

SEAGATE TECHNOLOGY

Form DEF 14A

September 21, 2007

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A**

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

Filed by the Registrant   
Filed by a Party other than the Registrant   
Check the appropriate box:

Preliminary Proxy Statement  **Confidential, for Use of the Commission  
Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement  
Definitive Additional Materials  
Soliciting Material Pursuant to §240.14a-12

**Seagate Technology**  
**(Name of Registrant as Specified In Its Charter)**  
**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

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**SEAGATE TECHNOLOGY**

**NOTICE OF 2007 ANNUAL GENERAL MEETING OF SHAREHOLDERS  
To Be Held On October 25, 2007**

Notice is hereby given that the 2007 Annual General Meeting of Shareholders of Seagate Technology, an exempted company incorporated with limited liability under the laws of the Cayman Islands, will be held at the Hilton Santa Cruz/Scotts Valley, 6001 La Madrona Drive, Santa Cruz, California 95060 on Thursday, October 25, 2007 at 10:00 am Pacific Daylight Time, to consider and vote upon the following items:

- (1) the election of 11 directors for terms expiring at the 2008 Annual General Meeting of Shareholders and until their successors are elected;
- (2) the approval of amendments to the 2004 Stock Compensation Plan;
- (3) the ratification of the appointment of Ernst & Young LLP as the independent registered public accounting firm of Seagate Technology for the fiscal year ending June 27, 2008; and
- (4) the transaction of any other business that may properly come before the meeting and any adjournment or postponement of the meeting.

Seagate Technology's Board of Directors has set August 31, 2007 as the record date for the 2007 Annual General Meeting. Only registered holders of Seagate Technology's common shares at the close of business on that date are entitled to receive notice of the meeting and to attend and vote at the meeting.

Any shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on such shareholder's behalf. Such proxy need not be a holder of Seagate Technology's common shares.

This Proxy Statement and the accompanying proxy card are first being mailed to shareholders on or about September 24, 2007.

**THE PRESENCE AT THE MEETING, IN PERSON OR BY PROXY, OF ONE OR MORE SHAREHOLDERS WHO HOLD SHARES REPRESENTING NOT LESS THAN A MAJORITY OF THE ISSUED AND OUTSTANDING SHARES ENTITLED TO VOTE AT THE MEETING SHALL CONSTITUTE A QUORUM. A PROXY CARD ACCOMPANIES THIS PROXY STATEMENT. IT IS IMPORTANT THAT YOUR SHARES BE VOTED AT THE MEETING. EVEN IF YOU PLAN TO ATTEND THE MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN THE PROXY CARD IN THE ENCLOSED ENVELOPE.**

By order of the Board of Directors,

William L. Hudson  
*Executive Vice President, General  
Counsel and Corporate Secretary*

September 21, 2007

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**PROXY STATEMENT  
FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS  
OCTOBER 25, 2007**

**GENERAL INFORMATION**

The Board of Directors (or Board) of Seagate Technology, an exempted company incorporated with limited liability under the laws of the Cayman Islands, is soliciting your proxy for use at the 2007 Annual General Meeting of shareholders, which we refer to as the Annual General Meeting, to be held on October 25, 2007, and at any postponement or adjournment of the meeting. These proxy materials are first being mailed to shareholders on or about September 24, 2007. Our registered office is located in the Cayman Islands at P.O. Box 309GT, Uglund House, South Church Street, George Town, Grand Cayman, Cayman Islands. Seagate Technology's telephone number at that address is (345) 949-8066. Our U.S. executive offices are located at 920 Disc Drive, Scotts Valley, California 95066 and our telephone number at this address is (831) 438-6550. Our website address is [www.seagate.com](http://www.seagate.com). Information contained on, or accessible through, our website is not a part of this Proxy Statement.

References in this Proxy Statement to we, our, Seagate, us and the company are to Seagate Technology.

*Date, Time and Place.* We will hold the Annual General Meeting at the Hilton Santa Cruz/Scotts Valley, 6001 La Madrona Drive, Santa Cruz, California 95060, on Thursday, October 25, 2007 at 10:00 am Pacific Daylight Time, subject to any adjournments or postponements.

*Who Can Vote; Votes Per Share.* Our only outstanding class of voting securities is our common shares, par value \$0.00001 per share. All persons who are registered holders of our common shares at the close of business on August 31, 2007, the record date for the Annual General Meeting, will be entitled to notice of, and to vote at, the Annual General Meeting. As of the close of business on the record date there were 529,609,866 outstanding common shares held by 2,236 shareholders of record.

These shareholders will be entitled to one vote per common share on all matters submitted to a vote of shareholders, so long as those shares are represented at the Annual General Meeting in person or by proxy. Your shares will be represented if you attend and vote at the Annual General Meeting or if you submit a proxy. Under Cayman Islands law, holders of our common shares do not have appraisal rights with respect to matters to be voted on at the Annual General Meeting.

*How to Vote; Submitting Your Proxy.* If you are a shareholder of record, you may vote your shares either by voting in person at the Annual General Meeting or by submitting a completed proxy. By completing and submitting the enclosed proxy, you are legally designating Donald E. Kiernan, Stephen J. Luczo and William D. Watkins to vote your shares in accordance with the instructions you have indicated on the proxy.

If you appoint the individuals named in the enclosed proxy card as your proxies but do not indicate how your shares are to be voted, then your shares will be voted FOR the election of all nominees for director named in Proposal 1, and FOR Proposals 2 and 3. In addition, if any matters other than the proposals contained in this Proxy Statement are properly brought up at the Annual General Meeting, then the proxies will have the authority to vote



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your shares on those matters in accordance with their discretion and judgment if we did not receive notice of such matters by August 22, 2007. We do not presently know of any other business that may come before the Annual General Meeting.

### **Shares Registered Directly in the Name of the Shareholder**

If you hold shares of our common stock registered directly in your name in our register of shareholders, you may submit your proxy by mailing your signed proxy card to us. Specific instructions to be followed by registered shareholders are set forth on the enclosed proxy card.

### **Shares Registered in the Name of a Nominee**

If your shares are held not in your name but in the street name of a bank, broker or other holder of record (a nominee), then your name will not appear in our register of shareholders and the nominee will be entitled to vote your shares. In order to be admitted to the Annual General Meeting, you must bring a letter or account statement showing that you beneficially own the shares held by the nominee. Even if you attend the Annual General Meeting, you will not be able to vote the shares that you hold in street name. Rather, you should instruct your nominee how to vote those shares on your behalf. Most beneficial owners whose shares are held in the street name of a nominee receive instructions for granting proxies from their banks, brokers or other agents, rather than from a company's proxy card.

A number of brokerage firms and banks participate in a program that offers the ability to grant proxies to vote shares by means of the telephone and Internet. If your shares are held in an account at a brokerage firm or bank participating in such a program, you may grant a proxy to vote those shares by calling the telephone number that appears on the voting instruction form, or through the Internet in accordance with the instructions set forth on the voting instruction form, that you receive from your broker or bank. Votes submitted by telephone or Internet through such a program must be received by 11:59 p.m. Eastern Daylight Time on October 24, 2007.

*Revoking Your Proxy.* You may revoke your proxy at any time before it is voted at the Annual General Meeting, by: (1) sending a signed revocation thereof to Seagate Technology at 920 Disc Drive, Scotts Valley, California 95066, Attention: Corporate Secretary, which we must receive at least one hour prior to the start of the Annual General Meeting; (2) signing, dating and mailing a new and different proxy card, which we must receive by 5:00 p.m., Pacific Daylight Time, on October 24, 2007; or (3) voting your shares in person at the meeting, if you are a shareholder of record. If your shares are registered in the name of a nominee and you submit your proxy by telephone or over the Internet, you may revoke your proxy only by submitting new voting instructions by telephone or Internet, as applicable, which must be received by 11:59 p.m. Eastern Daylight Time on October 24, 2007. Attending the Annual General Meeting alone will not revoke your proxy.

*Proxy Solicitation.* We will bear all costs and expenses of soliciting proxies from shareholders. Following the original mailing of the proxies and other soliciting materials, directors, officers and selected other Seagate Technology employees and our agents, acting without special compensation, may also solicit proxies by telephone, facsimile, or e-mail or in person. We have retained a proxy solicitation firm, Morrow & Co., to aid us in the solicitation process. We will pay Morrow & Co. a fee of approximately \$8,000 plus expenses. After the original mailing of the proxies and other soliciting materials, Seagate will request brokers, custodians, nominees, fiduciaries and other record holders to forward copies of the proxy and soliciting materials to beneficial owners and request authority for the exercise of proxies. In such cases, upon request, we will reimburse such holders for their reasonable out-of-pocket expenses incurred in connection with the solicitation. If you choose to access the proxy materials and/or vote over the Internet, you are responsible for any Internet access charges you may incur.



*Quorum, Voting Requirements and Broker Non-Votes.* In order to establish a quorum at the Annual General Meeting, there must be one or more shareholders present at the meeting, either in person or by proxy, holding shares representing not less than a majority of our issued and outstanding shares entitled to vote at the meeting. For purposes of determining a quorum, abstentions and broker non-votes are counted as represented.

Under the rules that govern brokers who are record owners of shares that are held in brokerage accounts for the beneficial owners of the shares, brokers who do not receive voting instructions from their clients have the discretion

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to vote uninstructed shares on routine matters but have no discretion to vote such uninstructed shares on non-routine matters. A non-vote occurs when a nominee (such as a broker) holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power for that proposal and has not received instructions from the beneficial owner on how to vote those shares. The proposals to be voted on at the Annual General Meeting are all considered routine matters and may be voted by nominees on behalf of a beneficial owner.

With respect to Proposal 1, the affirmative vote of a majority of all the votes cast by holders of common shares represented in person or by proxy at the Annual General Meeting is necessary to approve the election of each of the director nominees. Any incumbent director who is not elected by a majority of the votes cast will continue as a holdover director under our Third Amended and Restated Articles of Association until his or her successor has been elected. Proposals 2 and 3 require the affirmative vote of a majority of all the votes cast by holders of common shares represented in person or by proxy at the Annual General Meeting in order to be approved.

Abstentions are not counted (except for quorum purposes) and will have no effect on the result of the vote on any proposal.

*Voting Procedures and Tabulation.* We have appointed a representative of Computershare Trust Company as the inspector of elections to act at the Annual General Meeting and to make a written report thereof. Prior to the Annual General Meeting, 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 common shares outstanding and the voting power of each, determine the common shares represented at the Annual General Meeting 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.

**PROPOSAL 1 ELECTION OF DIRECTORS**

Upon the recommendation of the Nominating and Corporate Governance Committee, the Board has nominated 11 nominees for election at the 2007 Annual General Meeting. Our Board's nominees are Messrs. Watkins, Luczo, Biondi, Bradley, Davidson, Kiernan, Marquardt, Ms. Marshall, Dr. Park, and Messrs. Reyes and Thompson.

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

Under our Third Amended and Restated Articles of Association, the Board may have any number of members up to 15. However, the Board has determined that, for the time being, the number of directors constituting the full Board shall be 11 members. The holders of common shares, voting as a class, have the right to elect all 11 members to the Board to serve until the 2008 Annual General Meeting of Shareholders and until their respective successors are elected.

It is currently anticipated that each of the nominees will be willing and able to serve as directors. However, if any nominee becomes unwilling or unable to serve as a director, then the Board will either propose a substitute nominee, and the individuals designated as your proxies will vote on the appointment of the proposed nominee, or determine to reduce the size of the Board.

**Director changes in fiscal year 2007**

During fiscal year 2007, we had two changes to our Board. Glenn H. Hutchins did not stand for reelection at the Annual General Meeting of Shareholders in October 2006, and Michael R. Cannon resigned from the Board and the Nominating and Corporate Governance Committee effective February 22, 2007.



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**Nominees for Election as Directors**

Detailed information about our director nominees is provided below. There is no family relationship between any of the nominees, directors or our executive officers nor are any of our directors party to any legal proceedings adverse to us.

**William D. Watkins**

**54 years old**

**Director since November 2000**

Mr. Watkins, our Chief Executive Officer ( CEO ) and one of our directors, joined us in February 1996, upon our merger with Conner Peripherals, Inc. as Executive Vice President of our Recording Media Group. In October 1997, Mr. Watkins took on additional responsibility as Executive Vice President of the Disc Drive Operations, and in August 1998, he was appointed to the position of Chief Operating Officer, with responsibility for our disc drive manufacturing, recording media and head operations and product development. In June 2000, he was appointed to the position of President, and in November 2000, he became a member of our Board. In April 2004, Mr. Watkins relinquished the title of Chief Operating Officer and he was appointed as our Chief Executive Officer effective July 3, 2004. On September 8, 2006, he relinquished the title of President. Prior to joining us, he was President and General Manager of the Disk Division at Conner Peripherals, Inc., an information storage solutions company, from January 1990 until December 1992. In January 1993, Mr. Watkins became President of Heads & Media Manufacturing Operations at Conner Peripherals, Inc.

**Stephen J. Luczo**

**50 years old**

**Director since November 2000**

Mr. Luczo serves as the Chairman of the Board, a position he has held since June 2002. Mr. Luczo joined us in October 1993 as Senior Vice President of Corporate Development. In September 1997, Mr. Luczo was promoted to the position of President and Chief Operating Officer of our predecessor, Seagate Technology, Inc. and, in July 1998, he was promoted to Chief Executive Officer. Mr. Luczo resigned as our Chief Executive Officer effective as of July 3, 2004, but retained his position as Chairman of the Board. He became the non-employee Chairman of the Board in October 2006. Prior to joining us, 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.

**Frank J. Biondi, Jr.**

**62 years old**

**Director since December 2005**

Mr. Biondi became a member of our Board in December 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 Chief Executive Officer of Universal Studios from April 1996 through November 1998. Mr. Biondi previously served as President and Chief Executive Officer of Viacom, Inc. from July 1987 through January 1996, and was a member of the Viacom Board of Directors. Prior to joining Viacom, Mr. Biondi was Chairman and Chief Executive Officer of Coca-Cola Television from November 1986. In addition, he was Executive Vice President of the Entertainment Business Sector of the Coca-Cola Company, and of its predecessor company, Columbia Pictures Industries, Inc., from January 1985 to July 1987. Mr. Biondi currently serves on the Boards of Directors of The Bank of New York Mellon, Amgen, Inc., Hasbro, Inc., Harrah's Entertainment, Inc. and Cablevision Systems. He is a founding member of the University of Southern California's Board of Councilors of the School of Cinema-Television

and is on the Board of Advisors for The Annenberg School for Communication at the University.

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**William W. Bradley**  
**64 years old**  
**Director since July 2003**

Senator Bradley became a member of our Board in July 2003. Senator Bradley is a Managing Director of Allen & Company LLC, a position he has held since November 2000. Senator Bradley served as chief outside advisor to McKinsey & Company's non-profit practice from 2001 to 2004. From 1997 to 1999, he was a Senior Advisor and Vice Chairman of the International Council of J.P. Morgan & Co., Inc. During that time, he also served as an essayist for CBS evening news and was a visiting professor at Stanford University, the University of Notre Dame and the University of Maryland. Senator Bradley served in the U.S. Senate from 1979 to 1997, representing the State of New Jersey. In 2000, he was a candidate for the Democratic nomination for President of the United States. He is also a member of the Boards of Directors of Starbucks Corporation, Willis Group Holdings, Limited and other private companies.

**James A. Davidson**  
**48 years old**  
**Director since November 2000**

Mr. Davidson became a member of our Board in November 2000. Mr. Davidson is a managing director of Silver Lake Partners, a private equity investment firm he co-founded in 1999. From June 1990 to November 1998, Mr. Davidson was an investment banker with Hambrecht & Quist LLC, most recently serving as a Managing Director and Head of Technology Investment Banking. He is also a member of the Boards of Directors of Flextronics International Ltd., Network General Corporation, Avago Technologies Ltd., and other private and non-profit entities.

**Donald E. Kiernan**  
**66 years old**  
**Director since April 2003**

Mr. Kiernan became a member of our Board in April 2003. Mr. Kiernan is the retired Senior Executive Vice President and Chief Financial Officer of SBC Communications, where he served for 11 years until his retirement in 2001 and was responsible for all of SBC's financial affairs. Prior to joining SBC, Mr. Kiernan was a partner with Arthur Young & Co., the predecessor of Ernst & Young LLP, where he held several positions over his 20-year tenure, including head of the firm's management consulting practice in Florida and both Audit-Coordinating Partner and Managing Partner of the firm's St. Louis office. Mr. Kiernan is also a member of the Boards of Directors of LaBranche and Company, Inc., Health Management Associates, Inc., and Money Gram International.

**David F. Marquardt**  
**58 years old**  
**Director since November 2000**

Mr. Marquardt became a member of our Board in November 2000. Mr. Marquardt is a founding general partner of August Capital, a venture capital firm formed in 1995, and has been a general partner of various Technology Venture Investors entities, which are private venture capital limited partnerships, since August 1980. He is a member of the Boards of Directors of Microsoft Corporation and other private companies.

**Lydia M. Marshall**  
**58 years old**  
**Director since April 2004**

Ms. Marshall became a member of our Board in April 2004. Ms. Marshall is retired from Versura, Inc., an education loan exchange company that she founded. She served as Chair and Chief Executive Officer of Versura, Inc. from 1999 until 2004. Previously, she was Managing Director of Rockport Capital Incorporated from 1997 to 1999, Executive Vice President-Marketing of Sallie Mae from 1993 to 1997 and Senior Vice President heading Sallie Mae's Institutional and Public Finance and Strategic Planning Divisions from 1985 to 1993. Ms. Marshall is a member of the Boards of Directors of Nationwide Mutual Insurance Company and Nationwide Financial Services, Inc. and is Chairperson of the Board of CARE International.



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**C.S. Park**  
**59 years old**  
**Director since May 2006**

Dr. Park became a member of our Board in May 2006. Prior to joining Seagate's Board, Dr. Park served as Chairman and Chief Executive Officer of Maxtor Corporation ( Maxtor ) from November 2004 until May 19, 2006 and as Chairman of Maxtor's Board of Directors from May 1998 until May 19, 2006, and served as a member of its Board from February 1994 to May 19, 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 the Chairman and Chief Executive Officer of Hynix Semiconductor Inc. from March 2000 to May 2002 and from June 2000 to May 2002 he also served as its Chairman. Dr. Park served as Chairman of Hynix Semiconductor America Inc. from September 1996 to July 2002, and from September 1996 to March 2000 he also served as its President and Chief Executive Officer. Dr. Park is a member of the Boards of Directors of Smart Modular Technologies Inc., Ballard Power Systems, Inc. and Computer Sciences Corporation.

**Gregorio Reyes**  
**65 years old**  
**Director since April 2004**

Mr. Reyes became a member of our Board in April 2004. Mr. Reyes has been a private investor and management consultant since 1994. Mr. Reyes began his career in the semiconductor industry with National Semiconductor Corporation in 1962, followed by executive positions with Motorola, Inc., Fairchild Semiconductor and Eaton Corporation. From 1981 to 1984, he was President and Chief Executive Officer of National Micronetics, Inc., a provider of hard disc magnetic recording head products for the data storage industry. Between 1986 and 1990, he was Chairman and Chief Executive Officer of American Semiconductor Equipment Technologies. Mr. Reyes co-founded Sunward Technologies in 1985 and served as its Chairman and Chief Executive Officer until 1994. Mr. Reyes is Non-Executive Chairman of LSI Logic Corp., Chairman of the Board of Dialog Semiconductor plc, and a member of the boards of directors of other private companies.

**John W. Thompson**  
**58 years old**  
**Director since November 2000**

Mr. Thompson became a member of our Board in November 2000. Mr. Thompson is Chairman of the Board of Directors and Chief Executive Officer of Symantec Corporation. Before joining Symantec in April 1999, Mr. Thompson held various executive and management positions with IBM from 1971. Mr. Thompson is also a member of the Board of Directors of United Parcel Service, Inc.

**Vote Required**

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

**Recommendation of the Board of Directors**

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE **FOR** THE ELECTION OF EACH OF THE ELEVEN (11) NOMINEES LISTED ABOVE.



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**CORPORATE GOVERNANCE**

*Corporate Governance Guidelines.* Our Board is committed to using sound corporate governance practices to help fulfill its responsibilities to its shareholders. As such, the Board has adopted corporate governance guidelines to clarify how it exercises its responsibilities. A copy of our Corporate Governance Guidelines may be found on our website at <http://www.seagate.com/newsinfo/invest/governance/index.html>, or will be provided in writing to any shareholder who requests it from: Investor Relations, Seagate Technology, 920 Disc Drive, Scotts Valley, California, 95066. The Nominating and Corporate Governance Committee is responsible for overseeing the Corporate Governance Guidelines and reviews them at least annually and makes recommendations to the Board concerning corporate governance matters. The Board may amend, waive, suspend, or repeal any of the Corporate Governance Guidelines at any time, with or without public notice, as it determines necessary or appropriate in the exercise of the Board's judgment or fiduciary duties.

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

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

All directors stand for reelection every year.

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

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

Directors are not limited to the number of other public company boards they may serve on, but the Nominating and Corporate Governance Committee will consider the impact on a director's ability to discharge his or her duties to the company if he or she serves on more than four other public company boards. Our CEO is limited to service on three public company boards, including ours.

The Board 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 the offices. Currently, separate people hold the offices.

The Board believes that a substantial portion of the total director compensation should be in the form of company shares and share equivalents in order to better align the interests of the directors with the long-term interests of our shareholders.

We require that each non-management director establish and maintain ownership of a minimum of 10,000 shares of the company's stock within the timeframes described elsewhere in this Proxy Statement under the heading "Compensation of Directors".

We expect the annual cycle of agenda items for Board meetings to change on a periodic basis to reflect Board requests and changing business and legal issues. The Board will have regularly scheduled presentations from Finance, Sales and Marketing, and our major business units and operations. The Board's annual agenda will

include, among other items, our long-term strategic plan, capital projects, budget matters, and management succession.

The Board receives a report, at least annually, on succession planning and management development.

At least annually, the Board evaluates the performance of the CEO and other senior management personnel.

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

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Our Board works with management to schedule orientation programs and continuing education programs for directors. The orientation programs are designed to familiarize new directors with our businesses, strategies, and challenges, and to assist directors in developing and maintaining the skills necessary or appropriate for the performance of their responsibilities. Continuing education programs for directors may include a mix of in-house and third-party presentations and programs.

*Attendance at Meetings by Directors.* The Board held seven meetings in fiscal year 2007, including its annually held strategic planning meeting. All directors with the exception of Mr. Marquardt attended at least 75% of meetings of the Board and the committees on which they served in fiscal year 2007.

Mr. Marquardt attended 80% of the regularly scheduled meetings of the Board and the committees on which he served, but was unable to attend two of the six special meetings of the Board and Committees on which he served. The number of meetings held by each committee of the Board is set forth below, under the heading Board Committees and Charters.

We encourage and expect attendance by our directors at our annual general meetings. Each of our directors was present at the 2006 Annual General Meeting.

*Executive Sessions of the Non-Management Directors.* Our non-management directors meet without management present each time the full Board convenes for a regularly scheduled meeting. If the Board convenes a special meeting, the non-management directors will meet in executive session if circumstances warrant. The presiding director at the executive sessions is the Lead Non-Management Director, the Chairman of the Nominating and Corporate Governance Committee, currently Ms. Marshall. At least one executive session per year will be attended by only our directors who are independent under the NYSE and the Securities and Exchange Commission (the SEC) requirements and the presiding director at each such session, if not the Chairman of the Nominating and Corporate Governance Committee, shall be elected by the directors in attendance at such sessions.

*Board Committees and Charters.* To assist the Board in fulfilling its oversight responsibilities, the Board maintains a standing Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee and Strategic and Financial Transactions Committee. The functions of each are described below. The committees regularly report on their activities and actions to the full Board. Each committee has a written charter approved by the Board that is reviewed regularly by the respective committees, which may recommend appropriate changes for approval by the Board. Copies of the committee charters are available through our website at: [http://www.seagate.com/newsinfo/invest/governance/board\\_structure/index.html](http://www.seagate.com/newsinfo/invest/governance/board_structure/index.html), or in print to any shareholder who requests them from: Investor Relations, Seagate Technology, 920 Disc Drive, Scotts Valley, California 95066. The current members and the Chair of each of these committees are identified in the table below:

<b>Director</b>	<b>Audit Committee</b>	<b>Compensation Committee</b>	<b>Nominating and Corporate Governance Committee(1)</b>	<b>Strategic and Financial Transactions Committee</b>
William D. Watkins				ü
Stephen J. Luczo				Chair
Frank J. Biondi, Jr.	ü			
William W. Bradley			ü	
James A. Davidson		Chair		

Donald E. Kiernan	Chair		ü
David F. Marquardt			ü
Lydia M. Marshall	ü	Chair	
C. S. Park		ü	ü
Gregorio Reyes		ü	
John W. Thompson		ü	

(1) Mr. Cannon resigned from the Board and the Nominating and Corporate Governance Committee effective February 22, 2007. Dr. Park was appointed to the Nominating and Corporate Governance Committee on February 22, 2007.

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*Audit Committee.* The Audit Committee consists of three of our independent directors. Each of these committee members meets the independence and experience requirements for membership of the Audit Committee under the existing rules of the New York Stock Exchange and Rule 10A-3(b)(1) promulgated by the SEC under the Securities and Exchange Act of 1934, as amended (the Exchange Act ). Mr. Kiernan currently serves as the Chair of the Audit Committee. The Board has determined that Mr. Kiernan is an audit committee financial expert for purposes of the rules of the SEC, and that Mr. Kiernan, Ms. Marshall and Mr. Biondi are, in the business judgment of the Board, financially literate.

Mr. Kiernan currently serves on the audit committees of three other public companies, in addition to serving on our Audit Committee. The Board has determined that Mr. Kiernan's simultaneous service on the three other audit committees does not impair his ability to serve effectively on our Audit Committee.

The Audit Committee held nine meetings during fiscal year 2007. As described in further detail in the written charter of the Audit Committee, the Audit Committee's duties and responsibilities are to, among other things:

provide assistance to the Board in fulfilling its responsibility to our shareholders and the investment community with respect to its oversight of:

the quality and integrity of our financial statements;

our compliance with legal and regulatory requirements;

the independent registered public accounting firm's qualifications and independence; and

the performance of our internal audit function and our independent registered public accounting firm;

review with management and the independent registered public accounting firm, our annual audited financial statements and our quarterly financial statements, including our disclosures regarding Management's Discussion and Analysis of Financial Condition and Results of Operation;

retain and terminate our independent registered public accounting firm and approve all audit engagement fees and terms; approve in advance any audit and any permissible non-audit engagement or relationship with our auditors;

review with our independent registered public accounting firm any audit problems or difficulties, any disagreement between management and the independent registered public accounting firm and management's response to any issues raised by the independent registered public accounting firm;

oversee the monitoring of our Code of Business Conduct and Ethics; and establish and maintain procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or auditing matters, and for the confidential anonymous submission by employees of concerns regarding questionable accounting or auditing matters;

prepare reports that the rules of the SEC require to be included in our annual proxy statements, including the Report of the Audit Committee included on page 35 of this Proxy Statement; and

review and evaluate, at least annually, the performance of the Audit Committee and its members, including the compliance of the Audit Committee with its charter.

The Audit Committee operates pursuant to an Audit Committee Charter adopted by the Board, which satisfies the applicable requirements of the Sarbanes-Oxley Act of 2002 and the New York Stock Exchange. A copy of the Audit Committee Charter is available through our website at [www.seagate.com/www/en-us/about/investor\\_relations/corporate\\_governance/board\\_structure/audit\\_committee\\_charter](http://www.seagate.com/www/en-us/about/investor_relations/corporate_governance/board_structure/audit_committee_charter), or in print to any shareholder who requests it from: Investor Relations, Seagate Technology, 920 Disc Drive, Scotts Valley, California 95066. The Report of the Audit Committee for fiscal year 2007 may be found on page 35 of this Proxy Statement.

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*Compensation Committee.* The Compensation Committee is currently comprised of three of our independent directors. The Compensation Committee held five meetings during fiscal year 2007. The Compensation Committee is responsible for, among other things:

discharging the responsibilities of the Board relating to the compensation of our officers;

reviewing and approving the compensation of directors for service on the Board and its committees;

reviewing and approving corporate goals and objectives relevant to the compensation of our CEO, other Named Executive Officers ( NEOs ) and other senior officers, annually evaluating the performance of these officers in light of those goals and objectives and setting the compensation of these officers based on their evaluation;

providing details of proposed compensation of directors and the CEO to the independent directors of the Board for their review;

making recommendations to the Board with respect to benefit plans;

reviewing senior management resources, development plans, and continuity and succession planning, and making recommendations to the Board with respect to the selection of individuals to occupy senior management positions;

reviewing and discussing with management the Compensation Discussion and Analysis and related disclosures included in our annual report on Form 10-K and Proxy Statement; and

reviewing and evaluating, the performance of the Compensation Committee and its members, including the compliance of the Compensation Committee with its charter.

For more information on the responsibilities and activities of the Compensation Committee, including the committee's reliance on compensation consultants, see Compensation Discussion and Analysis elsewhere in this Proxy Statement. The Report of the Compensation Committee on Executive Compensation may be found on page 34 of this Proxy Statement.

Under the terms of its charter, the Compensation Committee has the authority to delegate some or all of its authority to subcommittees or other committees or persons, in each case to the extent not in violation of applicable law or the rules and regulations of the NYSE or other applicable public securities trading market. The Committee has the authority to empower the CEO to sign all approved compensation changes for senior management whose compensation is reviewed by the Committee. In addition, the Committee has delegated authority to the CEO and the Senior Vice President of Human Resources to approve equity grants on behalf of the Committee in accordance with the Committee's established guidelines (as such guidelines may change from time to time), for ongoing equity grants (the Ongoing Grants ), which does not include grants to officers employed at the Senior Vice President level or above and/or grants for which Committee approval would be necessary for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, or Section 162(m) of the Internal Revenue Code of 1986, as amended, or as otherwise specified by the Committee. A copy of the Compensation Committee charter is available through our website at: [http://www.seagate.com/www/en-us/about/investor\\_relations/corporate\\_governance/board\\_structure/compensation\\_committee\\_charter/](http://www.seagate.com/www/en-us/about/investor_relations/corporate_governance/board_structure/compensation_committee_charter/), or in print to any shareholder who requests it from: Investor Relations, Seagate Technology, 920 Disc Drive, Scotts Valley, California 95066.

*Nominating and Corporate Governance Committee.* The Nominating and Corporate Governance Committee is comprised of three of our independent directors. The Nominating and Corporate Governance Committee held five meetings during fiscal year 2007. The Nominating and Corporate Governance Committee is responsible for, among other things:

identifying individuals who are qualified to become members of the Board and recommending that the Board select the candidates for directorships;

reviewing and making recommendations to the Board with respect to any shareholder proposal that relates to corporate governance, including director nomination by shareholders;



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recommending to the Board a set of corporate governance principles applicable to Seagate Technology and overseeing the implementation of those principles; establishing the criteria for selecting new directors;

overseeing the evaluation of the members of the Board and the committees of the Board; and

reviewing and evaluating, at least annually, the performance of the Nominating and Corporate Governance Committee and its members, including the compliance of the Nominating and Corporate Governance Committee with its charter.

From time to time, the Nominating and Corporate Governance Committee may identify certain skills or attributes as being particularly desirable for specific director nominees. These skills or attributes may include, but are not limited to, strength of character, mature judgment, industry knowledge, business sophistication, career experience, relevant technical skills, financial expertise, diversity, ability to work collegially with others and the extent to which the candidate would fill a present need on the Board.

The Nominating and Corporate Governance Committee's process for identifying and evaluating nominees for directors includes, but is not limited to, the following:

collection of a list of potential candidates (i) based on recommendations or referrals from directors, officers, shareholders or third parties or (ii) through the engagement of a search firm;

communications with members of the Board and management to identify possible nominees;

evaluation of (i) potential conflicts, including financial relationships, and (ii) whether the candidate would be a special interest or single issue director to an extent that would impair such director's ability to represent the interests of all shareholders;

committee meetings to narrow the list of potential candidates;

interviews with a select group of candidates; and

selection of a candidate most likely to advance the best interests of our company and its shareholders.

Based on its annual evaluation of the performance of the current directors in fiscal year 2007, the Nominating and Corporate Governance Committee determined to recommend each of the nominees for director named in Proposal 1 for election at the Annual General Meeting.

Shareholders wishing to recommend a candidate for consideration by the Nominating and Corporate Governance Committee may do so by writing to Seagate Technology at 920 Disc Drive, Scotts Valley, California 95066, Attention: William L. Hudson, Corporate Secretary. Recommendations submitted for consideration by the Nominating and Corporate Governance Committee in preparation for the 2008 annual meeting of shareholders must be received by July 1, 2008, and must contain the following information: (i) the name and address of the shareholder; (ii) the name and address of the person to be nominated; (iii) a representation that the shareholder is a holder of the company's stock entitled to vote at the meeting; (iv) a statement in support of the shareholder's recommendation, including a description of the candidate's qualifications; (v) information regarding the candidate as would be required to be included in a proxy statement filed in accordance with the rules of the SEC; and (vi) the candidate's written, signed consent to serve if elected. Shareholder nominees whose nominations comply with these procedures and who meet the criteria outlined above will be evaluated by the Nominating and Corporate Governance Committee in the same manner as the

Committee's nominees. The Nominating and Corporate Governance Committee has not received any nominations from shareholders for this Annual General Meeting.

A copy of the Nominating and Corporate Governance Committee charter is available through our website at:

[http://www.seagate.com/www/en-](http://www.seagate.com/www/en-us/about/investor_relations/corporate_governance/board_structure/nominating_and_corporate_governance_committee_charter)

[us/about/investor\\_relations/corporate\\_governance/board\\_structure/nominating\\_and\\_corporate\\_governance\\_committee\\_charter](http://www.seagate.com/www/en-us/about/investor_relations/corporate_governance/board_structure/nominating_and_corporate_governance_committee_charter)

or in print to any shareholder who requests it from: Investor Relations, Seagate Technology, 920 Disc Drive, Scotts Valley, California 95066.

*Strategic and Financial Transactions Committee.* The Strategic and Financial Transactions Committee is currently comprised of five of our directors. The Strategic and Financial Transactions Committee held four

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meetings during fiscal year 2007. The Strategic and Financial Transactions Committee is responsible for, among other things:

reviewing, evaluating and authorizing our management to enter into any potential strategic or financial transactions in amounts of more than \$25 million and up to \$100 million individually (transactions of \$25 million or less being within the CEO's discretion) that we may have the opportunity to participate in from time to time;

reviewing similar transactions in excess of \$100 million, and making a recommendation to the full Board with respect to those transactions;

reviewing the strategic planning process of the company;

reporting regularly to the Board with respect to those transactions reviewed by the Committee; and

reviewing and evaluating, at least annually, the performance of the Strategic and Financial Transactions Committee and its members, including the compliance of the Strategic and Financial Transactions Committee with its charter.

*Director Independence.* The Board has reviewed the independence of each director and director nominee, and concluded that director nominees, who are currently serving as directors, Ms. Marshall, Dr. Park and Messrs. Biondi, Bradley, Davidson, Kiernan, Marquardt, Reyes and Thompson, have no material relationship with Seagate Technology or any of its subsidiaries and, therefore, are independent.

A director qualifies as independent from management for purposes of service on the Board and its committees if the Board has determined that the director has no material relationship with Seagate, either directly or as a partner, shareholder or officer of an organization that has a relationship with Seagate. Material relationships include those described in the standards below. In addition, if any relationship or transaction of a type not specifically mentioned in these standards exists, the Board, taking into account all relevant facts and circumstances, may determine that the existence of such other relationship or transaction is material and could impair the director's exercise of independent judgment.

Directors must notify the Board of any change in circumstances that may place his or her independence at issue. If so notified, the Board will reevaluate, as promptly as practicable thereafter, such director's independence.

*Material Relationships:* Any transaction or relationship described below is presumed material for purposes of the Board's determination of whether a director is independent:

The director is, or has been within the last three years, an employee of Seagate or any of its consolidated subsidiaries or an immediate family member is, or has been within the last three years, an executive officer of Seagate.

The director has received, or has an immediate family member (as defined in the listing standards of the NYSE) who has received, during any twelve month period within the last three years, more than \$100,000 in direct compensation from Seagate, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).

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The director or an immediate family member is a current partner of Seagate's internal auditor or registered independent accounting firm; the director is a current employee of such a firm; the director has an immediate family member who is a current employee of such a firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; the director or an immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on Seagate's audit within that time.

The director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of Seagate's present executive officers at the same time serves or served on that company's compensation committee.

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The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, Seagate for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues.

If the director serves on Seagate's Audit Committee, then he or she (i) does not accept any consulting, advisory or other compensatory fee from Seagate, directly or indirectly, other than in such director's capacity as a member of the Board and any Committee; and (ii) is not an affiliated person (as defined under the Sarbanes-Oxley Act of 2002 and the SEC's implementing rules thereunder) of Seagate.

*Immaterial Relationships:* Any transaction or relationship described below is presumed immaterial for purposes of the Board's determination of whether a Director is independent:

Any relationship between Seagate and an entity where a director serves as a non-management director, and is the beneficial owner, directly or indirectly, of less than 10% of the entity.

Any relationship between Seagate and an entity where a director serves on a non-management advisory board or in a non-employee advisory capacity.

Any relationship between Seagate and an entity for which a director provides services as a speaker.

Any transaction involving discretionary contributions by Seagate (excluding for this purpose matching funds paid by Seagate as a result of contributions by the director) to a not-for-profit organization, foundation or university in which a director serves as an executive officer which does not exceed \$50,000 in any of the last three fiscal years.

Consistent with these considerations, the Board has reviewed all relationships between the company and the members of the Board and has determined that all directors are independent directors except Mr. Watkins, who is Seagate's current CEO, and Mr. Luczo, our Chairman of the Board and a former CEO of Seagate. In making its determinations of independence, the Board considered the following relationships and affirmatively determined that none of the relationships is of a material nature that would preclude the directors from being deemed independent:

The relationship between Seagate and United Parcel Service, Inc. (where Mr. Thompson serves solely as a non-management director), Microsoft Corporation (where Mr. Marquardt serves solely as a non-management director) and LSI Logic Corp. and Dialog Semiconductor plc (where Mr. Reyes serves both companies solely as a non-management director), companies with which we do or have done business on a regular arms-length basis.

The relationship between Seagate and Symantec Corporation, a company with which we do or have done business on a regular arms-length basis, and where Mr. Thompson serves as an executive officer. The annual amount of sales to Seagate by Symantec of products or licenses was approximately \$44,000, which constitutes less than 1% percent of the annual revenues of both companies.

The relationship between Seagate and Silver Lake Partners. Mr. Davidson is an affiliate of Silver Lake Partners. Silver Lake owns less than 1% of our outstanding common shares as of September 12, 2007, and has or had during our most recent fiscal year investments in Flextronics International Ltd. (where Mr. Davidson serves as a director), Network General (where Mr. Davidson serves as a director), Serena Software, and Thomson SA, companies with which we do or have done business with on a regular arms-length basis. As an

affiliate of Silver Lake Partners, Mr. Davidson may be deemed to have an indirect ownership of the shares held by Silver Lake Partners in these entities, but he disclaims beneficial ownership of the shares held by Silver Lake Partners, except to the extent of his individual pecuniary interest therein.

Mr. Bradley serves on the international advisory board, as an international council member and as an advisory board member, for Samsung, JP Morgan Chase & Co., and Rosetta Books, respectively, companies with which we do or have done business with on a regular arms-length basis. In addition, the Board considered Seagate's contribution of \$25,000 to Rebuilding Together, an organization where Charles Pope,

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our Chief Financial Officer ( CFO ), serves as a volunteer, and Director Bradley serves as a national advisory council member.

Seagate's investment in Unity Semiconductor Corporation, a company in which August Capital III, LP ( August Capital ) and Seagate both have an investment of approximately 24% and 19.8% respectively. As a member of the general partner of August Capital, Mr. Marquardt has an indirect ownership of the shares of Unity Semiconductor Corporation owned by the August Capital funds, but disclaims beneficial ownership of the shares held by the August Capital entities except to the extent of his individual pecuniary interest therein.

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

Board of Directors (or named Director)  
c/o Corporate Secretary  
Seagate Technology  
920 Disc Drive  
Scotts Valley, CA 95066  
Fax: (831) 438-6675

The Corporate Secretary shall transmit as soon as practicable such communications to the identified director addressee(s), unless there are legal or other considerations that mitigate against further transmission of the communication, as determined by the Corporate Secretary. In that regard, certain items that are unrelated to the duties and responsibilities of the Board will not be forwarded by the Corporate Secretary, such as:

business solicitations or advertisements;

junk mail and mass mailings;

new product suggestions;

product complaints;

product inquiries;

resumes and other forms of job inquiries;

spam; and

surveys.

In addition, material that is unduly hostile, threatening, illegal or similarly unsuitable will be excluded, with the provision that the Board or individual directors so addressed shall be advised of any communication withheld for legal or other considerations as soon as practicable.

*Code of Business Conduct and Ethics.* The Board has adopted a Code of Business Conduct and Ethics that is applicable to all of our directors, officers and employees, including our CEO, CFO, and Principal Accounting Officer.

Our Code of Business Conduct and Ethics is available through our website at [www.seagate.com](http://www.seagate.com), or in print to any shareholder who requests it from: Investor Relations, Seagate Technology, 920 Disc Drive, Scotts Valley, California 95066.

*Compensation of Directors.* For fiscal year 2007, we compensated our non-management directors with an annual retainer of \$50,000. On October 26, 2006, upon recommendation by our Compensation Committee, the Board approved an annual cash retainer of \$150,000 for our non-employee Chairman of the Board. Members of our



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Board of Director committees are compensated with an annual retainer in lieu of meeting payments. These retainer amounts are as follows:

<b>Committee</b>	<b>Membership</b>	<b>Retainer</b>
Board of Directors	Chairperson	\$ 150,000
	Member	\$ 50,000
Audit Committee	Chairperson	\$ 50,000
	Member	\$ 25,000
Compensation Committee	Chairperson	\$ 15,000
	Member	\$ 10,000
Nominating and Corporate Governance Committee	Chairperson	\$ 15,000
	Member	\$ 10,000

Members of the Strategic and Financial Transactions Committee do not receive any additional retainers or compensation for participation on this committee. All retainer fees are paid in quarterly installments.

Historically, each non-management director was granted options to purchase up to 100,000 of our common shares at fair market value as of the date of grant, upon his or her joining the Board. However, if the new director was, prior to the commencement of Board service, an officer or member of the Board of an entity the stock, assets and/or business of which has been acquired by Seagate, the number of shares of the initial grant would have been determined by the existing members of the Board, but would not exceed 100,000 shares. These options vested over a period of four years from the date of grant. Upon re-election to the Board each year, each non-management director who had been a director for at least six months prior to his or her re-election was granted options to purchase 25,000 of our common shares at fair market value as of the date of grant. These options vested over a period of four years from the date of grant. If the shareholders approve Proposal 2, amending the 2004 Stock Compensation Plan, the initial and annual grants to non-management directors may change from the historical practice described above. For a description of the proposed amendments, see Proposal 2 Amendment to 2004 Stock Compensation Plan elsewhere in this Proxy Statement.

On September 27, 2006, the Board approved director share ownership guidelines to increase the directors' equity in the company and to more closely link their interests with those of all shareholders. Under the guidelines, each non-management director as of September 27, 2006 must establish, and maintain during Board service, ownership of at least 10,000 shares of Seagate Technology stock by July 1, 2008. On September 11, 2007, the Compensation Committee, after review with the independent members of the Board, extended the compliance date to December 31, 2008. Non-management directors elected or appointed after September 27, 2006 have three years from the date of election or appointment to reach the ownership requirement. Exceptions may be requested in the event of hardship.

All members of our Board are reimbursed for their reasonable out-of-pocket travel expenses incurred in attending meetings of the Board and its committees; no additional compensation is provided for attendance at Board or committee meetings. Also, Board members can participate in the company's Nonqualified Deferred Compensation Program. For a description of the plan, see Compensation Discussion and Analysis Benefits and Other Perquisites Nonqualified Deferred Compensation Plan elsewhere in this Proxy Statement.

**Table of Contents****Director Compensation for Fiscal Year Ended 2007**

<b>Name</b>	<b>Fees Earned or Paid in Cash (\$)</b>	<b>Option Awards<sup>(1)(2)</sup> (\$)</b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)</b>
Stephen J. Luczo <sup>(3)</sup>	200,000	115,455	47,288 <sup>(4)</sup>	373,235
Frank J. Biondi Jr.	75,000	181,365		256,365
William W. Bradley	60,000	328,194		388,194
Michael R. Cannon <sup>(5)</sup>	30,000			30,000
James A. Davidson	65,000	167,324		232,324
Glenn H. Hutchins <sup>(6)</sup>	16,250	66,311		82,561
Donald E. Kiernan	100,000	285,621		385,621
David F. Marquardt	50,000	167,324		217,324
Lydia M. Marshall	88,750 <sup>(7)</sup>	231,113		319,863
Chong Sup Park <sup>(8)</sup>	52,500	54,564		107,064
Gregorio Reyes	60,000	229,827		289,827
John W. Thompson	60,000	167,324		227,324

(1) Amounts calculated utilizing the provisions of Statement of Financial Accounting Standards ( SFAS ) No. 123R, *Share-based Payments*, ( SFAS No. 123R ). See Note 3 of the Notes to Consolidated Financial Statements in the company's Annual Report on Form 10-K for the year ended June 29, 2007 regarding assumptions underlying valuation of equity awards.

(2) On October 26, 2006, each non-employee director then serving (with the exception of Dr. Park who was not eligible for an annual grant because he had not yet served six months on the Board) was granted options to purchase 25,000 of our common shares. The aggregate number of options held by each director as of June 29, 2007 is as follows: Mr. Luczo 100,000 options (he received these options on October 26, 2006, in connection with his Agreement with us, discussed in footnote 3, below); Mr. Biondi - 125,000 options; Mr. Bradley 175,000 options; Mr. Cannon none; Mr. Davidson 100,000 options; Mr. Hutchins none; Mr. Kiernan 190,000 options; Mr. Marquardt 100,000 options; Ms. Marshall 165,000 options; Dr. Park 247,363 options (which includes 25,000 options granted in May 2006 when he joined the Board, and 222,363 assumed Maxtor options); Mr. Reyes 125,000 options; and Mr. Thompson 100,000 options. The fair market value of the options was calculated using the average of the high and low stock price, \$22.99 and \$22.40, respectively, as reported on the New York Stock Exchange on October 26, 2006, the date of grant. The closing price on October 26, 2006 on the New York Stock Exchange was \$22.95.

(3) On October 26, 2006, Seagate entered into an agreement (the Agreement ) with Stephen J. Luczo, the Chairman of its Board, pursuant to which Mr. Luczo's employment as an executive of Seagate and any subsidiary of Seagate terminated effective as of October 26, 2006. Under the Agreement, Mr. Luczo will continue to serve as the Chairman of Seagate's Board in a non-executive capacity. Pursuant to the Agreement, Mr. Luczo will be entitled to receive equity awards and directors' fees on the same basis as other non-employee members of Seagate's Board. In addition, Mr. Luczo will be entitled to receive an additional annual retainer fee in the amount of \$150,000, payable in quarterly installments, for his services as Chairman of the Board. The agreement has retroactive effect back to the beginning of Seagate's current fiscal year that began on July 1, 2006. Accordingly, Mr. Luczo was entitled to receive a one-time catch-up payment equal to the Directors' fees that would have been

paid for the current fiscal year had Mr. Luczo's service as non-executive Chairman commenced on July 1, 2006 and will not be entitled to any bonus compensation for the current fiscal year or any subsequent fiscal year for which he would have been eligible had his employment continued. On October 26, 2006, the Board also awarded Mr. Luczo an option to purchase 100,000 Seagate Technology common shares, pursuant to the 2004 Stock Compensation Plan. As of June 2007, Mr. Luczo no longer occupies office space at Seagate's Scotts Valley executive offices, but continues to be provided with partially subsidized administrative support to the extent reasonably necessary to allow him to perform his duties as Chairman of the Board.

- <sup>(4)</sup> Mr. Luczo had other compensation related to personal use of a company executive administrator (\$45,674) and had access to personal use of the company car and driver, for which he reimbursed the company for costs related

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to such use. In accordance with his Agreement of October 26, 2006, personal use of a company executive administrator was calculated as 50% of annual salary and the additional cost of benefits (24%) incurred by the company; personal use of the company car and driver was calculated as the number of personal hours logged transporting Mr. Luczo multiplied by the driver's hourly rate inclusive of company benefits (28%). Mr. Luczo received \$1,614 in earnings for his tenure as the employee Chairman of the Board. Additionally, Mr. Luczo utilized the company aircraft for personal use and reimbursed the company for such use based on incremental costs.

- (5) Mr. Cannon was a director from October 26, 2006 until his resignation on February 22, 2007.
- (6) Mr. Hutchins did not stand for re-election to the Seagate Board at the Annual General Meeting of the Shareholders, held on October 26, 2006.
- (7) Ms. Marshall became the Chair of the Nominating and Corporate Governance Committee when Mr. Hutchins vacated the role on October 26, 2006. She received a pro-rated Nominating and Corporate Governance Committee Chairperson retainer of \$11,250.
- (8) Dr. Park is the former Chairman and Chief Executive Officer of Maxtor. He received severance payments in connection with Seagate's acquisition of Maxtor. Such severance is unrelated to his service as a director of Seagate and is, therefore, not included in this table. For a description of these payments, see Related Person Transactions elsewhere in this Proxy Statement.

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

The following table sets forth information regarding the beneficial ownership of our outstanding common shares on September 10, 2007 by (1) each person who is known by us to own beneficially more than 5% of our outstanding voting power, (2) each director, director nominee, and NEO, and (3) all of our directors, director nominees and executive officers as a group. To our knowledge, unless it is otherwise stated in the footnotes, each person listed below has sole voting and investment power with respect to his or her shares beneficially owned. For purposes of the tables below, a person or group of persons is deemed to have beneficial ownership of any shares that such person has the right to acquire within 60 days after September 10, 2007. For purposes of computing the percentage of outstanding common shares held by each person or group of persons, any shares that such person or group has the right to acquire within 60 days after September 10, 2007 are deemed to be outstanding, but they are not included as outstanding for the purpose of computing the percentage ownership of any other person or group.

Name and Address of Beneficial Owner	Number of Common Shares Beneficially Owned	Percentage of Class Beneficially Owned <sup>(1)</sup>
<b>5% Holders:</b>		
Affiliates of Franklin Resources, Inc. One Franklin Parkway San Mateo, CA 94403-1906	56,269,216 <sup>(2)</sup>	10.64%
Affiliates of Legg Mason, Inc 100 Light Street	30,305,804 <sup>(3)</sup>	5.73%

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Baltimore, Maryland 21202 Affiliates of FMR Corp. 82 Devonshire Street Boston, Massachusetts 02109	45,455,293 <sup>(4)</sup>	8.60%
Affiliates of Capital Group International, Inc. 11100 Santa Monica Blvd. Los Angeles, CA 90025	31,034,550 <sup>(5)</sup>	5.87%

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Name and Address of Beneficial Owner	Number of Common Shares Beneficially Owned	Percentage of Class Beneficially Owned <sup>(1)</sup>
<b>Directors, director nominees and named executive officers:</b>		
William D. Watkins <sup>(6)</sup>	3,119,919 <sup>(7)</sup>	*
Charles C. Pope <sup>(6)</sup>	1,214,383 <sup>(8)</sup>	*
David A. Wickersham <sup>(6)</sup>	1,417,239 <sup>(9)</sup>	*
Brian S. Dexheimer <sup>(6)</sup>	1,376,296 <sup>(10)</sup>	*
Jaroslav S. Glembocki <sup>(6)</sup>	1,059,470 <sup>(11)</sup>	*
James M. Chirico <sup>(6)</sup>	521,911 <sup>(12)</sup>	*
Stephen J. Luczo <sup>(6)</sup>	5,909,448 <sup>(13)</sup>	1.11%
Frank J. Biondi, Jr. <sup>(6)</sup>	31,250 <sup>(14)</sup>	*
William W. Bradley <sup>(6)</sup>	137,499 <sup>(14)</sup>	*
James A. Davidson	3,905,587 <sup>(15)</sup>	*
Donald E. Kiernan <sup>(6)</sup>	162,499 <sup>(16)</sup>	*
David F. Marquardt	1,700,539 <sup>(17)</sup>	*
Lydia M. Marshall <sup>(6)</sup>	119,248 <sup>(18)</sup>	*
C.S. Park <sup>(6)</sup>	180,463 <sup>(19)</sup>	*
Gregorio Reyes <sup>(6)</sup>	103,538 <sup>(20)</sup>	*
John W. Thompson <sup>(6)</sup>	224,409 <sup>(21)</sup>	*
<b>All directors, director nominees and executive officers as a group (21 persons)</b>	<b>24,386,074<sup>(22)</sup></b>	<b>4.61%</b>

\* Less than 1% of Seagate Technology's common shares outstanding.

- (1) Percentage of class beneficially owned is based on 528,787,617 common shares outstanding as of September 10, 2007, together with applicable options to purchase common shares for each shareholder exercisable on September 10, 2007 or within 60 days thereafter. Each common share is entitled to one vote. We have determined beneficial ownership in accordance with the rules of the SEC based on factors, including voting and investment power, with respect to shares subject to applicable community property laws. Common shares issuable upon the exercise of options currently exercisable or exercisable within 60 days after September 10, 2007 are deemed outstanding for computing the percentage ownership of the person holding the options, but are not deemed outstanding for computing the percentage of any other person or group.
- (2) Based solely on information reported by Franklin Resources, Inc. on the Form 13G/A, filed with the SEC on June 11, 2007.
- (3) Based solely on information reported by Legg Mason, Inc. on the Form 13G/A filed with the SEC on February 15, 2007.
- (4) Based solely on information reported by FMR Corp. on the Form 13G/A filed with the SEC on July 10, 2007.
- (5) Based solely on information reported by Capital Group International, Inc. on the Form 13G/A filed with the SEC on February 12, 2007.

- (6) The business address of each of these individuals is our office at 920 Disc Drive, Scotts Valley, California 95066.
- (7) Includes 778,003 common shares subject to options that are currently exercisable or which will become exercisable within 60 days of September 10, 2007, the 2,035,050 common shares held by the Watkins Family Trust, 151,254 common shares held by Wolf Pack Limited Partnership and 155,612 shares owned directly by Mr. Watkins.
- (8) Includes 1,113,883 common shares subject to options that are currently exercisable or which will become exercisable within 60 days of September 10, 2007, 500 common shares held by the Pope Family Trust and 100,000 shares owned directly by Mr. Pope.

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- (9) Includes 921,408 common shares subject to options that are currently exercisable or which will become exercisable within 60 days of September 10, 2007, the 67,938 common shares held by Arlie Enterprises Limited Partnership, 245,752 shares held by the David Wickersham and Susan Wickersham Trust and 182,141 shares owned directly by Mr. Wickersham.
- (10) Includes 728,301 common shares subject to options that are currently exercisable or which will become exercisable within 60 days of September 10, 2007, the 81,664 common shares held by Silver Sea Limited Partnership, the 30,000 common shares held by the Dexheimer Generation Skipping Trust and the 536,331 shares owned directly by Mr. Dexheimer.
- (11) Includes 527,884 common shares subject to options that are currently exercisable or which will become exercisable within 60 days of September 10, 2007, the 460,757 held by the Jaroslaw Glembocki 2001 Irrevocable Trust and 70,829 shares owned directly by Mr. Glembocki.
- (12) Includes 129,246 common shares subject to options that are currently exercisable or which will become exercisable within 60 days of September 10, 2007.
- (13) Includes 25,000 common shares subject to options held by Mr. Luczo that are currently exercisable, the 523,699 common shares held by Red Zone Holdings Limited Partnership, the 459,283 common shares held by Red Zone II Limited Partnership, and the 4,855,614 common shares held by Stephen J. Luczo Revocable Trust dated January 26, 2001, 44,880 common shares held indirectly by the Luczo Perpetual Family Trust and 972 common shares owned directly by Mr. Luczo.
- (14) Represents common shares subject to options that are currently exercisable or which will become exercisable within 60 days of September 10, 2007.
- (15) Includes an aggregate of 3,843,088 common shares owned by Silver Lake Partners Cayman, L.P., Silver Lake Investors Cayman, L.P. and Silver Lake Technology Investors Cayman, L.P. (collectively, the Silver Lake Funds ). Mr. Davidson is a shareholder and a director of Silver Lake (Offshore) AIV GP Ltd., which is the general partner of each of Silver Lake Technology Associates Cayman, L.P. and Silver Lake Technology Investors Cayman, L.P. Silver Lake Technology Associates Cayman, L.P. is the general partner of each of Silver Lake Partners Cayman, L.P. and Silver Lake Investors Cayman, L.P. Because of his affiliation with the Silver Lake Funds, Mr. Davidson may be deemed to share beneficial ownership of the common shares held by the Silver Lake Funds. He, however, disclaims beneficial ownership of any of the common shares beneficially owned by the Silver Lake Funds, except to the extent of any pecuniary interest therein. Also includes 62,499 common shares subject to options that are currently exercisable or which will become exercisable within 60 days of September 10, 2007. The business address of Mr. Davidson is c/o Silver Lake Partners, 2775 Sand Hill Road, Suite 100, Menlo Park, CA 94025.
- (16) Includes 152,499 common shares subject to options that are currently exercisable or which will become exercisable within 60 days of September 10, 2007.
- (17) Includes 1,638,040 shares owned directly by Mr. Marquardt and 62,499 common shares subject to options that are currently exercisable or will become exercisable within 60 days of September 10, 2007. The business address of Mr. Marquardt is c/o August Capital Management, L.L.C., 2480 Sand Hill Road, Suite 101, Menlo Park, CA 94025.
- (18)



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Includes 114,998 common shares subject to options that are currently exercisable or which will become exercisable within 60 days of September 10, 2007.

- (19) Includes 178,613 common shares subject to options that are currently exercisable or which will become exercisable within 60 days of September 10, 2007.
- (20) Includes 74,998 common shares subject to options that are currently exercisable or which will become exercisable within 60 days of September 10, 2007.
- (21) Includes 62,499 common shares subject to options that are currently exercisable or which will become exercisable within 60 days of September 10, 2007.
- (22) Includes 6,721,417 common shares subject to options held by our directors, directors nominees and executive officers that are currently exercisable or which will become exercisable within 60 days of September 10, 2007.

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**CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

Our Board has adopted a written policy for approval of transactions between the company and its directors, director nominees, executive officers, greater-than-5% beneficial owners and their respective family members, where the amount involved in the transaction exceeds or is expected to exceed \$100,000 in a single calendar year.

The policy provides that the Nominating and Corporate Governance Committee reviews certain transactions subject to the policy, and determines whether or not to approve or ratify those transactions. In doing so, the Nominating and Corporate Governance Committee takes into account, among other factors it deems to be appropriate, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances, and the extent of the related person's interest in the transaction. In addition, the Board has delegated authority to the Chair of the Nominating and Corporate Governance Committee to pre-approve or ratify transactions where the aggregate amount is expected to be less than \$1 million. A summary of any new transactions pre-approved by the Chair is provided to the full Nominating and Corporate Governance Committee for its review at each, regularly scheduled Committee meeting.

The Nominating and Corporate Governance Committee has considered and adopted standing pre-approvals under the policy for limited transactions with related persons. Pre-approved transactions include:

Transactions with another company at which a related person's only relationship is as an employee (other than an executive officer), director or beneficial owner of less than 10% of that company's shares, if the aggregate amount involved does not exceed the greater of \$1 million or 2% of that company's total annual revenues.

Transaction with a portfolio company of a private equity firm, venture capital firm or hedge fund (each, an Investment Firm) where a related person is an executive officer, general partner or managing director, or occupies an equivalent position, or is a non-employee director of the portfolio company, if:

- a. the Investment Firm is the beneficial owner of less than 35% of the portfolio company; or
- b. the aggregate amount involved in the transaction does not exceed the greater of \$1 million, or 2 percent of the portfolio company's total annual revenues.

Charitable contributions, grants or endowments by the company to a charitable organization, foundation or university at which a related person's only relationship is as an employee (other than an executive officer) or a director, if the aggregate amount involved does not exceed \$250,000.

As described in the Form 8-K we filed with the SEC on December 6, 2006, upon the consummation of our acquisition of Maxtor Corporation, Dr. C.S. Park, the former Chairman and Chief Executive Officer of Maxtor and current member of our Board, became eligible to receive certain cash severance benefits payable under Maxtor's Executive Retention and Severance Plan. Dr. Park received a severance payment (including basic severance, supplemental severance, and a pro-rated bonus) in the amount of \$4,466,575.34, which amount was paid in accordance with the terms of the Executive Retention and Severance Plan to Dr. Park on December 1, 2006. In lieu of providing the health, life insurance and long-term disability benefits continuation that Dr. Park would otherwise have been entitled to under the Executive Retention and Severance Plan, we made an additional lump-sum payment to Dr. Park in December 2006 in an amount equal to \$78,405, our estimated value of those benefits. In addition, we determined that Dr. Park was entitled to a gross-up payment under the Executive Retention and Severance Plan of \$1,620,000 which we paid on Dr. Park's behalf to the relevant tax authorities in December 2006. Together, the severance payment, the payment in lieu of benefits continuation and the gross-up payment yield a total severance payout to Dr. Park of approximately

\$6,165,000.

Michael R. Cannon was a member of our board from October 26, 2006 until February 22, 2007. During that time, Mr. Cannon was also the chief executive officer and a member of the board of directors of Solectron Corporation ( Solectron ). During the four-month period that Mr. Cannon served on our board, we recorded net

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revenue of approximately \$22 million from sales to Solectron and made purchases from Solectron of approximately \$2 million. The relationship between Seagate and Solectron existed prior to Mr. Cannon joining our board, and is currently in effect.

**COMPENSATION DISCUSSION AND ANALYSIS**

*Overview.* The Compensation Committee, composed of three independent directors, reviews and approves our compensation practices for attracting, retaining, developing and motivating executives for senior management positions (senior and executive vice president levels; including the NEOs). Acting on behalf of the Board, the Compensation Committee is authorized to develop and approve all compensation and equity programs for each of our NEOs and for members of the Board. For NEOs other than the CEO, the CEO makes recommendations to the Compensation Committee for annual changes to base salary, variable pay and long-term equity compensation. The Compensation Committee reviews these recommendations with the CEO and may approve, alter or reject the recommendations. With respect to compensation and equity program proposals for the CEO and the Board, the Compensation Committee provides details of same to the independent directors of the Board for their review.

The following Compensation Discussion and Analysis details the executive compensation strategy and practices for compensating our NEOs. The term executive will refer to all of our NEOs. The NEOs for fiscal year 2007 were:

<b>Name</b>	<b>Job Title</b>
William D. Watkins	Chief Executive Officer
Charles C. Pope	Executive Vice President and Chief Financial Officer
David A. Wickersham	President and Chief Operating Officer
Brian S. Dexheimer	Executive Vice President and Chief Marketing and Sales Officer
Jaroslav S. Glembocki	Senior Vice President of Disc Storage Operations
James M. Chirico	Executive Vice President of Disc Storage Operations

**Objectives of the Executive Compensation Program**

Provide a competitive level of total compensation (base salary, variable pay, and long-term equity participation) to attract and retain talented executives;

Motivate and reward executives to achieve business objectives as approved by the Board;

Align the interests of the executives and shareholders to optimize shareholder return; and

Manage the cost of total compensation to align with the company's financial performance goals.

*Competitive Market, Peer Groups and Market Positioning.* The Compensation Committee relies on extensive labor market analyses, using published surveys and public disclosures for executives in similar roles within the Peer Group companies listed below. Peer Group data is gathered annually to the extent available with respect to base salary, variable pay and long-term equity (including stock options, performance shares, restricted stock and long-term, cash-based awards) for similar positions. Benefit programs, including deferred compensation and generally available benefits, such as 401(k) plans and health care coverage, are also reviewed annually. In determining total compensation levels, the Compensation Committee considers external business conditions, financial and operational performance as measured by adjusted non-GAAP earnings per share (EPS), stock price, total shareholder return, potential costs, and the company's ability to retain and motivate executives.



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To make certain that compensation programs meet the objectives described above, the Compensation Committee reviews executive assignments and establishes target compensation (base salary, variable pay, and long-term equity) levels after reviewing similar compensation information for a defined group of companies competing in the labor market for similar executive talent (Peer Group). The Peer Group was determined by selecting companies which are similar in size, in the high technology computer hardware and equipment industry and/or companies that are key partners or Original Equipment Manufacturers (OEMs). For fiscal year 2007, the Compensation Committee approved the following 39 companies to comprise the Peer Group:

Advanced Micro Devices, Inc.	Hitachi Global Storage Technologies	Network Appliance, Inc.
Agilent Technologies, Inc.	Infineon Technologies	Nortel Networks Corp.
Alcatel-Lucent	Intel Corp.	Qualcomm, Inc.
Apple Computer, Inc.	International Business Machines Corp.	Samsung Electronics Co.
Applied Materials, Inc.	Jabil Circuit, Inc.	Sandisk Corp.
Celestica, Inc.	KLA-Tencor Corp.	Sanmina-SCI Corp.
Cisco Systems, Inc.	Lexmark International, Inc	Solectron Corp.
Dell, Inc.	LSI Logic Corp.	Sony Corporation of America
EMC Corp.	Logitech International	Sun Microsystems, Inc.
Freescale Semiconductor, Inc.	Micron Technology, Inc.	Texas Instruments, Inc.
Fujitsu Products of America, Inc.	Microsoft Corp.	Western Digital Corp.
Gateway, Inc.	Motorola, Inc.	Xilinx, Inc.
Hewlett-Packard Co.	NCR Corp.	Xerox Corp.

The Compensation Committee targets each element of the executive's total compensation generally at the 75th percentile of market, subject to the cost of the programs. However, individual compensation can vary for a variety of reasons, such as the strategic impact of the position, ability to attract new executives, experience of the incumbent, past performance, expected future contributions, and overall ability to achieve Seagate's business objectives.

Total compensation is reviewed annually for each of the company's executives. The Compensation Committee reviews and considers all elements of compensation as part of the total compensation package when approving a compensation program or specific change to any one element. The Compensation Committee reviews the total compensation package for the CEO with the Board, excluding the CEO.

*Role of Compensation Consultant.* The Compensation Committee has authority to retain consultants and advisors and to approve related fees and other retention terms for these advisors. From time to time, the Compensation Committee has retained such consultants and advisors. While the Compensation Committee had the authority to retain such a consultant or advisor, they did not do so in fiscal 2007.

*Elements of Executive Compensation.* Seagate's executive compensation program is comprised of five elements:

Base salary;

Variable pay via the annual Executive Bonus Program;

Long-term equity consisting of stock options and restricted stock awards;

Benefits and other perquisites; and

Severance and other post-termination payments as defined in employment agreements.

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*What Each Compensation Element is Designed to Reward and How It Relates to the Objectives.* Each pay element is designed to reward different results as shown below:

<b>Compensation Element</b>	<b>Designed to Reward</b>	<b>Relationship to the Objectives</b>
<b>Base Salary</b>	Experience, knowledge of Seagate and industry, dedication to assigned job, and performance by the executive on behalf of the company	Provides competitive pay to attract and retain talented executives
<b>Variable Pay</b>	Success in financial and operational goals From time to time to improve specific strategic and operating objectives (e.g. measure and improve product quality)	Motivate and reward executives to achieve annual business objectives Provide competitive pay to attract and retain talented executives
<b>Long-term Equity Incentives</b>	Increasing shareholder value by achieving strategic goals of revenue growth and margin increase along with other long term goals	Align the executives' interests with long-term shareholder interests  Provide competitive compensation to attract and retain talented executives
<b>Benefits and Other Perquisites</b>	Initial and continued employment by the executive	Provide competitive compensation to attract and retain talented executives
<b>Severance and Other Post-Termination Payments</b>	Initial and continued employment by the executive	Provide competitive compensation to attract and retain talented executives  Provide a degree of financial security to executive officers thereby influencing career choices in the best interests of the company

*How the Company Determined Amounts and/or Formulas for Each Element of Compensation.* For fiscal year 2007, the value of each compensation element, base salary, variable pay and long-term equity incentives, for the executives varied based on the level of each executive's responsibility within the organization. For example, executives with higher levels of responsibility and a greater ability to influence strategic results had a greater percentage of total compensation in variable pay and long term equity.

The elements of compensation are determined using Peer Group market data as a guideline reflecting Seagate's executive compensation objectives and business needs. The fiscal year 2007 total target compensation mix for the NEOs ranges from the following: 12% - 28% base salary, 18% - 28% variable pay and 50% - 69% long-term equity incentives. For actual total compensation amounts, refer to Compensation of the Named Executive Officers in this Compensation Discussion and Analysis.



*Base Salary.* Base salary is paid for on-going employment throughout the year. The base salary element of each executive's total compensation is designed to be competitive at the market 75th percentile to the Peer Group. Base salary for each executive was reviewed in January of 2007 and approved at the February 2007 Compensation Committee meeting.

As part of the annual executive base salary review program, the Compensation Committee determined that all of the NEOs except for Mr. Wickersham and Mr. Dexheimer base salaries were competitive at the market 75th percentile to the Peer Group. As a result, effective February 5, 2007 both Mr. Wickersham and Mr. Dexheimer received salary increases. Mr. Wickersham's salary increased to \$775,008, a 6.9% salary increase. Mr. Dexheimer's salary increased to \$640,016, a 6.67% salary increase. The salaries of the other NEOs were not increased.

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*Variable Pay.* All executives participate in the shareholder-approved annual incentive bonus plan, which we refer to as the Executive Bonus Plan. Awards under the Executive Bonus Plan are based upon the Compensation Committee's belief that a significant portion of the annual compensation of each executive should be contingent upon the annual financial and operational performance goals of the company. The Executive Bonus Plan is funded based upon the company's financial metric, adjusted non-GAAP earnings per share (EPS), with individual target awards subject to reduction by the Compensation Committee depending upon the executive's performance. Adjusted non-GAAP EPS measure generally excludes the impact of nonoperating activities on the diluted EPS under GAAP, such as merger or acquisition related costs, restructuring, legal settlements, and tax related adjustments.

For fiscal year 2007 the Executive Bonus Plan was to be funded as follows: if the adjusted non-GAAP EPS met the plan performance threshold of \$1.51, then the bonus program would be funded at 50% of target awards; and, if the adjusted non-GAAP EPS target goal of \$2.01 was met, then the bonus program would be funded at 100% of target awards. For adjusted non-GAAP EPS of \$2.81 the bonus program would be funded at 200% of the target awards. In addition, the funding level could be increased by an additional 10% if we achieved certain corporate quality goals including minimizing defective parts and product returns. The Executive Bonus Plan had a maximum plan funding of approximately 220% of target award amounts. The Compensation Committee also had a small discretionary budget which could be allocated to any executive if the threshold funding was met.

Seagate did not achieve any of the foregoing fiscal year 2007 adjusted non-GAAP EPS measurement thresholds to fund the Executive Bonus Plan. Therefore, no executive received variable pay for the fiscal year 2007 performance period.

*Stock Options and Restricted Share Awards.* The Compensation Committee believes that the granting of stock options and restricted shares to executives creates a direct link between executive rewards and potential long-term increases in shareholder value. The Compensation Committee believes that stock options and restricted share grants provide incentives for the executives to manage the company as shareholders. Stock options and restricted shares are subject to periodic vesting provisions to encourage executives to remain in our employ. The Compensation Committee approves stock option and restricted share grant guidelines which determines the size and timing of the grants for executive officers (other than the CEO). The Compensation Committee approves awards for the CEO after discussing the recommendations with the Board, excluding the CEO Director. The guidelines take into account grant values for similar positions in the Peer Group. In determining the grant type and amounts for a specific executive, the Compensation Committee also considers the following: potential future contributions to the company's overall success, past option grant history, the number of unvested options, the potential future impact on shareholder value and retention purposes.

As a result of recent changes to financial accounting rules and an analysis of the equity compensation practices of Peer Group companies, the Compensation Committee determined that equity awards granted to executives in fiscal year 2007 would be composed of a combination of stock options and restricted share awards, generally subject to vesting over a four or five year period and, with respect to stock options, have a seven year term.

Pursuant to our equity stock plan, the Equity Stock Plan eQ Policy, we do not backdate the pricing of stock options or grant options retroactively. In addition, we do not coordinate grants of options before announcement of favorable information, or after announcement of unfavorable information. The options are granted with an exercise price at the fair market value on the date of grant with all required approvals obtained in advance of or on the actual grant date. The fair market value is calculated using the average of the high and low trading price on the New York Stock Exchange on the grant date. We granted options and restricted share awards to executives on the same grant date used for employees who received grants as part of the fiscal year 2007 stock program. Grants made in fiscal year 2007 are shown in the Grants of Plan-Based Awards in Fiscal Year 2007 table in this Proxy Statement.



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**Benefits and Other Perquisites**

***Nonqualified Deferred Compensation Plan***

A select group of executives based in the United States are eligible to participate in the nonqualified deferred compensation program, the Seagate Deferred Compensation Plan. We maintain the Deferred Compensation Plan for the purposes of providing a competitive benefit and allowing executives and other employees an opportunity to defer income tax payments on their cash compensation within the restrictions imposed by the Internal Revenue Code of 1986, as amended (the Code). The Deferred Compensation Plan allows executives to voluntarily defer up to 70% of base salary and/or up to 100% of paid bonus or commissions credited to selected investment funds and is intended to assist executives in their retirement planning. We do not provide any matching or other contributions. Earnings on deferrals are based on the performance of the funds selected by the participants. Contribution and year-end balances for the NEOs can be found in the Fiscal Year 2007 Nonqualified Deferred Compensation table of this Proxy Statement.

***Executive Physical Program***

Executive physicals are offered to Seagate's executives to ensure leadership continuity and to provide competitive benefits in relation to the Peer Group. The program provides a comprehensive evaluation emphasizing all aspects of preventative care by physicians on a bi-annual basis.

***Officer Disability Plan***

The Officer Disability Plan is provided to executives who are based in the United States. The plan replaces the Seagate Supplemental short-term disability program and coordinates with the Long Term Disability plan after 180 days of disability. The plan provides 100% income replacement for the first year of disability, 80% income replacement for the second year to the fifth year and 60% income replacement thereafter.

***Automobile Program***

We offer executives an automobile benefit that is competitive with automobile benefits in the Peer Group for comparable positions. Executives have the option of receiving a cash allowance or an automobile provided by the company and are reimbursed for operating expenses related to the automobile.

*Separation Arrangements.* As described in detail below, employment agreements for the NEOs specify certain severance benefits to be paid in the event of an involuntary termination of such executive's employment. We provide separation benefits in order to remain competitive in attracting and retaining executives, and to support organizational changes which may be necessary to support Seagate's business strategy.

For further details, please refer to the section Potential Payments Upon Termination elsewhere in this Proxy Statement.

*Impact of Section 162(m) of the Internal Revenue Code.* In general, it is our policy to qualify our executives compensation for deductibility under applicable tax laws to the greatest extent possible. The Compensation Committee has considered the potential impact of Section 162(m) of the Code on the compensation paid to our executive officers. In general, Section 162(m) disallows a tax deduction for any publicly held corporation or its subsidiaries for individual compensation exceeding \$1 million in any taxable year, unless compensation is considered performance-based under the Code. Amounts realized from options granted under our 2001 Share Option Plan (except for options granted after October 27, 2004) are exempt from Section 162(m) under a transition rule applicable for up

to three years after our initial public offering in December 2002.

The Executive Bonus Plan and the 2004 Stock Compensation Plan have both been approved by shareholders and are administered by the Compensation Committee. Each plan has been structured with the intention that compensation paid under those plans generally be qualified as performance-based and not subject to 162(m). Nevertheless, Restricted Shares granted in fiscal year 2007 to executives subject to 162(m) did in some cases exceed the 162(m) limit. In order to maintain flexibility in compensating our executive officers in a manner designed to

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promote varying corporate goals, it is not a policy of the Compensation Committee that all executive compensation must be tax-deductible.

*Securities Trading.* We believe that short-term investment activity in our securities, such as trading in or writing options, arbitrage trading or day trading, is not appropriate under any circumstances, and accordingly such activity is prohibited by Seagate's Securities Trading Policy. In addition, employees and Board members are prohibited from taking short positions in Seagate Technology's securities. Holding and exercising options or other derivative securities granted under the employee stock option or equity incentive plans is not prohibited by the policy.

*Compensation of the Named Executive Officers.* The following tables show, for fiscal year 2007, compensation awarded or paid to, or earned by, Seagate's CEO, CFO, and three most highly compensated executive officers other than the CEO and CFO, as well as one of our officers who acted as an executive officer during but not at the end of our fiscal year. We refer to these executives collectively herein as the Named Executive Officers (NEOs).

**Summary Compensation Table for Fiscal Year 2007**

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) <sup>(1)</sup>	Option Awards (\$)	Change in Pension Value and Nonqualified Non-Equity Incentive Compensation		All Other Compensation (\$) <sup>(2)</sup>	Total (\$)
						During Year (\$)	Year-End (\$)		
William D. Watkins Chief Executive Officer	2007	1,000,002		695,967	1,692,511			17,371 <sup>(3)</sup>	3,405,851
Charles C. Pope Executive Vice President and Chief Financial Officer	2007	700,003		347,984	2,628,415 <sup>(2)</sup>			24,725 <sup>(4)</sup>	3,701,127
David A. Wickersham President and Chief Operating Officer	2007	744,237		760,284	1,485,502			50,180 <sup>(5)</sup>	3,040,203
Brian S. Dexheimer Executive Vice President and Chief Marketing and Sales Officer	2007	615,402		760,284	1,417,183			11,127 <sup>(6)</sup>	2,803,996

Jaroslav S. Glembocki Senior Vice President of Disc Storage Operations	2007	450,008	243,588	801,309	42,955 <sup>(7)</sup>	1,537,860
James M. Chirico Executive Vice President of Disc Storage Operations <sup>(9)</sup>	2007	500,011	347,984	1,071,066	13,419 <sup>(8)</sup>	1,932,480

### Stock and Option Awards

- (1) Amounts calculated utilizing the provisions of SFAS No. 123R. See Note 3 of the Notes to Consolidated Financial Statements in the company's Annual Report on Form 10-K for the year ended June 29, 2007 regarding assumptions underlying valuation of equity awards.

Awards made in fiscal year 2007 were granted under the terms of our 2004 Stock Compensation Plan. Amounts shown are awards that were outstanding and expensed in fiscal year 2007, which includes a portion of stock awards granted in prior years.

### All Other Compensation

- (2) The All Other Compensation column reports the total amount of other benefits and perquisites provided, none of which individually exceeded the greater of \$25,000 or 10% of the total amount of these benefits for the named executive. These other benefits include: (a) bi-annual executive physical examination, (b) spousal travel,

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(c) personal use of a company-owned car, (d) car service and maintenance fees for the leased car, (e) personal use of the Company car and driver, and (f) the Company match for the 401K program. For (c) personal use of a company-owned car, and for (d) car service and maintenance fees for the leased car, the amounts reported are from calendar year 2006 and not fiscal year 2007. The amounts provided should provide the shareholders with a representation of the income received pertaining to vehicles. We are working to alter reporting to provide fiscal year reports.

- (3) Mr. Watkins received benefits related to executive physical examination, spousal travel, personal use of a company-owned car, car service and maintenance fees, personal use of the company car and driver and company match for the 401K program. Mr. Watkins utilized the company aircraft for personal use and reimbursed the company for such use based on aggregate incremental costs.
- (4) Mr. Pope received benefits related to executive physical examination, personal use of a company-owned car, car service and maintenance fees, personal use of the company car and driver and company match for the 401K program. Mr. Pope utilized the company aircraft for personal use and reimbursed the company for such use.
- (5) Mr. Wickersham received benefits related to executive physical examination, spousal travel, personal use of a company-owned car, car service and maintenance fees and company match for the 401K program.
- (6) Mr. Dexheimer received benefits related to spousal travel, personal use of a company owned car, car service and maintenance fees and company match for the 401K program.
- (7) Mr. Glembocki received benefits related to executive physical examination, spousal travel, personal use of a company-owned car, maintenance fees for the leased car, car service and company match for the 401K program.
- (8) Mr. Chirico received benefits related to personal use of a company-owned car and company match for the 401K program.

**Miscellaneous**

- (9) Mr. Chirico was included as an additional NEO pursuant to Item 402 (a)(3)(iv) as he was an executive officer of the company during the fiscal year but not on the last date of the fiscal year.

**Grants of Plan-Based Awards for Fiscal Year 2007**

Grant Date	Approval Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards <sup>(1)</sup>			All Other Stock Awards: Number of Shares or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Awards (\$/Sh) <sup>(2)</sup>	Closing Market Price on Date of Grant (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)				
		750,001	1,500,002	3,300,005				



		437,502	875,004	1,925,009				
9/15/2006	9/12/2006	484,380	968,760	2,131,272		250,000	\$ 21.90	\$ 22.09
					100,000			
9/15/2006	9/12/2006	400,010	800,020	1,760,044		200,000	\$ 21.90	\$ 22.09
					100,000			
		180,003	360,006	792,014				
		250,006	500,011	1,100,025				

(1) Amounts shown are estimated payouts for fiscal year 2007 to Messrs. Watkins, Pope, Wickersham, Dexheimer, Glembocki and Chirico under the Executive Bonus Plan. These amounts are based on the individual's targeted fiscal year 2007 base salary and position. We did not achieve any of the foregoing fiscal year 2007 adjusted non-GAAP EPS measurement thresholds to fund the bonus program. Therefore, no executive received variable pay for the fiscal year performance period as reported in the Summary Compensation Table under the column titled Non-Equity Incentive Plan Compensation. For a description of the plan, refer to the Variable Pay section of this Compensation Discussion and Analysis.

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(2) The exercise price for option awards is determined by calculating the average of the high and the low stock price on the grant date.

**Outstanding Equity for Fiscal Year 2007**

Name	Stock Option Grant Date	Option Awards			Option Expiration Date	Stock Awards		
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)		Stock Award Date	Number of Shares or Units of Stock That have not Vested (#)	Market Value of Shares or Units of Stock that have not Vested <sup>(1)</sup> (\$)
William D. Watkins	2/14/2003	348,838	633,336 <sup>(2)</sup>	\$ 8.22	2/14/2013			
	9/27/2005	262,498	337,502 <sup>(3)</sup>	\$ 15.07	9/27/2012			
						10/24/2005	150,000 <sup>(5)</sup>	3,265,500
Charles C. Pope	7/24/2001	36,414		\$ 2.30	7/24/2011			
	8/6/2003	766,644	233,356 <sup>(4)</sup>	\$ 21.42	8/6/2013			
	9/16/2004	109,997	90,003 <sup>(4)</sup>	\$ 13.62	9/16/2011			
	9/27/2005							