

SEAGATE TECHNOLOGY
Form PRE 14A
September 23, 2003

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

Filed by the Registrant

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Seagate Technology

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SEAGATE TECHNOLOGY

NOTICE OF 2003 ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON OCTOBER 29, 2003

Notice is hereby given that the 2003 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 Quadrus Conference Center at 2400 Sand Hill Road, Menlo Park, California 94025 on Wednesday, October 29, 2003 at 10:00 am Pacific Standard Time, to vote upon the following items:

1. to elect eleven directors for terms expiring at the 2004 Annual General Meeting of Shareholders;
2. to approve the material terms of Seagate Technology's annual incentive bonus plan;
3. to ratify the appointment of Ernst & Young LLP as independent auditors of Seagate Technology for the fiscal year ending July 2, 2004; and
4. to transact any other business that may properly come before the meeting and any adjournment or postponement of the meeting.

The Board of Directors has set September 5, 2003 as the record date for the 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 shares.

This proxy statement and the accompanying proxy card are first being mailed to shareholders on or about October 7, 2003.

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. IF YOU CANNOT

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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

October , 2003

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PROXY STATEMENT

GENERAL INFORMATION

The Board of Directors 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 2003 Annual General Meeting of shareholders to be held on October 29, 2003, and at any postponement or adjournment of the meeting. These proxy materials are first being mailed to shareholders on or about October 7, 2003. Seagate Technology maintains a registered and principal executive office in the Cayman Islands at P.O. Box 309 GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands. Seagate Technology's telephone number at that address is (345) 949-8066. You may visit us at our website located at 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 and us are to Seagate Technology.

Date, Time and Place

We will hold the Annual General Meeting at the Quadrus Conference Center at 2400 Sand Hill Road, Menlo Park, California 94025, on Wednesday, October 29, 2003 at 10:00 am Pacific Standard Time, subject to any adjournments or postponements.

Who Can Vote; Votes Per Share

Our only outstanding class of voting securities are 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 September 5, 2003, 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 outstanding 448,025,812 common shares held by 975 shareholders of record. These shareholders of record 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 another person to vote your shares. The enclosed proxy designates Donald E. Kiernan, James A. Davidson and Stephen J. Luczo, to vote your shares in accordance with the instructions you have indicated on the proxy.

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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 Seagate Technology's 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.

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 by these individuals in accordance with the Board of Directors' recommendations, which are contained in this proxy statement. 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 individuals named in the proxy card, as your designated proxies, will have the authority to vote your shares on those matters in accordance with their discretion and judgment if we did not receive notice of such matters within a reasonable time before delivering this proxy statement to our shareholders. For these purposes, we believe a reasonable time to be 45 days prior to October 7, 2003, which is August 23, 2003.

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

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 the 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 Standard Time on October 28, 2003.

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 Standard Time, on October 28, 2003, 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 Standard Time on October 28, 2003. Attending the Annual General Meeting alone will not revoke your proxy.

Proxy Solicitation

Seagate Technology will bear all costs and expenses of soliciting proxies from shareholders. We are initially soliciting these proxies by mail, but our directors, officers and selected other Seagate Technology employees may also solicit proxies by telephone, facsimile or e-mail or in person. These persons who help us in the solicitation will not be specially compensated for those services, but may be reimbursed for out-of-pocket expenses incurred in connection with the solicitation. Brokerage houses, nominees, fiduciaries and other custodians will be requested to forward soliciting materials to beneficial owners and will be reimbursed by us for their reasonable out-of-pocket expenses incurred in connection with the solicitation. We have retained the services of Morrow & Company, a professional proxy solicitation firm to assist in the solicitation of proxies, at a cost of \$6,500, plus expenses, which will be borne by us.

Quorum and Voting Requirements

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 the issued and outstanding shares of Seagate Technology entitled to vote at the meeting. For purposes of determining

a quorum, abstentions and broker non-votes are counted as represented. 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.

In order to be approved, each proposal being considered requires the affirmative vote of a majority of the votes cast. Abstentions and broker non-votes are not counted and will not affect the voting results.

Voting Procedures and Tabulation

Seagate Technology has 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 duties in an impartial manner and according to the best of their ability. The inspectors 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 inspectors as to the validity of proxies will be final and binding.

Shareholders Agreement; Sponsor Group

In connection with our initial public offering, which we completed on December 13, 2002, we entered into a new shareholders agreement, dated December 6, 2002 (which we refer to in this proxy statement as the Seagate Technology Shareholders Agreement) with our parent company, New SAC, and the members of our sponsor group. Our sponsor group is comprised of private equity investment firms, consisting of affiliates of Silver Lake Partners, Texas Pacific Group, August Capital, J.P. Morgan Partners, LLC, investment partnerships of which the general partner, managing general partner or investment manager is affiliated with Goldman, Sachs & Co. and other investors. As of September 15, 2003 members of our sponsor group indirectly (through their investment in our parent company, New SAC) own approximately 63.0% of our outstanding share capital.

Under the terms of the Seagate Technology Shareholders Agreement, our Board of Directors must consist of 11 members. Silver Lake Partners has the right to designate three of the members of our Board of Directors and Texas Pacific Group has the right to designate two of the members of our Board of Directors. In addition, one of our directors must be our Chief Executive Officer and one must be another member of management. The remaining four members of the board must be nominated by our Nominating and Governance Committee and approved by a majority of the other seven directors. The terms of the agreement also provide that the Board of Directors shall have an audit committee, a strategic and financial transactions committee, a compensation committee and a governance committee. At least one director appointed by each of Silver Lake Partners and Texas Pacific Group is required to serve on each such committee of the Board of Directors, with the exception of the audit committee, and Seagate Technology's Chief Executive Officer is required to serve as the chairman of the strategic and financial transactions committee. The terms of the agreement further require the members of our sponsor group to vote their common shares in a manner that gives effect to the provisions of the agreement, at any annual or special meeting of shareholders of Seagate. See Certain Relationships and Related Transactions Seagate Technology Shareholders Agreement on page 39 for more information regarding this agreement.

PROPOSAL NO. 1 ELECTION OF DIRECTORS

The Board of Directors currently has 11 members. The common shareholders voting as a class have the right to elect all 11 members to the Board of Directors to serve until the next annual meeting of the common shareholders and until their respective successors are duly elected and qualified. Under Seagate Technology's articles of association, the maximum number of directors constituting the Board of Directors is 15. However, pursuant to the terms of the Seagate Technology Shareholders Agreement, the number of members comprising the Board of Directors is fixed at 11, each of whom is elected annually. As a result, shareholders are being asked to elect 11 directors only. Shareholders may not vote their proxies for a greater number of persons than the number of nominees named below.

Pursuant to the Seagate Technology Shareholders Agreement, Silver Lake Partners has designated Messrs. Davidson, Hutchins and Zander, and Texas Pacific Group has designated Messrs. Bonderman and Coulter, to serve as members of our Board of Directors. Mr. Luczo, as our Chief Executive Officer, and Mr. Watkins as a member of management, are also designated director nominees pursuant to the terms of the Seagate Technology Shareholders Agreement. Messrs. Bradley, Kiernan, Marquardt and Thompson have been nominated and approved as director nominees in accordance with the provisions of the Seagate Technology Shareholders Agreement.

If you submit a proxy designating Donald E. Kiernan, James A. Davidson and Stephen J. Luczo as your proxies but you do not indicate how your shares should be voted, then your shares will be voted in favor of the appointment of all of the nominees. It is currently anticipated that all 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 of Directors will propose a substitute nominee, and the individuals designated as your proxies will vote to appoint that proposed nominee.

Votes Required; Recommendation of the Board of Directors

The affirmative vote of a majority of all the votes cast by holders of common shares is necessary for approval of the election of each of the directors. Abstentions and broker non-votes as to this proposal will not be counted as votes cast and will have no effect on the result of the vote on this proposal.

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

Director Biographies

Set forth below are the biographies of our director nominees. There is no family relationship between any of our directors or executive officers.

With the exception of Senator Bradley, Mr. Kiernan, Mr. Thompson and Mr. Zander, each individual named below holds the same position at New SAC and Seagate Software (Cayman) Holdings Corporation (the parent company of Crystal Decisions, which operates the former software business of Seagate Delaware). Mr. Thompson holds the same position at Seagate Software (Cayman) Holdings Corporation. Mr. Waite also serves as the chairman of the board of directors of Certance Holdings (formerly Seagate Removable Storage Solutions Holdings). We expect that our directors will continue to devote a portion of their time and energy to the affairs of those companies.

Stephen J. Luczo

46 years old

Director since November 2000

Chairman, Strategic and Financial

Transactions Committee

Mr. Luczo is our Chief Executive Officer and the Chairman of our Board of Directors. Mr. Luczo became a member of our Board of Directors on the closing of the November 2000 transactions and was elected Chairman of Seagate Technology on June 19, 2002. Mr. Luczo joined us in October 1993 as Senior Vice President of Corporate Development. In March 1995, he was appointed Executive Vice President of Corporate Development and Chief Operating Officer of Seagate Software Holdings. In July 1997, he was appointed Chairman of the Board of Directors of Seagate Software Holdings. In September 1997, Mr. Luczo was promoted to President and Chief Operating Officer of Seagate Delaware and, in July 1998, he was promoted to Chief Executive Officer. Mr. Luczo resigned from the office of President of Seagate Delaware, and Mr. Watkins was elected to that office in May 2000. 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. Mr. Luczo serves as a member of the boards of directors of Crystal Decisions, Inc., one of our affiliates, e2open and another private company.

William D. Watkins

50 years old

Director since November 2000

Mr. Watkins became a member of our Board of Directors on the closing of the November 2000 transactions. Mr. Watkins, our President, Chief Operating Officer and Director, joined us as Executive Vice President of our Recording Media Group in February 1996 with our merger with Conner Peripherals, Inc. 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 recording head operations and product development. Prior to joining us, he was President and General Manager of the Disc Division at Conner Peripherals, Inc., an information storage solutions company, from January 1990 until December 1992. In January 1993, Mr. Watkins was promoted to Senior Vice President of Heads & Media Manufacturing Operations at Conner Peripherals, Inc. Mr. Watkins is a member of the boards of directors of Iolon, Inc. and MEMC Electronic Materials, Inc. He also serves on the Executive Advisory Council for IDEMA (International Disc Drives and Equipment Manufacturer Association) and the Executive Advisory Board of Juran Center for Leadership in Quality.

David Bonderman

60 years old

Director since November 2000

Member, Compensation Committee

Mr. Bonderman became a member of our Board of Directors on the closing of the November 2000 transactions. Mr. Bonderman is a principal of Texas Pacific Group, a private investment firm he co-founded in 1993. Prior to forming Texas Pacific Group, Mr. Bonderman was Chief Operating Officer and Chief Investment Officer of Robert M. Bass Group, now doing business as Keystone Inc., a private investment firm, from 1983 to August 1992. Mr. Bonderman is a member of the boards of directors of Continental Airlines, Inc., CoStar Group, Inc., Ducati Motor Holdings S.p.A., Gemplus International S.A., ProQuest Company, Ryanair Holdings plc and a number of private companies.

William W. Bradley

60 years old

Director since July 2003

Member, Audit Committee

Senator Bradley became a member of our Board of Directors in July 2003. Senator Bradley is a Managing Director of Allen & Company LLC having joined them in November 2002. Additionally, he is chief outside advisor to McKinsey & Company's non-profit practice. From 1997 to 1999, he was a Senior Advisor and Vice Chairman to the International Council of J.P. Morgan & Co., Inc. During that time, he also served as an essayist for CBS evening news and a visiting professor at Stanford University, Notre Dame University 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 Eastman Kodak Company, Starbucks Corporation and Willis Group Holdings, Limited.

James G. Coulter

43 years old

Director since November 2000

Member, Nominating and

Corporate Governance Committee

and Strategic and Financial

Transactions Committee

Mr. Coulter became a member of our Board of Directors on the closing of the November 2000 transactions. Mr. Coulter is a principal of the Texas Pacific Group, a private investment firm he co-founded in 1993. From 1986 to 1992, Mr. Coulter was a Vice President of Keystone, Inc. From 1986 to 1988, Mr. Coulter was also associated with SPO Partners, an investment firm that focuses on public market and private minority investments. Mr. Coulter is a member of the board of directors of J. Crew Group, Inc. and a number of private companies.

James A. Davidson

44 years old

Director since November 2000

Chairman, Compensation Committee

Mr. Davidson became a member of our Board of Directors on the closing of the November 2000 transactions. Mr. Davidson is a founder and principal of Silver Lake Partners, a private equity firm. 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 board of directors of Enterasys Networks, Inc. and Flextronics International Ltd.

Glenn H. Hutchins

47 years old

Director since November 2000

Member, Nominating and Corporate

Governance Committee and Strategic

and Financial Transactions Committee

Mr. Hutchins became a member of our Board of Directors on the closing of the November 2000 transactions. Mr. Hutchins is a founder and principal of Silver Lake Partners, a private equity firm. From 1994 to 1999, Mr. Hutchins was a Senior Managing Director of The Blackstone Group L.P., where he focused on its private equity investing. Mr. Hutchins is a member of the boards of directors of Gartner, Inc., Ameritrade Holding Corp. and Instinet Group Inc.

Donald E. Kiernan

62 years old

Director since April 2003

Chairman, Audit Committee

Mr. Kiernan became a member of our Board of Directors 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 and was responsible for all financial affairs. Prior to joining SBC, Mr. Kiernan was a partner with 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., Horace Mann Educators Corporation and Viad Corporation.

David F. Marquardt

54 years old

Director since November 2000

Member, Nominating and Corporate

Governance Committee and

Compensation Committee

Mr. Marquardt became a member of our Board of Directors on the closing of the November 2000 transactions. Mr. Marquardt was a co-founder of August Capital, a California based venture capital firm, in 1995. Prior to August Capital, Mr. Marquardt was a partner of Technology Venture Investors, a venture capital firm which he co-founded in 1980. Mr. Marquardt is a member of the boards of directors of Microsoft Corporation, Netopia, Inc., Tumbleweed Communications Corp. and a number of private companies.

John W. Thompson

54 years old

Director since November 2000

Member, Audit Committee

Chairman, Compensation

Committee

Mr. Thompson became a member of our Board of Directors on the closing of the November 2000 transactions. Mr. Thompson is Chairman of the Board of Directors and Chief Executive Officer of Symantec Corporation, an Internet security technology provider. Before joining Symantec in April 1999, Mr. Thompson held various executive and management positions with IBM from 1971. Mr. Thompson is a member of the boards of directors of NiSource, Inc., United Parcel Service, Inc. and Crystal Decisions, Inc.

Edward J. Zander

56 years old

Director since November 2002

Mr. Zander became a member of our Board of Directors in November 2002. Mr. Zander joined Silver Lake Partners as a principal in July 2003. Prior to joining Silver Lake Partners, Mr. Zander served as president and chief operating officer of Sun Microsystems, Inc. from January 1998 through June 2002, during which time he oversaw the company's day-to-day business operations, including hardware and software design and development, global sales, service and customer advocacy, worldwide manufacturing and purchasing, research and development and worldwide marketing. Before assuming these titles, Mr. Zander served as president and chief operating officer of Sun Microsystems Computer Company, where he managed all aspects of development, manufacturing, sales and marketing. Earlier, he served as president of Sun's software group, where he initiated the development and marketing of Solaris and led the company's network management, PC integration and software product suites. Mr. Zander has acquired over 25 years of experience in the computer business serving in senior marketing management positions at Apollo Computer Systems Incorporated and Data General Corporation prior to joining Sun in October 1987. Mr. Zander is a member of the boards of directors of Portal Software, Inc., Multilink Technology Corporation and a number of private companies.

MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD

The Board of Directors held seven meetings (including three special meetings) during our fiscal year ended on June 27, 2003, or fiscal year 2003. All of the directors who served during fiscal year 2003 attended at least 75% of the aggregate of all Board of Directors meetings and all meetings of the committees of the Board of Directors on which he served, held during fiscal year 2003, except for Mr. Bonderman who attended 40% of the aggregate of all Board of Directors meetings and the meetings of the committees on which he served.

The Board of Directors maintains a standing Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee and Strategic and Financial Transactions Committee. These committees are described in the following paragraphs.

Audit Committee

The Audit Committee consists of three of our non-management directors. These individuals are Messrs. Kiernan, Thompson and Bradley. Each of these committee members meets the independence and experience requirements of the New York Stock Exchange as currently in effect. The Board of Directors has determined that Mr. Kiernan is an audit committee financial expert and that he is independent for the purposes of applicable New York Stock Exchange rules. Messrs. Kiernan, Thompson and Bradley were all appointed to the Audit Committee by our Board of Directors within the last six months, in order to ensure that our audit committee is comprised solely of non-management directors. Mr. Kiernan currently serves as the Chairman of the Audit Committee. We expect that our Board of Directors will determine that Mr. Kiernan qualifies as independent and as a financial expert under the proposed rules of the New York Stock Exchange and the Securities and Exchange Commission (the "SEC"). The audit committee cannot act without the affirmative votes of a two-member quorum.

The Audit Committee held four meetings during fiscal year 2003. The Audit Committee's primary duties and responsibilities are to:

provide assistance to the Board of Directors in fulfilling its responsibility to Seagate Technology's shareholders, potential shareholders and the investment community with respect to its oversight of:

the quality and integrity Seagate Technology's financial statements;

Seagate Technology's compliance with legal and regulatory requirements;

the independent auditors' qualifications and independence; and

the performance of Seagate Technology's internal auditors;

prepare all reports that the rules of the SEC require to be included in Seagate Technology's annual proxy statements;

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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 of Directors and which satisfies the applicable requirements of the Sarbanes Oxley Act of 2002 and the New York Stock Exchange. A copy of this charter is attached to this proxy statement as Appendix A.

The Report of the Audit Committee for fiscal year 2003 can be found on page 11.

Compensation Committee

Our Compensation Committee is comprised of three of our non-management directors, of which one member is designated by Silver Lake Partners and one member is designated by Texas Pacific Group.

Messrs. Davidson, Bonderman and Marquardt currently serve as the members of the Compensation Committee. The Compensation Committee cannot act without the affirmative votes of a two-member quorum that must consist of a member designated by Silver Lake Partners and a member designated by Texas Pacific Group. The Compensation Committee met eight times during fiscal year 2003. Mr. Davidson currently serves as the Chairman of this committee.

The Compensation Committee is responsible for, among other things:

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

producing an annual report on executive compensation for inclusion in our annual proxy statement, in accordance with applicable rules and regulations;

reviewing and approving corporate goals and objectives relevant to the Chief Executive Officer and other senior officers, evaluating the performance of these officers in light of those goals and objectives and setting the compensation of these officers based on their evaluation;

making recommendations to the Board of Directors with respect to compensation plans; and

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

The Report of the Compensation Committee on Executive Compensation can be found on page 25.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee is comprised of three of our non-management directors, of which one member is designated by Silver Lake Partners and one member is designated by Texas Pacific Group. Messrs. Hutchins, Coulter and Marquardt currently serve as the members of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee met once during fiscal year 2003.

The Nominating and Corporate Governance Committee is responsible for, among other things:

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

developing and recommending to the Board of Directors a set of corporate governance principles applicable to our company;

establishing the criteria for selecting new directors;

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overseeing the process for evaluating the Board of Directors and management; 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 Corporate Governance Committee with its charter.

The Nominating and Corporate Governance Committee has not adopted formal procedures for shareholder submissions of recommendations for nominees for membership of the Board of Directors. However, if you would like to recommend a nominee for membership of the Board of Directors for consideration by this committee, you can submit a written recommendation with the name and other pertinent information of the nominee to: Nominating and Corporate Governance Committee, Seagate Technology, 920 Disc Drive, Scotts Valley, California 95066, Attention: William L. Hudson, General Counsel.

Strategic and Financial Transactions Committee

Our Strategic and Financial Transactions Committee is comprised of three of our directors, of which one must be a non-management director designated by Silver Lake Partners, one must be a non-management director designated by Texas Pacific Group and one must be our Chief Executive Officer, who is required to serve as the chairman of the committee. Messrs. Hutchins, Coulter and Luczo currently serve as the members of the Strategic and Financial Transactions Committee with Mr. Luczo serving as the chairman. The Strategic and Financial Transactions Committee cannot act without the affirmative vote of a three-member quorum that must include a member designated by Silver Lake Partners and a member designated by Texas Pacific Group. The Strategic and Financial Transactions Committee met twice during fiscal year 2003.

The Strategic and Financial Transactions Committee is responsible for, among other things:

reviewing potential strategic and financial transactions that we may have the opportunity to participate in from time to time;

reporting regularly to the Board of Directors 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.

REPORT OF THE AUDIT COMMITTEE

Seagate Technology's management is responsible for preparing and presenting Seagate Technology's financial statements, and Seagate Technology's independent auditors, Ernst & Young LLP, are responsible for performing an independent audit of these financial statements in accordance with generally accepted auditing standards. The audit committee is responsible for monitoring and overseeing these processes. In connection with the preparation of the financial statements as of and for the year ended June 27, 2003, the Audit Committee performed the following tasks:

- (1) reviewed and discussed the audited financial statements for fiscal year 2003 with management and with the independent auditors;
- (2) discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61 - Communication with Audit Committees ;
- (3) received the written disclosures and the letter from the independent accountants as required by Independence Standards Board Standard No. 1 - Independence Discussions with Audit Committees , and discussed with the independent accountants their independence from management and from Seagate Technology; and
- (4) considered the compatibility of non-audit services with the independent auditors' independence.

Based upon these reviews and discussions, the Audit Committee recommended, and the Board of Directors approved, that Seagate Technology's audited financial statements be included in Seagate Technology's Annual Report on Form 10-K for the fiscal year ended June 27, 2003 for filing with the SEC.

The aggregate fees billed for professional services by Ernst & Young LLP in fiscal years 2003 and 2002 are set forth below.

	Fiscal Year	
	2003	2002
	(in thousands)	
Audit Fees	\$ 3,918	\$ 2,781
Audit-Related Fees	390	316
Tax Fees	2,647	3,471
All Other Fees	554	
Total	\$ 7,509	\$ 6,568

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Audit Fees: This category includes the audit of Seagate Technology's annual consolidated financial statements, the review of financial statements included in Seagate Technology's quarterly reports on Form 10-Q and services that are normally provided by the independent auditors in connection with statutory and regulatory filings or engagements for those fiscal years. This category also includes statutory audits required by non-U.S. jurisdictions, fees incurred in connection with the registration statements filed to register our common shares or debt instruments and, for fiscal year 2002, fees incurred in connection with our tender offer and private placement of debt instruments.

Audit Related Fees: This category consists of assurance and related services provided by Ernst & Young LLP that were reasonably related to the performance of the audit or review of Seagate Technology's financial statements and which are not reported above under Audit Fees. The services corresponding to the fees disclosed under this category include benefit plan audits, advice on accounting matters that arose during the year in connection with the preparation of our financial statements and the quarterly review and annual audit of the financial statements of one of our subsidiaries.

Tax Fees. This category consists of professional services rendered by Ernst & Young LLP for tax services, including tax compliance, tax advice, tax planning and expatriate tax services.

All Other Fees. This category consists of fees for advice on a state unclaimed funds audit in fiscal year 2003.

In fiscal year 2002, none of the audit-related fees, tax fees, or fees included in the caption all other fees were pre-approved by the audit committee. In fiscal year 2003, audit related fees of approximately \$0.154 million, or 39.5% and tax related fees of approximately \$0.342 million, or 12.9%, were pre-approved by the audit committee. No fees included in the caption all other fees were pre-approved by the audit committee for fiscal year 2003. Under the SEC rules, subject to certain de minimis criteria, pre-approval is required for all professional services rendered by the Company's principal accountant for all services rendered on or after May 6, 2003. The Company is in compliance with these SEC rules.

Pre-Approval of Services

The Audit Committee has established a practice that requires the committee to pre-approve any audit or permitted non-audit services to be provided to Seagate Technology by its independent auditor, Ernst & Young LLP, in advance of such services being provided to the company.

Respectfully submitted,

THE AUDIT COMMITTEE

Donald E. Kiernan, Chairman

William W. Bradley

John W. Thompson

PROPOSAL NO. 2 APPROVAL OF THE MATERIAL

TERMS OF SEAGATE TECHNOLOGY'S ANNUAL

INCENTIVE BONUS PLAN

General

In general, Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code), imposes a limit on corporate tax deductions for compensation in excess of \$1 million per year paid by a public company to its chief executive officer and four other most highly compensated executive officers. An exception to this \$1 million limitation is provided for qualified performance-based compensation that satisfies certain conditions set forth in Section 162(m) of the Code, and the regulations promulgated thereunder. Any such qualified performance-based compensation must be approved by shareholders.

The Board of Directors is seeking the approval of our shareholders of an annual incentive bonus plan (the Bonus Plan) that would govern the award and payment of bonuses to certain of our executives. The Bonus Plan is being submitted to shareholders for approval to ensure that payments under the Bonus Plan qualify as qualified performance-based compensation, within the meaning of Section 162(m) of the Code, and the regulations promulgated thereunder and, accordingly, will be eligible for deductibility for income tax purposes by us.

Purpose of the Plan

The purpose of the Bonus Plan is to motivate our executives and reward them for producing results that increase shareholder value, and to encourage individual and team behavior that helps us achieve both short- and long-term corporate objectives. The bonuses awarded under the Bonus Plan generally are intended to be qualified performance-based compensation that is exempt from the \$1 million limitation on executive compensation under Section 162(m) of the Code, and the regulations promulgated thereunder.

Description of the Bonus Plan

The following information includes a summary of certain provisions of the Bonus Plan. This summary, however, does not purport to describe every detail of the Bonus Plan.

Bonus Awards to Participants

Eligibility. Our Chief Executive Officer and any other key executive of Seagate Technology who is selected to participate in the Bonus Plan for a specified fiscal year by the Special Compensation Committee (defined below) is eligible for a bonus award for such fiscal year under the Bonus Plan. Currently there are 100 executives of Seagate Technology, including the Chief Executive Officer, eligible to participate in the Bonus Plan. In the event an individual is selected by the Special Compensation Committee to participate in the Bonus Plan, the Special Compensation Committee will establish an objectively determinable performance target for such individual for the fiscal year at issue. Achievement of specified levels above the performance target will result in a bonus award to the participant in an amount equal to a

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pre-established fixed dollar amount or a fixed percentage of the participant's annual base salary as in effect as of the last day of such fiscal year, determined in the discretion of the Special Compensation Committee. Although the specific bonuses that will be paid to participants in the Bonus Plan for any fiscal year are not determinable at this time, the maximum bonus that may be paid to a participant under the Bonus Plan in any fiscal year will not exceed \$5,000,000. The Special Compensation Committee also will establish specified levels of the performance target and the bonus award to be paid at each such specified level.

Business Criteria. As indicated above, each participant's bonus will be based on pre-established performance targets which will be based on the following objective business criteria: (a) pre-tax income; (b) operating income; (c) net earnings; (d) net income; (e) cash flow; (f) earnings per share; (g) return on equity; (h) return on invested capital or assets; (i) cost reductions or savings; (j) funds from operations; (k) appreciation in the fair market value of our stock; (l) earnings before any one or more of interest, taxes, depreciation or amortization, or (m) implementation of our critical processes or projects.

Bonus Amount. The bonus award for any participant is based on the achievement of specified levels of performance at or above the performance threshold. Prior to the payment of a bonus award to a participant, the Special Compensation Committee must certify in writing the level of the performance attained.

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

General

Payment of Bonuses. Each bonus award shall be paid in cash. Unless otherwise directed by the Special Compensation Committee, payment shall be made within 70 days after the end of the fiscal year to which such bonus award relates (subject to any election made by an eligible executive with respect to the deferral of all or a portion of his or her bonus).

Effective Date. The Bonus Plan will be effective as of the first day of our fiscal year 2004, subject to approval by the shareholders of Seagate Technology at the 2003 Annual General Meeting. The Bonus Plan year will commence on the first day of each fiscal year and end on the last day of that fiscal year.

Administration and Interpretation. The Bonus Plan will be administered by a committee (the Special Compensation Committee) that consists solely of two or more directors who are considered outside directors for purposes of Section 162(m) of the Code, and the regulations promulgated thereunder. The Special Compensation Committee will have the absolute authority to administer and interpret the Bonus Plan.

Amendment. The Bonus Plan may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Special Compensation Committee or the Board of Directors. However, to the extent required by Section 162(m) of the Code, and the regulations promulgated thereunder, no action of the Special Compensation Committee or the Board of Directors may modify the performance targets applicable to bonus awards after the commencement of the fiscal year with respect to which such bonus awards relate, increase the maximum amount of bonuses that may be paid or otherwise materially increase the benefits accruing to participants in the Bonus Plan or materially modify the eligibility requirements for participation in the Bonus Plan without the approval of our shareholders.

Shareholder Approval. The Bonus Plan is subject to the approval of our shareholders and, in the event the Bonus Plan is not approved, no bonus award will be payable under the Bonus Plan and the Bonus Plan will terminate.

The Board of Directors believes it is in Seagate Technology's best interests to ensure that bonus awards paid to our executives qualify as qualified performance-based compensation for deductibility under Section 162(m) of the Code, in order to maximize our income tax deductions.

Votes Required; Recommendation of the Board of Directors

The affirmative vote of the holders of a majority of all the votes cast by holders of common shares is necessary to approve the Bonus Plan. Abstentions and broker non-votes as to this proposal will not be counted as votes cast and will have no effect on the results of the vote on this proposal.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE APPROVAL OF THE BONUS PLAN.

PROPOSAL NO. 3 RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

Ernst & Young LLP served as the independent auditors to Seagate Technology for the fiscal year ended June 27, 2003. The Board of Directors, acting upon the recommendation of its Audit Committee, has appointed Ernst & Young LLP to audit the financial statements of Seagate Technology for the fiscal year ending July 2, 2004, and is asking Seagate Technology's shareholders to ratify such appointment.

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

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE **FOR** THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS INDEPENDENT ACCOUNTANTS OF THE COMPANY.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Compensation of Named Executive Officers

The following table sets forth information regarding compensation paid by Seagate Technology for services rendered during the past three fiscal years for our Chief Executive Officer and for each of our four other most highly compensated executive officers who were serving as executive officers at the end of fiscal year 2003. We collectively refer to these five persons as the named executive officers.

Summary Compensation Table ⁽¹⁾

<u>Name and Principal Position</u>	<u>Fiscal Year ⁽¹⁾</u>	<u>Annual Compensation</u>		<u>Long-Term Compensation</u>		<u>All Other Compensation ^{(4) (5)}</u>
		<u>Salary (\$)</u>	<u>Bonus (\$)</u>	<u>Restricted Stock Award(s)</u>	<u>Number of Securities Underlying Options Granted</u>	
				<u>New SAC ⁽²⁾</u>	<u>Seagate Technology ⁽³⁾</u>	