 ⁽³⁾		6,000	144,180
	9/9/2013 ⁽²⁾	34,375	15,625	40.160	9/9/2020	9/9/2013 ⁽³⁾		15,000	360,450
						9/9/2013 ⁽⁵⁾		50,000	1,201,500
	9/9/2014 ⁽²⁾	13,781	17,719	60.830	9/9/2021	9/9/2014 ⁽³⁾		11,812	283,842
					9/9/2014 ⁽⁵⁾		26,250	630,788	
	9/9/2015 ⁽²⁾		77,754	50.100	9/9/2022	9/9/2015 ⁽³⁾		22,755	546,803
						9/9/2015 ⁽⁵⁾		40,548	974,368
Regan J. MacPherson						9/10/2012 ⁽⁶⁾		625	15,019
						9/9/2013 ⁽⁶⁾		1,750	42,053
	9/9/2015 ⁽²⁾		11,510	50.100	9/9/2022	9/9/2015 ⁽⁶⁾		3,743	89,944

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						9/9/2015 ⁽⁵⁾	1,601	38,472
Patrick J. O'Malley	3/21/2016 ⁽²⁾		89,286	36,540	3/21/2023			
	9/10/2012 ⁽²⁾	16,666	2,501	29,870	9/10/2019			
	9/9/2013 ⁽²⁾	14,583	10,938	40,160	9/9/2020	9/10/2012 ⁽³⁾	6,000	144,180
						9/9/2013 ⁽³⁾	10,500	252,315
	9/9/2014 ⁽²⁾	7,875	10,125	60,830	9/9/2021	9/9/2013 ⁽⁵⁾	35,000	841,050
						9/9/2014 ⁽³⁾	6,750	162,203
	9/9/2015 ⁽²⁾		45,016	50,100	9/9/2022	9/9/2014 ⁽⁵⁾	15,000	360,450
						9/9/2015 ⁽³⁾	23,475	564,104
						9/9/2015 ⁽⁵⁾	13,174	316,571
Albert A. Pimentel	10/28/2009 ⁽²⁾	10,000		14,825	10/28/2016			
	4/6/2011 ⁽²⁾	597,500		14,810	4/6/2018			
	9/10/2012 ⁽²⁾	37,499	2,501	29,870	9/10/2019			
						9/10/2012 ⁽³⁾	6,000	144,180
	9/9/2013 ⁽²⁾	24,062	10,938	40,160	9/9/2020	9/9/2013 ⁽⁵⁾	35,000	841,050
						9/9/2013 ⁽³⁾	10,500	252,315
	9/9/2014 ⁽²⁾	13,781	17,719	60,830	9/9/2021	9/9/2014 ⁽³⁾	11,812	283,842
						9/9/2014 ⁽⁵⁾	26,250	630,788
	9/9/2015 ⁽²⁾		77,754	50,100	9/9/2022	9/9/2015 ⁽³⁾	22,755	546,803
						9/9/2015 ⁽⁵⁾	40,548	974,368

(1)

Value based on the closing price of our ordinary shares on July 1, 2016 of \$24.03.

Table of Contents

- (2) Options vest as to 25% of the shares subject thereto one year after the vesting commencement date, and then with respect to 1/48th of the shares subject to monthly thereafter see "Compensation Discussion and Analysis Long Term Equity Incentives Options Time-Vesting Options").
- (3) These TPSU awards, issued under the 2012 Plan, are subject to both continuous service and the satisfaction of applicable performance vesting requirements. The first tranche may vest no sooner than after the first anniversary of the grant date, with vesting subject to satisfying specified performance criteria. The remaining tranches of these awards continue to vest annually thereafter, subject to the achievement of 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 TPSU awards 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."
- (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 as of July 23, 2013 (see "Compensation Discussion and Analysis Long-Term Equity Incentives Options TSR Performance-Vesting Options").
- (5) These PSUs were issued under the Seagate Technology plc 2004 Share Compensation Plan, as amended (the "2004 SCP") and 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."
- (6) RSUs awarded, issued under the 2012 Plan are subject to a four-year vesting schedule. These units vest 25% annually, contingent on continuous service. For a description of the RSUs, refer to the section entitled "Compensation Discussion and Analysis Long-Term Equity Incentives Share Awards Restricted Share Units."

Option Exercises and Stock Vested for Fiscal Year 2016

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			662,496	31,420,366
David H. Morton, Jr.	4,359	96,539	12,521	604,345
Philip G. Brace			16,250	808,763
William D. Mosley			94,863	4,485,471
Regan J. MacPherson			2,000	99,070
Patrick J. O'Malley			341,243	16,935,135
Albert A. Pimentel	15,000	415,155	242,936	10,409,026

Nonqualified Deferred Compensation Plans

Name	Executive Contributions in FY2016 (\$)	Registrant Contributions in Last FY (\$)	Aggregate Earnings in FY2016 (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance in FY2016 (\$)(a)
Stephen J. Luczo					
David H. Morton, Jr.					
Philip G. Brace	90,003		4,467		94,470
William D. Mosley			4,678		546,324
Regan J. MacPherson	8,179		148		13,814
Patrick J. O'Malley	197,754		33,026		5,066,399
Albert A. Pimentel					

(a)

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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 at above-market rates.

The SDCP is a nonqualified deferred compensation plan allowing participants to defer on a pre-tax basis up to 70% of their base salary, 70% of their commissions 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. A grantor (or rabbi) trust was established for the purpose of accumulating funds to satisfy our obligations and process payments due under the SDCP for plans in effect for the

Table of Contents

performance period through December 31, 2014. A successor SDCP was implemented effective January 1, 2015, which is no longer supported by a grantor (rabbi) trust.

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 Qualifying 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 to severance, participating NEOs are entitled to receive payment of deferred amounts in the event of a termination of employment or a change in control, as described under the immediately preceding heading titled "Nonqualified Defined Contribution and Other Nonqualified Deferred Compensation Plans."

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

Under the Severance Plan in effect during fiscal year 2016, 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 job 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, the Presidents and Executive Vice Presidents would be entitled to receive 20 months of base salary, and the Senior Vice Presidents would be entitled to receive 16 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 at the most recent accrued performance level, 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) \$530,000 (for calendar year 2016), with the remaining amount payable twelve months following the date of termination for CEO, Presidents and Executive Vice President and 6 months and one day following the date of termination for Senior Vice Presidents. The Company would also provide paid outplacement services for a period of 24 months following termination for the CEO, Presidents and Executive Vice Presidents, and a period of 18 months following termination for the Senior Vice Presidents. 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

Table of Contents

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; and "good reason" means an NEO's resignation of his or her employment with the Company as a result of the occurrence of one or more of the following actions without such NEO's express written consent, which action(s) remain uncured for at least 30 days following written notice from such NEO to the Company describing the occurrence of such action(s) and asserting that such action(s) constitute(s) grounds for a good reason resignation, which notice must be provided by the NEO no later than 90 days after the initial existence of such condition; provided, that such resignation occurs no later than 60 days after the expiration of the cure period: (w) any material diminution in the level of the NEO's level or title, authority or duties; (x) a reduction of 10% or more in the level of the base salary or target bonus opportunity, other than a reduction that is equivalent to the reduction in base salaries and/or target bonus opportunities, as applicable, imposed on all other executives of the Company at a similar level; (y) the relocation of the NEO to a principal place of employment that increases his or her one-way commute by more than 50 miles; or (z) the failure of any successor to the business of the Company or to substantially all of the assets and/or business of the Company to assume the Company's obligations under the Severance Plan.

If an NEO is involuntarily 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 those evidencing the TPSUs) 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, 24 months of base salary and target bonus in the case of the Presidents and Executive Vice Presidents or 18 months of base salary and target bonus in the case of the Senior Vice Presidents, (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 24 months for the CEO, Presidents and Executive Vice Presidents and 18 months for the Senior Vice Presidents, 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) \$530,000 (for calendar year 2016), with the remainder, if any, payable six months and one day following the termination date.

Table of Contents

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 on the later of (i) the closing date of the CIC or (ii) the date of the "termination event" (as defined in the Severance Plan), based on the Company's performance through the closing date 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 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. The vesting of the TSR Options and TSR PSUs issued to our CEO will accelerate in full upon the later of a CIC and a qualifying termination of employment.

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 EOPB to pay to the NEO or the NEO'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.

Table of Contents

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, both the TSR Option agreement and the TSR PSU award agreement provides that the CEO will vest pro-rata in the option or 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. 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.

Finally, for those executive officers 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.

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 July 1, 2016.

Name	Monthly Base Salary (\$)	Months of Base Pay (#)	Prior Year Bonus (\$) ⁽¹⁾	Outplacement Benefit (\$) ⁽²⁾	Total (\$)
Stephen J. Luczo	100,005	24		15,000	2,415,120
David H. Morton, Jr.	43,751	20		15,000	890,020
Philip G. Brace	50,001	20		15,000	1,015,020
William D. Mosley	50,001	20		15,000	1,015,020
Regan J. MacPherson	27,501	16		15,000	455,016
Patrick J. O'Malley	47,084	20		15,000	956,680
Albert A. Pimentel	50,001	20		15,000	1,015,020

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

(2) Represents the estimated amounts payable for outplacement services for the two-year period following termination.

Severance Benefits Upon Termination Due to Death

The following table sets forth the estimated value as of July 1, 2016 of the potential payments and benefits to each NEO, assuming termination of the NEO due to death on such date.

Name	Target Bonus (\$) ⁽¹⁾	Vesting of Stock Options (\$) ⁽²⁾	Accelerated Vesting of Stock Awards (\$) ⁽³⁾	Total (\$)
Stephen J. Luczo ⁽⁴⁾	1,800,084		2,962,172	4,762,256
David H. Morton, Jr.	525,013		506,120	1,031,133
Philip G. Brace	750,022		790,557	1,540,579
William D. Mosley	750,022		2,325,629	3,075,651
Regan J. MacPherson	247,510		68,894	316,404
Patrick J. O'Malley ⁽⁴⁾	565,011		1,561,626	2,126,637
Albert A. Pimentel	600,018		1,933,820	2,533,838

(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

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Table of Contents

calculated assuming that the Compensation Committee elects to award the bonus at the NEO's target bonus opportunity for that year. However, the EOPB 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 July 1, 2016, or \$24.03 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 \$24.03 or for options that were already vested as of July 1, 2016. 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 July 23, 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 July 1, 2016. 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 PSUs would accelerate in the event of disability as in the event of death because the performance condition was satisfied as of July 23, 2013.

Name	Accelerated Vesting of PSU Awards (\$)	Accelerated Vesting of Options (\$)
Stephen J. Luczo	2,962,172	
David H. Morton, Jr.	333,200	
Philip G. Brace	790,557	
William D. Mosley	2,325,629	
Regan J. MacPherson	10,381	
Patrick J. O'Malley	1,561,626	
Albert A. Pimentel	1,933,820	

(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, 2016, in the aggregate amount of \$4,215 and \$2,731, respectively, in the event the Executive became disabled on July 1, 2016.

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 July 1, 2016 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 (\$)	Total Monthly Severance Pay (\$)	Months of Pay (#)	Total Severance Pay (\$)	Total Health Care Benefit (\$)	Total Outplacement Benefit (\$) ⁽¹⁾	Accelerated Vesting of		Total (\$) ⁽⁴⁾
								Stock Options (\$) ⁽²⁾	Stock Awards (\$) ⁽³⁾	
Stephen J. Luczo	100,005	150,007	250,012	36	9,000,432	32,843	15,000	7,098,246		16,146,521
David H. Morton, Jr.	43,751	43,751	87,502	24	2,100,048	32,843	15,000	1,446,966		3,594,857
Philip G. Brace	50,001	62,502	112,503	24	2,700,072	32,843	15,000	2,692,634		5,440,549
William D. Mosley	50,001	62,502	112,503	24	2,700,072	32,843	15,000	4,141,931		6,889,846
Regan J. MacPherson	27,501	20,626	48,127	18	866,286	18,924	15,000	185,488		1,085,698
Patrick J. O'Malley	47,084	47,084	94,169	24	2,260,032	20,399	15,000	2,640,873		4,936,304
Albert A. Pimentel	50,001	50,001	100,003	24	2,400,048	32,457	15,000	3,673,346		6,121,851

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- (1) Represents the estimated amounts payable for outplacement services for the two-year period following termination.
- (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 July 1, 2016, or \$24.03 per share, and are based on the difference between this price and the exercise price of

Table of Contents

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 \$24.03 or for options that were already vested as of July 1, 2016.

- (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 July 1, 2016. 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 July 23, 2013.
- (4) 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.

Table of Contents

**PROPOSAL 2 AN ADVISORY, NON-BINDING VOTE ON THE COMPANY'S
EXECUTIVE COMPENSATION**

(Ordinary Resolution)

The Board is presenting the following Proposal, commonly known as a "Say-on-Pay" proposal, which gives you as a shareholder the opportunity to endorse or not endorse, in an advisory, non-binding vote, the compensation of our NEOs, as required by Section 14A of the Exchange Act and the related rules of the SEC. The Board currently intends to hold such votes annually. Accordingly, the next such vote will be held at the Company's 2017 Annual General Meeting. You may endorse or not endorse, respectively, the compensation paid to our NEOs by voting for or against the following resolution:

"RESOLVED, as an ordinary resolution, that, on an advisory, non-binding basis, the compensation of the Company's named executive officers, as disclosed in the Compensation Discussion and Analysis, the accompanying compensation tables and the related disclosure contained in the Company's proxy statement is hereby approved."

While our Board intends to carefully consider the shareholder vote resulting from the proposal, the final vote will not be binding, and is advisory in nature.

In considering your vote, please be advised that our compensation program for our NEOs is guided by our design principles, as described in the Compensation Discussion and Analysis of this Proxy Statement:

Cash compensation tied to performance. At least half of the cash compensation opportunity for our NEOs is based on Company and individual performance. The cash compensation of our NEOs 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. In fiscal year 2016, a majority of our long-term equity incentive awards were granted in the form of performance-based restricted share units, which vest 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).

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

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

The Board recommends that you vote "FOR" the advisory, non-binding approval of the compensation of our NEOs as disclosed in the Compensation Discussion and Analysis, the accompanying compensation tables, and the related disclosure contained in this Proxy Statement.

Table of Contents

**PROPOSAL 3 APPROVAL OF AMENDED AND RESTATED SEAGATE TECHNOLOGY PLC 2012
EQUITY INCENTIVE PLAN**

(Ordinary Resolution)

We are seeking the approval by our shareholders of the Second Amended and Restated Seagate Technology plc 2012 Equity Incentive Plan (the "Amended and Restated Plan"), which amends and restates in its entirety the 2012 Plan in the following material respects:

The Amended and Restated Plan increases the number of ordinary shares reserved for issuance under the Current Plan by an additional 7,500,000 shares, from 64,454,435 shares to an aggregate of 71,954,435 shares.

Approval by shareholders of the Amended and Restated Plan will also satisfy the requirement to have the material terms of the permissible performance goals under which compensation may be paid that were included under the 2012 Plan for purposes of certain awards intended to qualify as "performance-based compensation" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code") re-approved by shareholders at least once every five years. Under Section 162(m), the Company may not deduct certain compensation over \$1,000,000 in any year to the CEO or any of the three other most highly compensated executive officers of the Company, other than the Chief Financial Officer, unless, among other things, this compensation qualifies as "performance-based compensation" under Section 162(m), and the material terms of the plan for such compensation are approved by shareholders. For purposes of Section 162(m), the material terms include (1) the employees eligible to receive compensation, (2) a description of the business criteria on which the performance goals are based, and (3) the maximum amount of compensation that can be paid to an employee during a specified period. Each of these aspects is discussed below.

We are not seeking to make any other changes to the terms of the plan document other than certain technical changes.

The Seagate Technology plc 2012 Equity Incentive Plan (the "Original Plan") was approved by our shareholders on October 26, 2011. On October 22, 2014, our shareholders approved the 2012 Plan, which amended and restated the Original Plan. Upon the recommendation of the Compensation Committee, our Board unanimously approved the Amended and Restated Plan on July 25, 2016, subject to shareholder approval. We are now seeking shareholder approval of the Amended and Restated Plan with respect to the amendments described in this Proposal. If the Amended and Restated Plan is approved by shareholders at the 2016 AGM, it will become immediately effective as of the date of the 2016 AGM.

Unless and until the Amended and Restated Plan is approved by our shareholders, we will continue to grant awards under the 2012 Plan using the shares available for issuance thereunder, and no awards may be granted under the 2012 Plan with respect to the additional 7,500,000 shares reserved for issuance under the Amended and Restated Plan. If the Amended and Restated Plan is not approved by our shareholders, the Amended and Restated Plan will not become effective, the 2012 Plan will continue in effect, and we may continue to grant awards under the 2012 Plan, subject to its terms, conditions and limitations, using the shares available for issuance thereunder. No awards or contingent awards have been or will be granted utilizing the increased share reserve under the Amended and Restated Plan prior to obtaining shareholder approval for the Amended and Restated Plan.

Background of Amendment to Increase Share Reserve

As of August 15, 2016, grants covering approximately 5,414,002 ordinary shares were outstanding under the 2012 Plan, and 40,477,486 ordinary shares were reserved for issuance and available for future awards under the 2012 Plan. As a result of the limited number of shares remaining available for

Table of Contents

issuance under the 2012 Plan, and in order to have an appropriate supply of shares available for future equity awards under the 2012 Plan to recruit, hire, and retain the talent necessary to achieve strong performance in the future, the Compensation Committee determined to recommend that the Board approve the Amended and Restated Plan which includes, among other amendments, an increase in the number of ordinary shares reserved for issuance under the 2012 Plan by an additional 7,500,000 shares. Upon the recommendation of the Compensation Committee, the Board unanimously approved the Amended and Restated Plan on July 25, 2016, subject to shareholder approval.

In its determination to recommend that the Board approve the Amended and Restated Plan, the Compensation Committee analyzed various metrics, including burn rate and dilution, and considered information published by Institutional Shareholder Services ("ISS"), as well as the proxy voting guidelines of certain institutional advisors. In particular, the Compensation Committee considered:

Our burn rate. We manage long-term dilution by limiting the number of equity awards granted annually, commonly referred to as "burn rate." Burn rate differs from dilution as it does not account for equity awards that have been cancelled and other shares returned to the share reserve. Our three-year average gross burn rate using ISS's calculation methodology of 2.69% is within ISS's established cap for our industry gross burn rate of 4.91%.

Our prospective equity compensation requirements and the dilutive impact of the proposed share increase under the 2012 Plan. The potential dilution to current shareholders that could result from the future issuance of shares reserved under our equity plans, including the additional shares being considered by this Proposal, would be approximately 15.12% (expressed as a percentage where the numerator is the sum of 7,500,000 new shares reserved, *plus* 40,477,486 shares currently reserved but not issued, *plus* 5,414,002 shares subject to outstanding awards, and the denominator is the sum of numerator, *plus* the 299,768,677 shares outstanding). After considering the foregoing, we forecasted that our total share reserve resulting from this Proposal would be appropriate to satisfy expected equity compensation needs for approximately three years, based on our current compensation design and historical grant patterns, understanding that the share reserve could last for a longer or shorter period of time based on various factors which cannot be predicted at this time, *e.g.*, growth of our employee population, future grant practices, and share price and prevailing market conditions, etc. If we do not increase the shares available for issuance under our equity plans, then based on historical usage rates of shares under our equity plans, we would expect to exhaust the share limit under the 2012 Plan by September, 2017, at which time we would lose an important compensation tool aligned with shareholder interests to attract, motivate and retain highly qualified talent.

Summary of the Amended and Restated Plan

The following is a summary of the material terms of the Amended and Restated Plan and is not a complete description thereof. The description in this Proposal is qualified in its entirety by reference to the full text of the Amended and Restated Plan. A copy of the Amended and Restated Plan is attached to this Proxy Statement as Appendix B and you are advised to review the actual terms of the Amended and Restated Plan.

Purpose

The purpose of the Amended and Restated Plan is to promote our long-term growth and financial success by providing incentives to our employees, directors, and consultants through grants of share-based awards. These awards are intended to tie the Amended and Restated Plan participants' interests directly to shareholder interests and encourage individual and collective behavior that enhances our success. The provisions of the Amended and Restated Plan, which allow for the grant of various types

Table of Contents

of equity-based awards, are also intended to provide greater flexibility to maintain our competitive ability to attract, retain and motivate participants for the benefit of our shareholders and us.

Corporate Governance and Plan Design

We have designed the Amended and Restated Plan in accordance with currently accepted corporate governance standards for the design and implementation of employee equity incentive programs. The Amended and Restated Plan is the sole active plan for providing future equity incentives to eligible employees, directors and consultants; the Board believes that the Amended and Restated Plan is in the best interest of our shareholders and Seagate, as it will assist Seagate in attracting and retaining talented employees, linking employee compensation with our performance and maintaining a culture based on employee share ownership.

The Amended and Restated Plan contains a number of provisions that the Board believes are consistent with the interests of our shareholders and sound corporate governance principles, as follows:

No Share Option Repricings. The Amended and Restated Plan prohibits the repricing of options and share appreciation rights without the approval of our shareholders. This provision applies both to direct repricings that is, lowering the exercise price of an option or share appreciation right and to indirect repricings that is, canceling an outstanding option or share appreciation right in exchange for cash or for a replacement award with a lower exercise price.

No Discounted Share Options. The Amended and Restated Plan requires the exercise price of an option or share appreciation right to be not less than the fair market value of our ordinary shares on the date of grant.

No Annual "Evergreen" Provision. The Amended and Restated Plan provides for a fixed number of shares available for grant and does not provide for any automatic increase of available shares for future issuances.

Conservative Share Counting Provisions. The Amended and Restated Plan provides that each Full-Value Share Award will be counted as 2.5 shares for every one share granted for purposes of determining the number of shares remaining available for issuance under the Amended and Restated Plan. In addition, any shares tendered by a participant to pay the exercise price of an option and any shares withheld for payment of taxes will not be added back to the number of shares remaining available for issuance under the Amended and Restated Plan.

Conservative Burn Rate and Dilution. For fiscal years 2014 through 2016, our three-year average annual share usage rate or "burn rate" was 2.69%, which is below the average for our industry. Burn rate is defined by ISS as the total number of equity awards granted in a given year divided by the number of common shares outstanding. In addition, the dilutive impact of the 2012 Plan is within appropriate limits, representing approximately 2.5% (calculated as the number of new shares reserved under the 2012 Plan divided by the total number of our ordinary shares outstanding as of August 15, 2016).

"Double trigger" Change of Control Provisions. Under the Amended and Restated Plan, awards do not accelerate upon a change of control unless the acquiring company does not assume the awards or if the acquiring company terminates the participant's employment within 24 months of the change of control (i.e., a "double trigger" change of control provision).

Limits on Dividend Equivalents. It is our policy not to pay dividend equivalents unless and until the participant becomes vested in the underlying equity award.

Table of Contents

Description of the Plan

Eligibility. All of our employees, including our executive officers, all of the members of the Board, and our consultants may participate in the Amended and Restated Plan.

Types of Awards. The types of awards that will be available for grant under the Amended and Restated Plan are as follows:

- incentive stock options;
- nonstatutory share options;
- restricted share bonuses;
- share appreciation rights;
- phantom share units;
- restricted share units (or "RSUs");
- performance share bonuses;
- performance share units (or "PSUs");
- deferred share units;
- dividend equivalent rights; and
- other share-based awards.

Share Reserve. Subject to certain adjustments set forth in the plan, the maximum number of ordinary shares that may be issued pursuant to awards under the 2012 Plan, without giving effect to the Amended and Restated Plan increasing the number of shares available for grant thereunder, is 64,454,435, plus any shares remaining available for grant under the Seagate Technology plc 2004 Share Compensation Plan, as amended (the "2004 SCP") as of the effective date of the 2012 Plan. If the Amended and Restated Plan is approved by our shareholders, the maximum number of our ordinary shares that may be issued pursuant to awards thereunder will be increased by an additional 7,500,000 shares to an aggregate of 71,954,435 shares.

Shares that are subject to options or share appreciation rights granted under the Amended and Restated Plan will be counted against the share reserve as one share for every one share granted. Each share that is subject to a Full-Value Share Award, such as a restricted share bonus or restricted share unit, granted under the Amended and Restated Plan will count against the share reserve as 2.5 shares for every one share granted.

Shares covered by awards that expire, are canceled or otherwise terminated without having been exercised or redeemed, or are settled for cash rather than shares, will again be available for grant under the Amended and Restated Plan. Each share that becomes available for the grant of awards in this manner (including awards under the 2004 SCP) will be added back to the aggregate share reserve under the Amended and Restated Plan as one share if such share was subject to an option or share appreciation right, and according to the applicable ratio described

above if such share was subject to a Full-Value Share Award.

However, the following shares will not be added back to the share reserve under the Amended and Restated Plan: (i) shares tendered by the participant or withheld by the Company (if and to the extent permitted by applicable law) to satisfy (A) the exercise price of a share option or share appreciation right and/or (B) tax withholding obligations with respect to an award; (ii) shares repurchased on the open market with the proceeds of the option exercise price; or (iii) shares not issued or delivered as a result of the net settlement of an outstanding share option or share appreciation right.

Table of Contents

No employee will be eligible to be granted awards under the Amended and Restated Plan covering more than 10 million ordinary shares during any fiscal year or options and/or share appreciation rights covering more than 8 million ordinary shares during any fiscal year.

Adjustments by the Board. In the event of a corporate transaction such as a merger, consolidation, reorganizations, recapitalization, reincorporation, share split, spinoff, share dividend, extraordinary dividend, liquidating dividend, combination or exchange of shares, changes in corporate structure or other transaction in which we do not receive any consideration, the Board will adjust the class, kind and maximum number of shares subject to the plan, the share limits on grants to a participant, and the number of shares and, if applicable, the exercise price of outstanding awards.

Administration of the Plan. The Board has the authority to, and intends to, delegate administration of the Amended and Restated Plan to the Compensation Committee, except that the Board will retain the authority to make grants of equity-based awards to our non-employee directors. The Compensation Committee, or the Board if the delegation of authority to the Compensation Committee is terminated or limited in the future, has the authority to, among other things:

designate participants in the Amended and Restated Plan;

determine the type(s), number, terms and conditions of awards, as well as the timing and manner of grant;

interpret the Amended and Restated Plan and establish, adopt or revise any rules and regulations to administer the Amended and Restated Plan; and

make all other decisions and determinations that may be required under the Amended and Restated Plan.

Options. The Amended and Restated Plan provides that share options must have an exercise price that is at least equal to 100% of the fair market value of our ordinary shares on the date the option is granted. To the extent permitted in his or her option agreement, an option holder may exercise an option by payment of the exercise price (1) in cash, (2) according to a deferred payment or similar arrangement, (3) pursuant to a "same day sale" program, (4) by the surrender of shares already owned by the option holder or (5) by a combination approved by the Board. In the event of the option holder's termination, the option holder will generally have up to three months (up to one year if the termination is due to disability and one year for the beneficiary if due to death) from termination to exercise his or her vested options.

Restricted Share Bonuses and Performance Share Bonuses. Restricted share bonuses and performance share bonuses are grants of ordinary shares not requiring the payment of any monetary consideration, but subject to restrictions, as determined by the Compensation Committee. Generally, unless the participant's award agreement provides otherwise, the participant may not sell, transfer, or otherwise dispose of the shares issued in the participant's name at the time of grant until those conditions are met. The vesting of restricted share bonus awards will generally be based on the participant's continuous service; the vesting of performance share bonus awards will be based on the achievement of certain performance criteria, as determined by the Compensation Committee. In the event a participant's continuous service terminates or a participant fails to meet performance criteria, all unvested shares as of the date of termination will be reacquired by us at no cost to us.

Share Appreciation Rights. The Compensation Committee may grant share appreciation rights independently of or in connection with an option grant. The base price per share of a share appreciation right shall be at least 100% of the fair market value of our ordinary shares on the date of grant. Generally, each share appreciation right will entitle a participant upon redemption to an amount equal to (a) the excess of (1) the fair market value on the redemption date of one ordinary share over (2) the base price, times (b) the number of ordinary shares covered by the share appreciation right

Table of Contents

being redeemed. To the extent a share appreciation right is granted concurrently with an option grant, the redemption of the share appreciation right will proportionately reduce the number of ordinary shares subject to the concurrently granted option. Payment shall be made in shares or in cash, or a combination of both, as determined by the Compensation Committee.

Phantom Share Units. A phantom share unit is the right to receive the value of one ordinary share, redeemable upon terms and conditions set by the Compensation Committee. Distributions upon redemption of phantom share units may be in shares valued at fair market value on the date of redemption or in cash, or a combination of both, as determined by the Compensation Committee.

Restricted Share Units and Performance Share Units. The Compensation Committee may also award restricted share units or performance share units, both of which entitle the participant to receive the value of one ordinary share per unit at the time the unit vests, with delivery of such value (distributed in shares or in cash) on a date chosen by the participant to the extent permitted by law. For restricted share units, vesting will generally be based on the participant's continuous service; for performance share units, vesting will be based on the achievement of certain performance criteria, as determined by the Compensation Committee. In the event a participant's continuous service terminates or a participant fails to meet performance criteria, all unvested shares as of the date of termination will be forfeited.

Deferred Share Units. Participants who are not non-employee directors may receive deferred share units by electing to defer receipt of restricted share unit awards and performance share unit awards in accordance with the requirements of applicable law and the terms of our deferred compensation plan.

Dividend Equivalent Rights. The Compensation Committee may determine that, subject to complying with Section 409A of the Code and the rules of the Amended and Restated Plan, amounts equal to the dividends that would have been received on the number of shares subject to a Full-Value Share Award if they had been issued shares, shall be paid on the shares subject to such Full-Value Share Award in cash, shares or other property as determined by the Compensation Committee. If the award is a performance-based award, the dividend equivalent rights will be subject to the same performance conditions of the award and the participant shall not be entitled to such dividend equivalent rights unless the performance conditions of the underlying award have been met. The Compensation Committee may also provide that such dividend equivalent rights shall be deemed to have been reinvested in additional shares or otherwise reinvested and may provide that such dividend equivalent rights are subject to the same vesting as the underlying award.

Qualified Performance-Based Compensation Under Section 162(m). The Amended and Restated Plan permits the Compensation Committee to specify that an award or a portion of an award is intended to satisfy the requirements for "qualified performance-based compensation" under Section 162(m) of the Code, provided that the performance criteria for such award or portion of an award that is intended by the Compensation Committee to satisfy the requirements for "qualified performance-based compensation" under Section 162(m) of the Code will be a measure based on one or more of the performance criteria described below, as selected by the Compensation Committee and specified at the time the award is granted. However, nothing in the Amended and Restated Plan would require that awards granted under it be designated to satisfy the requirements under Section 162(m) of the Code for "qualified performance-based compensation," and the Compensation Committee may in its discretion grant or amend awards that may not be deductible by us.

The Amended and Restated Plan permits the Compensation Committee to grant Full-Value Share Awards that are intended to satisfy the requirements of "qualified performance-based compensation" under Section 162(m), the grant, vesting or retention of which must be based on any one or more of the performance criteria set forth below. The Compensation Committee may also base the grant, vesting or retention of such awards on derivations of such performance criteria, either individually,

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Table of Contents

alternatively or in any combination, applied to either Seagate as a whole or to a business unit or subsidiary, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the Compensation Committee. The performance criteria to be utilized under the Amended and Restated Plan consist of one or more of the following:

pre- and after-tax income;

operating income;

net operating income or profit (before or after taxes);

net earnings;

net income (before or after taxes);

operating margin;

gross margin;

cash flow (before or after dividends);

earnings per share;

return on equity;

return on assets, net assets, investments or capital employed;

revenue;

market share;

cost reductions or savings;

funds from operations;

total shareholder return;

share price;

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earnings before any one or more of the following items: interest, taxes, depreciation or amortization;

market capitalization;

economic value added;

operating ratio;

product development or release schedules;

new product innovation;

implementation of our critical processes or projects;

customer service or customer satisfaction;

product quality measures;

days sales outstanding or working capital management;

inventory or inventory turns;

pre-tax profit; and/or

cost reductions.

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Table of Contents

Notwithstanding satisfaction of any performance goals, the number of shares issued under or the amount paid under an award may, to the extent specified in the award agreement, be reduced by the Compensation Committee on the basis of such further considerations as the Compensation Committee in its sole discretion shall determine.

In addition, pursuant to the Amended and Restated Plan, the Compensation Committee may determine to adjust any of the performance criteria intended to satisfy the requirements of "qualified performance-based compensation" under Section 162(m) as follows:

to exclude restructuring and/or other non-recurring charges;

to exclude exchange rate effects, as applicable, for non-U.S. dollar denominated net sales and operating earnings;

to exclude the effects of changes to U.S. GAAP 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);

to exclude the effects of any statutory adjustments to corporate tax rates;

to exclude the effects of any unusual or nonrecurring items as determined under U.S. GAAP;

to exclude any other unusual, non-recurring gain or loss, or other extraordinary item;

to respond to any unusual or extraordinary transaction, event or development;

to respond to changes in applicable laws, regulations and/or accounting principles;

to exclude the dilutive or accretive effects of dispositions, acquisitions or joint ventures;

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;

to reflect a corporate transaction, such as a merger, consolidation, separation (including a spinoff or other distribution of shares or property by a corporation), or reorganization; and

to reflect any partial or completed corporate liquidation.

Without giving effect to the Amended and Restated Plan, the permitted adjustments to the performance criteria under the 2012 Plan are generally the same as described above, except with respect to exclusions for the effects of unusual or nonrecurring items as determined under U.S. GAAP, which was newly added pursuant to the Amended and Restated Plan to replace exclusions for the effects of any "extraordinary items" as determined under U.S. GAAP, which FASB eliminated as a permitted exclusion and would correspondingly be read out of the 2012 Plan.

Forfeiture and Recoupment Provisions. The Compensation Committee may specify in an award agreement that a participant's rights, payments and/or benefits with respect to a share award will be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain events, including termination for cause, violation of applicable company policies, breach of an agreement between the participant and

the company or any other conduct by the participant that is detrimental to our business interests or reputation. All share awards (including vested share awards) will be subject to the terms and conditions, if applicable, of any recoupment policy adopted by the Company from time to time or any recoupment requirement imposed under applicable laws.

Table of Contents

Transferability. Unless otherwise determined by the Compensation Committee or provided for in a written agreement evidencing an award, awards granted under the Amended and Restated Plan will not be transferable other than by will or by the laws of descent and distribution.

Change of Control. In the event of a "change of control" (as defined in the Amended and Restated Plan, other than a dissolution or liquidation), the Board may provide for the (1) assumption or continuation of any share awards outstanding under the Plan, (2) issuance of substitute awards that will substantially preserve the terms of any awards, (3) cash payment in exchange for the cancellation of an award or (4) termination of an award upon the consummation of the change of control, but only if the participant has been permitted to exercise or redeem an option or share appreciation right prior to the change of control. Furthermore, at any time the Board may provide for the acceleration of exercisability and/or vesting of an award. In the event of the dissolution of the Company, all outstanding awards will terminate immediately prior to dissolution.

No Repricing without Shareholder Approval. The Amended and Restated Plan prohibits the Board from repricing options or share appreciation rights, or cashing out any such awards other than in connection with a change of control as described above, without first obtaining the approval of our shareholders.

Amendment or Termination. The Board may amend, suspend, or terminate the Amended and Restated Plan in any respect at any time, subject to shareholder approval, if such approval is required by applicable law of stock exchange rules. However, no amendment to the Amended and Restated Plan may materially impair any of the rights of a participant under any awards previously granted, without his or her consent.

Term. Unless earlier terminated by the Board, the Amended and Restated Plan will expire on October 19, 2026. No awards will be granted under the Amended and Restated Plan after that date.

Share Price. On August 15, 2016 the closing price of our ordinary shares on NASDAQ was \$32.00 per share.

Certain Federal Income Tax Consequences

We believe that, based on the laws as in effect on the date of this proxy statement, the following is a summary of the principal U.S. federal income tax consequences to participants and to us of options and other awards granted under the Amended and Restated Plan. This summary is not a complete analysis of all potential tax consequences relevant to participants and to us and does not describe tax consequences based on particular circumstances. The laws governing the tax consequences of these awards are highly technical and such laws are subject to change. State, local, and foreign tax laws are not discussed.

Share Options. When a nonstatutory share option is granted, there are no income tax consequences for the option holder or us. When a nonstatutory share option is exercised, in general, the option holder recognizes compensation equal to the excess of the fair market value of the underlying ordinary shares on the date of exercise over the exercise price. We are entitled to a deduction equal to the compensation recognized by the option holder for our taxable year that ends with or within the taxable year in which the option holder recognized the compensation.

When an incentive stock option is granted, there are no income tax consequences for the option holder or us. When an incentive stock option is exercised, the option holder does not recognize income and we do not receive a deduction. The option holder, however, must treat the excess of the fair market value of the underlying ordinary shares on the date of exercise over the option price as an item of adjustment for purposes of the alternative minimum tax.

Table of Contents

If the option holder disposes of the underlying shares after the option holder has held the shares for at least two years after the incentive stock option was granted and one year after the incentive stock option was exercised, the amount the option holder receives upon the disposition over the exercise price is treated as long-term capital gain for the option holder. We are not entitled to a deduction. If the option holder makes a "disqualifying disposition" of the underlying shares by disposing of the shares before they have been held for at least two years after the date the incentive stock option was granted and one year after the date the incentive stock option was exercised, the option holder recognizes compensation income equal to the excess of (1) the fair market value of the underlying shares on the date the incentive option was exercised or, if less, the amount received on the disposition over (2) the exercise price. We are entitled to a deduction equal to the compensation recognized by the option holder for our taxable year that ends with or within the taxable year in which the option holder recognized the compensation.

Share Appreciation Rights and Phantom Share Units. When a share appreciation right or phantom share unit is granted, there are no income tax consequences for the participant or us. When a phantom share unit vests, generally the participant recognizes compensation equal to the cash and/or shares received, with the shares valued at fair market value as of the date of receipt. When a share appreciation right is redeemed, the participant recognizes compensation equal to the cash and/or the fair market value of the shares received upon redemption. We are entitled to a deduction equal to the compensation recognized by the participant.

Share Units and Restricted Share Awards. Generally, when a share unit (whether as a restricted share unit or performance share unit) or a restricted share (whether as a restricted share bonus or performance share bonus) is granted, there are no income tax consequences for the participant or us. Upon the payment to the participant of shares in respect of share units or the lapse of restrictions on restricted share awards, the participant generally recognizes compensation equal to the fair market value of the shares as of the date of delivery or release. We are entitled to a deduction equal to the compensation recognized by the participant.

Dividend Equivalent Rights. When a dividend equivalent right is granted, there are no income tax consequences for the participant or us. When a dividend equivalent right is paid, the participant recognizes compensation equal to the cash and/or the fair market value of the shares received. We are entitled to a deduction equal to the compensation recognized by the participant.

Section 162(m) of the Code. Under Section 162(m) of the Code, compensation paid to our CEO and the three most highly paid executive officers other than our CEO and our CFO (collectively, the "covered employees") in a particular year is limited to \$1 million per person, except that compensation that constitutes "qualified performance-based compensation" under Section 162(m) will be excluded for purposes of calculating the amount of compensation subject to this \$1 million limitation. Our ability to deduct compensation paid to any executive officer or employee who is not a covered employee is not affected by this provision.

If approved by our shareholders, the Amended and Restated Plan will permit the Compensation Committee to grant awards which will qualify as "qualified performance-based compensation." Even if approved by our shareholders, the Amended and Restated Plan allows the Compensation Committee to make awards that would not be performance-based for purposes of the exemption from the limitations of Section 162(m) of the Code, and nothing precludes the Compensation Committee from making any payments or granting any awards that do not qualify for tax deductibility under Section 162(m) of the Code.

Section 280G of the Code. Awards that are granted, accelerated or enhanced upon the occurrence of a change in control may give rise, in whole or in part, to excess parachute payments within the meaning of Section 280G of the Code to the extent that such payments, when aggregated with other

Table of Contents

payments subject to Section 280G of the Code, exceed the limitations contained in that provision. Such excess parachute payments are not deductible by us and are subject to an excise tax of 20% payable by the recipient.

Section 409A of the Code. Certain awards under the Amended and Restated Plan may be considered "non-qualified deferred compensation" for purposes of Section 409A of the Code, which imposes additional requirements on the payment of deferred compensation. Generally, if at any time during a taxable year a non-qualified deferred compensation plan fails to meet the requirements of Section 409A, or is not operated in accordance with those requirements, all amounts deferred under the non-qualified deferred compensation plan for the current taxable year and all preceding taxable years, by or for any participant with respect to whom the failure relates, are includable in the gross income of the participant for the taxable year to the extent not subject to a substantial risk of forfeiture and not previously included in gross income. If a deferred amount is required to be included in income under Section 409A, the amount also is subject to an additional income tax equal to 20% of the compensation required to be included in gross income, plus interest.

New Plan Benefits

The number of awards that our employees, officers and consultants may receive under the Amended and Restated Plan is in the discretion of the Compensation Committee, and therefore, is not determinable at this time. As described above, pursuant to our director compensation program:

Each of our non-employee directors who is newly appointed or elected as a non-employee director will automatically receive 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 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" (as defined in the Amended and Restated Plan).

Each year at the AGM, unless otherwise determined by the Board, each non-employee 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 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" (as defined in the Amended and Restated Plan).

By way of background, please see the "Compensation Discussion and Analysis" and related compensation tables for a discussion of our executive compensation philosophy and for information regarding equity awards to our NEOs in fiscal year 2016. In addition, the table below sets forth the estimated awards of all types to be made under the Amended and Restated Plan during the fiscal year ending June 30, 2017.

Except with respect to the annual grants to our non-employee directors, awards under the Amended and Restated Plan are subject to the discretion of the Compensation Committee, and the Compensation Committee has not made any determination with respect to future grants to any individuals under the Amended and Restated Plan as of the date of this proxy statement. Therefore, it is not possible to determine the future benefits that will be received by participants, except for the annual non-employee director grants.

Table of Contents

**New Plan Benefits
Under Amended and Restated Plan
in 2016 Fiscal Year**

Name	Dollar Value (\$)	Number of Shares/Units Covered by Awards
Stephen J. Luczo, <i>Chairman and CEO</i>	(1)	(1)
David H. Morton, Jr., <i>Executive Vice President and Chief Financial Officer</i>	(1)	(1)
Philip G. Brace, <i>President, Cloud Systems and Solutions</i>	(1)	(1)
William D. Mosley, <i>President and Chief Operating Officer</i>	(1)	(1)
Regan J. MacPherson, <i>Senior Vice President and General Counsel</i>	(1)	(1)
Patrick J. O'Malley, <i>Executive Vice President</i>	(1)	(1)
Albert A. Pimentel, <i>Executive Vice President</i>	(1)	(1)
All Current Executive Officers as a Group	(1)	(1)
All Current Directors Who Are Not Executive Officers as a Group	\$ 2,500,000 ⁽²⁾	(1)
All Employees Who Are Not Executive Officers as a Group	(1)	(1)

(1) Not determinable at this time.

(2) Assumes that each non-employee director nominee is elected and will receive an annual restricted share unit award with a value of \$250,000 on the date of the AGM.

Grants under the 2012 Plan

As of August 15, 2016, awards covering 5,414,002 shares of the Company's ordinary shares had been granted under the 2012 Plan (including awards granted under the Original) since the inception of the Original Plan on October 27, 2011. The following table shows information regarding the grants of such awards among the persons and groups identified below.

Table of Contents

**Awards Granted under the Original Plan and 2012 Plan
Since Inception Through August 15, 2016**

Name and Position	Number of Shares Underlying Option Grants	Number of Shares Underlying PSUs/ RSUs Grants
Stephen J. Luczo, <i>Chairman and CEO</i>	720,144	936,057
David H. Morton, Jr., <i>Executive Vice President and Chief Financial Officer</i>	52,427	76,661
Philip G. Brace, <i>President, Cloud Systems and Solutions</i>	142,754	128,303
William D. Mosley <i>President and Chief Operating Officer</i>	199,254	272,103
Regan J. MacPherson, <i>Senior Vice President and General Counsel</i>	100,796	11,344
Patrick J. O'Malley, <i>Executive Vice President</i>	138,016	203,449
Albert A. Pimentel, <i>Executive Vice President</i>	184,254	248,103
All Current Executive Officers as a Group	1,537,645	1,876,020
All Current Directors Who Are Not Executive Officers as a Group		290,386
Each Nominee for Election as a Director:		
Frank J. Biondi, Jr.		39,322
Michael R. Cannon		39,322
Mei-Wei Cheng		25,461
William T. Coleman		27,655
Jay L. Geldmacher		27,655
Dr. Dambisa F. Moyo		5,182
Dr. Chong Sup Park		39,322
Stephanie Tilenius		9,417
Edward J. Zander		39,322

As required under Irish law, the resolution in respect of Proposal 3 is an ordinary resolution that requires the affirmative vote of a simple majority of the votes cast.

The Board of Directors recommends that you vote "FOR" the approval of the Amended and Restated Plan.

Table of Contents**EQUITY COMPENSATION PLAN INFORMATION**

The following table sets forth information concerning the Company's equity compensation plans as of July 1, 2016.

	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 plans			
Equity compensation plans approved by shareholders	5,414,002 ⁽¹⁾	\$ 34.91 ⁽²⁾	40,477,486 ⁽³⁾
Equity compensation plans not approved by shareholders			
Total	5,414,002	\$ 34.91	40,477,486

- (1) This number includes 146,646 ordinary shares that were subject to issuance upon the exercise of share options granted under our Seagate Technology plc 2001 Share Option Plan (the "SOP"), 817,229 ordinary shares that were subject to issuance upon the exercise of share options granted under the 2004 SCP, 3,728,839 ordinary shares that were subject to issuance upon the exercise of shares options granted under the 2012 Plan, and 721,288 ordinary shares that were subject to issuance upon the exercise of shares options granted under the Dot Hill Equity Incentive 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 32,683,635 ordinary shares available for future issuance under the 2012 Plan, 979,442 ordinary shares available for future issuance under the Dot Hill 2009 Equity Incentive Plan and 6,814,409 ordinary shares available for issuance under the Seagate Technology plc Stock Purchase Plan.

Table of Contents

PROPOSAL 4 APPROVAL OF THE RULES OF THE SEAGATE TECHNOLOGY PUBLIC LIMITED COMPANY 2012 EQUITY INCENTIVE PLAN FOR SHARE AWARDS GRANTED TO PARTICIPANTS IN FRANCE

(Ordinary Resolution)

We are seeking the approval by our shareholders of the Rules of the Seagate Technology Public Limited Company 2012 Equity Incentive Plan For Share Awards Granted To Participants In France (the "French Sub-Plan"). The French Sub-Plan operates under the 2012 Plan (or, if approved by our shareholders, the Amended and Restated Plan).

As required under applicable French law, we are asking our shareholders to approve the French Sub-Plan for purposes of qualification in France under the French "law on growth, activity, and equality of economic chances" (as adopted on July 10, 2015, the "Macron Law"), so that equity grants that are made under the French Sub-Plan to individuals who are subject to taxation under French law may qualify as "free grants of shares" under French tax law, if so designated by the Compensation Committee (such grants, including, but not limited to, certain grants previously approved by the Compensation Committee and described in this proxy statement, are referred to as "Free Share Grants"). Any such Free Share Grants will be satisfied from the existing share reserve of the 2012 Plan (or, if approved by our shareholders, the Amended and Restated Plan) and will have terms consistent with the existing terms of the 2012 Plan (or, if approved by our shareholders, the Amended and Restated Plan).

The Company or its subsidiaries employ individuals who are subject to taxation under French law. Due to the recent enactment of the Macron Law, certain equity compensation awards granted under the French Sub-Plan may qualify as Free Share Grants, assuming that shareholders approve the French Sub-Plan. Such shareholder approval would allow these grants to qualify as Free Share Grants, thereby resulting in lower income taxation and social taxes for the individuals and lower social taxes for the Company.

In the event that the French Sub-Plan is not approved by shareholders, the Company may still grant equity awards to employees of the Company or its subsidiaries who are subject to taxation under French law; however, in that event, it is possible that such grants would not benefit from the provisions of the Macron Law relating to Free Share Grants.

Only individuals who, on the grant date, are resident for tax purposes in France and/or subject to the French social security contributions regime and either are employed by the French subsidiary of the Company or are a managing director of such a subsidiary are eligible to participate in the French Sub-Plan. Subject to shareholder approval, we expect to make grants of Free Share Grants to certain of our French employees, as well as those we may hire over time.

A Free Share Grant will generally vest 50% after two years and then 25% over the next two years conditioned upon continued employment. Vesting will be accelerated in the event of the death of a participant.

The shares held by a French participant pursuant to a Free Share Grant may not be sold by the participant during certain closed periods described in the French Sub-Plan.

On July 25, 2016, the Board adopted, subject to shareholder approval, the French Sub-Plan described above. The above summary of the French Sub-Plan, does not purport to be complete and is qualified in its entirety by reference to the full text of the French Sub-Plan, which is attached as Appendix C to this proxy statement.

The Board recommends that you vote "FOR" the approval of the French Sub-Plan.

Table of Contents

**PROPOSAL 5 NON-BINDING RATIFICATION OF APPOINTMENT OF ERNST & YOUNG LLP AND BINDING
AUTHORIZATION OF AUDIT COMMITTEE TO SET AUDITORS' REMUNERATION**

(Ordinary Resolution)

At the 2016 AGM, shareholders will be asked to approve the appointment of Ernst & Young LLP as our independent auditors for the fiscal year ending June 30, 2017, and to authorize the Audit Committee of our Board to set the independent auditors' remuneration. Ernst & Young LLP has been acting as our independent auditors for many years and, both by virtue of its long familiarity with the Company's affairs and its ability, is considered best qualified to perform this important function.

Representatives of Ernst & Young LLP will be present at the 2016 AGM and will be available to respond to appropriate questions. They will have an opportunity to make a statement if they so desire.

The Board recommends a vote "FOR" the proposal to approve the appointment of Ernst & Young LLP as independent auditors of the Company and to authorize the Audit Committee of the Board to set the auditors' remuneration.

Table of Contents

Audit Committee Report

Our management is responsible for preparing and presenting our financial statements, and our independent auditors, Ernst & Young LLP, 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) (PCAOB) 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's 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 July 1, 2016, the Audit Committee performed the following tasks:

- (1) reviewed and discussed the audited financial statements for fiscal year 2016 with management and with Ernst & Young LLP;
- (2) reviewed and discussed with management its assessment and report on the effectiveness of our internal control over financial reporting as of July 1, 2016, which it made based on the criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) (the COSO Criteria);
- (3) reviewed and discussed with Ernst & Young LLP its attestation report on the effectiveness of our internal control over financial reporting as of July 1, 2016, which report was included in our Annual Report on Form 10-K for the fiscal year ended July 1, 2016;
- (4) discussed with Ernst & Young LLP the matters required to be discussed by the PCAOB Auditing Standard No. 16 "Communications with Audit Committees (AS16)", including Ernst & Young LLP'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 LLP required by the applicable requirements of the PCAOB regarding the independent auditor's communications with the Audit Committee concerning independence, and discussed with Ernst & Young LLP their 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 July 1, 2016, for filing with the SEC.

Respectfully submitted,
THE AUDIT COMMITTEE

Kristen M. Onken, Chair
Michael R. Cannon
Mei-Wei Cheng
Dr. Dambisa F. Moyo

Table of Contents**Fees Paid to Independent Auditors**

The aggregate fees paid or accrued by us for professional services provided by Ernst & Young LLP in fiscal years ended July 1, 2016 and July 3, 2015 are set forth below.

	Fiscal Year	
	2016	2015
	(In thousands)	
Audit Fees	\$ 5,586	\$ 6,170
Audit-Related Fees	502	331
Tax Fees	90	46
All Other Fees	3	18
Total	\$ 6,181	\$ 6,565

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 2016 included audit activities related to the acquisition of Dot Hill, and in fiscal year 2015 included audit activities related to the acquisition of LSI's flash business and services in connection with our debt offerings.

Audit-Related Fees. This category consists of assurance and related services provided by Ernst & Young LLP 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 2016 and 2015, 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 LLP primarily for tax compliance for fiscal years 2016 and 2015.

All Other Fees. This category consists of fees for the use of Ernst & Young LLP's online accounting research tool for fiscal years 2016 and 2015 and iXBRL tagging services performed for fiscal year 2015.

In fiscal years 2016 and 2015, 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 LLP as our independent auditors for fiscal year 2017, the Audit Committee considered whether the services provided to us by Ernst & Young LLP are compatible with maintaining the independence of Ernst & Young LLP from us. The Audit Committee has determined that the provision of these services by Ernst & Young LLP 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.

Table of Contents

PROPOSALS NO. 6A AND 6B VOTE TO AMEND THE COMPANY'S: (A) ARTICLES OF ASSOCIATION TO MAKE CERTAIN ADMINISTRATIVE AMENDMENTS; AND (B) MEMORANDUM OF ASSOCIATION TO MAKE CERTAIN ADMINISTRATIVE AMENDMENTS

(Special Resolutions)

Background

Proposal 6A sets out certain proposed amendments to our Articles of Association, and Proposal 6B sets out certain proposed amendments to our Memorandum of Association. Under Irish law, any amendment to a public company's Articles of Association must be voted on separately from any amendment to a public company's Memorandum of Association. For that reason, we are asking shareholders to separately vote on Proposals 6A and 6B; however, given the inextricable link between Proposals 6A and 6B, each proposal is subject to the other being approved by shareholders, and as a result, both proposals will fail if either proposal does not pass.

Proposal 6A: Proposed Amendments to the Company's Articles of Association.

Set out below is background information on the proposed amendments to our Articles of Association. The description of the following proposed amendments is only a summary and is qualified in its entirety by reference to the complete text of the proposed amendments, which is attached to this proxy statement as Appendix D. We urge you to read Appendix D in its entirety before casting your vote.

Amendments in Connection with Recent Changes in Irish Law

On June 1, 2015, the Companies Act 2014 (the "Act") took effect in Ireland. The purpose of the Act is to consolidate and modernize company law in Ireland. Although the changes to Irish company law will not impact our day-to-day operations, we must make some administrative updates to our Articles of Association to ensure that they are not impacted or affected by the introduction of this new law. We do not believe that any of the updates to our Articles of Association proposed to be made in connection with the Act will materially change the rights of our shareholders.

As an example, the Act will automatically apply certain sections of the Act to Seagate unless we explicitly opt out of those sections. Given many of these sections either address matters that are already covered by our existing Articles of Association or are not applicable to us, we are proposing to amend our Articles of Association to explicitly opt out of certain provisions, as permitted by the Act. For example, the Act includes a provision regarding the appointment of directors, which is already covered by existing provisions in our Articles of Association and we therefore recommend opting out of that provision.

Attached as Appendix E to this proxy statement is a table that sets out a summary of the optional provisions from which we propose to opt out and a summary of the optional provision from which we propose not to opt out, as well as certain other administrative amendments that we propose to make to our Articles of Association to address the adoption of the Act.

As required under Irish law, the resolution with respect to Proposal 6A is a special resolution that requires the affirmative vote of the holders of at least 75% of the votes cast. In addition, Proposal 6A is subject to Proposal 6B being adopted. Therefore, unless shareholders approve Proposal 6B, Proposal 6A will fail.

THE TEXT OF THE RESOLUTION WITH RESPECT TO PROPOSAL 6A IS AS FOLLOWS:

"RESOLVED, as a special resolution, that, subject to and conditional upon Proposal 6B being passed, the Articles of Association be and are hereby amended and restated in the manner and form set forth in Appendix D of this proxy statement."

The Board recommends that you vote "FOR" the amendment of the Company's Articles of Association set forth in this Proposal 6A.

Table of Contents

Proposal 6B: Proposed Amendments to the Company's Memorandum of Association.

Set out below is background information on the proposed amendments to our Memorandum of Association. The description of the following proposed amendments is only a summary and is qualified in its entirety by reference of the complete text of the proposed amendments, which is attached to this proxy statement as Appendix D. We urge you to read Appendix D in its entirety before casting your vote.

As described above, on June 1, 2015, the Act took effect in Ireland. In addition to the proposed amendments described above to our Articles of Association to accommodate the adoption of the Act, we must also make certain corresponding administrative amendments to our Memorandum of Association to account for the adoption of the Act. We do not believe that any of the updates to our Memorandum of Association proposed to be made in connection with the Act will materially change the rights of our shareholders. The proposed amendments to our Memorandum of Association are each specifically described in the text of the resolution below, as required under Irish law.

As required under Irish law, the resolution with respect to Proposal 6B is a special resolution that requires the affirmative vote of the holders of at least 75% of the votes cast. In addition, Proposal 6B is subject to Proposal 6A being adopted. Therefore, unless shareholders approve Proposal 6A, Proposal 6B will fail.

THE TEXT OF THE RESOLUTION WITH RESPECT TO PROPOSAL 6B IS AS FOLLOWS:

"RESOLVED, as a special resolution that, subject to and conditional upon Proposal 6A being passed, the following amendments, as shown in Appendix D, be made to the Memorandum of Association:

- (a) **the words "Arthur Cox Building, Earlsfort Centre, Earlsfort Terrace" in clause 2 be removed and replaced with the words "38/39 Fitzwilliam Square West";**
- (b) **clause 3 be and is hereby amended by the deletion of the existing clause 3 and the substitution thereof of the following new clause 3:**
"The Company is a public limited company deemed to be a PLC to which Part 17 of the Companies Act 2014 applies.";
- (c) **clause 4(i)(e) is hereby deleted; and**
- (d) **the words "section 155 of the 1963 Act" in clause 13 be removed and replaced with the words "the Companies Acts";**

The Board recommends that you vote "FOR" the amendment of the Company's Memorandum of Association set forth in this Proposal 6B.

Table of Contents

PROPOSALS 7A AND 7B VOTE TO AMEND THE COMPANY'S ARTICLES OF ASSOCIATION TO: (A) PROVIDE FOR A PLURALITY VOTING STANDARD IN THE EVENT OF A CONTESTED DIRECTOR ELECTION; AND (B) GRANT THE BOARD SOLE AUTHORITY TO DETERMINE ITS SIZE

(Special Resolutions)

Background

Proposal 7A sets out proposed amendments to our Articles of Association to provide for a plurality voting standard in the context of a contested director election (i.e., a director election in which the number of director nominees exceeds the number of directorships set by the Board). Proposal 7B sets out proposed amendments to our Articles of Association to provide the Board the sole authority to set its size. Under Irish law, unless the Board is granted sole authority to set its size, the plurality voting standard would not achieve its desired results. For example, unless the Board is granted sole authority to set its size, all director nominees who receive a simple majority of votes cast will be elected to the Board, which could result in a significant increase in Board size if both the Company's director nominees and the challenging director nominees are elected. In contrast, in the United States, under a plurality voting standard, only those directors who receive the most votes for the available seats are elected. Given the link between Proposals 7A and 7B, each proposal is subject to the other being approved by shareholders, and as a result, both proposals will fail if either proposal does not pass.

The description of the following proposed amendments is only a summary and is qualified in its entirety by reference to the complete text of the proposed amendments, which is attached to this proxy statement as Appendix F. We urge you to read Appendix F in its entirety before casting your vote.

Proposal 7A: Plurality Voting in a Contested Election

Today, Seagate has a majority voting standard for both uncontested and contested director elections. However, in the context of contested director elections, we believe that a plurality voting standard is more appropriate for a number of reasons, including to avoid the risk of a failed election (i.e., where no director nominees or an insufficient number of director nominees receive a majority vote).

In the United States, under a plurality voting standard, the director nominees receiving the highest number of votes for the available seats are elected as directors (regardless of whether the director nominees receive a majority of the votes cast in their election). In the United States, proxy advisory firms generally support this view as well and best practice calls for a majority voting standard in uncontested director elections, and a plurality voting standard in contested director elections. In recent years, as corporate governance practices have evolved, there has been a shift in the United States to director elections based on a majority voting standard in uncontested director elections and the plurality standard in contested director elections.

In light of the Board's continual review of governance standards, the Board recommends that shareholders approve an amendment to our Articles of Association to provide for a plurality voting standard solely in the case of a contested director election. If adopted, this amendment would provide that where the number of director nominees exceeds the number of directors to be elected, only those directors receiving the most votes for the available seats would be elected. The Board believes it is in the best interests of our shareholders to adopt the plurality voting standard in the case of contested director elections, while maintaining the Company's majority voting standard in the case of uncontested elections. Accordingly, Proposal 7A seeks shareholder approval to amend our Articles of Association to provide for plurality voting in a contested director election.

As required under Irish law, the resolution with respect to Proposal 7A is a special resolution that requires the affirmative vote of the holders of at least 75% of the votes cast. In addition, Proposal 7A

Table of Contents

is subject to Proposal 7B being adopted. Therefore, unless shareholders approve Proposal 7B, Proposal 7A will fail.

THE TEXT OF THE RESOLUTION WITH RESPECT TO PROPOSAL 7A IS AS FOLLOWS:

"RESOLVED, as a special resolution, that, subject to and conditional upon Proposal 7B being passed, the Articles of Association be and are hereby amended in the manner provided in Appendix E of this proxy statement."

The Board recommends that you vote "FOR" the amendment of the Company's Articles of Association set forth in this Proposal 7A to provide for plurality voting in the event of a contested election.

Proposal 7B: Setting the Size of the Board

Our Board is also proposing to amend our Articles of Association to provide that the size of the Board be set solely by resolution of the Board. This amendment is necessary in order for the plurality voting mechanism described above to function effectively in Ireland. As discussed above, unless the Board is granted sole authority to set its size, all director nominees (including the Company's director nominees) who receive a simple majority of votes cast are elected to the Board, even if those nominees receive fewer votes than the director nominees that otherwise fill the available seats. Accordingly, in order for plurality (as described under Proposal 7A above) to operate effectively, the Board must have sole authority to set its size and a plurality voting standard must be applied in the context of contested elections.

As with plurality voting in contested elections, granting the Board sole authority to set its size is a common governance practice in the United States. Accordingly, Proposal 7B seeks shareholder approval to amend our Articles of Association to grant the Board sole authority to set its size within the parameters established in our Articles of Association.

As required under Irish law, the resolution with respect to Proposal 7B is a special resolution that requires the affirmative vote of the holders of at least 75% of the votes cast. In addition, Proposal 7B is subject to Proposal 7A being adopted. Therefore, unless shareholders approve Proposal 7A, Proposal 7B will fail.

THE TEXT OF THE RESOLUTION WITH RESPECT TO PROPOSAL 7B IS AS FOLLOWS:

"RESOLVED, as a special resolution that, subject to and conditional upon Proposal 7A being passed, the Articles of Association be and are hereby amended in the manner provided in Appendix E of this proxy statement."

The Board recommends that you vote "FOR" the amendment of the Company's Articles of Association set forth in this Proposal 7B to grant the Board sole authority to determine its size.

Table of Contents

PROPOSAL 8 GRANT BOARD AUTHORITY TO ISSUE SHARES

(Ordinary Resolution)

Under Irish law, directors of an Irish company must have authority from its shareholders to issue any of its authorized but unissued share capital. Because our current authority will expire on January 1, 2017, we are presenting this Proposal 8 to renew the Board's authority to issue our authorized shares on the terms set forth below.

We are seeking approval to authorize our Board, effective upon expiration of our existing authority noted above to issue up to 33%, or 66% pursuant to a fully pre-emptive rights issue, of our issued ordinary share capital as of the latest practicable date before this proxy statement, for a period expiring 18 months from January 1, 2017, unless otherwise renewed, varied or revoked.

Granting the Board this authority is a routine matter for public companies incorporated in Ireland and is consistent with Irish market practice. This authority is fundamental to our business and enables us to issue shares, including in connection with our equity compensation plans (where required) and, if applicable, funding acquisitions and raising capital. We are not asking you to approve an increase in our authorized share capital or to approve a specific issuance of shares. Instead, approval of this proposal will only grant the Board the authority to issue shares that are already authorized under our articles upon the terms below. In addition, we note that, because we are a NASDAQ Global Select Market ("NASDAQ") listed company, our shareholders continue to benefit from the protections afforded to them under the rules and regulations of the NASDAQ and SEC, including those rules that limit our ability to issue shares in specified circumstances. Furthermore, we note that this authorization is required as a matter of Irish law only and is not otherwise required for other U.S. companies listed on the NASDAQ with whom we compete. Accordingly, approval of this resolution would merely place us on par with NASDAQ-listed companies incorporated in the United States.

As required under Irish law, the resolution with respect to Proposal 8 is an ordinary resolution that requires the affirmative vote of a simple majority of the votes cast.

The text of this resolution is as follows:

"RESOLVED, as an ordinary resolution, that the directors be and are hereby generally and unconditionally authorized with effect from the passing of this resolution to exercise all powers of the Company to allot relevant securities (within the meaning of section 1021(12) of the Companies Act 2014) up to an aggregate nominal amount of \$989.24 (98,923,663 shares) (being equivalent to approximately 33% of the aggregate nominal value of the issued ordinary share capital of the Company as of August 15, 2016 (the latest practicable date before this proxy statement)), and pursuant to a fully pre-emptive rights issue, up to an aggregate of \$2,008.45 (being equivalent to approximately 66% of the aggregate nominal value of the issued ordinary share capital of the Company as of August 15, 2016 (the latest practicable date before this proxy statement)), and the authority conferred by this resolution shall expire 18 months from the date this authority takes effect, unless otherwise renewed, varied or revoked; provided that the Company may make an offer or agreement before the expiry of this authority, which would or might require any such securities to be allotted after this authority has expired, and in that case, the directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired."

The Board recommends that you vote "FOR" granting the Board authority to issue shares.

Table of Contents

PROPOSAL 9 GRANT BOARD AUTHORITY TO OPT-OUT OF STATUTORY PRE-EMPTION RIGHTS

(Special Resolution)

Under Irish law, unless otherwise authorized, when an Irish company issues shares for cash, it is required first to offer those shares on the same or more favorable terms to existing shareholders of the company on a pro-rata basis (commonly referred to as the statutory pre-emption right). Because our current authority will expire on January 1, 2017, we are presenting this Proposal 9 to renew the Board's authority to opt-out of the pre-emption right on the terms set forth below. Our directors may issue shares for cash in pursuance of any offer or agreement under our current authority until its expiry.

We are seeking shareholder approval to authorize our Board, upon expiration of our existing authority, to opt-out of the statutory pre-emption rights provision in the event of (1) the allotment of shares for cash in connection with any rights issue and (2) the allotment of shares for cash, if the allotment is limited to up to 10% of our issued ordinary share capital as of August 15, 2016 (the latest practicable date before this proxy statement), provided that any amount above 5% is to be used for the purposes of an acquisition or a specified capital investment and, provided further that, in each case, such authorities commence as of January 1, 2017 and be limited to a period expiring 18 months from the date this authority takes effect, unless otherwise renewed, varied or revoked.

Granting the Board this authority is a routine matter for public companies incorporated in Ireland and is consistent with Irish market practice. Similar to the authorization sought for Proposal 8, this authority is fundamental to our business and enables us to issue shares under our equity compensation plans (where required) and if applicable, will facilitate our ability to fund acquisitions and otherwise raise capital. We are not asking you to approve an increase in our authorized share capital. Instead, approval of this Proposal will only grant the Board the authority to issue shares in the manner already permitted under our articles upon the terms below. Without this authorization, in each case where we issue shares for cash, we would first have to offer those shares on the same or more favorable terms to all of our existing shareholders. This requirement could undermine the operation of our compensation plans and cause delays in the completion of acquisitions and capital raising for our business. Furthermore, we note that this authorization is required as a matter of Irish law and is not otherwise required for other U.S. companies listed on the NASDAQ with whom we compete. Accordingly, approval of this resolution would merely help us compete with other NASDAQ-listed companies.

As required under Irish law, the resolution with respect to this Proposal is a special resolution that requires the affirmative vote of at least 75% of the votes cast.

"RESOLVED, as a special resolution, that, subject to the passing of the resolution with respect to Proposal 9 as set out above and with effect as of January 1, 2017, the directors be and are hereby empowered pursuant to section 1023(3) of the Companies Act 2014 to allot equity securities (as defined in section 1023 of that Act) for cash, pursuant to the authority conferred by Proposal 8 as if sub-section (1) of section 1022 did not apply to any such allotment, provided that this power shall be limited to:

- a) **the allotment of equity securities in connection with a rights issue in favor of the holders of ordinary shares (including rights to subscribe for, or convert into, ordinary shares) where the equity securities respectively attributable to the interests of such holders are proportional (as nearly as may be) to the respective numbers of ordinary shares held by them (but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements that would otherwise arise, or with legal or practical problems under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory, or otherwise); and**

Table of Contents

b)

the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of \$299.77 (29,976,868 shares) (being equivalent to approximately 10% of the aggregate nominal value of the issued ordinary share capital of the Company as of August 15, 2016 (the latest practicable date before this proxy statement)) provided that any such issuance above 5% of the aggregate nominal value of the issued ordinary share capital of the Company as of August 15, 2016 (the latest practicable date before this proxy statement) is to be used for the purposes of an acquisition or a specified capital investment;

and, in each case, the authority conferred by this resolution shall expire 18 months from the date this authority takes effect, unless otherwise renewed, varied or revoked; provided that the Company may make an offer or agreement before the expiry of this authority, which would or might require any such securities to be allotted after this authority has expired, and in that case, the directors may allot equity securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired."

The Board recommends that you vote "FOR" granting the Board authority to opt-out of statutory pre-emption rights.

Table of Contents

**PROPOSAL 10 DETERMINE THE PRICE RANGE AT WHICH THE COMPANY
CAN RE-ALLOT SHARES HELD AS TREASURY SHARES**

(Special Resolution)

Our open-market share repurchases and other share buyback activities, all effected by way of redemptions in accordance with our Articles of Association, may result in ordinary shares being acquired and held by the Company as treasury shares. We may re-allot treasury shares that we may acquire through our various share buyback activities including in connection with our executive and director compensation programs.

Under Irish law, our shareholders must authorize the price range at which we may re-allot any shares held in treasury. In this Proposal, that price range is expressed as a minimum and maximum percentage of the closing market price of our ordinary shares on the NASDAQ the day preceding the day on which the relevant share is re-allotted. Under Irish law, this authorization must expire no later than 18 months after its passing unless renewed.

"RESOLVED, as a special resolution, that for purposes of Section 1078 of the Companies Act 2014, the re-allotment price at which any treasury shares (as defined by Section 106(1) of the Companies Act of 2014) held by the Company may be re-allotted off-market shall be as follows:

(a) The maximum price at which a treasury share may be re-allotted off-market shall be an amount equal to 120% 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-allotted by Seagate.

(b) The minimum price at which a treasury share may be re-allotted shall be the nominal value of the share where such a share is required to satisfy an obligation under an employees' share scheme (as defined under Section 64(1) of the Companies Act 2014) 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-allotted by Seagate.

(c) The re-allotment 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 109 and/or Section 1078 (as applicable) of the Companies Act 2014 (an/or any corresponding provision of any amended or replacement legislation) and is without prejudice or limitation to any other authority of the Company to re-allot treasury shares on-market."

The affirmative vote of not less than 75% of the votes cast by holders of ordinary shares represented in person or by proxy at the 2016 AGM is necessary to approve Proposal 10 regarding the price range at which Seagate may re-allot any treasury shares in off-market transactions.

The Board recommends that shareholders vote "FOR" the proposal to determine the price at which the Company can re-allot shares held as treasury shares.

Table of Contents

SHAREHOLDER PROPOSALS AND NOMINATIONS

Any proposal by a shareholder intended to be included in our proxy statement for the 2017 AGM must be received by the Company at its registered office at 38/39 Fitzwilliam Square, Dublin 2, Ireland, Attn: Company Secretary, no later than May 3, 2017. Any such proposal must meet the requirements set forth in the rules and regulations of the SEC, including Rule 14a-8, to be eligible for inclusion in our 2017 proxy statement.

The Company's Articles of Association set forth procedures to be followed by shareholders who wish to nominate candidates for election to the Board in connection with annual general meetings of shareholders or who wish to bring other business before a shareholders' general meeting. All such nominations must be accompanied by certain background and other information specified in the Articles of Association. A shareholder wishing to nominate a director for the 2017 AGM must provide written notice to the Company Secretary of their intention to make such nomination no earlier than April 3, 2017 and no later than May 3, 2017, that is by a date not less than 120 nor more than 150 days before the date of the proxy statement for our prior year's annual general meeting. If the date of the 2017 AGM occurs more than 30 days before or after the anniversary of the 2016 AGM, then the written notice must be provided to the Company Secretary earlier than the 150th day prior to the date of the 2017 AGM and not later than the later of the 120th day prior to the date of the 2017 AGM or the 10th day following the day on which public announcement of the date of such meeting is first made.

Unless a shareholder who wishes to bring business before the 2017 AGM outside the processes of Rule 14a-8 (other than a nomination as outlined above, and subject to applicable rules) provides written notice of such business received by the Company Secretary, at the address specified above, no later than July 17, 2017, the Company designated proxy holders will have discretionary authority to vote on any such proposal at the 2017 AGM with respect to all proxies submitted to us, even when we do not include in our proxy statement advice on the nature of the matter and how the Company designated proxy holders intend to exercise their discretion to vote on the matter. If the date of the 2017 AGM occurs more than 30 days before or after the anniversary of the 2016 AGM, then such notice must be received by the Company Secretary, at the address specified above, not later than the later of the 75th day prior to the date of the 2017 AGM or the 10th day following the day on which public announcement of the date of such meeting is first made. The notice must include a description of the proposed item and the reasons the proposing Shareholder believes its position concerning the item. These requirements are separate from and in addition to the requirements a shareholder must meet to have a proposal included in our 2017 proxy statement.

The Nominating and Corporate Governance Committee will consider all shareholder recommendations for candidates for Board membership, which should be sent to that Committee, care of the Company Secretary, at the address set forth above. In addition to considering candidates recommended by shareholders, the Committee considers potential candidates recommended by current directors, Seagate officers, employees and others. As stated in the Company's Corporate Governance Guidelines, all candidates for Board membership are selected based upon their professional experience, recognized achievement in his or her respective field, willingness to make the commitment of time and effort required, good judgment, strength of character, reputation for integrity and personal and professional ethics, and an independent mind. Candidates recommended by shareholders are evaluated in the same manner as director candidates identified by any other means.

Irish law provides that any shareholder or shareholders holding not less than 50% of the paid-up share capital of the Company carrying voting rights may convene an extraordinary general meeting of the Company. Irish law provides any shareholder or shareholders holding not less than 10% of the paid-up share capital of the Company carrying voting rights may requisition the directors to call an extraordinary general meeting at any time. The shareholders who wish to requisition an extraordinary

Table of Contents

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.

If a shareholder wishes to communicate with the Board for any other reason, all such communications should be sent in writing, care of the Company Secretary, at the address set forth above.

IRISH COMPANIES ACT 2014

New Irish company legislation, the Act, came into force on June 1, 2015. We have conducted a review to determine what changes should be made to our constitutional documents following the commencement of the Act. This review led to the conclusion that we should make certain administrative amendments to our Articles of Association and Memorandum of Association, as discussed in more detail in Proposals 6A and 6B in this proxy statement.

Persons holding an interest in our shares should be aware of a change to the previous law with respect to the notification of interests. Under the Act, persons must notify us if, as a result of a transaction, they will become interested in 3% or more of our shares or, if as a result of a transaction, the person who was interested in 3% or more of our shares ceases to be so interested. Where a person is interested in 3% or more of our shares, that person must notify us of any alteration in his or her interest that brings his or her total interest through the nearest whole percentage, whether an increase or a reduction. The relevant percentage figure is calculated by reference to the aggregate nominal value of our issued share capital (or any such class of share capital in issue). Where the percentage level of that person's interest does not amount to a whole percentage, this figure may be rounded down to the next whole number. We must be notified within five business days of the transaction or alteration of the person's interests that gave rise to the notification requirement. If a person fails to comply with these notification requirements, the person's interest with respect to any of our ordinary shares that it holds will not be enforceable, either directly or indirectly. However, such person may apply to the Irish High Court to have the rights attaching to such shares reinstated.

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.

Information contained on, or accessible through, our website is not a part of this Proxy Statement and is not deemed incorporated by reference hereunder for any purpose.

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 July 1, 2016, accompany this Proxy Statement. A printed 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.

Table of Contents

HOUSEHOLDING

SEC rules permit a single set of annual reports and proxy statements to be sent to any household at which two or more shareholders reside if they appear to be members of the same family. Each shareholder continues to receive a separate proxy card. This procedure is referred to as householding. While the Company does not household in mailings to its shareholders of record, a number of brokerage firms with account holders who are Company shareholders have instituted householding. In these cases, a single proxy statement and annual report will be delivered to multiple shareholders sharing an address unless contrary instructions have been received from the affected shareholders. Once a shareholder has received notice from his or her broker that the broker will be householding communications to the shareholder's address, householding will continue until the shareholder is notified otherwise or until the shareholder revokes his or her consent. If at any time a shareholder no longer wishes to participate in householding and would prefer to receive a separate proxy statement and annual report, he or she should notify his or her broker. Any shareholder can receive a copy of the Company's proxy statement and annual report by contacting the Company at Investor Relations, Seagate Technology plc, 10200 S. De Anza Boulevard, Cupertino, California 95014. Shareholders who hold their shares through a broker or other nominee who currently receive multiple copies of the proxy statement and annual report at their address and would like to request householding of their communications should contact their broker.

By Order of the Board,

Regan J. MacPherson,
Company Secretary

September 9, 2016

Table of Contents

Appendix A

Seagate Technology plc

Directors' Report and Financial Statements
For the Year Ended 1 July 2016
A-1

Table of Contents

**SEAGATE TECHNOLOGY PLC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 1 JULY 2016**

Table of Contents

<u>Company Information</u>	<u>A-3</u>
<u>Directors' Report</u>	<u>A-4</u>
<u>Independent Auditor's Report</u>	<u>A-49</u>
<u>Consolidated Profit and Loss Account</u>	<u>A-51</u>
<u>Consolidated Statement of Comprehensive Income</u>	<u>A-52</u>
<u>Consolidated Balance Sheet</u>	<u>A-53</u>
<u>Consolidated Statement of Cash Flows</u>	<u>A-54</u>
<u>Notes to the Consolidated Financial Statements</u>	<u>A-55</u>
<u>Parent Statement of Comprehensive Income</u>	<u>A-108</u>
<u>Parent Statement of Financial Position</u>	<u>A-109</u>
<u>Parent Statement of Changes in Equity</u>	<u>A-110</u>
<u>Notes to the Parent Company Balance Sheet</u>	<u>A-111</u>

A-2

Table of Contents

**SEAGATE TECHNOLOGY PLC
COMPANY INFORMATION
FOR THE YEAR ENDED 1 JULY 2016**

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A-3

Table of Contents

**SEAGATE TECHNOLOGY PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 1 JULY 2016**

The directors present herewith their report and audited consolidated financial statements for the year ended 1 July 2016.

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 technology and solutions. Our principal products are hard disk drives, commonly referred to as disk drives, hard drives or HDDs. In addition to HDDs, we produce a broad range of electronic data storage products including solid state hybrid drives ("SSHD"), solid state drives ("SSD"), PCIe cards and SATA controllers. Our storage technology portfolio also includes storage subsystems, and high performance computing ("HPC") solutions.

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. Complementing existing data center storage architecture, solid-state storage devices use integrated circuit assemblies as memory to store data, and most SSDs use NAND-based flash memory. In addition to HDDs and SSDs, SSHDs combine the features of SSDs and HDDs in the same unit, containing a large hard disk drive and an SSD cache to improve performance of frequently accessed data.

Our products are designed for mission critical and nearline applications in enterprise servers and storage systems; client compute applications, where our products are designed primarily for desktop and mobile computing; and client non-compute applications, where our products are designed for a wide variety of end user devices such as digital video recorders ("DVRs"), personal data backup systems, portable external storage systems, digital media systems and surveillance systems.

Our Cloud Systems and Solutions builds on the Seagate legacy to extend innovation from the device into the information infrastructure, onsite and in the cloud. Our approach to data management supports HPC, open source and software-defined solutions. Our portfolio includes HPC storage solutions, modular original equipment manufacturers ("OEM") storage systems and scale-out storage systems.

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, software and services for enterprise cloud, big data and computing platforms.

Markets

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

Enterprise Storage. We define enterprise storage as dedicated storage area networks and hyperscale cloud storage environments. Enterprise data centers run solutions which are designed for mission critical performance and nearline high capacity applications.

Mission critical applications are defined as those that are vital to the operation of large-scale enterprise work loads, requiring high performance and high reliability storage solutions. We expect the

Table of Contents

market for mission critical enterprise storage solutions to continue to be driven by enterprises utilizing dedicated storage area networks. Our storage 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 storage solutions. We expect such applications, which include storage for cloud computing, content delivery and backup services, will continue to grow and drive demand for solutions designed with these attributes. With the increased requirements for storage driven by the creation and consumption of media-rich digital content, we expect the increased exabyte demand will require further build-out of data centers by cloud service providers and other enterprises which utilize high capacity nearline devices.

Enterprise SAS SSDs are designed to deliver superior performance, reliability and enterprise features to meet the demands of I/O-intensive applications, with potential for substantial power savings. PCIe accelerator cards are designed to optimize enterprise applications with a persistent, high-performance, high-capacity memory design. Accelerated flash also targets flash and software to accelerate any server virtualized deployment and moves any big data to the realm of real time. From industry solutions perspective, PCIe cards are changing the storage architecture in many industries including the financial sector, government, telecommunications and media and entertainment.

Client Compute. We define client compute applications as solutions designed for desktop and mobile compute applications ranging from traditional laptops, tablets and convertible systems. We believe that the demand resulting from the proliferation of digital content will continue to maintain demand for the client compute market. As the storage of digital content in the cloud becomes more prominent and accessible, some client compute applications rely less on built-in storage, which is supplemented by cloud computing solutions and branded external hard drives.

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 surveillance systems that require a higher capacity, low cost-per-gigabyte storage solution. Disk drives for external storage 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 devices. We believe the proliferation and personal creation of media-rich digital content will continue to create increasing consumer demand for higher capacity storage solutions.

Cloud Systems and Solutions. We define cloud systems and solutions as applications that provide cloud based solutions to businesses for the purpose of HPC, scale-out storage solutions and modular systems. Systems can contain HDDs and SSDs and can offer file management systems, software, and even compute power.

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").

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, such as OEMs, 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 and Cloud Service

Table of Contents

Providers ("CSP") that provide cloud based solutions to businesses for the purpose of HPC, scale-out storage solutions and modular systems that are also included in this category.

Storage services. Companies that provide and host services and solutions, which include storage, backup, archiving, recovery and discovery of electronic data.

Hyperscale Data Centers. Increasingly, large hyperscale data center companies are designing their own storage subsystems and having those built by contract manufacturers for use inside their own data centers. This trend is reshaping the storage system and subsystem market and driving innovation in system design and changes in the competitive landscape of the large storage system vendors.

Demand for Electronic Data Storage

The continued advancement of the cloud, the proliferation of a variety of mobile devices globally, development of the Internet of Things ("IoT"), increasingly pervasive use of video surveillance, evolution of consumer electronic devices, and enterprise use of big data analytics are driving the growth of digital content. Factors contributing to this growth include:

Creation, sharing, and consumption of media-rich digital content, such as high-resolution photos, high definition video, and digital music through smart phones, tablets, digital cameras, personal video cameras, DVRs, gaming consoles or other digital devices;

Creation, aggregation and distribution of digital content through services and other offerings such as Facebook®, Instagram®, iTunes®, Netflix®, Google® and YouTube®;

New surveillance systems which feature higher resolution digital cameras and thus require larger data storage capacities;

Creation and collection of data through the evolution of the IoT ecosystem, big data analytics and new technology trends such as self-driving cars and drones;

Build out of large numbers of cloud data centers by cloud service providers and private companies transitioning on-site data centers into the cloud;

Protection of increased digital content through redundant storage on backup devices and externally provided storage services.

As a result of these factors, the nature and volume of content being created requires greater storage, which is more efficiently and economically facilitated by higher capacity storage devices in order to store, manage, distribute, analyze and backup such content. We expect this to support the growth in demand for electronic data storage solutions in developed and emerging economies well into the future.

The amount of data created as well as where and how data is stored continues to evolve with the proliferation of mobile devices, the growth of cloud computing, and the evolving IoT. In addition, the economics of storage infrastructure are also evolving with the utilization of public and private hyper-scale storage and open-source solutions reducing the total cost of ownership of storage while increasing the speed and efficiency with which customers can leverage massive computing and storage devices. Accordingly, we expect these trends will continue to create significant demand for electronic data storage solutions going forward.

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, analyze, manage, backup and use such content. We also believe that as architectures evolve to serve the growing commercial and consumer user base

Table of Contents

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, and 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 the most cost effective, reliable and energy efficient mass storage devices. Furthermore, the increased use of client non-compute devices that both consume media-rich digital content streamed from the cloud and create rich digital content that is stored in the cloud, increases the demand for high capacity hard disk drives in enterprise Nearline applications.

We also believe that as hard disk drive capacities continue to increase, unit demand does not reflect the increase in Exabytes demand. In recent years, this trend has resulted in demand for fewer units, but with higher average capacity per drive.

Industry Supply Balance

From time to time the HDD industry has experienced periods of imbalance between supply and demand. To the extent that the disk drive industry builds or maintains 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. 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 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;

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

Table of Contents

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

We design and produce our own read/write heads and recording media, which are critical technologies for disk drives. This integrated approach enables us 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 take advantage of the opportunities to leverage 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 reduce manufacturing cost by:

employing manufacturing automation;

improving product quality and reliability;

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

operating our facilities at optimal capabilities.

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.

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 thin layers of magnetic materials. We use a combination of internally manufactured and externally sourced finished media and aluminum substrates, the mix of which varies based on product

Table of Contents

mix, technology and our internal capacity levels. We purchase all of our glass substrates from third parties.

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 addition, 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 storage solutions for the enterprise, data center, 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, 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.

Table of Contents

Enterprise Storage

Enterprise Performance HDDs. Our 10,000 and 15,000 RPM Enterprise Performance 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 1.8TB, and our 15,000 RPM HDDs ship in storage capacities ranging from 146GB to 600GB.

Enterprise Capacity and Archive HDDs. Our Enterprise Capacity disk drives ship in 2.5-inch and 3.5-inch form factors and in storage capacities of up to 10TB that rotate at 7,200 RPM speeds. These products are designed for bulk data storage and server environments that require high capacity, enterprise reliability, energy efficiency, integrated security, and SATA and SAS interfaces. Our Archive HDDs provide up to 8TB of low-cost storage designed specifically for active archive storage environments in cloud data centers where very low cost and power are paramount.

Enterprise SSDs. Available in capacities up to 3.8TB, the SSD features 12GB per second SAS, and delivers the speed and consistency needed for demanding enterprise storage and server applications. We also offer our Nytro family of accelerator cards with capacities up to 4TB.

Client Compute

Desktop HDDs and SSHDs. Our 3.5-inch desktop drives ship in both traditional HDD and SSHD configurations and offer up to 8TB of capacity. Desktop drives are designed for applications such as personal computers and workstations.

Mobile HDDs and SSHDs. Our family of laptop drives ship in a variety of form factors (5mm to 9.5mm drive height), capacities (up to 4TB) and technologies (HDD and SSHD) to support mobile needs. Used in applications ranging from traditional laptops, convertible systems and external storage, our drives are built to address a range of performance needs and sizes for affordable, high capacity storage.

Client Non-Compute

Video HDDs. Our Video HDDs are used in video applications like DVR's and media centers. These disk drives are optimized for video streaming in always-on applications with capacities up to 4TB to support leading-edge digital entertainment.

Surveillance HDDs. Our surveillance drives are built to support the high-write workload of an always-on, always-recording video surveillance system. These surveillance optimized drives are built to support the growing needs of the surveillance market with support for multiple hard drive ("HD") streams and capacities up to 10TB.

NAS HDDs. Our NAS drives are built to support the performance and reliability demanded by small and medium businesses, and incorporate interface software with custom-built error recovery controls, power settings, and vibration tolerance. Our NAS HDD solutions are available in capacities up to 10TB.

Branded Solutions. Our external backup storage solutions are shipped under the Backup Plus and Expansion product lines, as well as under the Maxtor and LaCie brand names. These product lines are available in capacities up to 48TB, respectively. Our Seagate and LaCie Wireless drives provide tablet and smartphone users with additional storage for media content, with capacities up to 2TB. Our NAS and Personal Cloud solutions provide centralized network storage in capacities up to 32TB and secure, anywhere file access for users on-the-go.

Table of Contents**Customers**

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

The following table summarizes our revenue by channel and by geography:

	Fiscal Years Ended	
	1 July 2016	3 July 2015
<i>Revenues by Channel (%)</i>		
OEM	70%	71%
Distributors	16%	17%
Retail	14%	12%
<i>Revenues by Geography (%)⁽¹⁾</i>		
Americas	29%	28%
EMEA	17%	17%
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 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 2016 and 2015, Dell Inc. accounted for approximately 12% and 14% of consolidated revenue, respectively. In fiscal year 2015, Hewlett-Packard Company accounted for approximately 12% of consolidated revenue. In fiscal year 2016, HP Inc., formerly known as Hewlett-Packard Company, completed its separation with Hewlett Packard Enterprise Company, and each company accounted for less than 10% of our consolidated revenue. See "Principal Risks and Uncertainties-Risks Related to Our Business-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. We are also a supplier of Enterprise SSDs, PCIe accelerator cards, cloud storage solutions, HDD test equipment, and storage subsystems through our acquisitions. The markets that we participate in are highly competitive. Disk drive manufacturers compete for a limited number of major disk drive customers but also compete with other companies in the electronic

Table of Contents

data storage industry that provide SSDs and PCIe technology. 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, power consumption, total cost of ownership, 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 many of these factors in the markets that we currently address.

Principal Disk Drive Competitors. There are three companies in the electronic data storage industry that manufacture disk drives:

Seagate, selling the Seagate, LaCie, Maxtor and Samsung brands;

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

Toshiba Corporation

Other Competition. We are seeing direct competition from SSD's that is adversely impacting demand for HDD in some markets including Notebook and Enterprise Mission Critical. We expect that this trend will continue although we believe both product types will be required in the market to satisfy the growing demand for electronic data storage.

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 product cost reductions.

We believe the HDD industry experienced increased price erosion in fiscal years 2015 and 2016.

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, the drive manufacturer that introduces a new product first benefits 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 continue to be of significant 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

Table of Contents

the back-to-school season from late summer to fall and the traditional holiday shopping season from fall to winter. We believe fiscal year 2015 reflected seasonality consistent with historical patterns. In fiscal year 2016, beyond traditional seasonality, variability of sales was a reflection of more cyclical demand from CSPs based on the timing of large systems installations and the shift of the underlying technology.

Research and 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 2016 and 2015, we had product development expenses of approximately \$1,237 million and \$1,353 million respectively, which represented 11% and 10% of our consolidated revenue, respectively.

Patents and Licenses

As of 1 July 2016, we had approximately 5,000 U.S. patents and 1,300 patents issued in various foreign jurisdictions as well as approximately 1,500 U.S. and 1,200 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.

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.

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 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.

Table of Contents

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 on current estimates of cleanup costs and our 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 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.

Employees

At 1 July 2016, we employed approximately 45,500 employees and temporary employees worldwide, of which approximately 36,100 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.

Table of Contents**REVIEW OF THE PERFORMANCE OF THE BUSINESS****Fiscal Year 2016 Summary**

During the fiscal year 2016, we shipped 169 million units totaling 233 exabytes, generating revenue of \$11.2 billion and gross margins of 23% of revenue. Our operating cash flow was \$1.7 billion. We repurchased approximately 24 million of our ordinary shares during the year for approximately \$1.1 billion, paid dividends during the year of \$727 million, and completed our acquisition of Dot Hill Systems Corp. ("Dot Hill"), a supplier of software and hardware storage systems for \$674 million in cash.

Results of Operations

We list in the tables 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	
	1 July 2016	3 July 2015
Revenue	\$ 11,160	\$ 13,739
Cost of revenue	8,545	9,930
Gross profit	2,615	3,809
Product development	1,237	1,353
Marketing and administrative	635	857
Amortization of intangibles	123	129
Restructuring and other, net	175	32
Gain on arbitration award, net		(620)
Operating earnings	445	2,058
Other income and charges, net	(171)	(88)
Income before taxes	274	1,970
Income tax expense	26	228
Net income	\$ 248	\$ 1,742

(as a percentage of Revenue)	Fiscal Years Ended	
	1 July 2016	3 July 2015
Revenue	100%	100%
Cost of revenue	77	72
Gross profit	23	28
Product development	11	10
Marketing and administrative	6	7
Amortization of intangibles	1	1
Restructuring and other, net	2	
Gain on arbitration award, net		(5)
Operating earnings	4	15
Other income and charges, net	(2)	(1)
Income before taxes	2	14

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Income tax expense		2
Net income	2%	12%

A-15

Table of Contents

The following table summarizes information regarding average drive selling prices ("ASPs") excluding storage systems; drive volume shipments, exabytes shipped, and revenues by channel and geography:

(In millions, except percentages exabytes and ASPs)	Fiscal Years Ended	
	1 July 2016	3 July 2015
Unit Shipments:		
Enterprise	32	36
Client Compute	93	132
Client Non-Compute	44	44
Total Units Shipped	169	212
ASPs (US Dollars per unit)	\$ 61	\$ 61
Exabytes Shipped	233	228
Revenues by Channel (%)		
OEMs	70%	71%
Distributors	16%	17%
Retailers	14%	12%
Revenues by Geography (%)		
Americas	29%	28%
EMEA	17%	17%
Asia Pacific	54%	55%

Revenue

(US Dollars in millions)	Fiscal Years Ended			
	1 July 2016	3 July 2015	Change	% Change
Revenue	\$ 11,160	\$ 13,739	\$ (2,579)	(19)%

Revenue in fiscal year 2016 decreased approximately 19% or \$2.6 billion, from fiscal year 2015, as a result of a decrease in shipments by 43 million units and price erosion, which were due to lower demand in the client compute market and reduced demand for mission critical HDD enterprise products, partially offset by improved product mix.

Gross Profit

(US Dollars in millions)	Fiscal Years Ended			
	1 July 2016	3 July 2015	Change	% Change
Cost of revenue	\$ 8,545	\$ 9,930	\$ (1,385)	(14)%
Gross profit	\$ 2,615	\$ 3,809	\$ (1,194)	(31)%
Gross profit percentage	23%	28%		

For fiscal year 2016, gross profit as a percentage of revenue decreased by 500 basis points compared to the prior fiscal year due to price erosion and reduced demand in legacy hard drives resulting in underutilization of certain factories, partially offset by improved product mix in the second half of fiscal year 2016.

Table of Contents*Operating Expenses*

(US Dollars in millions)	Fiscal Years Ended			
	1 July 2016	3 July 2015	Change	% Change
Product development	\$ 1,237	\$ 1,353	\$ (116)	(9)%
Marketing and administrative	635	857	(222)	(26)%
Amortization of intangibles	123	129	(6)	(5)%
Restructuring and other, net	175	32	143	447%
Gain on arbitration award, net		(620)	620	(100)%
Operating expenses	\$ 2,170	\$ 1,751	\$ 419	

Product Development Expense. Product development expenses for fiscal year 2016 decreased from fiscal year 2015 due to a decrease in salaries and other employee benefits of \$63 million as a result of the restructuring of our workforce beginning in the second half of fiscal year 2015, a \$29 million decrease in variable compensation, and other cost reduction efforts, partially offset by the consolidation of Dot Hill in fiscal year 2016 and LSI's Flash Business in fiscal year 2015.

Marketing and Administrative Expense. Marketing and administrative expenses for fiscal year 2016 decreased from fiscal year 2015 primarily due to a decrease in salaries and other employee benefits of \$82 million as a result of a restructuring of our workforce beginning in the second half of fiscal year 2015, a \$45 million decrease in variable compensation and stock-based compensation, a \$33 million reduction in advertising due to the completion of certain promotional and branding activities in fiscal year 2016, and increased operational efficiencies in our business.

Amortization of Intangibles. Amortization of intangibles for fiscal year 2016 decreased by \$6 million, as compared to fiscal year 2015, as a result of certain intangible assets reaching the end of their useful lives, partially offset by the amortization of intangibles acquired from the Dot Hill acquisition in fiscal 2016.

Restructuring and Other, net. Restructuring and other, net for fiscal year 2016 was comprised of restructuring charges recorded during the September 2015 quarter, March 2016 quarter and June 2016 quarter, to reduce our workforce by approximately 4,600 employees and align our manufacturing footprint with current macroeconomic conditions.

Restructuring and other, net for fiscal year 2015 was due to charges to reduce our workforce as a result of our ongoing focus on cost efficiencies in all areas of our business.

Gain on arbitration award, net. Gain on arbitration award, net for fiscal year 2015 was related to the final award amount of \$630 million, less litigation and other related costs of \$10 million, in the Company's case against Western Digital for the misappropriation of the Company's trade secrets.

Other income and charges, net

(US Dollars in millions)	Fiscal Years Ended			
	1 July 2016	3 July 2015	Change	% Change
Other income and charges, net	\$ (171)	\$ (88)	\$ (83)	94%

Other income and charges, net for fiscal year 2016 increased by \$83 million, as compared to fiscal year 2015 primarily due to the absence of partial receipt of \$143 million for interest accrued on the final arbitration award amount in the Company's case against Western Digital in fiscal year 2015 compared to \$33 million in fiscal year 2016, and a \$33 million change in foreign currency

Table of Contents

remeasurement related to net gains and losses from changes in foreign exchange rates, which were more pronounced in the prior year, partially offset by \$74 million of losses from the early redemptions and repurchases of debt in fiscal year 2015 compared to a \$3 million gain from the early redemptions and repurchases of debt in fiscal year 2016.

Income Taxes

(US Dollars in millions)	Fiscal Years Ended			
	1 July 2016	3 July 2015	Change	% Change
Income tax expense	\$ 26	\$ 228	\$ (202)	(89)%

We recorded an income tax expense of \$26 million for fiscal year 2016 compared to an income tax expense of \$228 million for fiscal year 2015. Our fiscal year 2016 income tax expense included approximately \$22 million of income tax benefits primarily associated with the release of tax reserves due to the expiration of certain statutes of limitation. Our fiscal year 2015 income tax expense included approximately \$193 million of net income tax expense due to the final audit assessment received from the Jiangsu Province State Tax Bureau of the People's Republic of China (China assessment) for calendar years 2007 through 2013.

Our Irish tax resident parent holding company owns various U.S. and non-U.S. subsidiaries that operate in multiple non-Irish income tax jurisdictions. Our worldwide operating income is either subject to varying rates of income tax or is exempt from income tax due to tax holiday programs we operate under in Malaysia, Singapore and Thailand. These tax holidays are scheduled to expire in whole or in part at various dates through 2024.

Our income tax provision recorded for fiscal year 2016 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, (ii) tax benefits associated with the reversal of previously recorded taxes, and (iii) a decrease in valuation allowance for certain deferred tax assets. The acquisition of Dot Hill System Corporation did not have a material impact on our effective tax rate. Our income tax provision recorded for fiscal year 2015 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, (ii) tax expense associated with the China assessment recorded during the December 2014 quarter, and (iii) an increase in valuation allowance for certain deferred tax assets. The acquisition of LSI's Flash Business did not have a material impact on our effective tax rate.

On 18 December 2015, the Protecting Americans from Tax Hikes ("PATH") Act of 2015 was enacted. Among, other provisions, the PATH Act retroactively reinstated and permanently extended the federal Research and Development ("R&D") tax credit from 31 December 2014. The permanent extension of the R&D credit had no immediate impact on our income tax provision due to valuation allowances on our U.S. deferred tax assets. None of the other PATH Act changes had a material impact on our income tax provision.

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 1 July 2016, our deferred tax asset valuation allowance was approximately \$984 million.

Table of Contents

At 1 July 2016, we had net deferred tax assets of \$606 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 1 July 2016, approximately \$677 million of our U.S. net operating losses and \$99 million of our tax credit carryforwards are subject to annual limitations from \$1 million to \$45 million pursuant to U.S. tax law.

As of 1 July 2016 and 3 July 2015, we had approximately \$70 million and \$83 million, respectively, of unrecognized tax benefits excluding interest and penalties. The amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate are \$70 million and \$83 million as of 1 July 2016 and 3 July 2015, respectively, subject to certain future valuation allowance offsets.

It is our policy to include interest and penalties related to unrecognized tax benefits in the provision for income taxes on our Consolidated Profit and Loss Account. During fiscal year 2016, we recognized a net income tax benefit for interest and penalties of \$8 million as compared to a net income tax expense for interest and penalties of \$26 million during fiscal year 2015. As of 1 July 2016, we had \$12 million of accrued interest and penalties related to unrecognized tax benefits compared to \$20 million in fiscal year 2015.

During the fiscal year ended 1 July 2016, our unrecognized tax benefits excluding interest and penalties decreased by approximately \$13 million primarily due to (i) reductions associated with the expiration of certain statutes of limitation of \$27 million, (ii) increases in current year unrecognized tax benefits of \$11 million, (iii) net increases in prior years' unrecognized tax benefits of \$4 million, (iv) net reductions from other activity, including non-U.S. exchange gains, of \$1 million.

During the 12 months beginning 2 July 2016, we expect that our unrecognized tax benefits could be reduced by approximately \$16 million as a result of the expiration of certain statutes of limitation.

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. On 4 April 2016, the IRS approved the audit settlement reached in December 2015 regarding all disputed issues associated with our U.S. federal income tax returns for fiscal years 2008, 2009 and 2010. This audit settlement did not have a material impact on our financial statements.

We are no longer subject to tax examination of U.S. federal income tax returns for years prior to fiscal year 2013. With respect to U.S. state and non-U.S. income tax returns, we are generally no longer subject to tax examination for years ending prior to fiscal year 2005.

The Company generated a net income of \$248 million and \$1,742 million for the fiscal years ended 1 July 2016 and 3 July 2015, 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:

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.

Our industry operates primarily 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

Table of Contents

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.

Our revenues in any quarter are substantially dependent upon customer orders in that quarter. We attempt to project future orders based in part on estimates from our major customers. Our customers' estimated requirements are not always accurate and we therefore cannot predict our quarterly revenues with any degree of certainty. In addition, we derive a portion of our revenues in each quarter from a number of relatively large orders. If one or more of our major customers decide to defer a purchase order or delays product acceptance in any given quarter, this is likely to result in reduced total revenues for that quarter.

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, adversely affecting our ability to meet customer requirements and our market share. 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;

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, the United Kingdom, 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.

A-20

Table of Contents

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.

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.

The markets for our products are characterized by rapid technological change, frequent new product introductions and technology enhancements, uncertain product life cycles and changes in customer demand. 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.

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.

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, 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. If the delivery of our products is delayed, our OEM customers may use our competitors' products to meet their production requirements. 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.

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

Table of Contents

us to lose revenue and not achieve a positive return on our investment in existing products and inventory.

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

Our industries are highly competitive and our failure to anticipate and respond to technological and market developments could harm our ability to compete.

We operate in markets that are highly competitive and subject to rapid change and that are significantly affected by new product introductions, substantial price erosion and 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.

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.

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.

Our principal sources of competition include:

disk drive manufacturers, such as Western Digital Corporation and Toshiba;

companies providing storage subsystems and components to OEMs;

electronic manufacturing services ("EMS") companies acquiring the necessary skills and intellectual property to enter the enterprise data storage marketplace;

other high performance computing ("HPC") data storage providers; and

collaborations between in-house development teams of existing and potential customers and a combination of EMS, contract electronic manufacturing ("CEM") or emerging technology companies.

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. This competition has traditionally been in the markets for handheld consumer electronics applications and now it also includes 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. Further adoption of these alternative storage technologies may impact the competitiveness of our product portfolio and reduce our market share and adversely affect our results of operation.

The markets for our data storage system products are also characterized by technological change driven in part by the adoption of new industry standards. These standards provide mechanisms to ensure technology component interoperability can occur and may reduce our capability for differentiation or innovation and our affected products would revert to commodity status. This could lower the barriers to entry to our market away from our specialist research and development skills and

Table of Contents

enable entry for the general-purpose design skills found in some large EMS and CEM companies. Commodity markets are driven by extremely low margins and very aggressive competitive pricing. If our market becomes more commoditized and we fail to deliver innovative value-added alternatives to our customers, we will have difficulty competing against the larger EMS and CEM companies. If we are unable to compete successfully against our current and future competitors, we could experience profit margin reductions or loss of market share, which could significantly harm our financial condition.

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.

Changes in demand for computer systems and storage subsystems may in the future cause a decline in demand for our products.

Our products are components in computers, data storage systems, and consumer electronics devices. The demand for these products has been volatile. Unexpected slowdowns in demand for computer systems, storage subsystems or consumer electronics devices generally cause sharp declines in demand for our products. Declines 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.

While sales to Client Non-Compute and Cloud Systems and Solutions markets are becoming a more significant source of revenue, sales to the Client Compute market remain an important part of our business. The Client Compute market, however, has been, and we expect it to continue to be, adversely affected by the growth of tablet computers, smart phones and similar devices and that perform many of the same capabilities as computers, the lengthening of product life cycles and macroeconomic conditions. We believe that the deterioration of the Client Compute market has accelerated recently, and that this accelerated deterioration may continue or further accelerate, which could cause our operating results to suffer. Additionally, if demand in the Client Compute market is worse than expected as a result of these or other conditions, demand for our products in the Client Compute market may decrease at a faster rate and our operating results may be adversely affected.

The Enterprise Storage market has been adversely affected by the growth of the utilization of NAND flash in mission critical applications. This deterioration of the Enterprise Storage market could cause our operating results to suffer.

Table of Contents

Causes of declines in demand for our products in the past have included weakness in macroeconomic environments, 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 our products causes participants in our industry to have higher than anticipated inventory levels, we experience even more intense price competition from other manufacturers than usual.

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.

We may not be successful in our efforts to grow our cloud systems and solutions business.

We have made and are continuing to make investments to expand and develop our cloud systems and solutions business. Our cloud systems and solutions business is subject to the following risks:

the cloud systems and solutions market may develop more slowly than we expect;

we may not be able to offer compelling solutions to enterprises and consumers; and

our cloud systems and solutions business generally has a long and unpredictable sales cycle, and growth in this business is likely to depend on relatively large customer orders, which may increase the variability of our results of operations and the difficulty of matching revenues with expenses.

Our results of operations and share price may be adversely affected if we are not successful in our efforts to grow our cloud computing business as anticipated. In addition, our growth in this sector may bring us into closer competition with some of our customers or potential customers, which may decrease their willingness to do business with us.

Changes in the macroeconomic environment have negatively impacted, 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.

Table of Contents

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;

application of new or revised industry standards;

disruptions in our supply chain;

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 and data storage products that contain our products due to seasonality, economic conditions and other factors;

changes in purchases from period to period by our primary customers;

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;

any impairments in goodwill or other long-lived assets;

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

adverse changes in the performance of our products.

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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.

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 our products. 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 disk drive business, this seasonality is partially attributable to

A-25

Table of Contents

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.

We have a long and unpredictable sales cycle for enterprise data storage solutions.

Our enterprise data storage solutions are technically complex and we typically supply them in high quantities to a small number of customers. Many of our products are also tailored to meet the specific requirements of individual customers, and are often integrated by our customers into the systems and products that they sell. Factors that affect the length of our sales cycle include:

the time required for testing and evaluating our products before they are deployed;

the size of the deployment; and

the degree of system configuration necessary to deploy our products.

As a result, our sales cycle for enterprise data storage solutions is often in excess of one year, and the length of our sales cycle is frequently unpredictable. In addition, the emerging and evolving nature of the market for the products that we sell may lead prospective customers to postpone their purchasing decisions. We invest resources and incur costs during this cycle that may not be recovered if we do not successfully conclude sales. These factors lead to difficulty in matching revenues with expenses, and to increased expenditures which together may adversely impact our results of operations.

We may be adversely affected by the loss of, or reduced, delayed or canceled 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.

Table of Contents

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.

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 our branded 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 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 us 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.

Our international sales and manufacturing operations subject us to risks related to disruptions in foreign markets, currency exchange fluctuations, longer payment cycles, seasonality, limitations imposed by a variety of legal and regulatory regimes, potential adverse tax consequences, increased costs, our customers' credit and access to capital, health-related risks, and access to personnel.

We have significant sales and manufacturing 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, United Kingdom and the European Union have had an impact on our sales to customers located in, or whose end-user customers are located in, these countries.

Table of Contents

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. An increase in the value of the dollar could increase the real cost to our customers of our products in those markets outside of the U.S. where we sell in dollars. This could adversely impact our sales and market share in such areas or increase pressure on us to lower our price, and adversely impact our profit margins. A weakened dollar could increase the cost of expenses such as payroll, utilities, tax, and marketing expenses, as well as overseas capital expenditures. Any of these events could have a material adverse effect on our results of operations. 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 "Financial Risk Management disclosure" of this report for additional information 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.

Legal and Regulatory Limitations. Our international operations are affected by limitations on imports, tariffs, duties, currency exchange control regulations, price controls, export control laws, including the trade and economic sanctions administered by the Office of Foreign Assets Control, 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. Although we have implemented policies and procedures designed to ensure compliance, there can be no assurance that our employees, contractors, or agents will not violate these or other applicable laws and regulations to which we may be subject. Violations of these laws and regulations could lead to significant penalties, including restraints on our export or import privileges, monetary fines, criminal proceedings and regulatory or other actions that could materially adversely affect our results of operations.

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 our subsidiaries. In addition, our taxable income in any jurisdiction is dependent upon acceptance of our operational practices and intercompany transfer pricing by local tax authorities as being on an arm's length basis. Due to inconsistencies in application of the arm's length standard among taxing authorities, as well as a lack of adequate treaty-based protection, transfer pricing challenges by tax authorities could, if successful, substantially increase our income tax expense. We are subject to tax audits around the world, and are under audit in various jurisdictions, and such jurisdictions may assess additional income tax against us. Although we believe our tax positions are reasonable, the final determination of tax audits could be materially different from our recorded income tax provisions and accruals. The ultimate results of an audit could have a material adverse effect on our operating results or cash flows in the period or periods for which that determination is made and could result in increases to our overall tax expense in subsequent periods. In light of the ongoing fiscal challenges many countries are facing, various levels of government are increasingly focused on tax reform and other legislative action to increase tax revenue. In addition, the Organization for Economic Cooperation and Development's Base Erosion and Profit Shifting recommendations are reshaping international tax rules in numerous countries. These actual and potential changes in the relevant tax laws

Table of Contents

applicable to corporate multinationals along with potential changes in accounting and other laws, regulations, administrative practices, principles, and interpretations could increase the risk of double taxation, cause increased tax audit activity, and could impact our effective tax rate.

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.

Access to Personnel. There is substantial competition for qualified and capable personnel in certain jurisdictions in which we operate, including China, which may make it difficult for us to recruit and retain qualified employees in sufficient numbers. Increased difficulty in recruiting or retaining sufficient and adequate personnel in our international operations may lead to increased manufacturing and employment compensation costs, which could adversely affect our results of operations.

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, cyber-attacks, 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 information. As our operations become more automated and increasingly interdependent, our exposure to the risks posed by these types of events will increase. We have been, and will likely continue to be, subject to computer viruses or other malicious codes, cyber-attacks, or other computer-related attempts to breach the information technology ("IT") systems we use for these purposes. We may also be subject to IT system failures and network disruptions due to these factors. 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

Table of Contents

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 IT 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. In many cases, these laws apply not only to third-party transactions, but also to transfers of information between us and our subsidiaries, and among us, our subsidiaries and other parties with which we have commercial relations. 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. These laws, protocols and standards continue to develop and may be inconsistent from jurisdiction to jurisdiction. Complying with emerging and changing international requirements may cause us to incur substantial costs or require us to change our business practices. If we fail to comply with applicable federal, state or international privacy-related or data protection laws we may be subject to proceedings by governmental entities and incur penalties or significant legal liability.

If we do not control our fixed costs, we will not be able to compete effectively in our industry.

We continually seek to make our cost structure and business processes more efficient. We are focused on increasing workforce flexibility and scalability, and improving overall competitiveness by leveraging our global capabilities, as well as external talent and skills, worldwide. 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.

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, subassemblies, certain equipment and raw materials used to manufacture our products 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 for our products 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 severe flooding in Thailand in October 2011, which had a material impact on

Table of Contents

the 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 has resulted and may continue to 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.

We often aim to lead the market in new technology deployments and leverage unique and customized technology from single source suppliers who are early adopters in the emerging market. Our options in supplier selection in these cases are limited and the supplier based technology may consequently be single sourced until wider adoption of the technology occurs and any necessary licenses become available. In such cases any technical issues in the supplier's technology may cause us to delay shipments of our new technology deployments and therefore harm our financial position.

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 or make large up-front investments with certain suppliers in order to secure certain components or technologies 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

Table of Contents

these suppliers. As a result, it is possible that our revenues will not be sufficient to recoup our up-front investments, in which case we will have to shift output from our internal manufacturing facilities to these suppliers or make penalty-type payments under these contracts.

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 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 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 most recent report was filed on 27 May 2016. These 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 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.

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.

Due to the complexity of our products, some defects may only become detectable after deployment.

Our products are highly complex and are designed to operate in and form part of larger complex networks and storage systems. Defects in our products, or in the networks and systems of which they form a part, directly or indirectly, have resulted in and may in the future result in:

increased costs and product delays until complex solution level interoperability issues are resolved;

costs associated with the remediation of any problems attributable to our products;

loss of or delays in revenues;

loss of customers;

Table of Contents

failure to achieve market acceptance and loss of market share;

increased service and warranty costs; and

increased insurance costs.

Defects in our products could also result in legal actions by our customers for property damage, injury or death. Product liability claims could exceed the level of insurance coverage that we have obtained to cover defects in our products. Any significant uninsured claims could significantly harm our financial condition.

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.

Macroeconomic developments like the withdrawal of United Kingdom from the European Union, 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 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.

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

Table of Contents

reputation, which could result in a material adverse effect on the financial condition or results of operations.

Any cost reduction initiatives that we undertake may not deliver the results we expect, and these actions may adversely affect our business.

On 27 June 2016 and 11 July 2016 we announced restructuring plans to be substantially completed by the end of fiscal year 2017. In addition, management will continue to evaluate our global footprint and cost structure, and additional restructuring plans are expected to be formalized. As a result of our restructuring, we may experience a loss of continuity, loss of accumulated knowledge, disruptions to our operations and/or inefficiency during transitional periods. Any cost-cutting measures could impact employee retention. In addition, we cannot be sure that the cost reduction and global footprint consolidation will be successful in reducing our overall expenses as we expect or that additional costs will not offset any such reductions or global footprint consolidation. If our operating costs are higher than we expect or if we do not maintain adequate control of our costs and expenses, our result of operations may suffer.

Our ability to use our net operating loss and tax credit carryforwards might be limited.

The use of a portion of our U.S. net operating loss and tax credit carryforwards is subject to annual limitations pursuant to U.S. tax law. 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 taxable income when a corporation has undergone significant changes in ownership. As a result, future changes in ownership could put further limitations on the availability of our net operating loss or tax credit carryforwards.

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 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 future 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.

We are at times subject to intellectual property legal proceedings and claims 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

Table of Contents

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 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" contained in this report for a description of pending intellectual property proceedings.

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;

our patents will be issued in the primary countries where our products are sold in order to protect our rights and potential commercial advantage;

we will be able to protect our trade secrets and other proprietary information through confidentiality agreements with our customers, suppliers and employees and through other security measures; and

others will not gain access to our trade secrets.

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.

Furthermore, we have significant operations and sales in foreign countries where intellectual property laws and enforcement policies are often less developed, less stringent or more difficult to enforce than in the United States.

Table of Contents

We may not be able to identify suitable strategic alliances, acquisitions, joint ventures or investment opportunities, to successfully acquire and integrate companies that provide complementary products or technologies or to realize the anticipated benefits of such transactions.

Our growth strategy involves 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 instruments 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. There can be no assurance that we will realize the anticipated benefits of any strategic alliance, acquisition, joint venture or investment that we make or, if we do, how long it will take to achieve such benefits.

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.

Servicing our indebtedness requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial debt.

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;

Table of Contents

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

In addition, 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.

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

Table of Contents

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

the sale of our ordinary shares held by certain equity investors or members of management.

Any decision to reduce or discontinue the payment of cash dividends to our shareholders or the repurchase of our ordinary shares pursuant to our previously announced share repurchase program could cause the market price of our ordinary shares to decline significantly.

Although we have announced targeted regular cash dividend amounts and a share repurchase program, we are under no obligation to pay cash dividends to our shareholders in the future at the announced targeted levels or at all or to repurchase our ordinary shares at any particular price or at all. The declaration and payment of any future dividends is at the discretion of our Board of Directors and our previously announced share repurchase program may be suspended or discontinued at any time. Our payment of quarterly cash dividends and the repurchase of our ordinary shares pursuant to our share repurchase program are subject to, among other things, our financial position and results of operations, available cash and cash flow, capital and regulatory requirements, market and economic conditions, our ordinary share price, and other factors. Any reduction or discontinuance by us of the payment of quarterly cash dividends or the repurchase of our ordinary shares pursuant to our share repurchase program could cause the market price of our ordinary shares to decline significantly. Moreover, in the event our payment of quarterly cash dividends or repurchases of our ordinary shares are reduced or discontinued, our failure to resume such activities at historical levels could result in a persistent lower market valuation of our ordinary shares.

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 technology companies. 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.

Table of Contents**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. Our cash and cash equivalents are maintained in investments with remaining maturities of 90 days or less at the time of purchase. Our short-term investments consist primarily of money market funds and certificates of deposits. The principal objectives of our investment policy are the preservation of principal and maintenance of liquidity. We believe our cash equivalents and short-term investments are liquid and accessible. We operate in some countries that have restrictive regulations over the movement of cash and/or foreign exchange across their borders. However, these restrictions have not impeded our ability to conduct our business, nor do we expect them to in the next 12 months. We are not aware of any downgrades, losses or other significant deterioration in the fair value of our cash equivalents or short-term investments and we do not believe the fair value of our short-term investments has significantly changed from the values reported as of 1 July 2016.

Cash and cash equivalents and investments

(US Dollars in millions)	1 July 2016	As of 3 July 2015	Change
Cash and cash equivalents	\$ 1,125	\$ 2,479	\$ (1,354)
Investments	6	6	
Total	\$ 1,131	\$ 2,485	\$ (1,354)

Our cash and cash equivalents and investments decreased from 3 July 2015 as a result of net cash outflows for the acquisition of Dot Hill of \$674 million, repurchase of our ordinary shares of \$1.1 billion, dividends paid to our shareholders of \$727 million, of which \$163 million was disclosed in our fiscal year 2015 consolidated financial statements, and capital expenditures of \$587 million. These cash outflows were partially offset by our net cash provided by operating activities. The following table summarizes results from the statement of cash flows for the periods indicated:

(US Dollars in millions)	Fiscal Years Ended	
	1 July 2016	3 July 2015
Net cash flow provided by (used in):		
Operating activities	\$ 1,680	\$ 2,647
Investing activities	(1,211)	(1,287)
Financing activities	(1,820)	(1,495)
Effect of foreign currency exchange rates	(3)	(20)
Net (decrease) in cash and cash equivalents	\$ (1,354)	\$ (155)

Cash Provided by Operating Activities

Cash provided by operating activities for fiscal year 2016 was approximately \$1.7 billion and includes the effects of net income adjusted for non-cash items including depreciation and amortization, stock-based compensation, and:

a decrease in revenue accelerating a reduction in the cash conversion cycle, leading to a decrease in working capital.

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Table of Contents

Cash provided by operating activities for fiscal year 2015 was approximately \$2.6 billion and includes the effects of net income adjusted for non-cash items including depreciation, amortization, stock-based compensation. Net income includes:

a partial payment of \$773 million for the arbitration award and related accrued interest received from Western Digital; and

a \$225 million payment related to the final audit assessment received from the Jiangsu Province State Tax Bureau of the People's Republic of China for tax and interest associated with changes to our tax filings for the calendar years 2007 through 2013.

Cash Used in Investing Activities

In fiscal year 2016, we used \$1.2 billion for net cash investing activities, which was primarily due to payments for the purchase of property, equipment and leasehold improvements of approximately \$587 million and the acquisition of Dot Hill, net of cash acquired for \$634 million.

In fiscal year 2015, we used \$1.3 billion for net cash investing activities, which was primarily due to payments for the purchase of property, equipment and leasehold improvements of approximately \$747 million and the acquisition of LSI's Flash Business for \$450 million.

Cash Used in Financing Activities

Net cash used in financing activities of \$1.8 billion for fiscal year 2016 was primarily attributable to the following activities:

\$1.1 billion paid to repurchase 24 million of our ordinary shares; and

\$0.7 billion in dividends paid to our shareholders.

Net cash used in financing activities of \$1.5 billion for fiscal year 2015 was primarily attributable to the following activities:

\$1.1 billion paid to repurchase 19 million of our ordinary shares;

\$1.0 billion for the repurchase and redemption of long-term debt;

\$0.7 billion in dividends paid to our shareholders; partially offset by

proceeds of \$1.2 billion from aggregate cash generated from the issuance of our 5.75% Senior Notes due 2034 and 4.875% Senior Notes due 2027.

Dividends

From the closing of our initial public offering in December 2002 through 2016, we have paid dividends, pursuant to our dividend policy then in effect, totaling approximately \$3.8 billion in the aggregate.

Liquidity Sources

Our primary sources of liquidity as of 1 July 2016, consisted of: (1) approximately \$1.1 billion in cash and cash equivalents, and investments, (2) cash we expect to generate from operations and (3) a \$700 million senior revolving credit facility.

As of 1 July 2016, no borrowings had been drawn under the revolving credit facility or had been utilized for letters of credit issued under this credit facility. The line of credit is available for borrowings, subject to compliance with financial covenants and other customary conditions

to borrowing.

A-40

Table of Contents

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 includes three financial covenants: (1) minimum cash, cash equivalents and marketable securities; (2) a fixed charge coverage ratio; and (3) a net leverage ratio. On 28 April 2016, the Revolving Credit Agreement was amended in order to increase the allowable net leverage ratio to adjust for our current financial liquidity position. We were in compliance with the modified covenants as of 1 July 2016 and expect to be in compliance for the next 12 months.

As of 1 July 2016, cash and cash equivalents held by non-Irish subsidiaries was \$1.1 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, product 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 2 August 2016, our Board of Directors approved a quarterly cash dividend of \$0.63 per share, which will be payable on 5 October 2016 to shareholders of record as of the close of business on 21 September 2016.

As of 1 July 2016, 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.

The carrying value of our long-term debt as of 1 July 2016 and 3 July 2015 was \$4.1 billion and \$4.2 billion, respectively. The table below presents the principal amounts of our outstanding long-term debt:

(US Dollars in millions)	1 July 2016	As of 3 July 2015	Change
3.75% Senior Notes due November 2018	\$ 800	\$ 800	\$
7.00% Senior Notes due November 2021	158	158	
4.75% Senior Notes due June 2023	990	1,000	(10)
4.75% Senior Notes due January 2025	995	1,000	(5)
4.875% Senior Notes Due June 2027	700	700	
5.75% Senior Notes Due December 2034	490	500	(10)
Total	\$ 4,133	\$ 4,158	\$ (25)

From time to time we may repurchase any of our outstanding ordinary shares through private, open market, tender offers, broker assisted purchases or other means. During fiscal year 2016, we repurchased approximately 24 million of our ordinary shares. As of 1 July 2016, \$1.8 billion remained

Table of Contents

available for repurchase under our existing repurchase authorization limit. All repurchases are effected as redemptions in accordance with the Company's Articles of Association.

For fiscal year 2017, we expect capital expenditures to be below our long-term targeted range of 6% to 8% of revenue. We require substantial amounts of cash to fund scheduled payments of principal and interest on our indebtedness, future capital expenditures and any increased working capital requirements. We will continue to evaluate and manage the retirement and replacement of existing debt and associated obligations, including evaluating the issuance of new debt securities, exchanging existing debt securities for other debt securities and retiring debt pursuant to privately negotiated transactions, open market purchases, tender offers or other means or otherwise. In addition, we may selectively pursue strategic alliances, acquisitions and investments, which may require additional capital.

Contractual Obligations and Commitments

Our contractual cash obligations and commitments as of 1 July 2016, have been summarized in the table below:

(US Dollars in millions)	Total	2017	Fiscal Year(s)		Thereafter
			2018-2019	2020-2021	
Contractual Cash Obligations:					
Long-term debt	\$ 4,133	\$	\$ 800	\$	\$ 3,333
Interest payments on debt	1,761	198	381	334	848
Purchase obligations ⁽²⁾	713	713			
Operating leases ⁽¹⁾	168	27	38	21	82
Capital expenditures	110	110			
Other funding requirements ⁽³⁾	44	12	24	8	
Subtotal	6,929	1,060	1,243	363	4,263
Commitments:					
Letters of credit or bank guarantees	108	108			
Total	\$ 7,037	\$ 1,168	\$ 1,243	\$ 363	\$ 4,263

(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.

(3) Consists of funding requirements related to strategic commitments.

As of 1 July 2016, we had a liability for unrecognized tax benefits and an accrual for the payment of related interest totaling \$13 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 1 July 2016, we did not have any material off-balance sheet arrangements.

Financial Risk Management

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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

A-42

Table of Contents

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 1 July 2016, 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 1 July 2016. 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.

The table below presents principal amounts and related weighted-average interest rates by year of maturity for our investment portfolio and debt obligations as of 1 July 2016.

(US Dollars in millions, except percentages)	Fiscal Years Ended						Total	Fair Value at 1 July 2016
	2017	2018	2019	2020	2021	Thereafter		
Assets								
Cash equivalents:								
Fixed rate	\$ 762	\$	\$	\$	\$	\$	\$ 762	\$ 762
Average interest rate	0.35%						0.35%	
Investments:								
Fixed rate	\$ 5	\$	\$	\$	\$ 1	\$	\$ 6	\$ 6
Average interest rate	10.69%				3.08%		9.36%	
Total fixed income	\$ 767	\$	\$	\$	\$ 1	\$	\$ 768	\$ 768
Average interest rate	0.42%				3.08%	0.45%	0.42%	
Debt								
Fixed rate	\$	\$	\$ 800	\$	\$	\$ 3,333	\$ 4,133	\$ 3,491
Average interest rate			3.75%			5.03%	4.78%	

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.

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 foreign currency forward contracts mature within 12 months.

We evaluate hedging effectiveness prospectively and retrospectively and record any ineffective portion of the hedging instruments in Cost of revenue on the Consolidated Profit and Loss Account. We did not have any material net gains (losses) recognized in Cost of revenue for cash flow hedges due to hedge ineffectiveness or discontinued cash flow hedges during the fiscal years 2016 and 2015.

The table below provides information as of 1 July 2016 about our foreign currency forward exchange contracts. The table is provided in U.S. dollar equivalent amounts and presents the notional

Table of Contents

amounts (at the contract exchange rates) and the weighted-average contractual foreign currency exchange rates.

(US Dollars in millions, except average contract rate)	Notional Amount	Average Contract Rate	Estimated Fair Value ⁽¹⁾
Foreign currency forward exchange contracts:			
British Pound Sterling	\$ 57	1.42	\$ (3)
Total	\$ 57		\$ (3)

(1) Equivalent to the unrealized net gain (loss) on existing contracts.

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 institution. Additionally, the investment portfolio is diversified and structured to minimize credit risk. As of 1 July 2016, we had no material 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"). In fiscal year 2014, the Company entered into a Total Return Swap ("TRS") in order to manage the equity market risks associated with the SDCP liabilities. The Company pays a floating rate, based on LIBOR plus an interest rate spread, on the notional amount of the TRS. The TRS is designed to substantially offset changes in the SDCP liability due to changes in the value of the investment options made by employees.

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 2016 and 2015, we had product development expenses of approximately \$1,237 million and \$1,353 million, respectively, which represented 11% and 10% of our consolidated revenue, respectively.

DIRECTORS

The directors are as listed on page A-3. Mr. Gregorio Reyes resigned from the board on 21 October 2015 and was replaced by Dr. Dambisa Moyo on the same date.

Table of Contents**SECRETARY**

Mr. Kenneth M. Massaroni resigned as the secretary on 21 October 2015 and was replaced by Ms. Regan J. MacPherson on the same date.

DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES

Details of directors' and secretary's interests in the ordinary shares of Seagate Technology plc as at 1 July 2016 were as follows:

Director	Shares	Interests held as at 1 July 2016 ⁽¹⁾			
		Vested options	Unvested options	Restricted share units	Restricted shares
Stephen J. Luczo ⁽²⁾	1,826,969	400,423	270,158		
Frank J. Biondi, Jr.	23,946	1,251		5,182	
Michael R. Cannon	13,404			5,182	
Mei-Wei Cheng	9,794			5,182	
William Coleman	13,235			5,182	
Jay L. Geldmacher	5,365			5,182	
Kristen M. Onken	20,413			5,182	
C.S. Park	32,735			5,182	
Dambisa F. Moyo ⁽³⁾				5,182	
Edward J. Zander	67,996	10,000		5,182	
Stephanie Tilenius	2,710			5,182	
<i>Secretary</i>					
Regan J. MacPherson ⁽⁴⁾	5,078		100,796	6,118	

- (1) All interests declared are in the ordinary shares of \$0.00001 par value of Seagate Technology plc.
- (2) Mr. Luczo's interests held as at 1 July 2016 excludes 295,391 unvested options and awards that contain certain performance and market conditions.
- (3) Ms. Moyo's interests held at the date of appointment includes 5,182 restricted share units.
- (4) Ms. MacPherson's interests held at the date of appointment includes 101 common shares and 6,118 restricted share units. Her interests held as at 1 July 2016 excludes 1,601 unvested share awards that contain certain performance and market conditions.

Details of directors' and secretary's interests in the ordinary shares of Seagate Technology plc as at 3 July 2015, or subsequent date of appointment, were as follows:

Director	Shares	Interests held as at 3 July 2015 ⁽¹⁾			
		Vested options	Unvested options	Restricted share units	Restricted shares
Stephen J. Luczo ⁽²⁾	1,218,320	90,334	179,563		
Frank J. Biondi, Jr.	34,155	1,251		4,235	
Michael R. Cannon	10,694			4,235	
Mei Wei Cheng	7,762			4,235	
William Coleman	10,525			4,235	
Jay L. Geldmacher	2,655			4,235	
Kristen M. Onken	17,703			4,235	
C.S. Park	32,125			4,235	
Edward J. Zander	54,795	65,000		4,235	
Stephanie Tilenius				4,235	

- (1) All interests declared are in the ordinary shares of \$0.00001 par value of Seagate Technology plc.

Table of Contents

(2) Mr. Luczo's interests held as at 3 July 2015 excludes 841,890 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 329 of the Companies Act 2014.

IMPORTANT EVENTS SINCE THE PERIOD END

Dividends

On 2 August 2016, our Board of Directors approved a quarterly cash dividend of \$0.63 per share, which will be payable on 5 October 2016 to shareholders of record as of the close of business on 21 September 2016.

July 2016 Restructuring Plan

On 11 July 2016, the Company committed to an additional restructuring plan (the "July 2016 Plan") for continued consolidation of its global footprint across Asia, EMEA and the Americas. The July 2016 Plan included reducing worldwide headcount by approximately 6,500 employees. The July 2016 Plan, which the Company expects to be largely completed by the end of fiscal year 2017, is expected to result in total pretax charges of approximately \$164 million in fiscal year 2017. These charges are expected to consist of cash expenditures of approximately \$82 million of employee termination costs and \$51 million of other exit costs, as well as other non-cash charges of approximately \$31 million.

POLITICAL DONATIONS

During the year ended 1 July 2016, the Company made no political donations.

BRANCHES OUTSIDE THE STATE

In accordance with Section 326 of the Companies Act 2014, the Company has established branches, within the meaning of EU Council Directive 89/666/EEC in Brazil, China, Russia, the Netherlands, Singapore, Northern Ireland, India, Korea and Thailand.

ACCOUNTING RECORDS

The directors are responsible for ensuring that adequate accounting records, as outlined in Sections 281 to 285 of the Companies Act 2014, are kept by the Company. To achieve this, the directors have appointed experienced bookkeepers who are professionally qualified, who report to the Chief Financial Officer and ensure that the requirements of Sections 281 to 285 of the Companies Act 2014 are complied with.

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 accounting records are kept in order to disclose with reasonable accuracy the assets, liabilities, financial position and profit or loss of the Company. These records are returned to the Company's registered office at intervals not exceeding six months.

RELEVANT AUDIT INFORMATION

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Group's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Group's statutory auditors are unaware.

Table of Contents

AUDIT COMMITTEE

The Group has established an Audit Committee with responsibility for oversight of the financial reporting process, the audit process, the system of internal controls and compliance with laws and regulations.

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 the assets, liabilities and financial position 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 Act 2014, 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 A-108 to A-115), 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 accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Generally Accepted Accounting Practice in Ireland).

The Directors are responsible for keeping accounting records which disclose with reasonable accuracy the assets, liabilities, financial position and profit and loss 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 2014. 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.

As required by Section 225 of the Companies Act 2014 of Ireland, the directors acknowledge that they are responsible for securing the Company's compliance with its "relevant obligations" (as defined in that legislation). The directors further confirm that a compliance policy statement has been drawn up, and that appropriate arrangements and structures have been put in place that are, in the directors' opinion, designed to secure material compliance with the relevant obligations. A review of those arrangements and structures has been conducted in the financial year to which this report relates.

AUDITORS

Ernst & Young, Chartered Accountants, have expressed their willingness to continue in office in accordance with the Section 383(2) of the Companies Act 2014.

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Table of Contents

Approved by the Board of Directors and signed on its behalf on 19 August 2016

/s/ STEPHEN J. LUCZO

/s/ KRISTEN M. ONKEN

Stephen J. Luczo

Kristen M. Onken
A-48

Table of Contents

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 1 July 2016 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 Statement of Comprehensive Income, the Parent Company Statement of Financial Position, the Parent Company Statement of Changes in Equity, the related notes 1 to 21 in respect of the group financial statements and the related notes 1 to 10 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 279 of Part 6 of the Companies Act 2014, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of that Part of the Companies Act 2014 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, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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 A-47, 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 and to identify any information that is apparently materially incorrect or materially inconsistent with the knowledge acquired by us in the course of performing the audit. 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 279 of Part 6 of the

Table of Contents

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SEAGATE TECHNOLOGY PLC (Continued)

Companies Act 2014, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of that Part of the Companies Act 2014, of the assets, liabilities and financial position of the Group as at 1 July 2016 and of the profit for the Group for the year then ended;

the parent company statement of financial position gives a true and fair view of the assets, liabilities and financial position of the parent company as at 1 July 2016 and has been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and

the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Matters on which we are required to report by the Companies Acts 2014

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the parent company financial statements to be readily and properly audited.

The parent company statement of financial position is in agreement with the accounting records.

In our opinion the information given in the directors' report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of Sections 305 to 312 of the Companies Act 2014 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/ DERMOT DALY

Dermot Daly
For and on behalf of Ernst & Young
Chartered Accountants and Statutory Audit Firm
Dublin
19 August 2016

Table of Contents

SEAGATE TECHNOLOGY PLC
CONSOLIDATED PROFIT AND LOSS ACCOUNT

(US Dollars in millions)	Note	Fiscal Years Ended	
		1 July 2016	3 July 2015
Revenue		\$ 11,160	\$ 13,739
Cost of revenue		8,545	9,930
Gross profit		2,615	3,809
Product development		1,237	1,353
Marketing and administrative		635	857
Amortization of intangibles	4	123	129
Restructuring and other, net	5	175	32
Gain on arbitration award, net	14		(620)
		2,170	1,751
Operating earnings		445	2,058
Interest income		3	6
Interest expense		(193)	(207)
Other income and charges, net		19	113
Income before taxes		274	1,970
Income tax expense	7	26	228
Net income		\$ 248	\$ 1,742
Net income per share attributable to Seagate Technology plc ordinary shareholders:			
Basic	12	\$ 0.83	\$ 5.38
Diluted	12	0.82	5.26
Number of shares used in per share calculations:			
Basic	12	299	324
Diluted	12	302	331

A-51

Table of Contents

SEAGATE TECHNOLOGY PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(US Dollars in millions)	Fiscal Years Ended	
	1 July 2016	3 July 2015
Net income	\$ 248	\$ 1,742
Other comprehensive income (loss), net of tax:		
Cash flow hedges		
Change in net unrealized (loss) gain on cash flow hedges	(4)	(11)
Less: reclassification for amounts included in net income	2	13
Net change	(2)	2
Marketable securities		
Net change		
Post-retirement plans		
Change in unrealized gain (loss) on post-retirement plans	8	(5)
Net change	8	(5)
Foreign currency translation adjustments	(1)	(25)
Total other comprehensive income (loss), net of tax	5	(28)
Comprehensive income	253	1,714
Comprehensive income attributable to Seagate Technology plc	\$ 253	\$ 1,714

Table of Contents

SEAGATE TECHNOLOGY PLC
CONSOLIDATED BALANCE SHEET

(US Dollars in millions)	Note	1 July 2016	3 July 2015
ASSETS			
Fixed assets:			
Goodwill	4	\$ 1,237	\$ 874
Intangible assets	4	448	370
Tangible assets	2	2,160	2,278
Financial assets	9	113	120
		3,958	3,642
Current assets:			
Inventories	2	868	993
Trade debtors	2	1,318	1,735
Other debtors amounts falling due within one year	2	216	355
Investments	2	6	6
Cash and cash equivalents	2	1,125	2,479
		3,533	5,568
Other debtors amounts falling due after one year	2	761	635
Total Assets		\$ 8,252	\$ 9,845
LIABILITIES AND EQUITY			
Capital and reserves:			
Share capital	10	\$	\$
Share premium	10	5,509	5,430
Other reserves	10	395	274
Profit and loss account	10	(4,311)	(2,686)
		1,593	3,018
Provisions for liabilities:			
Taxation	7	31	49
Other provisions	2	269	267
		300	316
Creditors amounts falling due within one year:			
Debt	9		
Trade creditors		1,517	1,540
Other creditors	2	560	643
		2,077	2,183
Creditors amounts falling due after one year:			
Debt	9	4,130	4,155
Other creditors		152	173
Total Liabilities		\$ 8,252	\$ 9,845

Approved by the Board of Directors and signed on its behalf on 19 August 2016

/s/ STEPHEN J. LUCZO

/s/ KRISTEN M. ONKEN

Stephen J. Luczo

Kristen M. Onken
A-53

Table of Contents

SEAGATE TECHNOLOGY PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

(US Dollars in millions)	Fiscal Years Ended	
	1 July 2016	3 July 2015
OPERATING ACTIVITIES		
Net income	\$ 248	\$ 1,742
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	815	841
Share-based compensation	120	137
(Gain) loss on redemption and repurchase of debt	(3)	74
Loss on sale of tangible assets		2
Impairment of other long-lived assets	26	
Deferred income taxes	(2)	2
Other non-cash operating activities, net	12	(9)
Changes in operating assets and liabilities:		
Restricted cash and investments		(3)
Trade debtors	464	(2)
Inventories	145	29
Trade creditors	(24)	(58)
Accrued employee compensation	(78)	(40)
Accrued expenses, income taxes and warranty	(42)	(112)
Vendor non-trade debtors		47
Other assets and liabilities	(1)	(3)
Net cash provided by operating activities	1,680	2,647
INVESTING ACTIVITIES		
Acquisition of tangible assets	(587)	(747)
Proceeds from the sale of financial assets	1	
Purchases of investments		(5)
Sales of investments		4
Maturities of investments		19
Cash used in acquisition of businesses, net of cash acquired	(634)	(453)
Other investing activities, net	9	(105)
Net cash used in investing activities	(1,211)	(1,287)
FINANCING ACTIVITIES		
Net proceeds from issuance of long-term debt		1,196
Repayments of long-term debt	(22)	(1,026)
Taxes paid related to net share settlement of equity awards	(56)	
Repurchases of ordinary shares	(1,090)	(1,087)
Dividends to shareholders	(727)	(664)
Proceeds from issuance of ordinary shares under employee stock plans	79	98
Other financing activities, net	(4)	(12)
Net cash used in financing activities	(1,820)	(1,495)
Effect of foreign currency exchange rate changes on cash and cash equivalents	(3)	(20)
Decrease in cash and cash equivalents	(1,354)	(155)
Cash and cash equivalents at the beginning of the year	2,479	2,634
Cash and cash equivalents at the end of the year	\$ 1,125	\$ 2,479

Supplemental Disclosure of Cash Flow Information

Cash paid for interest	\$	200	\$	216
Cash paid for income taxes, net of refunds	\$	40	\$	285

A-54

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 reorganization 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 279 of the Companies Act 2014, which provides that a true and fair view of the state of the assets, liabilities, financial position 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 279(1) of the Companies Act 2014, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of Part 6 of the Companies Acts 2014. In producing consolidated financial statements at this level, the Company has taken advantage of the audit exemption for certain of its UK subsidiaries by virtue of s479A of UK Companies Act 2006, see Note 21 for further detail.

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 Act 2014 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 U.S. generally accepted accounting principles 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

in applying its most critical accounting policies have a significant impact on the results the Company reports in its consolidated financial statements.

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 year 2016 was comprised of 52 weeks and ended on 1 July 2016. Fiscal year 2015 was comprised of 53 weeks and ended on 3 July 2015. All references to years in these Notes to Consolidated Financial Statements represent fiscal years unless otherwise noted. Fiscal year 2017 will be 52 weeks and will end on 30 June 2017.

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 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 investments are primarily comprised of money market funds, certificates of deposits, and other interest-bearing bank deposits. The Company has classified its marketable securities as available-for-sale and they are stated at fair value with unrealized gains and losses included in Accumulated other comprehensive income (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. Realized gains and losses are included in Other income and charges, net. The cost of securities sold is based on the specific identification method.

Restricted Cash and Investments. Restricted cash and investments represent 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 are expensed as incurred.

Assessment of Goodwill and Other Long-lived Assets for Impairment. 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 addition, since goodwill that does decline in value rarely does so on a straight-line basis, straight-line 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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*. Therefore in order to present a true and fair view of the economic reality under US 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 life of goodwill cannot be predicted with a satisfactory level of reliability nor can the pattern in which goodwill diminishes be known. During fiscal year 2012, the Company adopted ASU No. 2011-08, *Intangibles Goodwill and Other ("ASC Topic 350") Testing Goodwill for Impairment*. The Company performs a qualitative assessment in the fourth quarter of each year, or more frequently if indicators of potential impairment exist, 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. If it is determined in the qualitative assessment that the fair value of a reporting unit is more likely than not below its carrying amount, including goodwill, then the Company performs a quantitative two-step impairment test. The first step, identifying a potential impairment, compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying value of the reporting unit exceeds its fair value, the second step would need to be conducted. The second step, measuring the impairment loss, compares the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill. Any excess of the reporting unit goodwill carrying value over its implied fair value is recognized as an impairment loss.

The Company tests other tangible 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 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 products. Should actual experience in any future period differ significantly from its estimates, the Company's future results of operations could be materially affected.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 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 recorded as a reduction to revenue.

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 amount to \$132 million and \$143 million in fiscal years 2016 and 2015, respectively.

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 \$31 million and \$64 million in fiscal years 2016 and 2015, 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 related 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 income tax and financial statement purposes, as well as tax liabilities associated with

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 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, and the amount of, a valuation allowance may also change.

Comprehensive Income. The Company presents 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 on the Company's Consolidated Profit and Loss Account. The Company had \$1 million in remeasurement losses in fiscal year 2016 and \$33 million in remeasurement gains in fiscal year 2015.

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 Other reserves, which is a component of shareholders' equity. 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 1 July 2016 .

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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.

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 may make 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 May 2014, August 2015, April 2016 and May 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09 (ASC Topic 606), *Revenue from Contracts with Customers*, ASU 2015-14 (ASC Topic 606) *Revenue from Contracts with Customers, Deferral of the Effective Date*, ASU 2016-10 (ASC Topic 606) *Revenue from Contracts with Customers, Identifying Performance Obligations and Licensing*, and ASU 2016-12 (ASC Topic 606) *Revenue from Contracts with Customers, Narrow-Scope Improvements and Practical Expedients*, respectively. ASC Topic 606 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. It also requires entities to disclose both quantitative and qualitative information that enable financial statements users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The amendments in these ASUs are effective for fiscal years, and interim periods within those years, beginning after 15 December 2017. Early adoption is permitted for annual periods beginning after 15 December 2016. This standard may be applied retrospectively to all prior periods presented, or retrospectively with a cumulative adjustment to retained earnings in the year of adoption. The Company is in the process of assessing the impact, if any, on its consolidated financial statements and plans to adopt the modified retrospective transition approach.

In April 2015 and August 2015, the FASB issued ASU 2015-03 (ASC Subtopic 835-30), *Interest-Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs* and ASU 2015-15 (ASC Subtopic 835-30), *Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements Amendments to SEC Paragraphs Pursuant to Staff Announcement at 18 June 2015 EITF Meeting*, respectively. The ASUs require that debt issuance costs related to a recognized debt liability, with the exception of those related to line-of-credit arrangements, be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability. The amendments in these ASUs are effective for fiscal years, and interim periods within those years, beginning after 15 December 2015. Early adoption is permitted for financial statements that have not been previously issued. The adoption of this new guidance is not expected to have a material impact on the Company's consolidated financial statements and disclosures.

In July 2015, the FASB issued ASU 2015-11 (ASC Topic 330), *Inventory: Simplifying the Measurement of Inventory*. The amendments in this ASU require inventory measurement at the lower of cost and net realizable value. The amendments in this ASU are effective for fiscal years beginning after 15 December 15 2016, including interim periods within those fiscal years. Early adoption is permitted by all entities as of the beginning of an interim or annual reporting period. The Company is in the process of assessing the impact, if any, of this ASU on its consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

In September 2015, the FASB issued ASU 2015-16 (ASC Topic 805), *Business Combinations Simplifying the Accounting for Measurement-Period Adjustments*. The amendments in this update require that an acquirer recognize measurement period adjustments in the period in which the adjustments are determined. The income effects of such measurement period adjustments are to be recorded in the same period's financial statements but calculated as if the accounting had been completed as of the acquisition date. The impact of measurement period adjustments to earnings that relate to prior period financial statements are to be presented separately on the income statement or disclosed by line item. The amendments in this update are for fiscal years, including interim periods within those fiscal years, beginning after 15 December 15 2015. Early adoption is permitted for public business entities for reporting periods for which financial statements have not yet been issued. The adoption of this new guidance is not expected to have a material impact on the Company's consolidated financial statements and disclosures.

In November 2015, the FASB issued ASU 2015-17 (ASC Topic 740), *Income Taxes Balance Sheet Classification of Deferred Taxes*. The amendments in this Update are effective for fiscal years beginning after 15 December 15 2016, including interim periods within those fiscal years. Early adoption is permitted by all entities as of the beginning of an interim or annual reporting period. The Company early adopted this ASU for the December 2015 quarter on a prospective basis. See "Note 7. Income Taxes" for disclosure of the financial statement impact of this adoption.

In January 2016, the FASB issued ASU 2016-01 (ASC Subtopic 825-10), *Financial Instruments Overall Recognition and Measurement of Financial Assets and Financial Liabilities*. The amendments in this ASU require entities to measure all investments in equity securities at fair value with changes recognized through net income. This requirement does not apply to investments that qualify for the equity method of accounting, to those that result in consolidation of the investee, or for which the entity meets a practicability exception to fair value measurement. Additionally, the amendments eliminate certain disclosure requirements related to financial instruments measured at amortized cost and add disclosures related to the measurement categories of financial assets and financial liabilities. The amendments in this ASU are effective for fiscal years beginning after 15 December 2017, including interim periods within those fiscal years. Early adoption is permitted for only certain portions of the ASU. The Company is in the process of assessing the impact, if any, on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02 (ASC Topic 842), *Leases*. The ASU amends a number of aspects of lease accounting, including requiring lessees to recognize operating leases with a term greater than one year on their balance sheet as a right-of-use asset and corresponding lease liability, measured at the present value of the lease payments. The amendments in this ASU are effective for fiscal years beginning after 15 December 2018, including interim periods within those fiscal years. Early adoption is permitted. The Company is in the process of assessing the impact on its consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09 (ASC Topic 718), *Stock Compensation Improvements to Employee Share-Based Payment Accounting*. The amendments in this ASU are intended to simplify several areas of accounting for share-based compensation arrangements, including the income tax consequences, classification on the consolidated statement of cash flows and treatment of forfeitures. The amendments in this ASU are effective for annual periods beginning after 15 December 2016, and interim periods within those annual periods. Early adoption is permitted. The Company is in the process of assessing the impact, if any, of this ASU on its consolidated financial statements.

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 1 July 2016:

(US Dollars in millions)	Amortized Cost	Unrealized Gain/(Loss)	Fair Value ⁽²⁾
Available-for-sale securities:			
Money market funds	\$ 318	\$	\$ 318
Corporate bonds	6		6
Certificates of deposit	444		444
Total	\$ 768	\$	\$ 768

Included in Cash and cash equivalents ⁽¹⁾			\$ 755
Included in Investments			6
Included in Other current assets			7
Total			\$ 768

(1) Amount does not include \$370 million of cash held in banks.

(2) Represents the Company's investments that are listed with the exception of Certificates of deposit.

As of 1 July 2016, the Company's Other current assets included \$7 million in restricted cash and investments held as collateral at banks for various performance obligations.

As of 1 July 2016, 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 available-for-sale securities were other-than-temporarily impaired as of 1 July 2016.

The fair value and amortized cost of the Company's investments classified as available-for-sale at 1 July 2016 by remaining contractual maturity was as follows:

(US Dollars in millions)	Amortized Cost	Fair Value
Due in less than 1 year	\$ 767	\$ 767
Due in 1 to 5 years	1	1
Due in 5 to 10 years		
Thereafter		
Total	\$ 768	\$ 768

Equity securities which do not have a contractual maturity date are not included in the above table.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table summarizes, by major type, the fair value and amortized cost of the Company's investments as of 3 July 2015:

(US Dollars in millions)	Amortized Cost	Unrealized Gain/(Loss)	Fair Value ⁽²⁾
Available-for-sale securities:			
Money market funds	\$ 1,203	\$	\$ 1,203
Certificates of deposit	867		867
Corporate bonds	6		6
Total	\$ 2,076	\$	\$ 2,076

Included in Cash and cash equivalents ⁽¹⁾			\$ 2,063
Included in Investments			6
Included in Other current assets			7
Included in Financial assets			
Total			\$ 2,076

(1) Amount does not include \$416 million of cash held in banks.

(2) Represents the Company's investments that are listed with the exception of Certificates of deposit.

As of 3 July 2015, the Company's Other current assets included of \$7 million in cash and investments held as collateral at banks for various performance obligations.

As of 3 July 2015, the Company had no available-for-sale securities that had been in a continuous unrealized loss position for a period greater than 12 months. The Company determined no available-for-sale securities were other-than-temporarily impaired as of 3 July 2015.

Trade Debtors

The following table provides details of the trade debtors balance sheet item:

(US Dollars in millions)	1 July 2016	3 July 2015
Trade Debtors	\$ 1,327	\$ 1,744
Allowance for doubtful accounts	(9)	(9)
	\$ 1,318	\$ 1,735

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⁾	Balance at End of Period
Fiscal year ended 3 July 2015	\$ 12	\$	\$ (3)	\$ 9
Fiscal year ended 1 July 2016	\$ 9	\$ 1	\$ (1)	\$ 9

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- (1) Uncollectible accounts written off, net of recoveries.

A-63

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Inventories

The following table provides details of the inventory balance sheet item:

(US Dollars in millions)	1 July 2016	3 July 2015
Raw materials and components	\$ 307	\$ 352
Work-in-process	297	239
Finished goods	264	402
	\$ 868	\$ 993

Other Debtors amounts falling due within one year

The following table provides details of the other debtors amounts falling due within one year balance sheet item:

(US Dollars in millions)	1 July 2016	3 July 2015
Vendor non-trade debtors	\$ 66	\$ 66
Deferred income taxes		122
Other	150	167
	\$ 216	\$ 355

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.

Other Debtors amounts falling due after one year

The following table provides details of the other debtors amounts falling due after one year balance sheet item:

(US Dollars in millions)	1 July 2016	3 July 2015
Deferred income taxes	\$ 616	\$ 496
Other	145	139
	\$ 761	\$ 635

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Tangible Assets

The following table provides details of the tangible assets balance sheet item:

(US Dollars in millions)	Land	Equipment	Buildings and Leasehold Improvements	Construction in Progress	Total
Useful lives (years)		3 - 5	Up to 48		
Cost:					
At 27 June 2014	\$ 45	\$ 7,159	\$ 1,452	\$ 323	\$ 8,979
Additions	1	235	20	576	832
Disposals		(157)	(13)	(9)	(179)
Reclassifications		(6)	5	(1)	(2)
CIP Reclassifications	2	209	131	(342)	
Impairments					
At 3 July 2015	\$ 48	\$ 7,440	\$ 1,595	\$ 547	\$ 9,630
Additions	2	117	34	414	567
Disposals		(261)	(26)		(287)
Reclassifications		4	1	(31)	(26)
CIP Reclassifications	19	381	296	(696)	
Impairments					
At 1 July 2016	\$ 69	\$ 7,681	\$ 1,900	\$ 234	\$ 9,884
Accumulated Depreciation:					
At 27 June 2014	\$ (5)	\$ (6,064)	\$ (774)	\$ (8)	\$ (6,843)
Additions		(580)	(104)	(8)	(692)
Disposals		157	13	8	178
Reclassifications	(1)	4	2		5
Impairments					
At 3 July 2015	\$ (6)	\$ (6,483)	\$ (863)	\$ (8)	\$ (7,352)
Additions		(531)	(110)		(641)
Disposals		245	24		269
Reclassifications					
Impairments					
At 1 July 2016	\$ (6)	\$ (6,769)	\$ (949)	\$ (8)	\$ (7,724)
Net Book Value:					
At 3 July 2015	\$ 42	\$ 957	\$ 732	\$ 547	\$ 2,278
At 1 July 2016	\$ 63	\$ 912	\$ 951	\$ 234	\$ 2,160

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 2016 and 2015, the Company capitalized interest of \$13 million and \$15 million, respectively.

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During fiscal year ended 2016, the Company determined it would discontinue the use of certain manufacturing property and equipment in the short-term, and that certain other manufacturing property and equipment was permanently impaired, and as a result recognized a charge of \$53 million from the write-off and accelerated depreciation of of these fixed assets. This amount was recorded in

A-65

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Cost of revenue in the Consolidated Profit and Loss Account. The Company did not record any material impairment charges in fiscal year 2015.

Other Provisions

The following table provides details of the other provisions balance sheet item:

(US Dollars in millions)	Note	1 July 2016	3 July 2015
Accrued warranty	16	\$ 206	\$ 248
Accrued restructuring	5	63	19
		\$ 269	\$ 267

Other Creditors amounts due within one year

The following table provides details of the other creditors amounts falling due within one year balance sheet item:

(US Dollars in millions)	1 July 2016	3 July 2015
Accrued expenses	\$ 358	\$ 366
Deferred income	18	21
Accrued employee compensation	184	256
	\$ 560	\$ 643

Accumulated Other Comprehensive Income (Loss) ("AOCI")

The components of AOCI, net of tax, were as follows:

(US Dollars in millions)	Unrealized Gains (Losses) on Cash Flow Hedges	Unrealized Gains (Losses) on Marketable Securities ⁽¹⁾	Unrealized Gains (Losses) on post- retirement plans	Foreign Currency Translation Adjustments	Total
Balance at 27 June 2014	\$ (1)	\$	\$ (10)	\$ 9	\$ (2)
Other comprehensive income (loss) before reclassifications	(11)		(5)	(25)	(41)
Amounts reclassified from AOCI	13				13
Other comprehensive income (loss)	2		(5)	(25)	(28)
Balance at 3 July 2015	1		(15)	(16)	(30)
Other comprehensive income (loss) before reclassifications	(4)		8	(1)	3
Amounts reclassified from AOCI	2				2
Other comprehensive income (loss)	(2)		8	(1)	5

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Balance at 1 July 2016	\$	(1)	\$	(7)	\$	(17)	\$	(25)
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(1) The cost of a security sold or the amount reclassified out of AOCI into earnings was determined using the specific identification method.

A-66

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****3. Acquisitions***Dot Hill Systems Corp.*

On 6 October 2015, the Company acquired all of the outstanding shares of Dot Hill Systems Corp. ("Dot Hill"), a supplier of software and hardware storage systems. The Company paid \$9.75 per share, or \$674 million, in cash for the acquisition. The acquisition of Dot Hill further expands the Company's OEM-focused cloud storage systems business and advances the Company's strategic efforts.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the acquisition date:

(Dollars in millions)	Amount
Cash and cash equivalents	\$ 40
Trade debtors	48
Inventories	21
Other current and non-current assets	7
Tangible Assets	10
Intangible assets	252
Goodwill	364
Total assets	742
Trade creditors	(42)
Other creditors	(26)
Total liabilities	(68)
Total	\$ 674

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
Existing technology	\$ 164	5.0 years
Customer relationships	71	7.0 years
Trade names	3	5.0 years
Total amortizable intangible assets acquired	238	5.5 years
In-process research and development	14	
Total acquired identifiable intangible assets	\$ 252	

The recognized goodwill, which is not deductible for income tax purposes, is primarily attributable to cost synergies expected to arise after the acquisition and the benefits the Company expects to derive from enhanced market opportunities.

The expenses related to the acquisition of Dot Hill for the fiscal year ended 1 July 2016, which are included within Marketing and administrative expense in the Consolidated Profit and Loss account, are not significant.

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The amounts of revenue and earnings of Dot Hill included in the Company's Consolidated Profit and Loss Account from the acquisition date were not significant.

A-67

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)***LSI's Flash Business*

On 2 September 2014, the Company completed the acquisition of certain assets and liabilities of LSI Corporation's ("LSI") Accelerated Solutions Division and Flash Components Division (collectively, the "Flash Business") from Avago Technologies Limited for \$450 million in cash. The transaction is expected to strengthen Seagate's strategy to deliver a full suite of storage solutions, providing Seagate with established enterprise PCIe flash and SSD controller capabilities to deliver solutions for the growing flash storage market.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the acquisition date:

(US Dollars in millions)	Amount
Inventories	\$ 37
Tangible assets	22
Intangible assets	141
Other debtors	6
Goodwill	337
 Total assets	 543
 Liabilities	 (93)
 Total liabilities	 (93)
 Total	 \$ 450

The following table shows the fair value of the separately identifiable intangible assets at the time of acquisition and the weighted-average period over which intangible assets within each category will be amortized:

(US Dollars in millions)	Fair Value	Weighted-Average Amortization Period
Existing technology	\$ 84	3.5 years
Customer relationships	40	3.8 years
Trade names	17	4.5 years
 Total acquired identifiable intangible assets	 \$ 141	

The goodwill recognized is primarily attributable to the benefits the Company expects to derive from enhanced market opportunities, and is not deductible for income tax purposes.

The Company incurred approximately \$1 million of expenses related to the acquisition of LSI's Flash Business in fiscal year 2015, which are included within Marketing and administrative expense on the Consolidated Profit and Loss Account.

The amounts of revenue and earnings of LSI's Flash Business included in the Company's Consolidated Profit and Loss Account from the acquisition date through the end of fiscal year ended 3 July 2015 were not significant.

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****4. Goodwill and Other Long-lived Assets***Goodwill*

The changes in the carrying amount of goodwill are as follows:

(US dollars in millions)	Amount
Balance as of 27 June 2014	\$ 537
Goodwill acquired	339
Foreign currency translation effect	(2)
Balance as of 3 July 2015	874
Goodwill acquired	364
Goodwill disposed	(1)
Foreign currency translation effect	
Balance as of 1 July 2016	\$ 1,237

Other Intangible Assets

Other intangible assets consist primarily of existing technology, customer relationships, in-process research and development ("IPR&D") and trade names acquired in business combinations. With the exception of IPR&D, acquired intangibles are amortized on a straight-line basis over the respective estimated useful lives of the assets. Amortization is charged to Operating expenses in the Consolidated Profit and Loss Account. IPR&D 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 IPR&D exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. There were no impairment charges recognized for IPR&D. Upon completion of the IPR&D, 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 1 July 2016, 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	\$ 297	\$ (79)	\$ 218	4.1 years
Customer relationships	510	(328)	182	3.2 years
Trade name	29	(14)	15	2.6 years
Other intangible assets	29	(10)	19	3.2 years
Total amortizable other intangible assets	\$ 865	\$ (431)	\$ 434	3.6 years

The carrying value of IPR&D not subject to amortization was \$14 million on 1 July 2016.

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The carrying value of other intangible assets subject to amortization as of 3 July 2015 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	\$ 191	\$ (69)	\$ 122	4.1 years
Customer relationships	487	(282)	205	2.4 years
Trade name	27	(7)	20	3.2 years
Other intangible assets	27	(4)	23	4.2 years
Total amortizable other intangible assets	\$ 732	\$ (362)	\$ 370	3.1 years

The carrying value of IPR&D not subject to amortization was \$0 million on 3 July 2015.

As of 1 July 2016, expected amortization expense for other intangible assets for each of the next five years and thereafter is as follows:

(US Dollars in millions)	Amount
2017	\$ 166
2018	106
2019	68
2020	50
2021	23
Thereafter	21
	\$ 434

The carrying values of intangible assets were \$448 million and \$370 million as of 1 July 2016 and 3 July 2015, respectively. In fiscal year 2016 amortization expense for other intangible assets was \$174 million, of which \$51 million was included in Cost of revenue and \$123 million was included in Amortization of intangibles in the Consolidated Profit and Loss account. In fiscal year 2015, amortization expense for other intangible assets was \$152 million, of which \$23 million was included in

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Cost of revenue and \$129 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	Other Intangible Assets	Total
Cost:						
At 27 June 2014	\$ 231	\$ 462	\$ 13	\$ 39	\$ 11	\$ 756
Additions	84	40	17		24	165
Disposals/Retirements						
Reclassifications	39			(39)		
Foreign currency translation adjustment		(3)				(3)
At 3 July 2015	\$ 354	\$ 499	\$ 30	\$	\$ 35	\$ 918
Additions	164	71	3	14	1	253
Disposals/Retirements	(181)	(47)				(228)
Reclassifications						
Foreign currency translation adjustment						
At 1 July 2016	\$ 337	\$ 523	\$ 33	\$ 14	\$ 36	\$ 943
Accumulated Amortization:						
At 27 June 2014	\$ (181)	\$ (204)	\$ (4)	\$	\$ (8)	\$ (397)
Additions	(51)	(91)	(6)		(4)	(152)
Disposals/Retirements						
Reclassifications						
Foreign currency translation adjustment		1				1
At 3 July 2015	\$ (232)	\$ (294)	\$ (10)	\$	\$ (12)	\$ (548)
Additions	(68)	(94)	(8)		(5)	(175)
Disposals/Retirements	181	47				228
Reclassifications						
Foreign currency translation adjustment						
At 1 July 2016	\$ (119)	\$ (341)	\$ (18)	\$	\$ (17)	\$ (495)
Net Book Value:						
At 3 July 2015	\$ 122	\$ 205	\$ 20	\$	\$ 23	\$ 370
At 1 July 2016	\$ 218	\$ 182	\$ 15	\$ 14	\$ 19	\$ 448

5. Restructuring and Exit Costs

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During fiscal years 2016 and 2015, the Company recorded restructuring charges of \$175 million and \$32 million, respectively, comprised primarily of charges related to employee termination costs and facility exit costs associated with restructuring of our workforce during each fiscal year. The Company's significant restructuring plans are described below. All restructuring charges are reported in Restructuring and Other income and charges, net on the Consolidated profit and loss account.

A-71

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

June 2016 Plan On 27 June 2016, the Company committed to a restructuring plan (the "June 2016 Plan") as part of the Company's efforts to reduce its cost structure to align with the current macroeconomic conditions. The June 2016 Plan included reducing worldwide headcount by approximately 1,600 employees. The June 2016 Plan is expected to be largely completed by the end of the September 2016 quarter. During fiscal year 2016, the Company recorded total restructuring charges of approximately \$69 million related to the June 2016 Plan, comprised of employee termination costs. The Company made cash payments of \$24 million in fiscal year 2016, comprised of employee termination costs related to the June 2016 Plan.

February 2016 Plan On 15 February 2016, the Company committed to a restructuring plan (the "February 2016 Plan") intended to align our manufacturing footprint with current macroeconomic conditions. The February 2016 Plan included reducing worldwide headcount by approximately 2,000 employees. The February 2016 Plan was largely completed by the fiscal quarter ended 1 April 2016. During fiscal year 2016, the Company recorded total restructuring charges and made cash payments of approximately \$15 million related to the February 2016 Plan, comprised primarily of employee termination costs.

September 2015 Plan On 4 September 2015, the Company committed to a restructuring plan (the "September 2015 Plan") intended to realign its cost structure with the current macroeconomic business environment. The September 2015 Plan included reducing worldwide headcount by approximately 1,000 employees. The September 2015 Plan was largely completed by the fiscal quarter ended 1 January 2016. During fiscal year 2016, the Company recorded total restructuring charges of approximately \$65 million related to the September 2015 Plan, comprised of approximately \$57 million for employee termination costs and \$8 million facility exit costs, respectively. The Company made cash payments of \$59 million, comprised primarily of employee termination costs related to the September 2015 Plan.

Fiscal 2015 Plan During fiscal year 2015, the Company recorded employee termination costs of \$25 million and made cash payments of \$16 million associated with a reduction in the workforce. The 2015 Plan was largely completed by fiscal year 2015. The Company did not record any material restructuring charges related to the 2015 Plan during fiscal year 2016.

Other Restructuring and Exit Costs During fiscal year 2016, the Company recorded restructuring charges of approximately \$26 million, comprised of approximately \$12 million for employee termination costs and \$14 million facility exit costs. The Company made cash payments of \$33 million, comprised of approximately \$19 million for employee termination costs and \$14 million facility exit costs related to other restructuring plans.

(US Dollars in millions)	Post- Employment Benefits	Operating Leases	Other Exit Costs	Total
All Restructuring Activities				
Accrual balances at 27 June 2014	\$ 2	\$ 12	\$	\$ 14
Restructuring charges	23	3	4	30
Cash payments	(17)	(6)	(4)	(27)
Adjustments	3	(1)		2
Accrual balances at 3 July 2015	\$ 11	\$ 8	\$	\$ 19
Restructuring charges	151	14	10	175
Cash payments	(113)	(8)	(10)	(131)
Adjustments	1	(1)		
Accrual balances at 1 July 2016	\$ 50	\$ 13	\$	\$ 63

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The accrued restructuring balance is included in Other provisions in the Company's Consolidated Balance Sheet for fiscal years 2016 and 2015.

6. Debentures and Bank Loans*Short-Term Borrowings*

The credit agreement entered into by the Company and its subsidiary Seagate HDD Cayman on 18 January 2011 and subsequently amended (the "Revolving Credit Facility") provides the Company with a \$700 million senior secured revolving credit facility. The term of the Revolving Credit Facility is through January 15, 2020, provided that if the Company does not have Investment Grade Ratings (as defined in the Revolving Credit Facility) on 15 August 2018, then the maturity date will be 16 August 2018 unless certain extension conditions have been satisfied. The loans made under the Revolving Credit Facility will bear interest at a rate of LIBOR plus a variable margin that will be determined based on the corporate credit rating of the Company. The Company and certain of its material subsidiaries fully and unconditionally guarantee the Revolving Credit Facility. The Revolving Credit Facility is available for cash borrowings, subject to compliance with certain covenants and other customary conditions to borrowing, and for the issuance of letters of credit up to a sub-limit of \$75 million. The Revolving Credit Facility, as amended, includes three financial covenants: (1) minimum cash, cash equivalents and marketable securities; (2) a fixed charge coverage ratio; and (3) a net leverage ratio. On 27 April 2016, the Revolving Credit Agreement was amended in order to increase the allowable net leverage ratio to allow for higher net leverage levels. The Company were in compliance with the modified covenants as of 1 July 2016 and expect to be in compliance for the next 12 months. As of 1 July 2016, no borrowings had been drawn or letters of credit utilized under the Revolving Credit Facility.

Long-Term Debt

\$600 million Aggregate Principal Amount of 6.8% Senior Notes due October 2016 (the "2016 Notes"). On September 20, 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 April 1 and October 1 of each year. The issuer under the 2016 Notes is Seagate 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 the December 2014 quarter, the 2016 Notes were fully extinguished through repurchase and redemption for cash at a premium to their principal amount, plus accrued and unpaid interest. The Company recorded a loss on the repurchase and redemption of approximately \$34 million, which is included in Other income and charges, net in the Consolidated profit and loss account.

\$800 million Aggregate Principal Amount of 3.75% Senior Notes due November 2018 (the "2018 Notes"). On 5 November 2013, Seagate HDD Cayman, issued \$800 million in aggregate principal amount of 3.75% Senior Notes, which mature on 15 November 2018, in a private placement. The interest on the Notes is payable semi-annually on 15 May and 15 November of each year. The Notes are redeemable at the option of Seagate HDD Cayman in whole or in part, on not less than 30,

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

nor more than 60 days' notice, at a "make-whole" premium redemption price. The "make-whole" premium 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 schedule payments of principal and interest on the 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. The Notes are fully and unconditionally guaranteed by the Company on a senior unsecured basis.

\$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 May 1 and November 1 of each year. The 2020 Notes were 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" was 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 principal amount, as set forth in the indentures, plus accrued and unpaid interest, if any, to the redemption date. The issuer under the 2020 Notes is Seagate HDD Cayman, and the obligations under the 2020 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by the Company. During fiscal year 2014, the Company repurchased \$66 million aggregate principal amount of its 2020 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 \$7 million, which is included in Other income and charges, net in the Company's Consolidated profit and loss account. During fiscal year 2015, the 2020 Notes were fully extinguished through repurchase and redemption for cash at a premium to their principal amount, plus accrued and unpaid interest. The Company recorded a loss on the repurchase of approximately \$26 million, which is included in Other income and charges, net in the Company's Consolidated profit and loss account.

\$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 January 1 and July 1 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 1 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

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

accrued interest to the redemption date. The issuer under the 2021 Notes is Seagate HDD Cayman and the obligations under the 2021 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by the Company. During fiscal year 2014, the Company repurchased \$349 million aggregate principal amount of its 2021 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 \$54 million, which is included in Other income and charges, net in the Company's Consolidated Profit and Loss Account. During fiscal year 2015, the Company repurchased \$93 million aggregate principal amount of its 2021 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 \$13 million, which is included in Other income and charges, net in the Company's Consolidated Profit and Loss Account. During fiscal year 2016, the Company repurchased \$1 million aggregate principal amount of its 2021 Notes for cash at a premium to their principal amount, plus accrued and unpaid interest. The loss recorded on the repurchase was immaterial, which is included in Other income and charges, net in the Company's Consolidated profit and loss account.

\$1 billion Aggregate Principal Amount of 4.75% Senior Notes due June 2023 (the "2023 Notes"). On 22 May 2013, Seagate HDD Cayman, issued \$1 billion in aggregate principal amount of 4.75% Senior Notes, which mature on June 1, 2023, in a private placement. The obligations under the 2023 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by the Company. The interest on the 2023 Notes is payable semi-annually on June 1 and December 1 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. During fiscal year 2016, the Company repurchased \$10 million aggregate principal amount of its 2023 Notes for cash at a discount to their principal amount, plus accrued and unpaid interest. The loss recorded on the repurchase was immaterial, which is included in Other income and charges, net in the Company's Consolidated profit and loss account.

\$1 billion Aggregate principal amount of 4.75% Senior Notes due January 2025 (the "2025 Notes"). On 28 May 2014, Seagate HDD Cayman issued, in a private placement, \$1 billion in aggregate principal amount of 4.75% Senior Notes due 2025, which mature on January 1, 2025. The interest on the Notes will be payable in cash semiannually on January 1 and July 1 of each year, commencing on 1 January 2015. At any time, upon not less than 30 nor more than 60 days' notice, Seagate HDD may redeem some or all of the Notes at a "make-whole" redemption price. The "make-whole" redemption price will be equal to the greater of (1) 100% of the principal amount of the Notes redeemed, and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the Notes being redeemed, discounted to the redemption date on a semi-annual basis at a rate equal to the sum of the Treasury Rate plus 50 basis points. Accrued and unpaid interest, if any, will be paid to, but excluding, the redemption date. The Notes are fully and unconditionally guaranteed by the Company on a senior unsecured basis. During fiscal year 2016, the Company repurchased \$5 million aggregate principal amount of its 2025 Notes for cash at a discount to their principal amount, plus accrued and unpaid interest. The gain recorded on the repurchase was immaterial, which is included in Other income and charges, net in the Company's Consolidated profit and loss account.

\$500 million Aggregate Principal Amount of 5.75% Senior Notes due December, 2034 (the "2034 Notes"). On 2 December 2014, Seagate HDD Cayman issued, in a private placement, \$500 million in aggregate principal amount of 5.75% Senior Notes, which mature on December 1, 2034.

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The interest on the Notes is payable semi-annually on June 1 and December 1 of each year, commencing on 1 June 2015. At any time before June 1, 2034, Seagate HDD Cayman may redeem some or all of the Notes at a "make-whole" redemption price. The "make-whole" redemption price will be equal to (1) 100% of the principal amount of the Notes redeemed, plus (2) the excess, if any of (x) the sum of the present values of the remaining scheduled payments of principal and interest on the Notes being redeemed, discounted to the redemption date on a semi-annual basis at a rate equal to the sum of the Treasury Rate plus 50 basis points, minus accrued and unpaid interest, if any, on the Notes being redeemed to, but excluding, the redemption date over (y) the principal amount of the Notes being redeemed, plus (3) accrued and unpaid interest, if any, on the Notes being redeemed to, but excluding, the redemption date. At any time on or after June 1, 2034, the Company may redeem some or all of the Notes at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. The issuer under the 2034 Notes is Seagate HDD Cayman, and the obligations under the 2034 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by the Company. During fiscal year 2016, the Company repurchased \$10 million aggregate principal amount of its 2034 Notes for cash at a discount to their principal amount, plus accrued and unpaid interest. The Company recorded a gain on the repurchase of approximately \$3 million, which is included in Other income and charges, net in the Company's Consolidated profit and loss account.

\$700 million Aggregate Principal Amount of 4.875% Senior Notes due June, 2027 (the "2027 Notes"). On 14 May 2015, Seagate HDD Cayman issued, in a private placement, \$700 million in aggregate principal amount of 4.875% Senior Notes, which mature on June 1, 2027. The interest on the Notes is payable semi-annually on June 1 and December 1 of each year, commencing on 1 December 2015. At any time before March 1, 2027, Seagate HDD Cayman may redeem some or all of the Notes at a "make-whole" redemption price. The "make-whole" redemption price will be equal to (1) 100% of the principal amount of the Notes redeemed, plus (2) the excess, if any of (x) the sum of the present values of the remaining scheduled payments of principal and interest on the Notes being redeemed, discounted to the redemption date on a semi-annual basis at a rate equal to the sum of the Treasury Rate plus 40 basis points, minus accrued and unpaid interest, if any, on the Notes being redeemed to, but excluding, the redemption date over (y) the principal amount of the Notes being redeemed, plus (3) accrued and unpaid interest, if any, on the Notes being redeemed to, but excluding, the redemption date. At any time on or after March 1, 2027, the Company may redeem some or all of the Notes at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. The issuer under the 2027 Notes is Seagate HDD Cayman, and the obligations under the 2027 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by the Company.

Interest charges shown in the Consolidated Profit and Loss Account are related to the Company's debentures.

At 1 July 2016, future principal payments on long-term debt were as follows (in millions):

Fiscal Year	Amount
2017	\$
2018	
2019	800
2020	
2021	
Thereafter	3,333
	\$ 4,133

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****7. Income Taxes**

The provision for liabilities and charges related to taxation as reported in the Balance Sheet consisted of the following:

(US Dollars in millions)	Fiscal Years Ended	
	1 July 2016	3 July 2015
Accrued income taxes falling due within one year	\$ 7	\$ 10
Deferred income tax liabilities due within one year		
Accrued income taxes falling due after one year	14	33
Deferred income tax liabilities due after one year	10	6
Total	\$ 31	\$ 49

Income tax expense (benefit) consisted of the following:

(US Dollars in millions)	Fiscal Years Ended	
	1 July 2016	3 July 2015
Current tax expense (benefit):		
U.S. Federal	\$ 1	\$
U.S. State	2	4
Non-U.S.	25	222
Total Current	28	226
Deferred tax expense (benefit):		
U.S. Federal		(6)
U.S. State		(2)
Non-U.S.	(2)	10
Total Deferred	(2)	2
Income tax expense (benefit)	\$ 26	\$ 228

Income before income taxes consisted of the following:

(US Dollars in millions)	Fiscal Years Ended	
	1 July 2016	3 July 2015
U.S.	\$	\$ 101
Non-U.S.	274	1,869
Total	\$ 274	\$ 1,970

On 18 December 2015, the Protecting Americans from Tax Hikes ("PATH") Act of 2015 was enacted. Among, other provisions, the PATH Act retroactively reinstated and permanently extended the federal Research and Development ("R&D") tax credit from 31 December 2014. The permanent extension of the R&D credit had no immediate impact on the Company's income tax provision due to valuation allowances on its

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U.S. deferred tax assets. None of the other PATH Act changes had a material impact on the Company's income tax provision.

The Company recorded \$0.6 million and \$2.0 million of excess tax benefits associated with stock option deductions in fiscal years 2016 and 2015, respectively.

A-77

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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 purposes. The significant components of the Company's deferred tax assets and liabilities were as follows:

(US Dollars in millions)	Fiscal Years Ended	
	1 July 2016	3 July 2015
Deferred tax assets		
Accrued warranty	\$ 74	\$ 88
Inventory valuation accounts	32	43
Debtor reserve	11	16
Accrued compensation and benefits	85	106
Depreciation	173	171
Restructuring accruals	14	4
Other accruals and deferred items	50	31
Net operating losses and tax credit carry-forwards	1,252	1,099
Other assets	2	5
Total deferred tax assets	1,693	1,563
Valuation allowance	(984)	(929)
Net deferred tax assets	709	634
Deferred tax liabilities		
Unremitted earnings of certain non-U.S. entities	(11)	(6)
Acquisition-related items	(92)	(15)
Other liabilities		(1)
Total Deferred tax liabilities	(103)	(22)
Total Net Deferred tax assets	\$ 606	\$ 612
As Reported on the Balance Sheet		
Deferred income taxes included in Other debtors falling due within one year	\$	\$ 122
Deferred income taxes included in Other debtors falling due after one year	616	496
Deferred income taxes liabilities included in Provision for taxation	(10)	(6)
Total Net Deferred income taxes	\$ 606	\$ 612

Consistent with the intent of ASU 2015-17 to simplify the presentation of deferred income taxes, the Company elected to adopt ASU 2015-17 on a prospective basis as of the second quarter, fiscal year 2016. Prior periods were not retrospectively adjusted. As a result of this change in accounting principle, the Company's current deferred tax assets were reclassified to non-current.

The deferred tax asset valuation allowance increased by \$55 million and \$41 million in fiscal years 2016 and 2015.

At 1 July 2016, the Company recorded \$606 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 it is more likely than not that these deferred tax assets will be

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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 1 July 2016, the Company had U.S. federal, state and non-U.S. tax net operating loss carryforwards of approximately \$3.4 billion, \$2.1 billion and \$121.0 million, respectively which will expire at various dates beginning in fiscal year 2018, if not utilized. U.S. state net operating loss carryforwards of approximately \$104 million are scheduled to expire in fiscal year 2017. At 1 July 2016, the Company had U.S. federal and state tax credit carryforwards of \$437 million and \$96 million, respectively, which will expire at various dates beginning in fiscal year 2018, if not utilized.

As of 1 July 2016, approximately \$677 million of the Company's U.S. net operating losses and \$99 million of its tax credit carryforwards are subject to annual limitations from \$1 million to \$45 million pursuant to U.S. tax law.

For the purposes of the reconciliation between the income tax expense at the rate applicable to the Company in Ireland and the effective tax rate, the rate applicable to the Company of 25% was applied as follows:

(US Dollars in millions)	Fiscal Years Ended	
	1 July 2016	3 July 2015
Income tax expense at statutory rate applicable to the Company in Ireland	\$ 69	\$ 493
Net U.S. federal and state income taxes	3	7
Permanent differences	10	2
Valuation allowance	(1)	15
Non-U.S. losses with no tax benefits	1	2
Non-U.S. earnings taxed at less than statutory rate applicable to the Company in Ireland	(37)	(463)
Audit assessment		173
Reversal of previously recorded taxes	(19)	(5)
Other individually immaterial items		4
Income tax expense	\$ 26	\$ 228

A substantial portion of the Company's operations in Malaysia, Singapore, and Thailand operate under various tax holiday programs, which expire in whole or in part at various dates through 2024. Certain of the tax holidays may be extended if specific conditions are met. The net impact of these tax holiday programs was to increase the Company's net income by approximately \$67 million in fiscal year 2016 (\$0.22 per share, diluted) and to increase the Company's net income by approximately \$349 million in fiscal year 2015 (\$1.05 per share, diluted).

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 1 July 2016, was approximately \$1.6 billion. If such amount were remitted to Ireland as a dividend, it is likely that tax at 25% or approximately \$400 million would result.

As of 1 July 2016 and 3 July 2015, the Company had approximately \$70 million and \$83 million, respectively, of unrecognized tax benefits excluding interest and penalties. The amount of unrecognized

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

tax benefits that, if recognized, would impact the effective tax rate is \$70 million and \$83 million as of 1 July 2016 and 3 July 2015, respectively, subject to certain future valuation allowance offsets.

The following table summarizes the activity related to the Company's gross unrecognized tax benefits:

(US Dollars in millions)	Fiscal Years Ended	
	1 July 2016	3 July 2015
Balance of unrecognized tax benefits at the beginning of the year	\$ 83	\$ 115
Gross increase for tax positions of prior years	12	12
Gross decrease for tax positions of prior years	(8)	(4)
Gross increase for tax positions of current year	11	9
Gross decrease for tax positions of current year		
Settlements		(45)
Lapse of statutes of limitation	(27)	(3)
Non-U.S. exchange gain	(1)	(1)
Balance of unrecognized tax benefits at the end of the year	\$ 70	\$ 83

It is the Company's policy to include interest and penalties related to unrecognized tax benefits in the provision for income taxes on the Consolidated Profit and loss Account. During fiscal year 2016, the Company recognized net income tax benefit for interest and penalties of \$8 million as compared to net income tax expense of \$26 million during fiscal year 2015. As of 1 July 2016, the Company had \$12 million of accrued interest and penalties related to unrecognized tax benefits compared to \$20 million in fiscal year 2015.

During the 12 months beginning 2 July 2016, the Company expects that its unrecognized tax benefits could be reduced by approximately \$16 million as a result of the expiration of certain statutes of limitation.

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. On 4 April 2016, the IRS approved the audit settlement reached in December 2015 regarding all disputed issues associated with the Company's U.S. federal income tax returns for fiscal years 2008, 2009 and 2010. This audit settlement did not have a material impact on the Company's financial statements.

The Company is no longer subject to examination of its U.S. federal income tax returns for years prior to fiscal year 2013. With respect to U.S. state and non-U.S. income tax returns, the Company is generally no longer subject to tax examination for years ending prior to fiscal year 2005.

The following table shows the activity in the deferred tax liability balance for fiscal year 2016:

(US Dollars in millions)	
Balance at 3 July 2015	\$ 6
Unremitted earnings of certain non-U.S. entities	4
Balance at 1 July 2016	\$ 10

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

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

forward exchange contracts in order to manage the foreign currency exchange rate risk on forecasted 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 changes in the fair value of 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 loss on cash flow hedges was \$2 million as of 1 July 2016 and the amount of net unrealized gain on cash flow hedges was \$1 million as of 3 July 2015.

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 2016 and 2015. As of 1 July 2016, 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 immaterial.

The following tables show the total notional value of the Company's outstanding foreign currency forward exchange contracts as of 1 July 2016 and 3 July 2015:

As of 1 July 2016		
(US Dollars in millions)	Contracts Designated as Hedges	Contracts Not Designated as Hedges
British Pound Sterling	47	10

As of 3 July 2015		
(US Dollars in millions)	Contracts Designated as Hedges	Contracts Not Designated as Hedges
Thai Baht	\$ 18	\$ 48
Singapore Dollars	23	42
Chinese Renminbi	5	16
Euro		13
British Pound Sterling	35	
Malaysian Ringgit	12	15
	\$ 93	\$ 134

The Company is subject to equity market risks due to changes in the fair value of the notional investments selected by its employees as part of its Non-qualified Deferred Compensation Plan the Seagate Deferred Compensation Plan (the "SDCP"). In the quarter ended 27 December 2013, the Company entered into a Total Return Swap ("TRS") in order to manage the equity market risks associated with the SDCP liabilities. The Company pays a floating rate, based on LIBOR plus an interest rate spread, on the notional amount of the TRS. The TRS is designed to substantially offset changes in the SDCP liability due to changes in the value of the investment options made by employees. As of 1 July 2016, the notional investments underlying the TRS amounted to \$94 million. The contract term of the TRS is through January 2016 and is settled on a monthly basis, therefore limiting counterparty performance risk. The Company renewed the contract term through January 2017

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

under materially the same terms. The Company did not designate the TRS as a hedge. Rather, the Company records all changes in the fair value of the TRS to earnings to offset the market value changes of the SDCP liabilities.

The following tables show the Company's derivative instruments measured at gross fair value as reflected in the Consolidated Balance Sheets as of 1 July 2016 and 3 July 2015:

(US Dollars in millions)	As of 1 July 2016			
	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	\$	Other creditors	\$ (2)
Derivatives not designated as hedging instruments:				
Foreign currency forward exchange contracts	Other debtors		Other creditors	(1)
Total return swap	Other debtors	3	Other creditors	
Total derivatives		\$ 3		\$ (3)

(US Dollars in millions)	As of 3 July 2015			
	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	\$ 2	Other creditors	\$ (1)
Derivatives not designated as hedging instruments:				
Foreign currency forward exchange contracts	Other debtors		Other creditors	(3)
Total return swap	Other debtors	1	Other creditors	
Total derivatives		\$ 3		\$ (4)

The following tables show the effect of the Company's derivative instruments on the Consolidated Statements of Comprehensive Income and the Consolidated Profit and Loss Account for the fiscal year ended 1 July 2016:

(US Dollars in millions)	Amount of Gain or (Loss) Recognized in OCI on Derivatives (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 Derivatives (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)
Derivatives Designated as Cash Flow Hedges					

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Foreign currency forward exchange
contracts

\$

(4) Cost of revenue

\$

(2) Cost of revenue

\$

A-82

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Derivatives Not Designated as Hedging Instruments	Location of Gain or (Loss) Recognized in Income on Derivatives	Amount of Gain or (Loss) Recognized in Income on Derivatives
Foreign currency forward exchange contracts	Other income and charges, net	\$ (5)
Total return swap	Operating expenses	\$ (1)

- (a) The amounts of gains or losses recognized in income related to the ineffective portion of the hedging relationships and to the amount excluded from the assessment of hedge effectiveness were immaterial for the fiscal year ended 1 July 2016.

The following tables show the effect of the Company's derivative instruments on the Consolidated Statement of Comprehensive Income and the Consolidated Profit and Loss Account for the fiscal year ended 3 July 2015:

	Amount of Gain or (Loss) Recognized in OCI on Derivatives (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 Derivatives (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)
(US Dollars in millions)					
Derivatives Designated as Cash Flow Hedges					
Foreign currency forward exchange contracts	\$ (11)	Cost of revenue	\$ (13)	Cost of revenue	\$ 1

Derivatives Not Designated as Hedging Instruments	Location of Gain or (Loss) Recognized in Income on Derivatives	Amount of Gain or (Loss) Recognized in Income on Derivatives
Foreign currency forward exchange contracts	Other income and charges, net	\$ (4)
Total return swap	Operating expenses	\$

- (a) The amounts of gains or losses recognized in income related to the ineffective portion of the hedging relationships were immaterial for the fiscal year ended 3 July 2015. The amount of gains recognized in income related to the amount excluded from the assessment of hedge effectiveness was \$1 million for the fiscal year ended 3 July 2015.

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

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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;

A-83

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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.

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 1 July 2016:

(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	\$ 316	\$	\$	\$	316
Certificates of deposit		439			439
Corporate bonds		6			6
Total cash equivalents and investments	316	445			761
Restricted cash and investments:					
Money market funds	2				2
Certificates of deposit		5			5
Derivative assets		3			3
Total assets	\$ 318	\$ 453	\$	\$	771
Liabilities:					
Derivative liabilities	\$	\$ (3)	\$	\$	(3)
Total liabilities	\$	\$ (3)	\$	\$	(3)

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	316	439	\$	\$ 755
Investments		6		6
Other debtors amounts falling due within one year	2	8		10
Total assets	\$ 318	\$ 453	\$	\$ 771
Liabilities:				
Other creditors	\$	\$ (3)	\$	\$ (3)
Total liabilities	\$	\$ (3)	\$	\$ (3)

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 3 July 2015:

(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	\$ 1,201	\$	\$	\$ 1,201
Certificates of deposit		862		862
Corporate bonds		6		6
Total cash equivalents and investments	1,201	868		2,069
Restricted Cash and Investments:				
Money market funds	2			2
Other debt securities		5		5
Derivative assets		3		3
Total assets	\$ 1,203	\$ 876	\$	\$ 2,079
Liabilities:				

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Derivative liabilities	\$	\$	(4)	\$	(4)
Total liabilities	\$	\$	(4)	\$	(4)

A-85

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	\$ 1,201	\$ 862	\$	\$ 2,063
Investments		6		6
Other debtors amounts falling due within one year	2	8		10
Total assets	\$ 1,203	\$ 876	\$	\$ 2,079
Liabilities:				
Other creditors	\$	\$ (4)	\$	\$ (4)
Total liabilities	\$	\$ (4)	\$	\$ (4)

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, U.S. Treasuries and certificates of deposits. 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 investments. For the cash equivalents and 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 1 July 2016, 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 and the TRS. 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.

As of 1 July 2016 and 3 July 2015, we had no Level 3 assets.

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 Financial 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 1 July 2016 and 3 July 2015 totaled \$113 million and \$120 million, respectively, and consisted primarily of privately held equity securities without a readily determinable fair value.

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

During the fiscal years 2016 and 2015, the Company determined that certain of its equity investments accounted for under the cost method were other-than-temporarily impaired, and recognized charges of \$13 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 income and charges, 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 analyzing the underlying cash flows and future prospects of the investee.

The following table shows the activity in the Financial assets for fiscal year 2016 and 2015, respectively:

(US Dollars in millions)	Strategic Investments	Total
Balance at 27 June 2014	\$ 46	\$ 46
Additional investments	85	85
Sales and settlements	(4)	(4)
Impairments	(7)	(7)
Balance at 3 July 2015	\$ 120	\$ 120
Additional investments	6	6
Impairments	(13)	(13)
Balance at 1 July 2016	\$ 113	\$ 113

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 of the same debt instruments 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 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)	1 July 2016		3 July 2015	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
3.75% Senior Notes due November 2018	\$ 800	\$ 804	\$ 800	\$ 828
7.00% Senior Notes due November 2021	158	164	158	170
4.75% Senior Notes due June 2023	990	857	1,000	1,016
4.75% Senior Notes due January 2025	995	795	1,000	995
4.875% Senior Notes due June 2027	698	514	698	675
5.75% Senior Notes due December 2034	489	357	499	491
	4,130	3,491	4,155	4,175
Less short-term borrowings and current portion of long-term debt				
Long-term debt, less current portion	\$ 4,130	\$ 3,491	\$ 4,155	\$ 4,175

Table of Contents

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Capital and Reserves

Share Capital

The Company's authorized share capital is \$13,500 and consists of 1,250,000,000 ordinary shares, par value \$0.00001, of which 298,572,217 shares were outstanding as of 1 July 2016, and 100,000,000 preferred shares, par value \$0.00001, of which none were issued or outstanding as of 1 July 2016 and 40,000 deferred shares of par value €1 of which 40,000 shares were outstanding as of 1 July 2016.

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.

Repurchases of Equity Securities

On 24 July 2013, the Board of Directors authorized the Company to repurchase an additional \$2.5 billion of its outstanding ordinary shares.

On 22 April 2015, 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 1 July 2016, \$1.8 billion remained available for repurchase under the existing repurchase authorization limit.

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The following table sets forth information with respect to repurchases of the Company's ordinary shares during fiscal years 2016 and 2015:

(US Dollars in millions)	Number of Shares Repurchased	Dollar Value of Shares Repurchased
Cumulative repurchased through 27 June 2014	285	\$ 7,398
Repurchased in fiscal year 2015	19	1,087
Cumulative repurchased through 3 July 2015	304	8,485
Repurchased in fiscal year 2016 ^(a)	24	1,146
Cumulative repurchased through 1 July 2016	328	\$ 9,631

(a) Including net share settlement of \$56 million for 1 million shares in connection with tax withholding related to vesting of restricted stock units.

Reserves

	Seagate Technology plc Ordinary Shareholders				
	Number of Ordinary Shares (In millions)	Share Premium	Profit and Loss Account (US Dollars in millions)	Other Reserves	Total Equity
Balance at 27 June 2014	327	\$ 5,332	\$ (2,677)	\$ 177	\$ 2,832
Income for the period			1,742		1,742
Repurchase and cancellation of ordinary shares	(19)		(1,087)		(1,087)
Issuance of shares in respect of share-based payment plans	7	98			98
Dividends to shareholders			(664)		(664)
Share-based compensation				137	137
Other comprehensive income				(28)	(28)
Other				(12)	(12)
Balance at 3 July 2015	315	\$ 5,430	\$ (2,686)	\$ 274	\$ 3,018
Income for the period			248		248
Repurchase and cancellation of ordinary shares	(23)		(1,090)		(1,090)
Tax withholding related to vesting of restricted stock units	(1)		(56)		(56)
Issuance of shares in respect of share-based payment plans	8	79			79
Dividends to shareholders			(727)		(727)
Share-based compensation				120	120
Other comprehensive income				5	5
Other				(4)	(4)
Balance at 1 July 2016	299	\$ 5,509	\$ (4,311)	\$ 395	\$ 1,593

Capital Redemption Reserve Fund

Other reserves includes an amount of \$2,960 and \$2,720 for fiscal years 2016 and 2015, respectively, representing a Capital Redemption Reserve Fund.

A-89

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****11. Compensation***Stock-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 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 27.0 million 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 11.0 million 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"). On 22 October 2014, the shareholders authorized the issuance from the EIP of an additional 25 million ordinary shares, par value \$0.0001 per share. 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 five-tenths shares for every one share granted. As of 1 July 2016 there were approximately 32.7 million ordinary shares available for issuance under the EIP.

Dot Hill Systems 2009 Equity Incentive Plan (the "DHEIP"). Seagate Technology plc acquired the Dot Hill Systems 2009 Equity Incentive Plan effective 6 October 2015. The Company assumed the remaining authorized but unused share reserve of approximately 2 million shares, based on the conversion ratio, from the DHEIP on the acquisition date. Any shares that are subject to options or share appreciation rights granted under the DHEIP 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 one and five-tenths shares for every one share granted. As of 1 July 2016, there were approximately 1 million ordinary shares available for issuance under the DHEIP.

Seagate Technology plc Employee Stock Purchase Plan (the "ESPP"). There are 50.0 million ordinary shares authorized to be issued under the ESPP. In no event shall the total number of shares issued under the ESPP exceed 75.0 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 1 July 2016 there were approximately 6.8 million ordinary shares available for issuance under the ESPP.

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

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

the EIP and SCP have an exercise price equal to the closing price of the Company's ordinary shares on date of grant.

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 years 2016 and 2015, the Company granted 0.4 million and 0.3 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 three 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 0.2 million and 0.4 million performance awards during fiscal years 2016 and 2015, 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 2016 and 2015, the Company did not grant any performance-based options and performance based restricted share units to its CEO.

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 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

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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 2016 and 2015, 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	
	2016	2015
Nonvested awards:		
Weighted-average fair value	\$ 41.47	\$ 58.93
Performance awards:		
Weighted-average fair value	\$ 42.09	\$ 59.51

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 2016 and 2015, were estimated using the following assumptions:

	Fiscal Years	
	2016	2015
Options		
Expected term (in years)	2.1 - 4.2	4.2
Volatility	33 - 48%	33 - 35%
Weighted-average volatility	36%	34%
Expected dividend rate	4.6 - 11.0%	2.9 - 4.0%
Weighted-average expected dividend rate	5.6%	3.0%
Risk-free interest rate	0.6 - 1.5%	1.1 - 1.5%
Weighted-average fair value	\$12.28	\$12.98
ESPP		
Expected term (in years)	0.5	0.5
Volatility	28 - 46%	28 - 29%
Weighted-average volatility	39%	28%
Expected dividend rate	4.6 - 8.3%	3.0 - 3.8%
Weighted-average expected dividend rate	6.9%	3.4%
Risk-free interest rate	0.5%	0.1%
Weighted-average fair value	\$9.08	\$12.21
Performance restricted share awards subject to market condition		
Expected term (in years)	3.00	3.00
Weighted-average volatility	30%	40%
Expected dividend rate	4.3%	2.8%
Risk-free interest rate	1.1%	1.1%
Weighted-average fair value	\$47.34	\$58.31

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)***Stock Compensation Expense*

The Company recorded \$120 million and \$137 million of share-based compensation during fiscal years 2016 and 2015. 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.

Stock Option Activity

The Company issues new ordinary shares upon exercise of stock 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 (Dollars)
				In millions)
Outstanding at 3 July 2015	4.9	\$ 27.94	3.6	\$ 110
Granted	2.6	\$ 35.86		
Exercised	(1.5)	\$ 8.32		
Forfeitures	(0.4)	\$ 47.03		
Expirations	(0.2)	46.43		
Outstanding at 1 July 2016	5.4	\$ 34.91	4.6	\$ 14
Vested and expected to vest at 1 July 2016	5.3	\$ 34.93	4.6	\$ 14
Exercisable at 1 July 2016	2.5	\$ 27.46	3.2	\$ 12

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 1 July 2016. During fiscal years 2016 and 2015, the aggregate intrinsic value of options exercised under the Company's stock option plans was \$44 million and \$92 million, respectively, determined as of the date of option exercise. The aggregate fair value of options vested during fiscal year 2016 was approximately \$18 million.

At 1 July 2016, the total compensation cost related to options granted to employees but not yet recognized was approximately \$28 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 Awards Activity*

The following is a summary of nonvested award activities which do not contain a performance condition:

Nonvested Awards	Number of Shares (In millions)	Weighted- Average Grant-Date Fair Value
Nonvested at 3 July 2015	5.2	\$ 39.73
Granted	2.4	\$ 41.47
Forfeitures	(0.7)	\$ 45.04
Vested	(2.1)	\$ 30.95
Nonvested at 1 July 2016	4.8	\$ 39.95

At 1 July 2016, the total compensation cost related to nonvested awards granted to employees but not yet recognized was approximately \$133 million, net of estimated forfeitures of approximately \$7 million. This cost is being amortized on a straight-line basis over a weighted-average remaining term of 2.4 years and will be adjusted for subsequent changes in estimated forfeitures. The aggregate fair value of nonvested awards vested during fiscal year 2016 was approximately \$102 million.

Performance Awards

The following is a summary of nonvested award activities which contain a performance condition:

Performance Awards	Number of Shares (In millions)	Weighted- Average Grant-Date Fair Value
Performance units at 3 July 2015	2.1	\$ 61.12
Granted	0.6	\$ 45.68
Forfeitures	(0.2)	\$ 53.99
Vested	(1.1)	\$ 27.05
Performance units at 1 July 2016	1.4	\$ 47.41

At 1 July 2016, the total compensation cost related to performance awards granted to employees but not yet recognized was approximately \$23 million. This cost is being amortized on a straight-line basis over a weighted-average remaining term of 3.5 years.

ESPP

During fiscal years 2016 and 2015, the aggregate intrinsic value of shares purchased under the Company's ESPP was approximately \$12 million and \$15 million, respectively. At 1 July 2016, the total compensation cost related to options to purchase the Company's ordinary shares under the ESPP but not yet recognized was approximately \$1.7 million. This cost will be amortized on a straight-line basis over a weighted-average period of approximately one month. During fiscal year 2016, the Company issued 2.1 million ordinary shares with a weighted-average purchase price of \$31.54 per share.

Table of Contents

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 2016 and 2015, the Company made matching contributions of \$19 million and \$18 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. In the quarter ended 27 December 2013, the Company entered into a TRS in order to manage the equity market risks associated with the SDCP liabilities. See "Note 8. Derivative Financial Instruments" contained in this report for additional information about the TRS.

Directors' Emolument

During the year ended 1 July 2016, the Company paid \$8 million to its directors in respect of duties relating to Seagate Technology plc. Of the total paid, \$5 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. Gains on exercise of vested options were approximately \$1.6 million in fiscal year 2016.

During the year ended 3 July 2015, the Company paid \$15 million to its directors in respect of duties relating to Seagate Technology plc. Of the total paid, \$11 million was for managerial services, which included compensation for Mr. Luczo's service as President and Chief Executive Officer, and \$4 million was for director services, which included compensation for all non-employee directors. Gains on exercise of vested options were immaterial in fiscal year 2015.

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	
	1 July 2016	3 July 2015
Numerator:		
Net income attributable to Seagate Technology plc	\$ 248	\$ 1,742
Number of shares used in per share calculations:		
Total shares for purposes of calculating basic net income per share attributable to Seagate Technology plc	299	324
Weighted-average effect of dilutive securities:		
Employee equity award plans	3	7
Total shares for purpose of calculating diluted net income per share attributable to Seagate Technology plc	302	331

Net income per share attributable to Seagate Technology plc shareholders:

Basic	\$ 0.83	\$ 5.38
Diluted	\$ 0.82	\$ 5.26

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	
	1 July 2016	3 July 2015
Employee equity award plans	3	

13. Business Segment and Geographic Information

The Company has concluded that its manufacture and distribution of electronic storage solutions constitutes one reporting segment. The Company's manufacturing operations are based on technology platforms that are used to produce various electronic storage solutions that serve multiple 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 2016 and 2015, Dell Inc. accounted for approximately 12% and 14% of consolidated revenue, respectively. In fiscal year 2015, Hewlett-Packard Company accounted for approximately 12% of consolidated revenue. In fiscal year 2016, HP Inc., formerly known as Hewlett-Packard Company, completed its separation with Hewlett Packard Enterprise Company, and each company accounted for less than 10% of our consolidated revenue. 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 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:

(US Dollars in millions)	Fiscal Years Ended	
	1 July 2016	3 July 2015
Revenue from external customers ^(a) :		
Singapore	\$ 5,354	\$ 6,844
United States	3,376	3,929
The Netherlands	1,813	2,291
Other	617	675
Consolidated	\$ 11,160	\$ 13,739
Long-lived assets:		
United States	\$ 1,029	\$ 725
Singapore	726	900
Thailand	349	328
Malaysia	201	248
China	115	138
Other	444	568
Consolidated	\$ 2,864	\$ 2,907

(a) 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 (the "'635 patent") and U.S. Patent No. 5,638,267 (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. On January 16, 2002, Convolve filed an amended complaint, alleging defendants infringe US Patent No. 6,314,473 (the "'473 patent"). The district court ruled in 2010 that the '267 patent was out of the case.

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

On 16 August 2011, the district court granted in part and denied in part the Company's motion for summary judgment. On 1 July 2013, the U.S. Court of Appeals for the Federal Circuit: 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 11 July 2014, the district court granted the Company's summary judgment motion regarding Convolv's only remaining cause of action, which alleged infringement of the '473 patent. The district court entered judgment in favor of the Company on 14 July 2014. Convolv filed a notice of appeal on 13 August 2014. On 10 February 2016, the U.S. Court of Appeals for the Federal Circuit: 1) affirmed the district court's summary judgment of no direct infringement by Seagate because Seagate's ATA/SCSI disk drives do not meet the "user interface" limitation of the asserted claims of the '473 patent; 2) affirmed the district court's summary judgment of non-infringement by Compaq's products as to claims 1, 3, and 5 of the '473 patent because Compaq's F10 BIOS interface does not meet the "commands" limitation of those claims; 3) vacated the district court's summary judgment of non-infringement by Compaq's accused products as to claims 7-15 of the '473 patent; 4) reversed the district court's summary judgment of non-infringement based on intervening rights; and 5) remanded the case to the district court for further proceedings on the '473 patent. In view of the rulings made by the district court and the Court of Appeals 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. On 31 March 2014, the district court granted Seagate's summary judgment motion and entered judgment in favor of Seagate. Mr. Shukh filed a notice of appeal on 7 April 2014. On 2 October 2015, the court of appeals vacated and remanded the district court's grant of summary judgment on Mr. Shukh's claim for correction of inventorship and affirmed the district court's grant of summary judgment as to all other claims. On 29 October 2015, Mr. Shukh filed a petition for rehearing en banc with the court of appeals; the petition was denied on 17 December 2015. On 16 March 2016, Shukh filed a petition for writ of certiorari to the U.S. Supreme Court; the petition was denied on 27 June 2016. 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.

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. On 16 March 2016, the Company and LEAP reached a settlement. As a result of the settlement, this litigation between the Company and LEAP has ended. There is no damage or loss to the Company related to this matter.

Enova Technology Corporation v. Seagate Technology (US) Holdings, Inc., et al. On 5 June 2013, Enova Technology Corporation ("Enova") 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

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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. On 27 April 2015, the district court ordered a stay of the case, in view of proceedings regarding the '995 and '057 Patents before the Patent Trial and Appeal Board ("PTAB") of the U.S. Patent and Trademark Office. The Company believes the claims are without merit and intends to vigorously defend this case. On 2 September 2015, PTAB issued its final written decision that claims 1-15 of the '995 Patent are held unpatentable. On 18 December 2015, PTAB issued its final written decisions that claims 1-32 and 40-53 of the '057 Patent are held unpatentable. On 4 February 2016, PTAB issued its final written decision that claims 33-39 of the '057 Patent are held unpatentable. Enova has appealed PTAB's decisions on the '995 Patent and the 057 Patent to the U.S. Court of Appeals for the Federal Circuit. A hearing before the court of appeals 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.

Seagate Technology LLC v. Western Digital Corp. On 8 October 2014, the Minnesota Supreme Court ruled that the arbitration award in favor of the Company in its case against Western Digital for the misappropriation of the Company's trade secrets should be confirmed. In the arbitration award, issued on 23 January 2012, the arbitrator determined that Western Digital and its former employee had misappropriated the Company's trade secrets. The arbitrator awarded the Company \$525 million in compensatory damages and, after adding interest, issued a final award of \$630 million. Interest on the final award has been accruing at 10%. On 14 October 2014, the Company received a partial payment from Western Digital in the amount of \$773 million. During the quarter ended 2 January 2015, the amount of the final award, less litigation and other related costs, was recorded by the Company in Gain on arbitration award, net, and the remaining amount received was recorded in Other income and charges. On 7 April 2015, the Hennepin County District Court of Minnesota ("district court") denied Seagate's motion for entry of judgment for an amount of additional interest owing on the arbitration award. On 25 January 2016, the Minnesota Court of Appeals reversed and remanded the district court's order regarding the unpaid interest. On 27 January 2016, the Company received a further payment from Western Digital in the amount of \$33 million, which was the remaining balance of interest owed on the final award. This amount was recorded in Other income and charges in the Condensed Consolidated Profit and Loss Account for the three and nine months ended 1 April 2016. On 29 January 2016, the parties filed a stipulation of dismissal with the district court, ending the litigation.

Lambeth Magnetic Structures LLC v. Seagate Technology (US) Holdings, Inc., et al. On 29 April 2016, Lambeth Magnetic Structures LLC filed a complaint against Seagate Technology (US) Holdings, Inc. and Seagate Technology LLC in the U.S. District Court for the Western District of Pennsylvania, alleging infringement of U.S. Patent No. 7,128,988, "Magnetic Material Structures, Devices and Methods." The complaint seeks unspecified compensatory damages, enhanced damages, injunctive relief, attorneys' fees, and other relief. The Company believes the claims asserted in the complaint 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

Table of Contents

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 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 and server storage products, 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 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 2082 and contain various

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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 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 1 July 2016 (lease payments are shown net of sublease income):

Fiscal Years Ending	Operating Leases (US Dollars in millions)	
2017	\$	27
2018		22
2019		16
2020		12
2021		9
Thereafter		82
	\$	168

Total rent expense for all land, facility and equipment operating leases, net of sublease income, was \$43 million and \$50 million for fiscal years 2016 and 2015, respectively. Total sublease rental income for fiscal years 2016 and 2015 was \$3 million and \$3 million, respectively. The Company subleases a portion of its facilities that it considers to be in excess of current requirements. As of 1 July 2016, total future lease income to be recognized for the Company's existing subleases is approximately \$12 million.

Capital Expenditures. The Company's non-cancelable commitments for construction of manufacturing and product development facilities and purchases of equipment approximated \$110 million at 1 July 2016, and included \$27 million related to research and development projects.

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

Table of Contents

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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. 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 1 to 5 years. The Company uses estimated repair or replacement costs and uses statistical modeling to estimate product return rates in order to

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

determine its warranty obligation. Changes in the Company's product warranty liability during the fiscal years ended 1 July 2016 and 3 July 2015 were as follows:

(US Dollars in millions)	Fiscal Years Ended	
	1 July 2016	3 July 2015
Balance, beginning of period	\$ 248	\$ 273
Warranties issued	125	147
Repairs and replacements	(152)	(187)
Changes in liability for pre-existing warranties, including expirations	(17)	7
Warranty liability assumed from acquisitions	2	8
Balance, end of period	\$ 206	\$ 248

17. Related Party Transactions

Samsung Electronics Co. Ltd. ("Samsung") 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. On October 22, 2013, Samsung filed an amendment to its Schedule 13D indicating that it holds less than 5% of the Company's outstanding shares. Dr. Seh-Woong Jeong was appointed to our Board of Directors by Samsung and joined our Board of Directors on April 26, 2012. He retired from our Board of Directors on October 22, 2014 and ceased to be a related party.

Microsoft Corporation ("Microsoft") The Company's Chairman and Chief Executive Officer also served on the board of Microsoft until March 2014 upon his resignation and Microsoft ceased to be a related party.

18. Employees and Remuneration

The average number of persons employed by the Company during each year was as follows:

	Fiscal Years Ended	
	1 July 2016	3 July 2015
	(in thousands)	
Manufacturing	38	42
Product development	6	7
Sales, marketing, general & administrative	4	5
	48	54

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Employee costs during each year consist of the following:

	Fiscal Years Ended	
	1 July 2016	3 July 2015
	(US Dollars in millions)	
Salaries and wages	\$ 1,458	\$ 1,716
Social security costs ⁽¹⁾	346	403
Share-based compensation	120	137
	\$ 1,924	\$ 2,256

(1) Social security costs includes social security costs, employer paid payroll taxes, and other employee benefits paid by the Company.

19. Auditor's Remuneration

The fees paid to Ernst & Young Ireland in respect of the audit of the group accounts was \$0.1 million for both the years ended 1 July 2016 and 3 July 2015. In addition, Ernst & Young Ireland received fees of \$0.09 million and \$0.05 million for other assurance services and nil for both tax and other non-audit services for fiscal years ended 1 July 2016 and 3 July 2015, respectively.

The auditor's remuneration was \$6.2 million and \$6.6 million for the years ended 1 July 2016 and 3 July 2015, respectively. These amounts reflect fees for all professional services rendered by Ernst & Young and its affiliated firms.

20. Post Balance Sheet Events*Dividends*

On 2 August 2016, our Board of Directors approved a quarterly cash dividend of \$0.63 per share, which will be payable on 5 October 2016 to shareholders of record as of the close of business on 21 September 2016.

July 2016 Restructuring Plan

On 11 July 2016, the Company committed to an additional restructuring plan (the "July 2016 Plan") for continued consolidation of its global footprint across Asia, EMEA and the Americas. The July 2016 Plan included reducing worldwide headcount by approximately 6,500 employees. The July 2016 Plan, which the Company expects to be largely completed by the end of fiscal year 2017, is expected to result in total pretax charges of approximately \$164 million in fiscal year 2017. These charges are expected to consist of cash expenditures of approximately \$82 million of employee termination costs and \$51 million of other exit costs, as well as other non-cash charges of approximately \$31 million.

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****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 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%
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%
Penang Seagate Industries (M) Sdn. Bhd.	Malaysia	1st Floor (Rm. 102), 42 Jalan Sultan Ahmad Shah, Penang 10050	Manufacture, market and deal in all kinds of electronics data products.	100%
Seagate Technology (Ireland) Springtown Branch	Northern Ireland	c/o Maples and Calder, P. O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	Manufactures equipment for export	100%
Seagate Singapore International Headquarters Pte. Ltd Netherlands branch	The Netherlands	Koolhovenlaan 1, 1119 NB, Schiphol-Rijk, Netherlands	Netherlands branch office of Seagate Singapore International Headquarters Pte. Ltd	100%
Seagate Singapore International Headquarters Pte. Ltd	Singapore	50 Raffles Place #06-00, Singapore Land Tower, 48623, Singapore	Exports products manufactured in Asia	100%

A-105

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Company	Jurisdiction	Registered Address	Nature of Business	Percent Owned
Seagate Technology International (Wuxi) Co. Ltd	China	Export Processing Zone, B, No. 2, Xing Chuang Er Lu, Wuxi, Jiangsu, Peoples Republic of China	Design, manufacture, service, market data storage products	100%
Seagate Technology LLC	Delaware	The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware, 19801	Dual member limited liability company HDD operating business	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%
Seagate Systems (Mexico) SA de CV	Mexico	1A-102 Av Circunvalacion Agustin Yanez No 2613 Col. Arcos Vallarta Sur in Guadalajara Jalisco, Mexico	Mexican operations	100%
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	Factory	100%
Seagate International (Johor) Sdn. Bhd	Malaysia	B-11-8, Level 11 Megan Avenue II Jalan Yap Kwan Seng Kuala Lumpur 50450, Malaysia	Manufacturer of substrates	100%
Seagate Systems (US) Inc.	California	10200 South DeAnza Boulevard, Cupertino, California 95014, U.S.A.	US trading activities of Seagate Systems	100%
Seagate Systems (Malaysia) Sdn. Bhd	Malaysia	10th Floor Wisma Havela Thakardas No.1 Jalan Tiong Nam Off Jalan Raja Laut 50350	Malaysia operations	100%

A-106

Table of Contents**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Company	Jurisdiction	Registered Address	Nature of Business	Percent Owned
Seagate Systems (UK) Limited	United Kingdom	Langstone Road Havant Hampshire PO9 1SA United Kingdom	UK trading operations of Seagate Systems	100%

Exemption From Statutory Audit

As detailed in Note 1 "Basis of Presentation and Summary of Significant Accounting Policies", in producing consolidated financial statements the UK subsidiaries of the Company are eligible to take advantage of the audit exemption available to them under s479A of the UK Companies Act 2006 relating to subsidiary companies. The subsidiaries which have taken an exemption from an audit for the year ended 1 July 2016 by virtue of s479A of the UK Companies Act 2006 are:

Seagate Business Centre (UK) Ltd. (registration number 7859662)

Seagate Technology UK Ltd. (registration number 3453431)

LaCie Ltd. (registration number 02475546)

EVault UK Ltd. (registration number 6364013)

A-107

Table of Contents

SEAGATE TECHNOLOGY PLC

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

for the period ended 1 July 2016

(US Dollars in millions)	4 July 2015 to 1 July 2016	28 June 2014 to 3 July 2015
Profit for the period	\$ 1,693	\$ 992
Total comprehensive income for the period	\$ 1,693	\$ 992

A-108

Table of Contents

SEAGATE TECHNOLOGY PLC

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

as at 1 July 2016

(US Dollars in millions)	Note	1 July 2016	3 July 2015
ASSETS			
Fixed assets:			
Financial assets investment in subsidiary	3	\$ 6,792	\$ 6,677
Current assets:			
Debtors		1	
Cash		1	1
Total Assets		\$ 6,794	\$ 6,678
LIABILITIES			
Capital and reserves:			
Share capital	5	\$	\$
Share premium		1,659	1,580
Other reserves		593	477
Profit and loss account		2,178	2,358
		4,430	4,415
Creditors Amounts falling due within one year:			
Amounts due to subsidiaries	4	2,364	2,261
Creditors			2
		2,364	2,263
Total Liabilities		\$ 6,794	\$ 6,678

Approved by the Board of Directors and signed on its behalf on 19 August 2016

/s/ STEPHEN J. LUCZO

/s/ KRISTEN M. ONKEN

Stephen J. Luczo

Kristen M. Onken
A-109

Table of Contents

SEAGATE TECHNOLOGY PLC

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

as at 1 July 2016

(US Dollars in millions)	Share Capital	Share Premium	Other Reserves	Profit and Loss Account	Total
Balance at 27 June 2014	\$	\$ 1,482	\$ 296	\$ 3,117	\$ 4,895
Profit for the period				992	992
Total comprehensive income		1,482	296	4,109	5,887
Transactions with owners recorded directly in equity:					
Repurchase and cancellation of ordinary shares				(1,087)	(1,087)
Issuance of shares in respect of share-based payment plans		98			98
Dividends to shareholders				(664)	(664)
Share-based compensation			181		181
Total transactions with owners		98	181	(1,751)	(1,472)
Balance at 3 July 2015	\$	\$ 1,580	\$ 477	\$ 2,358	\$ 4,415
Profit for the period				1,693	1,693
Total comprehensive income		1,580	477	4,051	6,108
Transactions with owners recorded directly in equity:					
Repurchase and cancellation of ordinary shares				(1,090)	(1,090)
Tax withholding related to vesting of restricted stock units				(56)	(56)
Issuance of shares in respect of share-based payment plans		79			79
Dividends to shareholders				(727)	(727)
Share-based compensation			116		116
Total transactions with owners		79	116	(1,873)	(1,678)
Balance at 1 July 2016	\$	\$ 1,659	\$ 593	\$ 2,178	\$ 4,430

Table of Contents

SEAGATE TECHNOLOGY PLC

NOTES TO THE FINANCIAL STATEMENT

1. Accounting Policies

Accounting Convention and Basis of Preparation of Financial Statements. The financial statements of Seagate Technology plc present the statement of comprehensive income, statement of financial position and statement of changes in equity on a stand-alone basis, including related party transactions. The financial statements have been prepared under the historical cost convention except for share based payments which are stated at their fair value and in accordance with Irish law and Financial Reporting Standard 102 ("FRS 102", The Financial Reporting Standard applicable in the UK and Republic of Ireland) issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

The company transitioned from previously extant Irish GAAP to FRS 102 as at June 2014. No measurement differences were identified at the date of transition 27 June 2014 or at 3 July 2015. An explanation on how the transition to FRS 102 has affected the reported financial position and financial performance is given in Note 9. The financial statements are presented in United States dollars, which is the Company's functional and presentational currency and are rounded to the nearest million.

Reduced Disclosure Framework Exemptions Adopted. On transition to FRS102, the Company has taken advantage of the following disclosure exemptions as equivalent disclosures are available in the publicly filed financial statements of the Group, Seagate Technology plc, which consolidates the results of the Company: 1) The requirements of Section 7 Statement of Cash Flows paragraph 3.17 (d); 2) requirements of Section 33 Related Party Disclosures paragraph 33.7 and 3) Section 26 Share based payment paragraph 26.18 (b), 26.19 to 26.21 and 26.23. The shareholders of the Company have been notified in writing about, and do not object to, the use of the disclosure exemptions.

In accordance with Sections 304 (1) and 304 (2) of the Companies Act, 2014, the Company is availing of the exemption from presenting the individual profit and loss account. For fiscal years 2016 and 2015, the Company's net profit was \$1,693 million and \$992 million, respectively.

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 became 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. On transition to FRS 102 from previous Irish GAAP, the Company has taken advantage of transitional relief by electing to treat the carrying amount of investment in subsidiary under previous Irish GAAP at the date of transition as deemed cost on transition to FRS 102.

Amounts due to subsidiaries. Intercompany notes payable which are basic financial instruments are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortized cost using the effective interest method.

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.

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.

Table of Contents**SEAGATE TECHNOLOGY PLC****NOTES TO THE FINANCIAL STATEMENT (Continued)**

Dividend Income. Dividend income is recognized when the right to receive payment is established, the amount of which can be reliably measured and it is probable that collectability is reasonably assured.

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 recognized only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign Currency. Transactions denominated in foreign currencies are recorded in the Company's functional currency by applying the spot rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the Statement of Comprehensive Income.

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, which is publicly listed, was incorporated in Ireland and its registered address is 38/39 Fitzwilliam Square, Dublin 2, Ireland.

3. Financial Assets Investment in Subsidiary**(US Dollars in millions)**

At 27 June 2014	\$	6,499
Capital contribution in respect of share-based payment plans		178
At 3 July 2015	\$	6,677
Capital contribution in respect of share-based payment plans		115
At 1 July 2016	\$	6,792

At 1 July 2016, 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.

Table of Contents

SEAGATE TECHNOLOGY PLC

NOTES TO THE FINANCIAL STATEMENT (Continued)

4. Amounts Due to Subsidiaries

The balance is primarily comprised of notes due to Seagate-Cayman with no stated interest rate and that are payable on demand. During fiscal year 2016, the Company borrowed \$1.8 billion and repaid \$1.7 billion by way of applying dividends declared by Seagate-Cayman. The remaining balance outstanding as of 1 July 2016 of \$2.4 billion is unsecured, interest free and due on demand. During fiscal year 2015, the Company borrowed \$1.6 billion and repaid \$1.0 billion by way of applying dividends declared by Seagate-Cayman. The remaining balance outstanding as of 3 July 2015 of \$2.3 billion was unsecured, interest free and due on demand.

5. Equity*Share Capital*

	1 July 2016	3 July 2015
	(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		
	\$	\$

	1 July 2016	3 July 2015
	(US Dollars in millions)	
Allotted, Called Up, and Fully Paid:		
40,000 deferred shares of €1 par value per share	\$	\$
298,572,217 (2015: 315,445,536) ordinary shares of \$.00001 par value per share		
	\$	\$

	Number of Ordinary Shares (In millions)	Share Capital (US Dollars in millions)
Balance at 27 June 2014	327	\$
Repurchase and cancellation of ordinary shares	(19)	
Issuance of shares in respect of share-based payment plans	7	
Balance at 3 July 2015	315	\$
Repurchase and cancellation of ordinary shares	(23)	
Tax withholding related to vesting of restricted stock units	(1)	
Issuance of shares in respect of share-based payment plans	8	
Balance at 1 July 2016	299	\$

A-113

Table of Contents

SEAGATE TECHNOLOGY PLC

NOTES TO THE FINANCIAL STATEMENT (Continued)

Share Premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Other Reserves

Other reserves include an amount of \$2,960 and \$2,720 for fiscal years 2016 and 2015, respectively, representing a Capital Redemption Reserve Fund.

Dividends

During fiscal year 2016, the Company paid cash dividends of \$2.43 per share of its ordinary shares, aggregating \$727 million. On 2 August 2016, the Board of Directors approved a quarterly cash dividend of \$0.63 per share of its ordinary shares, which will be payable on 5 October 2016 to shareholders of record as of the close of business on 21 September 2016. During fiscal year 2015, the Company declared and paid cash dividends of \$2.05 per share of its ordinary shares, aggregating \$664 million.

6. Share-Based Payments

Total share-based payment expense in respect of share-based payment plans was \$116 million and \$181 million for fiscal years 2016 and 2015, of which \$115 million and \$178 million, respectively, was included as a capital contribution in Investment in subsidiary (Note 6). The share-based payment charge in the parent company balance sheet is calculated and recognized on a graded basis as opposed to a straight line basis in the Consolidated Profit and Loss Account. The Company has applied the requirements of Section 26 of FRS 102. Note 11 of the Consolidated Financial Statements contains relevant disclosures on the Company's share-based payment plans.

7. Auditor's Remuneration

The fees paid to Ernst & Young Ireland in respect of the audit of the Company individual accounts was \$0.03 million and \$0.04 million for periods ended 1 July 2016 and 3 July 2015, respectively. In addition, Ernst & Young Ireland received fees of \$0.17 million and \$0.13 million for other assurance services in those periods, respectively. Ernst & Young Ireland did not receive any fees for tax or other non-audit services in 2016 or 2015. Note 19 to the Consolidated Financial Statements provides additional information regarding auditor's remuneration.

8. Subsequent Events

Dividends

On 2 August 2016, our Board of Directors approved a quarterly cash dividend of \$0.63 per share, which will be payable on 5 October 2016 to shareholders of record as of the close of business on 21 September 2016.

July 2016 Restructuring Plan

On 11 July 2016, the Company committed to an additional restructuring plan (the "July 2016 Plan") for continued consolidation of its global footprint across Asia, EMEA and the Americas. The July 2016 Plan included reducing worldwide headcount by approximately 6,500 employees. The July 2016 Plan, which the Company expects to be largely completed by the end of fiscal year 2017, is

Table of Contents

SEAGATE TECHNOLOGY PLC

NOTES TO THE FINANCIAL STATEMENT (Continued)

expected to result in total pretax charges of approximately \$164 million in fiscal year 2017. These charges are expected to consist of cash expenditures of approximately \$82 million of employee termination costs and \$51 million of other exit costs, as well as other non-cash charges of approximately \$31 million.

9. Transition to FRS 102

The Company's financial statements have been prepared in compliance with FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland). The Company transitioned from previously extant Irish GAAP to FRS 102 as at June 2014. No measurement differences were identified at the date of transition (28 June 2014).

10. Approval of Financial Statements

The directors approved the financial statements and authorized them for issue on 19 August 2016

A-115

**PROPOSED AMENDMENTS TO AMENDED AND RESTATED
SEAGATE TECHNOLOGY PUBLIC LIMITED COMPANY
2012 EQUITY INCENTIVE PLAN**

Table of Contents

TABLE OF CONTENTS

	Page
I. PURPOSES	<u>B-1</u>
II. DEFINITIONS	
	<u>B-1</u>
<u>2.1 "Affiliate"</u>	<u>B-1</u>
<u>2.2 "Beneficial Owner"</u>	<u>B-1</u>
<u>2.3 "Board"</u>	<u>B-1</u>
<u>2.4 "Change of Control"</u>	<u>B-1</u>
<u>2.5 "Code"</u>	<u>B-2</u>
<u>2.6 "Committee"</u>	<u>B-2</u>
<u>2.7 "Company"</u>	<u>B-2</u>
<u>2.8 "Consultant"</u>	<u>B-2</u>
<u>2.9 "Continuous Service"</u>	<u>B-2</u>
<u>2.10 "Covered Employee"</u>	<u>B-2</u>
<u>2.11 "Director"</u>	<u>B-2</u>
<u>2.12 "Deferred Share Unit"</u>	<u>B-3</u>
<u>2.13 "Disability"</u>	<u>B-3</u>
<u>2.14 "Dividend Equivalent"</u>	<u>B-3</u>
<u>2.15 "Eligible Individual"</u>	<u>B-3</u>
<u>2.16 "Employee"</u>	<u>B-3</u>
<u>2.17 "Exchange Act"</u>	<u>B-3</u>
<u>2.18 "Fair Market Value"</u>	<u>B-3</u>
<u>2.19 "Full-Value Share Award"</u>	<u>B-3</u>
<u>2.20 "Incentive Stock Option"</u>	<u>B-3</u>
<u>2.21 "Nominal Value"</u>	<u>B-3</u>
<u>2.22 "Non-Employee Director"</u>	<u>B-3</u>
<u>2.23 "Nonstatutory Share Option"</u>	<u>B-4</u>
<u>2.24 "Officer"</u>	<u>B-4</u>
<u>2.25 "Option"</u>	<u>B-4</u>
<u>2.26 "Option Agreement"</u>	<u>B-4</u>
<u>2.27 "Optionholder"</u>	<u>B-4</u>
<u>2.28 "Ordinary Share" or "Share"</u>	<u>B-4</u>
<u>2.29 "Other Share-Based Award"</u>	<u>B-4</u>
<u>2.30 "Other Share-Based Award Agreement"</u>	<u>B-4</u>
<u>2.31 "Outside Director"</u>	<u>B-4</u>
<u>2.32 "Participant"</u>	<u>B-4</u>
<u>2.33 "Performance Goal"</u>	<u>B-4</u>
<u>2.34 "Performance Period"</u>	<u>B-4</u>
<u>2.35 "Performance Share Bonus"</u>	<u>B-5</u>
<u>2.36 "Performance Share Bonus Agreement"</u>	<u>B-5</u>
<u>2.37 "Performance Share Unit"</u>	<u>B-5</u>
<u>2.38 "Performance Share Unit Agreement"</u>	<u>B-5</u>
<u>2.39 "Phantom Share Unit"</u>	<u>B-5</u>
<u>2.40 "Phantom Share Unit Agreement"</u>	<u>B-5</u>
<u>2.41 "Plan"</u>	<u>B-5</u>
<u>2.42 "Predecessor Plan"</u>	<u>B-5</u>
<u>2.43 "Qualifying Performance Criteria"</u>	<u>B-5</u>
<u>2.44 "Restricted Share Bonus"</u>	<u>B-5</u>
<u>2.45 "Restricted Share Bonus Agreement"</u>	<u>B-5</u>
<u>2.46 "Restricted Share Unit"</u>	<u>B-6</u>

Table of Contents

	Page
2.47	<u>"Restricted Share Unit Agreement"</u>
2.48	<u>"Rule 16b-3"</u>
2.49	<u>"Section 162(m)"</u>
2.50	<u>"Securities Act"</u>
2.51	<u>"Share Appreciation Right" or "SAR"</u>
2.52	<u>"Share Appreciation Right Agreement"</u>
2.53	<u>"Share Award"</u>
2.54	<u>"Share Award Agreement"</u>
2.55	<u>"Ten Percent Shareholder"</u>
III.	<u>ADMINISTRATION</u>
	B-6
3.1	<u>Administration by Board</u>
3.2	<u>Powers of Board</u>
3.3	<u>Delegation to Committee</u>
3.4	<u>Effect of Board's Decision</u>
IV.	<u>SHARES SUBJECT TO THE PLAN</u>
	B-8
4.1	<u>Share Reserve</u>
4.2	<u>Adjustments to the Share Reserve</u>
4.3	<u>Source of Shares</u>
V.	<u>ELIGIBILITY AND PARTICIPATION</u>
	B-8
5.1	<u>Eligibility</u>
5.2	<u>Participation</u>
5.3	<u>Non-U.S. Participants</u>
VI.	<u>OPTION PROVISIONS</u>
	B-9
6.1	<u>Incentive Stock Option \$100,000 Limitation</u>
6.2	<u>Term</u>
6.3	<u>Vesting</u>
6.4	<u>Exercise Price of an Option</u>
6.5	<u>Consideration</u>
6.6	<u>Termination of Continuous Service</u>
6.7	<u>Extension of Option Termination Date</u>
6.8	<u>Disability of Optionholder</u>
6.9	<u>Death of Optionholder</u>
6.10	<u>Transferability of an Incentive Stock Option</u>
6.11	<u>Transferability of a Nonstatutory Share Option</u>
VII.	<u>SHARE AWARDS PROVISIONS OTHER THAN OPTIONS</u>
	B-11
7.1	<u>Restricted Share Bonus Awards</u>
7.2	<u>Share Appreciation Rights</u>
7.3	<u>Phantom Share Units</u>
7.4	<u>Restricted Share Units</u>
7.5	<u>Performance Share Bonus Awards</u>
7.6	<u>Performance Share Units</u>
7.7	<u>Other Share-Based Awards</u>
VIII.	<u>QUALIFYING PERFORMANCE-BASED COMPENSATION</u>
	B-16
8.1	<u>General</u>
8.2	<u>Adjustments</u>
8.3	<u>Discretionary Adjustments and Limits</u>
8.4	<u>Annual Section 162(m) Limitation</u>

Table of Contents

	Page
<u>IX.</u> <u>USE OF PROCEEDS FROM SHARES</u>	<u>B-17</u>
<u>X.</u> <u>CANCELLATION AND RE-GRANT OF OPTIONS AND STOCK APPRECIATION RIGHTS</u>	<u>B-17</u>
<u>XI.</u> <u>MISCELLANEOUS</u>	
<u>11.1</u> <u>Shareholder Rights</u>	<u>B-18</u>
<u>11.2</u> <u>No Employment or other Service Rights</u>	<u>B-18</u>
<u>11.3</u> <u>Investment Assurances</u>	<u>B-18</u>
<u>11.4</u> <u>Withholding Obligations</u>	<u>B-18</u>
<u>11.5</u> <u>Forfeiture and Recoupment Provisions</u>	<u>B-19</u>
<u>11.6</u> <u>Compliance with Laws</u>	<u>B-19</u>
<u>11.7</u> <u>Section 409A</u>	<u>B-19</u>
<u>11.8</u> <u>No Representations or Covenants with respect to Tax Qualification</u>	<u>B-20</u>
<u>XII.</u> <u>ADJUSTMENTS UPON CHANGES IN SHARES</u>	
<u>12.1</u> <u>Capitalization Adjustments</u>	<u>B-20</u>
<u>12.2</u> <u>Adjustments Upon a Change of Control</u>	<u>B-20</u>
<u>XIII.</u> <u>AMENDMENT OF THE PLAN AND SHARE AWARDS</u>	
<u>13.1</u> <u>Amendment of Plan</u>	<u>B-21</u>
<u>13.2</u> <u>Shareholder Approval</u>	<u>B-21</u>
<u>13.3</u> <u>Contemplated Amendments</u>	<u>B-21</u>
<u>13.4</u> <u>Amendment of Share Awards</u>	<u>B-21</u>
<u>XIV.</u> <u>TERMINATION OR SUSPENSION OF THE PLAN</u>	
<u>14.1</u> <u>Termination or Suspension</u>	<u>B-22</u>
<u>14.2</u> <u>No Material Impairment of Rights</u>	<u>B-22</u>
<u>XV.</u> <u>EFFECTIVE AND EXPIRATION DATE OF PLAN</u>	
<u>15.1</u> <u>Effective Date</u>	<u>B-22</u>