UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended January 3, 2020

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from:_____ to _____

Commission File Number 001-31560

SEAGATE TECHNOLOGY PUBLIC LIMITED COMPANY

(Exact name of registrant as specified in its charter)

Ireland	**98-0648577**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

38/39 Fitzwilliam Square
Dublin 2, Ireland
(Address of principal executive offices)
D02 NX53
(Zip Code)

Telephone: (353) (1) 234-3136
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares, par value $0.00001 per share	**STX**	**The NASDAQ Global Select Market**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer:	☐
Non-accelerated filer:	☐	Smaller reporting company:	☐
Emerging growth company:	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of January 31, 2020, 260,956,046 of the registrant's ordinary shares, par value $0.00001 per share, were issued and outstanding.

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PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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SEAGATE TECHNOLOGY PLC
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions)

	January 3, 2020	June 28, 2019
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,744	$ 2,220
Accounts receivable, net	1,112	989
Inventories	1,148	970
Other current assets	148	184
Total current assets	4,152	4,363
Property, equipment and leasehold improvements, net	2,049	1,869
Goodwill	1,237	1,237
Other intangible assets, net	83	111
Deferred income taxes	1,119	1,114
Other assets, net	292	191
Total Assets	$ 8,932	$ 8,885
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 1,870	$ 1,420
Accrued employee compensation	191	169
Accrued warranty	80	91
Current portion of long-term debt	6	—
Accrued expenses	553	552
Total current liabilities	2,700	2,232
Long-term accrued warranty	89	104
Long-term accrued income taxes	3	4
Other non-current liabilities	175	130
Long-term debt	4,135	4,253
Total Liabilities	7,102	6,723
Commitments and contingencies (See Notes 11 and 13)		
Shareholders' Equity:		
Ordinary shares and additional paid-in capital	6,667	6,545
Accumulated other comprehensive loss	(33)	(34)
Accumulated deficit	(4,804)	(4,349)
Total Equity	1,830	2,162
Total Liabilities and Equity	$ 8,932	$ 8,885

See Notes to Condensed Consolidated Financial Statements.

SEAGATE TECHNOLOGY PLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share data)
(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	January 3, 2020	**December 28, 2018**	**January 3, 2020**	**December 28, 2018**
Revenue	$ 2,696	$ 2,715	$ 5,274	$ 5,706
Cost of revenue	1,938	1,921	3,845	3,999
Product development	250	246	505	512
Marketing and administrative	120	120	242	235
Amortization of intangibles	4	5	8	11
Restructuring and other, net	—	7	17	30
Total operating expenses	2,312	2,299	4,617	4,787
Income from operations	384	416	657	919
Interest income	4	22	15	46
Interest expense	(48)	(56)	(103)	(114)
Other, net	(4)	16	(35)	15
Other expense, net	(48)	(18)	(123)	(53)
Income before income taxes	336	398	534	866
Provision for income taxes	18	14	16	32
Net income	$ 318	$ 384	$ 518	$ 834
Net income per share:				
Basic	$ 1.21	$ 1.35	$ 1.96	$ 2.92
Diluted	1.20	1.34	1.93	2.88
Number of shares used in per share calculations:				
Basic	262	285	264	286
Diluted	265	287	268	290
Cash dividends declared per ordinary share	$ 0.65	$ 0.63	$ 1.28	$ 1.26

See Notes to Condensed Consolidated Financial Statements.

SEAGATE TECHNOLOGY PLC
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)
(Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	January 3, 2020	December 28, 2018	January 3, 2020	December 28, 2018
Net income	$ 318	$ 384	$ 518	$ 834
Other comprehensive income (loss), net of tax:				
Cash flow hedges				
Change in net unrealized gain (loss) on cash flow hedges	3	(4)	2	(1)
Less: reclassification for amounts included in net income	1	(1)	1	(2)
Net change	4	(5)	3	(3)
Foreign currency translation adjustments	3	(4)	(2)	(2)
Total other comprehensive income (loss), net of tax	7	(9)	1	(5)
Comprehensive income	$ 325	$ 375	$ 519	$ 829

See Notes to Condensed Consolidated Financial Statements.

SEAGATE TECHNOLOGY PLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	For the Six Months Ended	
	January 3, 2020	**December 28, 2018**
OPERATING ACTIVITIES		
Net income	$ 518	$ 834
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	185	272
Share-based compensation	53	45
Deferred income taxes	(4)	1
Other non-cash operating activities, net	47	(44)
Changes in operating assets and liabilities:		
Accounts receivable, net	(124)	135
Inventories	(172)	(47)
Accounts payable	458	(240)
Accrued employee compensation	22	(89)
Accrued expenses, income taxes and warranty	(38)	(16)
Other assets and liabilities	(9)	24
Net cash provided by operating activities	936	875
INVESTING ACTIVITIES		
Acquisition of property, equipment and leasehold improvements	(341)	(304)
Proceeds from settlement of foreign currency forward exchange contracts	—	66
Proceeds from sale of strategic investments	—	10
Proceeds from the sale of assets	1	6
Purchases of investments	(45)	(8)
Net cash used in investing activities	(385)	(230)
FINANCING ACTIVITIES		
Redemption and repurchase of debt	(645)	(499)
Dividends to shareholders	(335)	(361)
Repurchases of ordinary shares	(600)	(286)
Taxes paid related to net share settlement of equity awards	(39)	(30)
Net proceeds from issuance of long-term debt	498	—
Proceeds from issuance of ordinary shares under employee stock plans	69	35
Other financing activities, net	(2)	—
Net cash used in financing activities	(1,054)	(1,141)
Effect of foreign currency exchange rate changes on cash, cash equivalents and restricted cash	(2)	(1)
Decrease in cash, cash equivalents and restricted cash	(505)	(497)
Cash, cash equivalents and restricted cash at the beginning of the period	2,251	1,857
Cash, cash equivalents and restricted cash at the end of the period	$ 1,746	$ 1,360

See Notes to Condensed Consolidated Financial Statements.

SEAGATE TECHNOLOGY PLC
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
For the Three Months Ended January 3, 2020 and December 28, 2018
(In millions)
(Unaudited)

	Number of Ordinary Shares	Par Value of Shares	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance at October 4, 2019	263	$ —	$ 6,610	$ (40)	$ (4,800)	$ 1,770
Net income					318	318
Other comprehensive income				7		7
Issuance of ordinary shares under employee stock plans	1		30			30
Repurchases of ordinary shares	(3)				(150)	(150)
Tax withholding related to vesting of restricted stock units					(2)	(2)
Dividends to shareholders					(170)	(170)
Share-based compensation			27			27
Balance at January 3, 2020	261	$ —	$ 6,667	$ (33)	$ (4,804)	$ 1,830

	Number of Ordinary Shares	Par Value of Shares	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance at September 28, 2018	286	$ —	$ 6,427	$ (12)	$ (4,569)	$ 1,846
Net income					384	384
Other comprehensive loss				(9)		(9)
Issuance of ordinary shares under employee stock plans			3			3
Repurchases of ordinary shares	(3)				(136)	(136)
Tax withholding related to vesting of restricted stock units					(3)	(3)
Dividends to shareholders					(178)	(178)
Share-based compensation			27			27
Balance at December 28, 2018	283	$ —	$ 6,457	$ (21)	$ (4,502)	$ 1,934

See Notes to Condensed Consolidated Financial Statements.

SEAGATE TECHNOLOGY PLC
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
For the Six Months Ended January 3, 2020 and December 28, 2018
(In millions)
(Unaudited)

	Number of Ordinary Shares	Par Value of Shares	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance at June 28, 2019	269	$ —	$ 6,545	$ (34)	$ (4,349)	$ 2,162
Impact of adopting new lease standard (Note 1)					(2)	(2)
Net income					518	518
Other comprehensive income				1		1
Issuance of ordinary shares under employee stock plans	5		69			69
Repurchases of ordinary shares	(12)				(597)	(597)
Tax withholding related to vesting of restricted stock units	(1)				(39)	(39)
Dividends to shareholders					(335)	(335)
Share-based compensation			53			53
Balance at January 3, 2020	261	$ —	$ 6,667	$ (33)	$ (4,804)	$ 1,830

	Number of Ordinary Shares	Par Value of Shares	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance at June 29, 2018	287	$ —	$ 6,377	$ (16)	$ (4,696)	$ 1,665
Cumulative effect of adoption of new revenue standard					34	34
Net income					834	834
Other comprehensive loss				(5)		(5)
Issuance of ordinary shares under employee stock plans	3		35			35
Repurchases of ordinary shares	(6)				(286)	(286)
Tax withholding related to vesting of restricted stock units	(1)				(30)	(30)
Dividends to shareholders					(358)	(358)
Share-based compensation			45			45
Balance at December 28, 2018	283	$ —	$ 6,457	$ (21)	$ (4,502)	$ 1,934

See Notes to Condensed Consolidated Financial Statements.

SEAGATE TECHNOLOGY PLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation and Summary of Significant Accounting Policies

Organization

Seagate Technology plc ("STX") and its subsidiaries (collectively, unless the context otherwise indicates, the "Company") is a leading provider of data storage technology and solutions. Its principal products are hard disk drives, commonly referred to as disk drives, hard drives or HDDs. In addition to HDDs, the Company produces a broad range of data storage products including solid state drives ("SSDs"), solid state hybrid drives ("SSHDs") and storage subsystems.

HDDs are devices that store digitally encoded data on rapidly rotating disks with magnetic surfaces. HDDs continue to be the primary medium of mass data storage due to their performance attributes, reliability, high quality and cost effectiveness. Complementing existing data center storage architecture, SSDs use integrated circuit assemblies as memory to store data, and most SSDs use NAND flash memory. In addition to HDDs and SSDs, SSHDs combine the features of SSDs and HDDs in the same unit, containing a high capacity HDD and a smaller SSD acting as a cache to improve performance of frequently accessed data.

The Company's HDD products are designed for both mass capacity storage and legacy markets. Mass capacity storage supports high capacity, low-cost storage applications, including nearline, video and image applications and network-attached storage ("NAS"). Legacy markets include mission critical, desktop, notebook, digital video recorders ("DVRs"), gaming consoles and consumer applications. These markets were previously categorized as enterprise servers and storage systems, edge non-compute applications, and edge compute applications. The Company's SSD product portfolio is mainly comprised of Serial Attached SCSI ("SAS") and Non-Volatile Memory Express ("NVMe") and is designed primarily for applications in enterprise servers and storage systems.

The Company's enterprise data solutions ("EDS") portfolio includes storage subsystems for enterprises, cloud service providers, scale-out storage servers and original equipment manufacturers ("OEMs").

Basis of Presentation and Consolidation

The Company's unaudited condensed consolidated financial statements include the accounts of the Company and all its wholly-owned and majority-owned subsidiaries, after elimination of intercompany transactions and balances.

The preparation of financial statements in accordance with the United States ("U.S.") generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the Company's condensed consolidated financial statements and accompanying notes. Actual results could differ materially from those estimates. The methods, estimates and judgments the Company uses in applying its most critical accounting policies have a significant impact on the results the Company reports in its condensed consolidated financial statements.

The Company's consolidated financial statements for the fiscal year ended June 28, 2019 are included in its Annual Report on Form 10-K, as filed with the U.S. Securities and Exchange Commission ("SEC") on August 2, 2019. The Company believes that the disclosures included in these unaudited condensed consolidated financial statements, when read in conjunction with its consolidated financial statements as of June 28, 2019, and the notes thereto, are adequate to make the information presented not misleading.

Fiscal Year

The Company operates and reports financial results on a fiscal year of 52 or 53 weeks ending on the Friday closest to June 30. In fiscal years with 53 weeks, the first quarter consists of 14 weeks and the remaining quarters consist of 13 weeks each. The three and six months ended January 3, 2020 consisted of 13 weeks and 27 weeks, respectively, and the three and six months ended December 28, 2018 consisted of 13 weeks and 26 weeks, respectively. Fiscal year 2020, which ends on July 3, 2020, is comprised of 53 weeks and fiscal year 2019, which ended on June 28, 2019, was comprised of 52 weeks. The fiscal quarters ended January 3, 2020, October 4, 2019 and December 28, 2018, are also referred to herein as the "December 2019 quarter", the "September 2019 quarter" and the "December 2018 quarter", respectively. The results of operations for the three and six months ended January 3, 2020 are not necessarily indicative of the results of operations to be expected for any subsequent interim period or for the Company's fiscal year ending July 3, 2020.

Summary of Significant Accounting Policies

Except for the change in the Company's other long-lived assets and leases policies described below, there have been no material changes to the Company's significant accounting policies disclosed in Note 1. Basis of Presentation and Summary of Significant Accounting Policies of "Financial Statements and Supplementary Data" contained in Part II, Item 8. of the Company's Annual Report on Form 10-K for the fiscal year ended June 28, 2019, as filed with the SEC on August 2, 2019.

Other Long-Lived Assets

In accordance with its policy, the Company reviews the estimated useful lives of its fixed assets on an ongoing basis. This review indicated that the actual lives of certain manufacturing equipment at its manufacturing facilities were longer than the estimated useful lives used for depreciation purposes in the Company's condensed consolidated financial statements. As a result, effective June 29, 2019, the Company changed its estimate of the useful lives of its manufacturing equipment from a range of three to five years to a range of three to seven years. The effect of this change in estimate increased the net income by $42 million and $65 million for the three and six months ended January 3, 2020, respectively, and increased the diluted earnings per share by $0.16 and $0.24 for the three and six months ended January 3, 2020, respectively.

Leases

Effective June 29, 2019, the Company adopted a new accounting policy for leases in accordance with Accounting Standard Codification ("ASC") 842, *Leases*, using the modified retrospective approach. Accordingly, the Company applied the new lease accounting standard prospectively to leases existing or commencing on or after June 29, 2019. The Company elected to apply the practical expedients which allow for not reassessing whether existing contracts contain leases, the classification of existing leases and whether the existing initial direct costs meet the new definition. In addition, the Company elected to combine lease and non-lease components for facility leases and to not recognize right-of-use ("ROU") assets and lease liabilities for leases with an initial term of 12 months or less on the balance sheet.

The Company determines if an arrangement is a lease or contains a lease at inception. ROU assets are included in Other assets, net and lease liabilities are included in Accrued expenses and Other non-current liabilities on the Company's Condensed Consolidated Balance Sheets. ROU assets represent the Company's right to use an underlying asset for the lease term and the corresponding lease liabilities represent its obligation to make lease payments arising from the lease.

Lease liabilities are measured at the present value of the remaining lease payments and ROU assets are based on the lease liability, adjusted for lease prepayments, lease incentives received and the lessee's initial direct costs. As the Company's leases do not provide an implicit rate, the net present value of future minimum lease payments is determined using the Company's estimated incremental borrowing rate based on the information available at the lease commencement date. Additionally, the Company's lease term may include options to extend or terminate the lease. These options are reflected in the ROU asset and lease liability when it is reasonably certain that the Company will exercise the option. The Company's lease agreements do not contain any material residual value guarantees.

The Company recognizes lease expense on a straight-line basis over the lease term. Variable lease payments not dependent on an index or a rate primarily consist of common area maintenance charges, are expensed as incurred, and are not included in the ROU asset and lease liability calculation. The total operating and variable lease costs were included in operating expenses in the Company's Condensed Consolidated Statements of Operations.

Recently Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2016-02 (ASC Topic 842), *Leases,* and subsequently issued certain interpretive clarifications on this new guidance which amend a number of aspects of lease accounting, including requiring a lessee to recognize an ROU asset and corresponding lease liability for operating leases and enhanced disclosures. As of June 29, 2019, adoption of the standard resulted in the recognition of ROU assets and corresponding current and non-current lease liabilities of $115 million, $17 million and $57 million, respectively, on the Company's Condensed Consolidated Balance Sheet, primarily relating to real estate operating leases. The adoption of this ASU did not have a material impact on the Company's other condensed consolidated financial statements. For information regarding the impact of ASC 842 adoption, see *Summary of Significant Accounting Policies - Leases* above and Note 5. Leases.

In February 2018, the FASB issued ASU 2018-02 (ASC Topic 220), *Income Statement—Reporting Comprehensive Income: Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income.* This ASU was issued following the enactment of the U.S. Tax Cuts and Jobs Act of 2017 (the "Tax Act") and permits entities to elect a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Act. This ASU became effective and the Company adopted the guidance in the September 2019 quarter. The Company has elected not to reclassify the stranded amounts. The adoption of this guidance did not have a material impact on its condensed consolidated financial statements and disclosures.

Recently Issued Accounting Pronouncements

In August 2018, the FASB issued ASU 2018-15 (ASC Subtopic 350-40), *Intangibles - Goodwill and Other - Internal-Use Software - Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract*. This ASU aligns the accounting for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the accounting for implementation costs incurred to develop or obtain internal-use software. The Company is required to adopt the guidance in the first quarter of fiscal year 2021. Early adoption is permitted. The Company is in the process of assessing the impact of this ASU on its consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13 (ASC Topic 326), *Financial Instruments—Credit Losses: Measurement of Credit Losses on Financial Instruments*. This ASU amends the requirement on the measurement and recognition of expected credit losses for financial assets held. The Company is required to adopt this guidance in the first quarter of fiscal year 2021. The Company is in the process of assessing the impact of this ASU on its consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12 (ASC Topic 740), *Simplifying the Accounting for Income Taxes*. This ASU simplifies accounting for income taxes by removing certain exceptions to the general principles and amending existing guidance to improve consistent application. The Company is required to adopt this guidance in the first quarter of fiscal year 2022. Early adoption is permitted. The Company is in the process of assessing the impact of this ASU on its consolidated financial statements.

2. Balance Sheet Information

Available-for-sale Debt Securities

The following table summarizes, by major type, the fair value and amortized cost of the Company's investments as of January 3, 2020:

(Dollars in millions)	Amortized Cost	Unrealized Gain/(Loss)	Fair Value
Available-for-sale debt securities:			
Money market funds	$ 571	$ —	$ 571
Time deposits and certificates of deposit	101	—	101
Other debt securities	14	—	14
Total	$ 686	$ —	$ 686
Included in Cash and cash equivalents			$ 670
Included in Other current assets			2
Included in Other assets, net			14
Total			$ 686

As of January 3, 2020, the Company's Other current assets included $2 million in restricted cash and investments held as collateral at banks for various performance obligations.

As of January 3, 2020, the Company had no material available-for-sale debt securities that had been in a continuous unrealized loss position for a period greater than 12 months. The Company determined no available-for-sale debt securities were other-than-temporarily impaired as of January 3, 2020.

The fair value and amortized cost of the Company's investments classified as available-for-sale debt securities as of January 3, 2020, by remaining contractual maturity were as follows:

(Dollars in millions)	Amortized Cost	Fair Value
Due in less than 1 year	$ 672	$ 672
Due in 1 to 5 years	6	6
Due in 6 to 10 years	—	—
Thereafter	8	8
Total	$ 686	$ 686

The following table summarizes, by major type, the fair value and amortized cost of the Company's investments as of June 28, 2019:

(Dollars in millions)	Amortized Cost	Unrealized Gain/(Loss)	Fair Value
Available-for-sale debt securities:			
Money market funds	$ 417	$ —	$ 417
Time deposits and certificates of deposit	133	—	133
Other debt securities	7	—	7
Total	$ 557	$ —	$ 557
Included in Cash and cash equivalents			$ 548
Included in Other current assets			2
Included in Other assets, net			7
Total			$ 557

As of June 28, 2019, the Company's Other current assets included $2 million in restricted cash and investments held as collateral at banks for various performance obligations.

As of June 28, 2019, the Company had no material available-for-sale debt securities that had been in a continuous unrealized loss position for a period greater than 12 months. The Company determined no available-for-sale debt securities were other-than-temporarily impaired as of June 28, 2019.

Cash, Cash Equivalents and Restricted Cash

The following table provides a summary of cash, cash equivalents and restricted cash reported on the Company's Condensed Consolidated Balance Sheets that reconciles to the corresponding amount in its Condensed Consolidated Statements of Cash Flows:

(Dollars in millions)	January 3, 2020	June 28, 2019	December 28, 2018	June 29, 2018
Cash and cash equivalents	$ 1,744	$ 2,220	$ 1,357	$ 1,853
Restricted cash included in Other current assets	2	31	3	4
Total cash, cash equivalents and restricted cash presented on the Statements of Cash Flows	$ 1,746	$ 2,251	$ 1,360	$ 1,857

As of June 28, 2019, the Company's Other current assets included $31 million in restricted cash and cash equivalents in an escrow account for the sale of certain properties and cash equivalents held as collateral at banks for various performance obligations.

Inventories

The following table provides details of the inventory balance sheet item:

(Dollars in millions)	January 3, 2020	June 28, 2019
Raw materials and components	$ 346	$ 336
Work-in-process	365	217
Finished goods	437	417
Total inventories	$ 1,148	$ 970

Property, Equipment and Leasehold Improvements, net

The components of property, equipment and leasehold improvements, net, were as follows:

(Dollars in millions)	January 3, 2020	June 28, 2019
Property, equipment and leasehold improvements	$ 10,095	$ 9,835
Accumulated depreciation and amortization	(8,046)	(7,966)
Property, equipment and leasehold improvements, net	$ 2,049	$ 1,869

Accrued Expenses

The following table provides details of the accrued expenses balance sheet item:

(Dollars in millions)	January 3, 2020	June 28, 2019
Dividends payable	$ 170	$ 170
Other accrued expenses	383	382
Total accrued expenses	$ 553	$ 552

Accumulated Other Comprehensive Income (Loss) ("AOCI")

The components of AOCI, net of tax, were as follows:

(Dollars in millions)	Unrealized Gains/(Losses) on Cash Flow Hedges	Unrealized Gains/(Losses) on Available-for-Sale Debt Securities	Unrealized Gains/(Losses) on Post-Retirement Plans	Foreign Currency Translation Adjustments	Total
Balance at June 28, 2019	$ —	$ —	$ (20)	$ (14)	$ (34)
Other comprehensive income (loss) before reclassifications	2	—	—	(2)	—
Amounts reclassified from AOCI	1	—	—	—	1
Other comprehensive income (loss)	3	—	—	(2)	1
Balance at January 3, 2020	$ 3	$ —	$ (20)	$ (16)	$ (33)
Balance at June 29, 2018	$ —	$ —	$ (4)	$ (12)	$ (16)
Other comprehensive loss before reclassifications	(1)	—	—	(2)	(3)
Amounts reclassified from AOCI	(2)	—	—	—	(2)
Other comprehensive loss	(3)	—	—	(2)	(5)
Balance at December 28, 2018	$ (3)	$ —	$ (4)	$ (14)	$ (21)

3. Debt

Credit Agreement

The Company's subsidiary, Seagate HDD Cayman, entered into a credit agreement (the "Credit Agreement") on February 20, 2019, which was most recently amended on September 16, 2019. The Credit Agreement provides an up to $1.5 billion senior unsecured revolving credit facility ("Revolving Credit Facility") and a term loan facility in an aggregate principal amount of $500 million ("Term Loan"). The Revolving Credit Facility has a final maturity of February 20, 2024 and the Term Loan has a final maturity date of September 16, 2025. The loans made under the Revolving Credit Facility and the Term Loan will bear interest at a rate of the London Interbank Offered Rate ("LIBOR") plus a variable margin for each facility that will be determined based on the corporate credit rating of the Company. STX and certain of its material subsidiaries fully and unconditionally guarantee both the Revolving Credit Facility and the Term Loan. The Revolving Credit Facility also allows such facility to increase by an additional $100 million, provided that (i) there has been, and will be after giving effect to such increase, no default, (ii) the increase is at least $25 million, and (iii) the existing commitments under such facility receive 0.50% most favored nation protection. An aggregate amount of up to $75 million of the Revolving Credit Facility is available for the issuance of letters of credit, and an aggregate amount of up to $50 million of such facility is also available for swing line loans.

On September 17, 2019, Seagate HDD Cayman borrowed the $500 million principal amount under the Term Loan and the proceeds were used to repurchase a portion of its outstanding senior notes. The Term Loan is repayable in quarterly installments of 1.25% of the original principal amount beginning on December 31, 2020, with the remaining balance payable upon maturity.

The Credit Agreement includes three financial covenants: (1) interest coverage ratio, (2) total leverage ratio, and (3) a minimum liquidity amount. The Company was in compliance with the covenants as of January 3, 2020 and expects to be in compliance for the next 12 months.

As of January 3, 2020, no borrowings were drawn and no letters of credit or swing line loans had been utilized under the Revolving Credit Facility.

Other Long-Term Debt

$750 million Aggregate Principal Amount of 4.25% Senior Notes due March 2022 (the "2022 Notes"). The interest on the 2022 Notes is payable semi-annually on March 1 and September 1 of each year. The issuer under the 2022 Notes is Seagate HDD Cayman, and the obligations under the 2022 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by STX. On September 18, 2019, the principal amount of approximately $250 million was repurchased pursuant to cash tender offers for certain senior notes (the "Tender Offers"). The Company recorded a loss of $10 million during the six months ended January 3, 2020, which was included in Other, net in the Company's Condensed Consolidated Statements of Operations.

$1 billion Aggregate Principal Amount of 4.75% Senior Notes due June 2023 (the "2023 Notes"). The interest on the 2023 Notes is payable semi-annually on June 1 and December 1 of each year. The issuer under the 2023 Notes is Seagate HDD Cayman, and the obligations under the 2023 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by STX. On September 18, 2019, the principal amount of $200 million was repurchased pursuant to the Tender Offers. The Company recorded a loss of $10 million during the six months ended January 3, 2020, which was included in Other, net in the Company's Condensed Consolidated Statements of Operations.

$500 million Aggregate Principal Amount of 4.875% Senior Notes due March 2024 (the "2024 Notes"). The interest on the 2024 Notes is payable semi-annually on March 1 and September 1 of each year. The issuer under the 2024 Notes is Seagate HDD Cayman, and the obligations under the 2024 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by STX.

$1 billion Aggregate Principal Amount of 4.75% Senior Notes due January 2025 (the "2025 Notes"). The interest on the 2025 Notes is payable semi-annually on January 1 and July 1 of each year. The issuer under the 2025 Notes is Seagate HDD Cayman, and the obligations under the 2025 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by STX. On September 18, 2019, the principal amount of approximately $170 million was repurchased pursuant to the Tender Offers. The Company recorded a loss of $8 million during the six months ended January 3, 2020, which was included in Other, net in the Company's Condensed Consolidated Statements of Operations.

$700 million Aggregate Principal Amount of 4.875% Senior Notes due June 2027 (the "2027 Notes"). The interest on the Notes is payable semi-annually on June 1 and December 1 of each year. The issuer under the 2027 Notes is Seagate HDD Cayman, and the obligations under the 2027 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by STX.

$500 million Aggregate Principal Amount of 5.75% Senior Notes due December 2034 (the "2034 Notes"). The interest on the 2034 Notes is payable semi-annually on June 1 and December 1 of each year. The issuer under the 2034 Notes is Seagate HDD Cayman, and the obligations under the 2034 Notes are fully and unconditionally guaranteed, on a senior unsecured basis, by STX.

At January 3, 2020, future principal payments on long-term debt were as follows (in millions):

Fiscal Year	Amount
Remainder of 2020	$ —
2021	19
2022	525
2023	766
2024	525
Thereafter	2,336
Total	$ 4,171

4. Income Taxes

The Company recorded income tax provisions of $18 million and $16 million in the three and six months ended January 3, 2020, respectively. The discrete items in the income tax provision were not material for the three months ended January 3, 2020. The income tax provision for the six months ended January 3, 2020 included approximately $10 million of net discrete tax benefits, primarily associated with net excess tax benefits related to share-based compensation expense.

The Company's income tax provision recorded for the three and six months ended January 3, 2020 differed from the provision for income taxes that would be derived by applying the Irish statutory rate of 25% to income before income taxes, primarily due to the net effect of tax benefits related to (i) non-Irish earnings generated in jurisdictions that are subject to tax incentive programs and are considered indefinitely reinvested outside of Ireland and (ii) current year generation of research credits.

During the six months ended January 3, 2020, the Company's unrecognized tax benefits excluding interest and penalties increased by approximately $3 million to $86 million; substantially all of which would impact the effective tax rate, if recognized, subject to certain future valuation allowance reversals. During the twelve months beginning January 4, 2020, the Company expects that its unrecognized tax benefits could be reduced by an immaterial amount as a result of the expiration of certain statutes of limitation.

During the three months ended January 3, 2020, there has been various tax legislation passed which become effective in the Company's fiscal years 2020 and 2021. Tax legislation effective in fiscal year 2020 has no impact to the Company's financial statements. For tax legislation effective beginning fiscal year 2021, the Company is in the process of assessing the impact of these tax law changes to the consolidated financial statements.

The Company recorded income tax provisions of $14 million and $32 million in the three and six months ended December 28, 2018, respectively. The income tax provision for the three and six months ended December 28, 2018 included approximately $5 million and $4 million of net discrete tax benefits, respectively, primarily associated with the recognition of previously unrecognized tax benefits related to the expiration of certain statutes of limitation.

The Company's income tax provision recorded for the three and six months ended December 28, 2018 differed from the provision for income taxes that would be derived by applying the Irish statutory rate of 25% to income before income taxes, primarily due to the net effect of (i) tax benefits related to non-Irish earnings generated in jurisdictions that are subject to tax incentive programs and are considered indefinitely reinvested outside of Ireland and (ii) a decrease in valuation allowance for certain deferred tax assets.

5. Leases

The Company is a lessee in several operating leases related to real estate facilities for warehouse and office space.

The Company's lease arrangements comprise operating leases with various expiration dates through 2082. The lease term includes the non-cancelable period of the lease, adjusted for options to extend or terminate the lease when it is reasonably certain that an option will be exercised.

Operating lease costs include short-term lease costs and are shown net of immaterial sublease income. The components of lease costs and other information related to leases were as follows:

(Dollars in millions)	For the Three Months Ended January 3, 2020	For the Six Months Ended January 3, 2020
Operating lease cost	$ 5	$ 11
Variable lease cost	1	2
Total lease cost	$ 6	$ 13
Operating cash outflows from operating leases	$ 5	$ 9

	January 3, 2020
Weighted-average remaining lease term	12.9 years
Weighted-average discount rate	6.29 %

ROU assets and lease liabilities are included on the Company's Condensed Consolidated Balance Sheet as follows:

(Dollars in millions)	Balance Sheet Location	January 3, 2020
ROU assets	Other assets, net	$ 109
Current lease liabilities	Accrued expenses	$ 14
Non-current lease liabilities	Other non-current liabilities	$ 55

At January 3, 2020, future lease payments included in the measurement of lease liabilities were as follows (in millions):

Fiscal Year	Amount
Remainder of 2020	$ 6
2021	16
2022	14
2023	10
2024	5
Thereafter	105
Total lease payments	156
Less: imputed interest	(87)
Present value of lease liabilities	$ 69

6. Restructuring and Exit Costs

The Company recorded net restructuring charges of approximately $17 million for the six months ended January 3, 2020. Restructuring charges were not material for the three months ended January 3, 2020. The Company's restructuring plans are comprised primarily of charges related to workforce reduction costs and facilities and other exit costs. All restructuring charges are reported in Restructuring and other, net on the Company's Condensed Consolidated Statements of Operations.

The following table summarizes the Company's restructuring activities under all of the Company's active restructuring plans for the six months ended January 3, 2020:

(Dollars in millions)	Restructuring Plans: Workforce Reduction Costs	Restructuring Plans: Facilities and Other Exit Costs	Total
Accrual balances at June 28, 2019	$ 13	$ 17	$ 30
Lease adoption adjustment	—	(11)	(11)
Restructuring charges	20	1	21
Cash payments	(15)	(3)	(18)
Adjustments	(4)	—	(4)
Accrual balances at January 3, 2020	$ 14	$ 4	$ 18
Total costs incurred to date as of January 3, 2020	$ 474	$ 118	$ 592
Total expected charges to be incurred as of January 3, 2020	$ —	$ 1	$ 1

7. Derivative Financial Instruments

The Company is exposed to foreign currency exchange rate, interest rate, and to a lesser extent, equity market risks relating to its ongoing business operations. From time to time, the Company enters into cash flow hedges in the form of foreign currency forward exchange contracts. The objective of foreign currency forward exchange contracts is to manage the foreign currency exchange rate risk on forecasted expenses and investments denominated in foreign currencies.

In the September 2019 quarter, the Company entered into certain interest rate swap agreements with a notional amount of $500 million to convert the variable interest rate on its Term Loan to fixed interest rates. The contracts will mature on September 16, 2025. The objective of the interest rate swap agreements is to eliminate the variability of interest payment cash flows associated with variable interest rates. The Company designated the interest rate swaps as cash flow hedges.

The Company's accounting policies for these instruments are based on whether the instruments are classified as designated or non-designated hedging instruments. The Company records all derivatives on its Condensed Consolidated Balance Sheets at fair value. The changes in the fair value of highly effective designated cash flow hedges are recorded in Accumulated other comprehensive loss until the hedged item is recognized in earnings. Derivatives that are not designated as hedging instruments or are not assessed to be highly effective are adjusted to fair value through earnings. The amount of net unrealized gain on cash flow hedges was $3 million as of January 3, 2020 and the amount of net unrealized loss on cash flow hedges was not material as of June 28, 2019. As of January 3, 2020, the amount of existing net gains related to cash flow hedges recorded in Accumulated other comprehensive loss included $3 million that is expected to be reclassified to earnings within twelve months.

The Company de-designates its cash flow hedges when the forecasted hedged transactions affect earnings or it is probable the forecasted hedged transactions will not occur in the initially identified time period. At such time, the associated gains and losses deferred in Accumulated other comprehensive loss on the Company's Condensed Consolidated Balance Sheets are reclassified into earnings and any subsequent changes in the fair value of such derivative instruments are immediately reflected in earnings. The Company recognized a net loss of $1 million in Other expense, net related to the loss of hedge designation on discontinued cash flow hedges during the three and six months ended January 3, 2020. The Company recognized a net gain of $1 million and $2 million in Other expense, net related to the loss of hedge designation on discontinued cash flow hedges during the three and six months ended December 28, 2018, respectively.

Other derivatives not designated as hedging instruments consist of foreign currency forward exchange contracts that the Company uses to hedge the foreign currency exposure on forecasted expenditures denominated in currencies other than the U.S. dollar. The Company recognizes gains and losses on these contracts, as well as the related costs in Other, net on its Condensed Consolidated Statements of Operations.

The following tables show the total notional value of the Company's outstanding foreign currency forward exchange contracts as of January 3, 2020 and June 28, 2019. All of the foreign currency forward exchange contracts mature within 12 months.

(Dollars in millions)	As of January 3, 2020: Contracts Designated as Hedges	As of January 3, 2020: Contracts Not Designated as Hedges
Singapore Dollar	$ 26	$ 32
Chinese Renminbi	10	20
	$ 36	$ 52

(Dollars in millions)	As of June 28, 2019	
	Contracts Designated as Hedges	Contracts Not Designated as Hedges
Singapore Dollar	$ 60	$ 40
Chinese Renminbi	79	20
British Pound Sterling	6	12
	$ 145	$ 72

The Company is subject to equity market risks due to changes in the fair value of the notional investments selected by its employees as part of its non-qualified deferred compensation plan: the Seagate Deferred Compensation Plan (the "SDCP"). In fiscal year 2014, the Company entered into a Total Return Swap ("TRS") in order to manage the equity market risks associated with the SDCP liabilities. The Company pays a floating rate, based on LIBOR plus an interest rate spread, on the notional amount of the TRS. The TRS is designed to substantially offset changes in the SDCP liability due to changes in the value of the investment options made by employees. As of January 3, 2020, the notional investments underlying the TRS amounted to $124 million. The contract term of the TRS is through January 2021 and is settled on a monthly basis, therefore limiting counterparty performance risk. The Company did not designate the TRS as a hedge. Rather, the Company records all changes in the fair value of the TRS to earnings to offset the market value changes of the SDCP liabilities.

The following tables show the Company's derivative instruments measured at gross fair value as reflected on its Condensed Consolidated Balance Sheets as of January 3, 2020 and June 28, 2019:

(Dollars in millions)	As of January 3, 2020			
	Derivative Assets		Derivative Liabilities	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:				
Foreign currency forward exchange contracts	Other current assets	$ 1	Accrued expenses	$ —
Interest rate swap	Other current assets	2	Accrued expenses	—
Derivatives not designated as hedging instruments:				
Foreign currency forward exchange contracts	Other current assets	—	Accrued expenses	—
Total derivatives		$ 3		$ —

(Dollars in millions)	As of June 28, 2019			
	Derivative Assets		Derivative Liabilities	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging instruments:				
Foreign currency forward exchange contracts	Other current assets	$ —	Accrued expenses	$ —
Derivatives not designated as hedging instruments:				
Foreign currency forward exchange contracts	Other current assets	1	Accrued expenses	(1)
Total derivatives		$ 1		$ (1)

The following tables show the effect of the Company's derivative instruments on its Condensed Consolidated Statements of Comprehensive Income and the Condensed Consolidated Statements of Operations for the three and six months ended January 3, 2020:

(Dollars in millions) Derivatives Not Designated as Hedging Instruments	Location of Gain/ (Loss) Recognized in Income on Derivatives	Amount of Gain/ (Loss) Recognized in Income on Derivatives For the Three Months	 For the Six Months
Foreign currency forward exchange contracts	Other, net	$ 1	$ (2)
Total return swap	Operating expenses	$ 7	$ 7

(Dollars in millions) Derivatives Designated as Hedging Instruments	Amount of Gain/(Loss) Recognized in OCI on Derivatives (Effective Portion) For the Three Months	 For the Six Months	Location of Gain/(Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain/(Loss) Reclassified from Accumulated OCI into Income (Effective Portion) For the Three Months	 For the Six Months	Location of Gain/(Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain/(Loss) Recognized in Income (Ineffective Portion and Amount Excluded from Effectiveness Testing) For the Three Months	 For the Six Months
Foreign currency forward exchange contracts	$ 1	$ —	Other expense, net	$ (1)	$ (1)	Other expense, net	$ —	$ —
Interest rate swap	$ 2	$ 2	Other expense, net	$ —	$ —	Other expense, net	$ —	$ —

The following tables show the effect of the Company's derivative instruments on its Condensed Consolidated Statements of Comprehensive Income and its Condensed Consolidated Statements of Operations for the three and six months ended December 28, 2018:

(Dollars in millions) Derivatives Not Designated as Hedging Instruments	Location of Gain/ (Loss) Recognized in Income on Derivatives	Amount of Gain/ (Loss) Recognized in Income on Derivatives For the Three Months	 For the Six Months
Foreign currency forward exchange contracts	Other, net	$ (13)	$ 28
Total return swap	Operating expenses	$ (15)	$ (11)

(Dollars in millions) Derivatives Designated as Hedging Instruments	Amount of Gain/(Loss) Recognized in OCI on Derivatives (Effective Portion) For the Three Months	 For the Six Months	Location of Gain/(Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain/(Loss) Reclassified from Accumulated OCI into Income (Effective Portion) For the Three Months	 For the Six Months	Location of Gain/(Loss) Recognized in Income on Derivatives (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain/(Loss) Recognized in Income (Ineffective Portion and Amount Excluded from Effectiveness Testing) For the Three Months	 For the Six Months
Foreign currency forward exchange contracts	$ (4)	$ (1)	Other expense, net	$ 1	$ 2	Other expense, net	$ 1	$ 1

8. Fair Value

Measurement of Fair Value

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

Fair Value Hierarchy

A fair value hierarchy is based on whether the market participant assumptions used in determining fair value are obtained from independent sources (observable inputs) or reflect the Company's own assumptions of market participant valuation (unobservable inputs). A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of inputs that may be used to measure fair value are:

Level 1 — Quoted prices in active markets that are unadjusted and accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 — Quoted prices for identical assets and liabilities in markets that are inactive; quoted prices for similar assets and liabilities in active markets or financial instruments for which significant inputs are observable, either directly or indirectly; or

Level 3 — Prices or valuations that require inputs that are both unobservable and significant to the fair value measurement.

The Company considers an active market to be one in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis, and views an inactive market as one in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers. Where appropriate, the Company's or the counterparty's non-performance risk is considered in determining the fair values of liabilities and assets, respectively.

Items Measured at Fair Value on a Recurring Basis

The following tables present the Company's assets and liabilities, by financial instrument type and balance sheet line item, that are measured at fair value on a recurring basis, excluding accrued interest components, as of January 3, 2020:

	Fair Value Measurements at Reporting Date Using			
(Dollars in millions)	**Quoted Prices in Active Markets for Identical Instruments (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total Balance**
Assets:				
Money market funds	$ 570	$ —	$ —	$ 570
Time deposits and certificates of deposit	—	100	—	100
Total cash equivalents	570	100	—	670
Restricted cash and investments:				
Money market funds	1	—	—	1
Time deposits and certificates of deposit	—	1	—	1
Other debt securities	—	—	14	14
Derivative assets	—	3	—	3
Total assets	$ 571	$ 104	$ 14	$ 689

(Dollars in millions)	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Balance
Assets:				
Cash and cash equivalents	$ 570	$ 100	$ —	$ 670
Other current assets	1	4	—	5
Other assets, net	—	—	14	14
Total assets	$ 571	$ 104	$ 14	$ 689

The following tables present the Company's assets and liabilities, by financial instrument type and balance sheet line item, that are measured at fair value on a recurring basis, excluding accrued interest components, as of June 28, 2019:

(Dollars in millions)	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Balance
Assets:				
Money market funds	$ 416	$ —	$ —	$ 416
Time deposits and certificates of deposit	—	132	—	132
Total cash equivalents	416	132	—	548
Restricted cash and investments:				
Money market funds	1	—	—	1
Time deposits and certificates of deposit	—	1	—	1
Other debt securities	—	—	7	7
Derivative assets	—	1	—	1
Total assets	$ 417	$ 134	$ 7	$ 558
Liabilities:				
Derivative liabilities	$ —	$ 1	$ —	$ 1
Total liabilities	$ —	$ 1	$ —	$ 1

(Dollars in millions)	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Balance
Assets:				
Cash and cash equivalents	$ 416	$ 132	$ —	$ 548
Other current assets	1	2	—	3
Other assets, net	—	—	7	7
Total assets	$ 417	$ 134	$ 7	$ 558
Liabilities:				
Accrued expenses	$ —	$ 1	$ —	$ 1
Total liabilities	$ —	$ 1	$ —	$ 1

The Company classifies items in Level 1 if the financial assets consist of securities for which quoted prices are available in an active market.

The Company classifies items in Level 2 if the financial asset or liability is valued using observable inputs. The Company uses observable inputs including quoted prices in active markets for similar assets or liabilities. Level 2 assets include: agency bonds, corporate bonds, commercial paper, municipal bonds, U.S. Treasuries, time deposits and certificates of deposit. These debt investments are priced using observable inputs and valuation models which vary by asset class. The Company uses a pricing service to assist in determining the fair value of all of its cash equivalents and short-term investments. For the cash equivalents and short-term investments in the Company's portfolio, multiple pricing sources are generally available. The pricing service uses inputs from multiple industry-standard data providers or other third-party sources and various methodologies, such as weighting and models, to determine the appropriate price at the measurement date. The Company corroborates the prices obtained from the pricing service against other independent sources and, as of January 3, 2020, has not found it necessary to make any adjustments to the prices obtained. The Company's derivative financial instruments are also classified within Level 2. The Company's derivative financial instruments consist of foreign currency forward exchange contracts, interest rate swaps and the TRS. The Company recognizes derivative financial instruments in its condensed consolidated financial statements at fair value. The Company determines the fair value of these instruments by considering the estimated amount it would pay or receive to terminate these agreements at the reporting date.

Items Measured at Fair Value on a Non-Recurring Basis

From time to time, the Company enters into certain strategic investments for the promotion of business and strategic objectives. These strategic investments primarily include cost basis investments representing those where the Company does not have the ability to exercise significant influence. These investments are included in Other assets, net on the Company's Condensed Consolidated Balance Sheets, and are periodically analyzed to determine whether or not there are indicators of impairment.

As of January 3, 2020 and June 28, 2019, the carrying value of the Company's strategic investments was $151 million and $114 million, respectively. For the three and six months ended January 3, 2020, the Company recorded a downward adjustment of $1 million in order to write down the carrying amount of an investment to its fair value. This amount was recorded in Other, net in the Condensed Consolidated Statements of Operations. For the three and six months ended December 28, 2018, there were no upward or downward adjustments on equity investments.

As of June 28, 2019, the Company had $23 million of held for sale land and building (collectively, the "properties") included in Other current assets on its Condensed Consolidated Balance Sheets. In July 2019, the Company completed the sale of the properties. As of January 3, 2020, the Company had no held for sale land or buildings.

Other Fair Value Disclosures

The Company's debt is carried at amortized cost. The estimated fair value of the Company's debt is derived using the closing price of the same debt instruments as of the date of valuation, which takes into account the yield curve, interest rates and other observable inputs. Accordingly, these fair value measurements are categorized as Level 2. The following table presents the fair value and amortized cost of the Company's debt:

	January 3, 2020		June 28, 2019	
(Dollars in millions)	**Carrying Amount**	**Estimated Fair Value**	**Carrying Amount**	**Estimated Fair Value**
4.25% Senior Notes due March 2022	$ 499	$ 517	$ 749	$ 763
4.75% Senior Notes due June 2023	741	785	941	973
4.875% Senior Notes due March 2024	498	533	498	514
4.75% Senior Notes due January 2025	750	798	920	929
4.875% Senior Notes due June 2027	689	734	689	688
5.75% Senior Notes due December 2034	489	520	489	482
LIBOR based Term Loan due September 2025	500	502	—	—
	4,166	4,389	4,286	4,349
Less: debt issuance costs	(25)	—	(33)	—
Debt, net of debt issuance costs	4,141	4,389	4,253	4,349
Less: current portion of long-term debt	(6)	(6)	—	—
Long-term debt, less current portion, net of debt issuance costs	$ 4,135	$ 4,383	$ 4,253	$ 4,349

9. Equity

Share Capital

The Company's authorized share capital is $13,500 and consists of 1,250,000,000 ordinary shares, par value $0.00001, of which 260,923,948 shares were outstanding as of January 3, 2020, and 100,000,000 preferred shares, par value $0.00001, of which none were issued or outstanding as of January 3, 2020.

Ordinary shares—Holders of ordinary shares are entitled to receive dividends as and when declared by the Board of Directors. Upon any liquidation, dissolution, or winding up, after required payments are made to holders of preferred shares, any remaining assets will be distributed ratably to holders of the preferred and ordinary shares. Holders of shares are entitled to one vote per share on all matters upon which the ordinary shares are entitled to vote, including the election of directors.

Preferred shares—The Company may issue preferred shares in one or more series, up to the authorized amount, without shareholder approval. The Board of Directors is authorized to establish from time to time the number of shares to be included in each series, and to fix the rights, preferences and privileges of the shares of each wholly unissued series and any of its qualifications, limitations or restrictions. The Board of Directors can also increase or decrease the number of shares of a series, but not below the number of shares of that series then outstanding, without any further vote or action by the shareholders.

The Board of Directors may authorize the issuance of preferred shares with voting or conversion rights that could harm the voting power or other rights of the holders of the ordinary shares. The issuance of preferred shares, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in control of the Company and might harm the market price of its ordinary shares and the voting and other rights of the holders of ordinary shares.

Repurchases of Equity Securities

All repurchases are effected as redemptions in accordance with the Company's Constitution.

As of January 3, 2020, $1.6 billion remained available for repurchase under the existing repurchase authorization limit.

The following table sets forth information with respect to repurchases of ordinary shares during the six months ended January 3, 2020:

(In millions)	Number of Shares Repurchased	Dollar Value of Shares Repurchased
Repurchases of ordinary shares	12	$ 597
Tax withholding related to vesting of equity awards	1	39
Total	13	$ 636

10. Revenue

The following table provides information about disaggregated revenue by sales channel and geographical region for the Company's single reportable segment:

(Dollars in millions)	For the Three Months Ended		For the Six Months Ended	
	January 3, 2020	December 28, 2018	January 3, 2020	December 28, 2018
Revenues by Channel				
OEMs	$ 1,843	$ 1,865	$ 3,663	$ 4,003
Distributors	463	443	924	977
Retailers	390	407	687	726
Total	$ 2,696	$ 2,715	$ 5,274	$ 5,706
Revenues by Geography [1]				
Asia Pacific	$ 1,377	$ 1,386	$ 2,655	$ 2,854
Americas	761	731	1,596	1,737
EMEA	558	598	1,023	1,115
Total	$ 2,696	$ 2,715	$ 5,274	$ 5,706

[1] Revenue is attributed to countries based on bill from locations.

11. Guarantees

Indemnifications of Officers and Directors

Seagate Technology, an exempted company incorporated with limited liability under the laws of the Cayman Islands ("Seagate-Cayman") and wholly-owned subsidiary of STX, from time to time enters into indemnification agreements with the directors, officers, employees and agents of STX or any of its subsidiaries (each, an "Indemnitee"). The indemnification agreements provide indemnification in addition to any of Indemnitee's indemnification rights under any relevant Articles of Association (or similar constitutional document), applicable law or otherwise, and indemnifies an Indemnitee for certain expenses (including attorneys' fees), judgments, fines and settlement amounts actually and reasonably incurred by him or her in any action or proceeding, including any action by or in the right of STX or any of its subsidiaries, arising out of his or her service as a director, officer, employee or agent of STX or any of its subsidiaries or of any other entity to which he or she provides services at the Company's request. However, Indemnitees are not indemnified under the indemnification agreements for (i) any fraud or dishonesty in the performance of Indemnitee's duty to STX or the applicable subsidiary or (ii) Indemnitee's conscious, intentional or willful failure to act honestly, lawfully and in good faith with a view to the best interests of the Company. In addition, the indemnification agreements provide that Seagate-Cayman will advance expenses incurred by an Indemnitee in connection with enforcement of the indemnification agreement or with the investigation, settlement or appeal of any action or proceeding against him or her as to which he or she could be indemnified.

The nature of these indemnification obligations prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay on behalf of its officers and directors. Historically, the Company has not made any significant indemnification payments under such agreements and no amount has been accrued in the Company's condensed consolidated financial statements with respect to these indemnification obligations.

Indemnification Obligations

The Company from time to time enters into agreements with customers, suppliers, partners and others in the ordinary course of business that provide indemnification for certain matters including, but not limited to, intellectual property infringement claims, environmental claims and breach of agreement claims. The nature of the Company's indemnification obligations prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay. Historically, the Company has not made any significant indemnification payments under such agreements and no amount has been accrued in the Company's condensed consolidated financial statements with respect to these indemnification obligations.

Product Warranty

The Company estimates probable product warranty costs at the time revenue is recognized. The Company generally warrants its products for a period of 1 to 5 years. The Company uses estimated repair or replacement costs and uses statistical modeling to estimate product return rates in order to determine its warranty obligation. Changes in the Company's product warranty liability during the six months ended January 3, 2020 and December 28, 2018 were as follows:

	For the Six Months Ended	
(Dollars in millions)	**January 3, 2020**	**December 28, 2018**
Balance, beginning of period	$ 195	$ 237
Warranties issued	46	65
Repairs and replacements	(44)	(52)
Changes in liability for pre-existing warranties, including expirations	(28)	(28)
Balance, end of period	$ 169	$ 222

12. Earnings Per Share

Basic earnings per share is computed by dividing income available to shareholders by the weighted-average number of shares outstanding during the period. Diluted earnings per share is computed by dividing income available to shareholders by the weighted-average number of shares outstanding during the period and the number of additional shares that would have been outstanding if the potentially dilutive securities had been issued. Potentially dilutive securities include outstanding options, unvested restricted share units and performance-based share units and shares to be purchased under the Company's Employee Stock Purchase Plan ("ESPP"). The dilutive effect of potentially dilutive securities is reflected in diluted earnings per share by application of the treasury stock method. Under the treasury stock method, an increase in fair market value of the Company's share price can result in a greater dilutive effect from potentially dilutive securities. The following table sets forth the computation of basic and diluted net income per share attributable to the shareholders of the Company:

	For the Three Months Ended		For the Six Months Ended	
(In millions, except per share data)	**January 3, 2020**	**December 28, 2018**	**January 3, 2020**	**December 28, 2018**
Numerator:				
Net income	$ 318	$ 384	$ 518	$ 834
Number of shares used in per share calculations:				
Total shares for purposes of calculating basic net income per share	262	285	264	286
Weighted-average effect of dilutive securities:				
Employee equity award plans	3	2	4	4
Total shares for purpose of calculating diluted net income per share	265	287	268	290
Net income per share:				
Basic	$ 1.21	$ 1.35	$ 1.96	$ 2.92
Diluted	1.20	1.34	1.93	2.88

The anti-dilutive shares related to employee equity award plans that were excluded from the computation of diluted net income per share were not material for the three and six months ended January 3, 2020 and were approximately 1 million for the three and six months ended December 28, 2018.

13. Legal, Environmental and Other Contingencies

The Company assesses the probability of an unfavorable outcome of all its material litigation, claims or assessments to determine whether a liability had been incurred and whether it is probable that one or more future events will occur confirming the fact of the loss. In the event that an unfavorable outcome is determined to be probable and the amount of the loss can be reasonably estimated, the Company establishes an accrual for the litigation, claim or assessment. In addition, in the event an unfavorable outcome is determined to be less than probable, but reasonably possible, the Company will disclose an estimate of the possible loss or range of such loss; however, when a reasonable estimate cannot be made, the Company will provide disclosure to that effect. Litigation is inherently uncertain and may result in adverse rulings or decisions. Additionally, the Company may enter into settlements or be subject to judgments that may, individually, or in the aggregate, have a material adverse effect on its results of operations. Accordingly, actual results could differ materially.

Intellectual Property Litigation

Convolve, Inc. ("Convolve") and Massachusetts Institute of Technology ("MIT") v. Seagate Technology LLC, et al. On July 13, 2000, Convolve and MIT filed suit against Compaq Computer Corporation and Seagate Technology LLC in the U.S. District Court for the Southern District of New York, alleging infringement of U.S. Patent No. 4,916,635 (the "'635 patent") and U.S. Patent No. 5,638,267 (the "'267 patent"), misappropriation of trade secrets, breach of contract, and other claims. On January 16, 2002, Convolve filed an amended complaint, alleging defendants were infringing U.S. Patent No. 6,314,473 (the "'473 patent"). The district court ruled in 2010 that the '267 patent was out of the case.

On August 16, 2011, the district court granted in part and denied in part Seagate's motion for summary judgment. On July 1, 2013, the U.S. Court of Appeals for the Federal Circuit: 1) affirmed the district court's summary judgment rulings that Seagate did not misappropriate any of the alleged trade secrets and that the asserted claims of the '635 patent are invalid; 2) reversed and vacated the district court's summary judgment of non-infringement with respect to the '473 patent; and 3) remanded the case for further proceedings on the '473 patent. On July 11, 2014, the district court granted the Company's further summary judgment motion regarding the '473 patent. On February 10, 2016, the U.S. Court of Appeals for the Federal Circuit: 1) affirmed the district court's summary judgment of no direct infringement by Seagate because Seagate's ATA/SCSI disk drives do not meet the "user interface" limitation of the asserted claims of the '473 patent; 2) affirmed the district court's summary judgment of non-infringement by Compaq's products as to claims 1, 3, and 5 of the '473 patent because Compaq's F10 BIOS interface does not meet the "commands" limitation of those claims; 3) vacated the district court's summary judgment of non-infringement by Compaq's accused products as to claims 7-15 of the '473 patent; 4) reversed the district court's summary judgment of non-infringement based on intervening rights; and 5) remanded the case to the district court for further proceedings on the '473 patent. In view of the rulings made by the district court and the Court of Appeals and the uncertainty regarding the amount of damages, if any, that could be awarded Convolve in this matter, the Company does not believe that it is currently possible to determine a reasonable estimate of the possible range of loss related to this matter.

Lambeth Magnetic Structures LLC v. Seagate Technology (US) Holdings, Inc., et al. On April 29, 2016, Lambeth Magnetic Structures LLC filed a complaint against Seagate Technology (US) Holdings, Inc. and Seagate Technology LLC in the U.S. District Court for the Western District of Pennsylvania, alleging infringement of U.S. Patent No. 7,128,988, "Magnetic Material Structures, Devices and Methods." The Company believes the claims asserted in the complaint are without merit and intends to vigorously defend this case. The court issued its claim construction ruling on October 18, 2017. A jury trial in this matter is scheduled for June 1, 2020. While the possible range of loss for this matter remains uncertain, the Company estimates the amount of loss to be immaterial to the financial statements.

Environmental Matters

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

The Company has established environmental management systems and continually updates its environmental policies and standard operating procedures for its operations worldwide. The Company believes that its operations are in material compliance with applicable environmental laws, regulations and permits. The Company budgets for operating and capital costs on an ongoing basis to comply with environmental laws. If additional or more stringent requirements are imposed on the Company in the future, it could incur additional operating costs and capital expenditures.

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

While the Company's ultimate costs in connection with these sites is difficult to predict with complete accuracy, based on its current estimates of cleanup costs and its expected allocation of these costs, the Company does not expect costs in connection with these sites to be material.

The Company may be subject to various state, federal and international laws and regulations governing the environment, including those restricting the presence of certain substances in electronic products. For example, the European Union ("EU") enacted the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (2011/65/EU), which prohibits the use of certain substances, including lead, in certain products, including disk drives and server storage products, put on the market after July 1, 2006. Similar legislation has been or may be enacted in other jurisdictions, including in the U.S., Canada, Mexico, Taiwan, China, Japan and others. The EU REACH Directive (Registration, Evaluation, Authorization, and Restriction of Chemicals, EC 1907/2006) also restricts substances of very high concern in products. If the Company or its suppliers fails to comply with the substance restrictions, recycle requirements or other environmental requirements as they are enacted worldwide, it could have a materially adverse effect on the Company's business.

Other Matters

The Company is involved in a number of other judicial, regulatory or administrative proceedings and investigations incidental to its business, and the Company may be involved in such proceedings and investigations arising in the normal course of its business in the future. Although occasional adverse decisions or settlements may occur, the Company believes that the final disposition of such matters will not have a material adverse effect on its financial position or results of operations.

14. Subsequent Events

Dividend Declared

On January 27, 2020, the Company's Board of Directors declared a quarterly cash dividend of $0.65 per share, which will be payable on April 8, 2020 to shareholders of record as of the close of business on March 25, 2020.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion of the financial condition, changes in financial condition, and results of operations for our fiscal quarters ended January 3, 2020, October 4, 2019 and December 28, 2018, referred to herein as the "December 2019 quarter," the "September 2019 quarter," and the "December 2018 quarter," respectively. We operate and report financial results on a fiscal year of 52 or 53 weeks ending on the Friday closest to June 30. The December 2019 quarter and the December 2018 quarter were each 13 weeks, and the September 2019 quarter was 14 weeks.

You should read this discussion in conjunction with financial information and related notes included elsewhere in this report. Unless the context indicates otherwise, as used herein, the terms "we," "us," "Seagate," the "Company" and "our" refer collectively to Seagate Technology plc, an Irish public limited company, and its subsidiaries. References to "$" or "dollars" are to United States dollars.

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical fact. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, among other things, statements about our plans, strategies and prospects; market demand for our products; shifts in technology; estimates of industry growth; our ability to effectively manage our cash liquidity position and debt obligations, and comply with the covenants in our credit facilities; our restructuring efforts; the sufficiency of our sources of cash to meet our cash needs for the next 12 months; our expectations regarding capital expenditures; and projected cost savings for the fiscal year ending July 3, 2020. Forward-looking statements generally can be identified by words such as "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "projects," "may," "will,", "will continue," "can," "could," or negative of these words, variations of these words and comparable terminology. These forward-looking statements are based on information available to the Company as of the date of this Quarterly Report on Form 10-Q and are based on management's current views and assumptions. These forward-looking statements are conditioned upon and also involve a number of known and unknown risks, uncertainties and other factors that could cause actual results, performance or events to differ materially from those anticipated by these forward-looking statements. Such risks, uncertainties and other factors may be beyond our control and may pose a risk to our operating and financial condition. Such risks and uncertainties include, but are not limited to:

- the development and introduction of products based on new technologies and expansion into new data storage markets, and market acceptance of new products;
- the impact of competitive product announcements and unexpected advances in competing technologies or changes in market trends;
- the impact of variable demand, changes in market demand, and an adverse pricing environment for storage products;
- the Company's ability to effectively manage its debt obligations and comply with certain covenants in its credit facilities with respect to financial ratios and financial condition tests and its ability to maintain a favorable cash liquidity position;
- the Company's ability to successfully qualify, manufacture and sell its storage products in increasing volumes on a cost-effective basis and with acceptable quality;
- any price erosion or volatility of sales volumes through the Company's distributor and retail channel;
- disruptions to the Company's supply chain or production capabilities;
- currency fluctuations that may impact the Company's margins, international sales and results of operations;
- the impact of trade barriers, such as import/export duties and restrictions, tariffs and quotas, imposed by the U.S. or other countries in which the Company conducts business; and
- cyber-attacks or other data breaches that disrupt the Company's operations or result in the dissemination of proprietary or confidential information and cause reputational harm.

Information concerning these and other risks, uncertainties and factors, among others, that could cause results to differ materially from our expectations are described in this Quarterly Report on Form 10-Q and in "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended June 28, 2019, which we encourage you to carefully read. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date on which they were made and we undertake no obligation to update forward-looking statements except as required by law.

Our Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is provided in addition to the accompanying condensed consolidated financial statements and notes to assist readers in understanding our results of operations, financial condition, and cash flows. Our MD&A is organized as follows:

- *Overview of the December 2019 quarter.* Highlights of events in the December 2019 quarter that impacted our financial position.
- *Results of Operations.* An analysis of our financial results comparing the December 2019 quarter to the September 2019 quarter and the December 2018 quarter.
- *Liquidity and Capital Resources.* An analysis of changes in our balance sheet and cash flows, and discussion of our financial condition including the credit quality of our investment portfolio and potential sources of liquidity.
- *Critical Accounting Policies.* Accounting policies and estimates that we believe are important to understanding the assumptions and judgments incorporated in our reported financial results.

For an overview of our business, see "Part I, Item 1. Financial Statements—Note 1. Basis of Presentation and Summary of Significant Accounting Policies —*Organization*"

Overview of the December 2019 quarter

During the December 2019 quarter, we shipped 107 exabytes of HDD storage capacity. We generated revenue of approximately $2.7 billion, gross margin of 28% and our operating cash flow was $480 million. We repurchased approximately 3 million of our ordinary shares for $150 million and paid $165 million in dividends.

Results of Operations

We list in the tables below summarized information from our Condensed Consolidated Statements of Operations by dollars and as a percentage of revenue:

	For the Three Months Ended			For the Six Months Ended	
(Dollars in millions)	**January 3, 2020**	**October 4, 2019**	**December 28, 2018**	**January 3, 2020**	**December 28, 2018**
Revenue	$ 2,696	$ 2,578	$ 2,715	$ 5,274	$ 5,706
Cost of revenue	1,938	1,907	1,921	3,845	3,999
Gross margin	758	671	794	1,429	1,707
Product development	250	255	246	505	512
Marketing and administrative	120	122	120	242	235
Amortization of intangibles	4	4	5	8	11
Restructuring and other, net	—	17	7	17	30
Income from operations	384	273	416	657	919
Other expense, net	(48)	(75)	(18)	(123)	(53)
Income before income taxes	336	198	398	534	866
Provision (benefit) for income taxes	18	(2)	14	16	32
Net income	$ 318	$ 200	$ 384	$ 518	$ 834

	For the Three Months Ended			For the Six Months Ended	
	January 3, 2020	October 4, 2019	December 28, 2018	January 3, 2020	December 28, 2018
Revenue	100 %	100 %	100 %	100 %	100 %
Cost of revenue	72	74	71	73	70
Gross margin	28	26	29	27	30
Product development	9	10	9	10	9
Marketing and administrative	4	5	5	5	4
Amortization of intangibles	—	—	—	—	—
Restructuring and other, net	—	—	—	—	1
Income from operations	15	11	15	12	16
Other expense, net	(2)	(3)	(1)	(2)	(1)
Income before income taxes	13	8	14	10	15
Provision (benefit) for income taxes	1	—	—	—	—
Net income	12 %	8 %	14 %	10 %	15 %

Revenue

The following table summarizes information regarding consolidated revenues by channel, geography and market and HDD exabytes shipped by market and price per terabyte:

	For the Three Months Ended			For the Six Months Ended	
	January 3, 2020	October 4, 2019	December 28, 2018	January 3, 2020	December 28, 2018
Revenues by Channel (%)					
OEMs	68 %	71 %	69 %	69 %	70 %
Distributors	17 %	18 %	16 %	18 %	17 %
Retailers	15 %	11 %	15 %	13 %	13 %
Revenues by Geography (%)					
Asia Pacific	51 %	50 %	51 %	50 %	50 %
Americas	28 %	32 %	27 %	30 %	30 %
EMEA	21 %	18 %	22 %	20 %	20 %
Revenues by Market (%)					
Mass capacity	49 %	47 %	39 %	48 %	43 %
Legacy	43 %	46 %	53 %	44 %	50 %
Other	8 %	7 %	8 %	8 %	7 %
HDD Exabytes Shipped by Market					
Mass capacity	71	64	47	135	107
Legacy	36	34	40	70	79
Total	107	98	87	205	186
HDD Price per Terabyte	$ 23	$ 24	$ 28	$ 24	$ 28

Revenue in the December 2019 quarter increased by $118 million from the September 2019 quarter primarily due to an increase in exabytes shipped, partially offset by price erosion.

Revenue in the December 2019 quarter decreased by $19 million from the December 2018 quarter primarily due to price erosion, partially offset by an increase in exabytes shipped.

Revenue for the six months ended January 3, 2020 decreased by $432 million from the six months ended December 28, 2018 primarily as a result of price erosion, partially offset by an increase in exabytes shipped.

We maintain various sales incentive programs such as channel and OEM rebates. Sales incentive programs were approximately 13% of gross HDD revenue for each of the December 2019, September 2019 and December 2018 quarters. Adjustments to revenues due to under or over accruals for sales incentive programs related to revenues reported in prior quarterly periods were less than 1% of quarterly gross revenue in all periods presented.

Cost of Revenue and Gross Margin

	For the Three Months Ended			For the Six Months Ended	
(Dollars in millions)	January 3, 2020	October 4, 2019	December 28, 2018	January 3, 2020	December 28, 2018
Cost of revenue	$ 1,938	$ 1,907	$ 1,921	$ 3,845	$ 3,999
Gross margin	758	671	794	1,429	1,707
Gross margin percentage	28 %	26 %	29 %	27 %	30 %

Gross margin as a percentage of revenue for the December 2019 quarter increased compared to the September 2019 quarter primarily driven by improved product mix and lower depreciation expense due to the change in useful lives of our manufacturing equipment in the September 2019 quarter, partially offset by price erosion.

Gross margin as a percentage of revenue for the December 2019 quarter decreased compared to the December 2018 quarter primarily driven by price erosion, partially offset by improved product mix and lower depreciation expense due to the change in useful lives of our manufacturing equipment in the September 2019 quarter.

Gross margin as a percentage of revenue for the six months ended January 3, 2020 decreased compared to the six months ended December 28, 2018 primarily driven by price erosion and factory underutilization, partially offset by improved product mix and lower depreciation expense due to the change in useful lives of our manufacturing equipment in the September 2019 quarter.

In the December 2019 quarter, total warranty cost was 0.2% of revenue and included a favorable change in estimates of prior warranty accruals of 0.6% of revenue primarily due to lower repair costs and improvements in return rates on newer generation products. Warranty cost related to new shipments was 0.8%, 0.9% and 1.1% of revenue for the December 2019 quarter, September 2019 quarter and December 2018 quarter, respectively.

Operating Expenses

	For the Three Months Ended			For the Six Months Ended	
(Dollars in millions)	January 3, 2020	October 4, 2019	December 28, 2018	January 3, 2020	December 28, 2018
Product development	$ 250	$ 255	$ 246	$ 505	$ 512
Marketing and administrative	120	122	120	242	235
Amortization of intangibles	4	4	5	8	11
Restructuring and other, net	—	17	7	17	30
Operating expenses	$ 374	$ 398	$ 378	$ 772	$ 788

Product development expense. Product development expense for the December 2019 quarter decreased by $5 million compared to the September 2019 quarter primarily due to a $6 million decrease in compensation and other employee benefits resulting primarily from the additional fourteenth week in the September 2019 quarter, partially offset by a $3 million increase in variable compensation expense.

Product development expense increased by $4 million in the December 2019 quarter compared to the December 2018 quarter primarily due to an $8 million increase in compensation and other employee benefits, a $3 million increase in outside services expense and a $3 million increase in variable compensation expense partially offset by a $6 million decrease in depreciation expense and a $4 million decrease in material purchases.

Product development expense decreased by $7 million for the six months ended January 3, 2020 compared to the six months ended December 28, 2018 primarily due to a $13 million decrease in other general expenses as a result of timing of materials purchases and the additional fourteenth week in the September 2019 quarter, and a $13 million decrease in depreciation expense, which was partially offset by an $11 million increase in compensation and other employee benefits and a $6 million increase in outside services expense.

Marketing and administrative expense. Marketing and administrative expense for the December 2019 quarter remained relatively flat compared to both the September 2019 quarter and the December 2018 quarter.

Marketing and administrative expense for the six months ended January 3, 2020 increased by $7 million compared to the six months ended December 28, 2018 primarily due to a $3 million increase in share-based compensation expense and a $2 million increase in compensation and other employee benefits due to the additional fourteenth week in the September 2019 quarter.

Amortization of intangibles. Amortization of intangibles for the December 2019 quarter remained flat compared to the September 2019 quarter.

Amortization of intangibles for the three and six months ended January 3, 2020 decreased by $1 million and $3 million, respectively, compared to the three and six months ended December 28, 2018, due to certain intangible assets that reached the end of their useful lives.

Restructuring and other, net. Restructuring and other, net for the six months ended January 3, 2020 and the three and six months ended December 28, 2018 were comprised of charges primarily related to voluntary early exit programs.

Other Expense, Net

	For the Three Months Ended			For the Six Months Ended	
(Dollars in millions)	**January 3, 2020**	**October 4, 2019**	**December 28, 2018**	**January 3, 2020**	**December 28, 2018**
Other expense, net	$ (48)	$ (75)	$ (18)	$ (123)	$ (53)

Other expense, net. Other expense, net for the December 2019 quarter decreased by $27 million from the September 2019 quarter primarily due to a $30 million non-recurring loss resulting from the repurchase of certain long-term debt in the September 2019 quarter and a $5 million decrease in interest expense in the December 2019 quarter due to the decrease in long-term debt, partially offset by a $7 million decrease in interest income in the December 2019 quarter mainly resulting from lower average invested balances.

Other expense, net for the December 2019 quarter increased by $30 million compared to the December 2018 quarter primarily due to $29 million of non-recurring income, net in the December 2018 quarter related to our previous investment in Toshiba Memory Holdings Corporation ("TMHC"), which was redeemed in the quarter ended June 28, 2019 .

Other expense, net for the six months ended January 3, 2020 increased by $70 million compared to the six months ended December 28, 2018 primarily due to $53 million of non-recurring income, net in the six months ended December 28, 2018 related to our previous investment in TMHC, which was redeemed in the quarter ended June 28, 2019 and a $30 million loss resulting from the repurchase of certain long-term debt, partially offset by a related $3 million decrease in interest expense and a $6 million net increase in gains due to favorable changes in foreign currency exchange rates.

Income Taxes

	For the Three Months Ended			For the Six Months Ended	
(Dollars in millions)	**January 3, 2020**	**October 4, 2019**	**December 28, 2018**	**January 3, 2020**	**December 28, 2018**
Provision (benefit) for income taxes	$ 18	$ (2)	$ 14	$ 16	$ 32

We recorded income tax provisions of $18 million and $16 million in the three and six months ended January 3, 2020, respectively. The discrete items in the income tax provision were not material for the three months ended January 3, 2020. The income tax provision for the six months ended January 3, 2020 included approximately $10 million of net discrete tax benefits, primarily associated with net excess tax benefits related to share-based compensation expense.

Our income tax provision recorded for the three and six months ended January 3, 2020 differed from the provision for income taxes that would be derived by applying the Irish statutory rate of 25% to income before income taxes, primarily due to the net effect of tax benefits related to (i) non-Irish earnings generated in jurisdictions that are subject to tax incentive programs and are considered indefinitely reinvested outside of Ireland and (ii) current year generation of research credits.

During the six months ended January 3, 2020, our unrecognized tax benefits excluding interest and penalties increased by approximately $3 million to $86 million; substantially all of which would impact our effective tax rate, if recognized, subject to certain future valuation allowance reversals. During the twelve months beginning January 4, 2020, we expect that our unrecognized tax benefits could be reduced by an immaterial amount as a result of the expiration of certain statutes of limitation.

During the three months ended January 3, 2020, there has been various tax legislation passed which become effective in our fiscal years 2020 and 2021. Tax legislation effective in fiscal year 2020 has no impact to our financial statements. For tax legislation effective beginning in fiscal year 2021, we are in the process of assessing the impact of these tax law changes to our consolidated financial statements.

We recorded income tax provisions of $14 million and $32 million in the three and six months ended December 28, 2018, respectively. The income tax provision for the three and six months ended December 28, 2018 included approximately $5 million and $4 million of net discrete tax benefits, respectively, primarily associated with the recognition of previously unrecognized tax benefits related to the expiration of certain statutes of limitation.

Our income tax provision recorded for the three months ended December 28, 2018 differed from the provision from income taxes that would be derived by applying the Irish statutory rate of 25% to income before income taxes, primarily due to the net effect of (i) tax benefits related to non-Irish earnings generated in jurisdictions that are subject to tax holidays or tax incentive programs and are considered indefinitely reinvested outside of Ireland and (ii) a decrease in valuation allowance for certain deferred tax assets.

Liquidity and Capital Resources

The following sections discuss our principal liquidity requirements, as well as our sources and uses of cash and our liquidity and capital resources. Our cash and cash equivalents are maintained in investments with remaining maturities of 90 days or less at the time of purchase. Our short-term investments consist primarily of money market funds, time deposits and certificates of deposit. The principal objectives of our investment policy are the preservation of principal and maintenance of liquidity. We believe our cash equivalents and short-term investments are liquid and accessible. We operate in some countries that have restrictive regulations over the movement of cash and/or foreign exchange across their borders. However, we believe our sources of cash have been and will continue to be sufficient to meet our cash needs for the next 12 months. We are not aware of any downgrades, losses or other significant deterioration in the fair value of our cash equivalents or short-term investments, and we do not believe the fair value of our short-term investments has significantly changed from the values reported as of January 3, 2020.

Cash and Cash Equivalents

(Dollars in millions)	January 3, 2020	June 28, 2019	Change
Cash and cash equivalents	$ 1,744	$ 2,220	$ (476)

Our cash and cash equivalents as of January 3, 2020 decreased by $476 million from June 28, 2019 primarily as a result of the repurchase of certain senior notes of $645 million for $620 million in aggregate principal amount, repurchases of our ordinary shares of $600 million, payments for capital expenditures of $341 million, and dividends to our shareholders of $335 million, partially offset by net cash of $936 million provided by operating activities and net proceeds of $498 million from borrowings under our Term Loan.

Cash Provided by Operating Activities

Cash provided by operating activities for the six months ended January 3, 2020 was $936 million and includes the effects of net income adjusted for non-cash items including depreciation, amortization, share-based compensation and:

- an increase of $458 million in accounts payable, primarily due to timing of payments and an increase in materials purchased;
- an increase of $22 million in accrued employee compensation primarily due to timing of cash paid to our employees as part of our discretionary spending plans;
- partially offset by an increase of $172 million in inventories, primarily due to an increase in materials purchased for new product ramps; and
- an increase of $124 million in accounts receivable, primarily due to an increase in revenue.

Cash Used in Investing Activities

Cash used in investing activities for the six months ended January 3, 2020 was $385 million, primarily attributable to the following activities:

- payments for the purchase of property, equipment and leasehold improvements of $341 million; and
- payments for the purchase of investments of $45 million.

Cash Used in Financing Activities

Cash used in financing activities of $1,054 million for the six months ended January 3, 2020 was primarily attributable to the following activities:

- $645 million in payments for repurchase of certain long-term debt;
- $600 million in payments for repurchase of our ordinary shares;
- $335 million in dividend payments;
- $39 million in payments for taxes related to net share settlement of equity awards;
- partially offset by $498 million in net proceeds from borrowings under the Term Loan; and
- $69 million in proceeds from the issuance of ordinary shares under employee stock plans.

Liquidity Sources, Cash Requirements and Commitments

Our primary sources of liquidity as of January 3, 2020 consisted of: (1) approximately $1.7 billion in cash and cash equivalents, (2) cash we expect to generate from operations, and (3) up to $1.5 billion available for borrowing under our Revolving Credit Facility.

As of January 3, 2020, no borrowings had been drawn and no borrowings had been utilized for letters of credit or swing line loans issued under the Revolving Credit Facility. The Revolving Credit Facility is available for borrowings, subject to compliance with financial covenants and other customary conditions to borrowing.

The Credit Agreement includes three financial covenants: (1) interest coverage ratio, (2) total leverage ratio, and (3) a minimum liquidity amount. The term of the Revolving Credit Facility is through February 20, 2024, and the maturity date of the Term Loan is September 16, 2025. We were in compliance with the covenants as of January 3, 2020 and expect to be in compliance for the next 12 months.

Our liquidity requirements are primarily to meet our working capital, product development and capital expenditure needs, to fund scheduled payments of principal and interest on our indebtedness, and to fund our quarterly dividend and any future strategic investments. Our ability to fund these requirements will depend on our future cash flows, which are determined by future operating performance, and therefore, subject to prevailing global macroeconomic conditions and financial, business and other factors, some of which are beyond our control.

For fiscal year 2020, we expect capital expenditures to remain within our long-term targeted range of 6% to 8% of revenue.

From time to time we may repurchase any of our outstanding senior notes in open market or privately negotiated purchases or otherwise, or we may repurchase outstanding senior notes pursuant to the terms of the applicable indenture.

During the December 2019 quarter, our Board of Directors declared dividends of $0.65 per share, totaling $170 million, which were paid on January 8, 2020. On January 27, 2020, our Board of Directors declared a quarterly cash dividend of $0.65 per share, payable on April 8, 2020 to shareholders of record at the close of business on March 25, 2020.

From time to time, we may repurchase any of our outstanding ordinary shares through tender offers, private, open market or broker-assisted purchases or other means. As of January 3, 2020, $1.6 billion remained available for repurchases under our existing repurchase authorization. All repurchases are effected as redemptions in accordance with our Constitution.

Critical Accounting Policies

Our discussion and analysis of financial condition and results of operations are based upon our condensed consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of such statements requires us to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities as of the date of the financial statements. Our estimates are based on historical experience and other assumptions that we consider to be appropriate in the circumstances. However, actual future results may vary from our estimates.

Other than as described in “Part I, Item 1. Financial Statements—Note 1. Basis of Presentation and Summary of Significant Accounting Policies”, there have been no other material changes in our critical accounting policies and estimates. Refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained in Part II, Item 7. of our Annual Report on Form 10-K for the fiscal year ended June 28, 2019, as filed with the SEC on August 2, 2019, for a discussion of our critical accounting policies and estimates.

Recent Accounting Pronouncements

See “Part I, Item 1. Financial Statements—Note 1. Basis of Presentation and Summary of Significant Accounting Policies” for information regarding the effect of new accounting pronouncements on our financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have exposure to market risks due to the volatility of interest rates, foreign currency exchange rates, credit rating changes, and equity and bond markets. A portion of these risks may be hedged, but fluctuations could impact our results of operations, financial position and cash flows.

Interest Rate Risk. Our exposure to market risk for changes in interest rates relates primarily to our cash investment portfolio. As of January 3, 2020, we had no available-for-sale debt securities that had been in a continuous unrealized loss position for a period greater than 12 months. We determined no available-for-sale debt securities were other-than-temporarily impaired as of January 3, 2020.

In the September 2019 quarter, we entered into certain interest rate swap agreements with a notional amount of $500 million to convert the variable interest rate on the Term Loan to fixed interest rates. The contracts were effective in the September 2019 quarter and will mature on September 16, 2025. The objective of the interest rate swap agreements is to eliminate the variability of interest payment cash flows associated with variable interest rates. The Company designated the interest rate swaps as cash flow hedges.

We have fixed rate and variable rate debt obligations. We enter into debt obligations for general corporate purposes including capital expenditures and working capital needs. Our Term Loan bears interest at a variable rate equal to LIBOR plus a variable margin set on December 19, 2019.

The table below presents principal amounts and related weighted-average interest rates by year of maturity for our investment portfolio and debt obligations as of January 3, 2020.

	Fiscal Years Ended							
(Dollars in millions, except percentages)	2020	2021	2022	2023	2024	Thereafter	Total	Fair Value at January 3, 2020
Assets								
Cash equivalents:								
Floating rate	$ 672	$ —	$ —	$ —	$ —	$ —	$ 672	$ 672
Average interest rate	1.96 %						1.96 %	
Other debt securities								
Fixed rate	$ —	$ 6	$ —	$ —	$ —	$ 8	$ 14	$ 14
Fixed interest rate		5.00 %					5.00 %	
Debt								
Fixed rate	$ —	$ —	$ 500	$ 741	$ 500	$ 1,930	$ 3,671	$ 3,887
Average interest rate			4.25 %	4.75 %	4.88 %	5.05 %	4.86 %	
Variable rate	$ —	$ 19	$ 25	$ 25	$ 25	$ 406	$ 500	$ 502
Average interest rate		3.39 %	3.39 %	3.39 %	3.39 %	3.39 %	3.39 %	

Foreign Currency Exchange Risk. From time to time, we may enter into foreign currency forward exchange contracts to manage exposure related to certain foreign currency commitments and anticipated foreign currency denominated expenditures. Our policy prohibits us from entering into derivative financial instruments for speculative or trading purposes. At this time, we have not identified any material foreign currency exchange risk exposure associated with the United Kingdom's withdrawal from the European Union.

We hedge portions of our foreign currency denominated balance sheet positions with foreign currency forward exchange contracts to reduce the risk that our earnings will be adversely affected by changes in currency exchange rates. The change in fair value of these contracts is recognized in earnings in the same period as the gains and losses from the remeasurement of the assets and liabilities. All foreign currency forward exchange contracts discussed above mature within 12 months.

We did not have any material net gains or losses recognized in Cost of revenue, or Other, net for cash flow hedges due to hedge ineffectiveness or discontinued cash flow hedges during the three and six months ended January 3, 2020.

The table below provides information as of January 3, 2020 about our foreign currency forward exchange contracts. The table is provided in dollar equivalent amounts and presents the notional amounts (at the contract exchange rates) and the weighted-average contractual foreign currency exchange rates.

(Dollars in millions, except weighted-average contract rate)	Notional Amount	Weighted-Average Contract Rate	Estimated Fair Value[1]
Foreign currency forward exchange contracts:			
Singapore Dollar	$ 58	$ 1.37	$ 1
Chinese Renminbi	30	$ 6.85	—
Total	$ 88		$ 1

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

Other Market Risks. We have exposure to counterparty credit downgrades in the form of credit risk related to our foreign currency forward exchange contracts and our fixed income portfolio. We monitor and limit our credit exposure for our foreign currency forward exchange contracts by performing ongoing credit evaluations. We also manage the notional amount of contracts entered into with any one counterparty, and we maintain limits on maximum tenor of contracts based on the credit rating of the financial institution. Additionally, the investment portfolio is diversified and structured to minimize credit risk.

Changes in our corporate issuer credit ratings have minimal impact on our near term financial results, but downgrades may negatively impact our future ability to raise capital, our ability to execute transactions with various counterparties and increase the cost of such capital.

We are subject to equity market risks due to changes in the fair value of the notional investments selected by our employees as part of our SDCP. In fiscal year 2014, we entered into a TRS in order to manage the equity market risks associated with the SDCP liabilities. We pay a floating rate, based on LIBOR plus an interest rate spread, on the notional amount of the TRS. The TRS is designed to substantially offset changes in the SDCP liability due to changes in the value of the investment options made by employees. See "Part I, Item 1. Financial Statements—Note 7. Derivative Financial Instruments" of this Quarterly Report on Form 10-Q.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As required by the Exchange Act Rule 13a-15, we carried out an evaluation under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report. Based on the evaluation, our management, including our chief executive officer and chief financial officer, concluded that our disclosure controls and procedures are effective as of January 3, 2020.

Changes in Internal Control over Financial Reporting

During the quarter ended January 3, 2020, there were no changes in our internal control over financial reporting that materially affected, or were reasonably likely to materially affect, our internal control over financial reporting.

PART II
OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a discussion of legal proceedings, see "Part I, Item 1. Financial Statements—Note 13. Legal, Environmental and Other Contingencies" of this Quarterly Report on Form 10-Q.

ITEM 1A. RISK FACTORS

There have been no material changes to the description of the risk factors associated with our business previously disclosed in "Risk Factors" in Part I, Item 1A. in our Annual Report on Form 10-K for the fiscal year ended June 28, 2019. In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in our Annual Report on Form 10-K as they could materially affect our business, financial condition and future results.

The Risk Factors are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition or operating results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Repurchase of Equity Securities

All repurchases of our outstanding ordinary shares are effected as redemptions in accordance with STX's Constitution.

As of January 3, 2020, $1.6 billion remained available for repurchases under the existing repurchase authorization. There is no expiration date on this authorization.

The following table sets forth information with respect to all repurchases of our ordinary shares made during the fiscal quarter ended January 3, 2020, including statutory tax withholdings related to vesting of employee equity awards (in millions, except average price paid per share):

Period	Total Number of Shares Repurchased[1][2]	Average Price Paid Per Share[1][2]	Total Number of Shares Repurchased as Part of Publicly Announced Plans or Programs[2]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs[1][2]
October 5, 2019 through November 1, 2019	—	$ 57.61	—	$ 1,707
November 2, 2019 through November 29, 2019	1	58.56	1	1,660
November 30, 2019 through January 3, 2020	2	59.22	2	1,555
Total	3		3	

[1] Repurchase of shares including tax withholdings.
[2] On October 29, 2018, the Board of Directors authorized the repurchase of an additional $2.3 billion of our outstanding ordinary shares, increasing the aggregate authority to $3.0 billion.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

Exhibit No.	Description of Exhibit	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Constitution of Seagate Technology public limited company as amended and restated by Special Resolution dated October 19, 2016.	8-K	001-31560	3.1	10/24/2016	
3.2	Certificate of Incorporation of Seagate Technology plc.	10-K	001-31560	3.2	8/20/2010	
10.1+	Fourth Amendment to the 2015 Seagate Deferred Compensation Plan.					X
10.2+	Amended and Restated Seagate Technology public limited company 2012 Equity Incentive Plan.	8-K	001-31560	10.1	11/4/2019	
10.3+	Form of Outside Directors Restricted Share Unit Agreement for Seagate Technology public limited company pursuant to the 2012 Equity Incentive Plan.					X
10.4+	Form of Employee Restricted Share Unit Agreement for Seagate Technology public limited company pursuant to the 2012 Equity Incentive Plan.					X
10.5+	Form of Executive Performance Share Unit Agreement for Seagate Technology public limited company pursuant to the 2012 Equity Incentive Plan.					X
10.6+	Form of Employee Share Option Agreement for Seagate Technology public limited company pursuant to the 2012 Equity Incentive Plan.					X
31.1	Certification of the Chief Executive Officer pursuant to rules 13a-14(a) and 15d-14 (a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of the Chief Financial Officer pursuant to rules 13a-14(a) and 15d-14 (a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1†	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act.					X
101.INS	Inline XBRL Instance Document.					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document.					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase.					X
104	Inline XBRL Cover page and contained in Exhibit 101.					

+ Management contract or compensatory plan or arrangement.

† The certifications attached as Exhibit 32.1 that accompany this Quarterly Report on Form 10-Q are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Seagate Technology plc under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SEAGATE TECHNOLOGY PUBLIC LIMITED COMPANY

DATE: February 4, 2020

BY: /s/ Gianluca Romano

Gianluca Romano

Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 10.1

FOURTH AMENDMENT

2015 SEAGATE DEFERRED COMPENSATION PLAN

The 2015 Seagate Deferred Compensation Plan, effective as of January 1, 2015 (the "Plan"), is hereby amended by this Fourth Amendment (the "Amendment").

WHEREAS, for purposes of this Amendment, capitalized terms used herein that are not defined shall have the meanings given to them in the Plan;

WHEREAS, Seagate US LLC (the "Company") maintains the Plan, which is a nonqualified deferred compensation plan, for the benefit of eligible employees of the Company and Participating Companies;

WHEREAS, Section 8.5 of the Plan document provides that the Seagate Benefits Administrative Committee (the "Committee") has the authority to adopt and execute any amendments to the Plan, and the Committee has delegated that authority to the Senior Director, Global Benefits and the Senior Manager, Americas Benefits of the Seagate Benefits Department; and

WHEREAS, pursuant to authority granted to the Committee under Section 8.5, and the Committee's delegation, the Senior Director, Global Benefits has determined that it is appropriate to amend the Plan document to (1) remove the option for Participants to elect to receive distributions in quarterly installments; and (2) provide that Participants have the option to elect to receive distributions in annual installments over a period not to exceed seven years.

NOW, THEREFORE, BE IT RESOLVED, that the Amendment, as set forth in the attached Exhibit, is hereby approved and adopted effective substantially in the form attached.

FOURTH AMENDMENT

2015 SEAGATE DEFERRED COMPENSATION PLAN

The 2015 Seagate Deferred Compensation Plan, effective as of January 1, 2015 (the "Plan"), is hereby amended as follows:

1. Effective January 1, 2020, Subsection 6.2(b) is amended in its entirety to read as follows:

"(b) Optional Forms of Distribution.

(1) Quarterly Installments. With respect to deferred amounts attributable to services provided prior to January 1, 2020, a Participant may, in lieu of a lump sum distribution specified in Subsection 6.2(a) above, elect any of the following optional forms of distribution (subject to Subsection 6.2(c) below):

Form(s) of Distribution

Quarterly installments over 3 years

Quarterly installments over 5 years

Quarterly installments over 10 years

Quarterly installments over 15 years

For the avoidance of doubt, with respect to deferred amounts attributable to services provided on and after January 1, 2020, a Participant may not elect to receive a distribution in quarterly installments.

(2) Annual Installments. With respect to deferred amounts attributable to services provided on and after January 1, 2020, a Participant may, in lieu of a lump sum distribution specified in Subsection 6.2(a) above, elect to receive a distribution in annual installments over a period not to exceed seven (7) years (subject to Subsection 6.2(c) below). Such annual installment distributions will commence in January in the year immediately following the Participant's separation from service, and each annual installment distribution will continue each subsequent January. In accordance with Section 6.5, below, if a Participant elects to receive a distribution in annual installments and is a Specified Employee on the date of the separation from service, and the separation from service occurs after July 1, the annual installment distributions will commence at least six months after the separation from service and any subsequent annual installment distributions will occur in January.

(3) Notwithstanding any elections by the Participant, if the Participant's entire or remaining Distributable Amount becomes Fifty Thousand Dollars ($50,000) or less as of the Payment Commencement Date, such Distributable Amount shall be distributed in a lump sum on the Payment Commencement Date. Notwithstanding anything to the contrary, any such election under this Subsection 6.2(b)(3) shall apply to distributions upon separation from service and Disability, but shall not apply to distributions payable upon the Participant's death at any time. Notwithstanding anything to the contrary, a Participant may make an election to receive distribution in the installment forms of distribution above, in lieu of a lump sum distribution specified in Subsection 6.2(a) above, only during the first election period in which the Participant makes a deferral election, even if the Participant initially elects to receive only a Scheduled In-Service Withdrawal. Unless a Participant elects an installment form of distribution at the time of the Participant's initial deferral election, then the Participant will be deemed to have elected to receive such distributions in a lump sum for all Plan Years in which the Participant receives a distribution due to separation from service or Disability."

2. Effective January 1, 2020, Section 6.5 is amended in its entirety to read as follows:

"6.5 Distributions to Specified Employees. If a Participant becomes entitled to a distribution on account of a separation from service (other than due to death or Disability) and is a Specified Employee on the date of the separation from service, distributions shall not commence until at least six months following his or her separation from service (or, if earlier, his or her death). Payment to which a Specified Employee would otherwise be entitled to during this six-month period shall (A) if scheduled to be paid in a lump sum, be accumulated and paid, without interest, on the tenth (10th) business day that is six (6) months following the date of the Participant's separation from service; (B) if scheduled to be paid in quarterly installments in accordance with Subsection 6.2(b)(1), each installment payment shall be delayed and the installment payments shall commence during the first month of the calendar quarter following the month that includes the six-month anniversary date of Participant's separation from service; and (3) if scheduled to be paid in annual installments, notwithstanding this Section 6.5, the timing of the annual installment distributions shall be made in accordance with Subsection 6.2(b)(2)."

3. Except as specifically amended hereby, the Plan shall remain in full force and effect as prior to this Fourth Amendment.

In WITNESS WHEREOF, the Seagate Benefits Administrative Committee, by its duly authorized delegate, has executed this Amendment to the Plan on September 26, 2019.

By: /s/ Janet Farabaugh

Janet Farabaugh, Senior Director, Global Benefits

EXHIBIT 10.3

SEAGATE TECHNOLOGY PUBLIC LIMITED COMPANY
2012 EQUITY INCENTIVE PLAN
RESTRICTED SHARE UNIT AGREEMENT
(OUTSIDE DIRECTORS)

1. Grant of Restricted Share Units. Seagate Technology public limited company, a public company incorporated under the laws of the Republic of Ireland with limited liability (the "Company"), hereby grants to you (the Participant named in Section 2 below) the number of Restricted Share Units set forth in Section 2 below subject to the terms and conditions of the Seagate Technology public limited company 2012 Equity Incentive Plan, as may be amended from time to time and including any exhibits thereto (the "Plan") and this Restricted Share Unit Agreement, including any exhibits hereto (the "Agreement") (collectively, the "Award"). In the event of a conflict between the terms of the Plan and the terms of this Agreement, the terms of the Plan shall govern. Unless otherwise defined in this Agreement, any capitalized term used in this Agreement shall have the meaning assigned to such term in the Plan.

2. Award Terms. Subject to further detail included in this Agreement, the key terms related to the Award are as follows:

Participant:	_____
Global ID Number:	_____
Date of Grant:	_____
Grant Number:	_____
Number of Restricted Share Units	_____

Vesting Schedule. Subject to the terms of the Agreement, including but not limited to Section 3 hereof, and your Continuous Service on the Board, the Award shall vest in full on the earlier of: (i) the first anniversary of the Date of Grant and (ii) one day prior to the next election of Directors following the Date of Grant.

3. Vesting and Settlement.

   (a) Subject to Sections 3(b), 3(c) and 3(d) below, the Restricted Share Units will vest as provided in Section 2 above.
   (b) In the event of your termination of Continuous Service on account of your death, a pro-rata portion of the Restricted Share Units shall vest, based upon the number of days between the Date of Grant and the date of such termination.
   (c) In the event of a Change of Control, the Restricted Share Units shall vest immediately prior to the consummation of the Change of Control, so long as your termination of Continuous Service has not previously occurred.
   (d) In the event of your termination of Continuous Service for any other reason, you shall forfeit any and all Restricted Share Units that have not vested as of the date of such termination.
   (e) Upon the vesting of any Restricted Share Units, as promptly as is reasonably practicable (but in any event no later than March 15 of the calendar year following the calendar year of vesting), Shares (which shall be fully paid up at the Date of Grant) shall be issued to you, and the Company shall deliver to you appropriate documentation evidencing the number of Shares issued in settlement of such vested Restricted Share Units. However, the settlement of the Restricted Share Units shall be conditioned upon your making adequate provision for Tax-Related Items, as discussed in Section 7 below.

4. Compliance with Law. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from such registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares issuable upon vesting of the Restricted Share Units prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign law or under rulings or regulations of the U.S. Securities and Exchange Commission or of any other governmental regulatory body, or prior to the obtaining of any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable.

5. Shareholder Rights. You shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of the Shares subject to the Restricted Share Units unless and until such Shares have been issued by the Company to you. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued,

except as provided in Article 12 of the Plan.

6. Transferability. The Restricted Share Units may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by you other than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate.
7. Responsibility for Taxes.

   (a) Regardless of any action the Company takes with respect to any or all income tax, social insurance, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount, if any, withheld by the Company. You further acknowledge that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, but not limited to, the grant, vesting or settlement of the Restricted Share Units, the issuance of Shares, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction (or have become subject to Tax-Related Items in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable), you acknowledge that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

   (b) Your acceptance of this Agreement constitutes your instruction and authorization to the Company to withhold Shares otherwise deliverable upon vesting of the Award having a Fair Market Value on the date of vesting equal to the amount sufficient to satisfy the Tax-Related Items. Shares will be delivered as soon as administratively practicable following the vesting date and the calculation of applicable withholding taxes.

   (c) To avoid negative accounting treatment, the Company will withhold or account for Tax-Related Items by calculating the actual taxes due at vesting before delivering the net number of Shares to you. Any fractional shares required to be withheld will be rounded up to the nearest Share.

   (d) Finally, you agree to pay the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of your participation in the Plan or the vesting and settlement of the Restricted Share Units that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares unless and until you have complied with your obligations related to the Tax-Related Items described in this Section 7.

8. Nature of the Award. In accepting the Award, you acknowledge, understand and agree that:

   (a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be amended, suspended or terminated by the Company at any time;

   (b) the Award is exceptional, voluntary and occasional and does not create any contractual or other right to receive future awards of Restricted Share Units, or benefits in lieu of Restricted Share Units, even if Restricted Share Units have been awarded repeatedly in the past;

   (c) all decisions with respect to future Restricted Share Unit awards, if any, will be at the sole discretion of the Company;

   (d) you are voluntarily participating in the Plan;

   (e) your participation in the Plan shall not create any right to continue to serve the Company in the capacity in effect at the Date of Grant and will not affect the right of the Company to terminate your service as a Director pursuant to the Memorandum and Articles of Association of the Company and any applicable provisions of the laws of the Republic of Ireland;

   (f) because you are not an employee of the Company, the Award will not be interpreted to form or amend an employment or service contract or relationship with the Company or any Affiliate;

   (g) the future value of the underlying Shares is unknown and cannot be predicted with certainty; and

   (h) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from termination of your Continuous Service and in consideration of the Award to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company, waive your ability, if any, to bring any such

claim, and release the Company from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claims.

(i) The Company shall not be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of this Award or of any amounts due to you pursuant to the issuance of Shares upon settlement of this Award or the subsequent sale of such Shares.

9. No Advice Regarding Grant**.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

10. ***Data Privacy*****.**

(a) ***You are hereby notified of the collection, use and transfer outside of the European Economic Area, in electronic or other form, of your Data (defined below) by and among, as applicable, the Company and certain of its Affiliates for the exclusive and legitimate purpose of implementing, administering and managing your participation in the Plan.***

(b) ***You understand that the Company and its Affiliates hold certain personal information about you, including, but not limited to, your name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all entitlement to Shares awarded, canceled, vested, unvested or outstanding in your favor ("Data"), for the purpose of implementing, administering and managing the Plan.***

(c) ***You understand that providing the Company with this Data is necessary for the performance of this Agreement and that your refusal to provide the Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan. Your Data shall be accessible within the Company only by the persons specifically charged with Data processing operations and by the persons that need to access the Data because of their duties and position in relation to the performance of this Agreement.***

(d) ***The Company will use your Data only as long as is necessary to implement, administer and manage your participation in the Plan or as required to comply with legal or regulatory obligations, including under tax and securities laws. When the Company no longer needs your Data, it will remove it from its systems. If the Company keeps Data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be relevant laws or regulations. You have a number of rights under data privacy laws in your country. Depending on where you are based, your rights may include the right to (i) request access or copies of Data the Company processes, (ii) rectification of incorrect Data, (iii) deletion of Data, (iv) restrictions on processing, (v) portability of Data, (vi) to lodge complaints with competent authorities in your country, and/or (vii) a list with the names and addresses of any potential recipients of your Data. To receive clarification regarding your rights or to exercise your rights please contact the Company at Attn: Data Protection Officer, data.protection.officer@seagate.com.***

(e) ***Further, you understand that the Company will transfer Data to E*TRADE Corporate Financial Services, Inc. and E*TRADE Securities LLC (collectively, "E*TRADE"), and/or such other third parties as may be selected by the Company, which are assisting the Company with the implementation, administration and management of the Plan. The Company may select a different service provider or additional service providers and share Data with such other provider(s) serving in a similar manner. You may be asked to agree on separate terms and data processing practices with the service provider, with such agreement being a condition of the ability to participate in the Plan.***

(f) ***E*TRADE is based in the United States. Your country or jurisdiction may have different data privacy laws and protections than the United States. If you are outside of the United States, you should note that your country has enacted data privacy laws that are different from the United States. For example, the European Commission has issued a limited adequacy finding with respect to the United States that applies only to the extent companies register for the EU-U.S. Privacy Shield program, which is open to companies subject to Federal Trade Commission jurisdiction. The Company does not participate in the EU-U.S. Privacy Shield program with respect to employee data. By participating in the Plan, you agree to the transfer of your Data to E*TRADE for the exclusive purpose of administering your participation in the Plan. The Company's legal basis, where required, for the transfer of Data to E*TRADE is your consent.***

(g) ***Finally, you may choose to opt out of allowing the Company to share your Data with E*TRADE and others as***

described above, although execution of such choice may mean the Company cannot grant awards under the Plan to you. For questions about this choice or to make this choice, you should contact Equity Administration at stockadmin@seagate.com

11. Electronic Delivery and Participation. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means or request that you consent to participate in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an online or electronic system established and maintained by the Company or any third party designated by the Company.

12. Notices. Any notices provided for in your Award or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company. Any such notices from the Company to you may also be delivered to you at the last email address you provided to the Company.

13. Choice of Law and Venue. The Award is governed by, and subject to, the laws of the State of California, without regard to such state's conflicts of law rules, as provided in the Plan. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this Award, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this Award is made and/or to be performed.

14. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Award and the Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with applicable laws with regard to the acquisition, issuance or sale of the Shares or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

15. Amendments. The Committee at any time, and from time to time, may amend the terms of the Award; provided, however, that the rights under any Award shall not be materially impaired by any such amendment unless (a) the Company requests your consent and (b) you consent in writing.

16. Language. If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

17. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

18. Acknowledgements. By indicating acceptance of the Award through the Company's online acceptance procedure, you acknowledge that: (a) you have received, and understand and agree to the terms of, this Agreement and the Plan (including any exhibits to each document), (b) you accept the Award on the terms and conditions set forth in this Agreement and the Plan (including any exhibits to each document), and (c) this Agreement and the Plan (including any exhibits to each document) set forth the entire understanding between you and the Company regarding the rights to acquire the Shares subject to this Award and supersede all prior oral and written agreements with respect thereto.

EXHIBIT 10.4

SEAGATE TECHNOLOGY PUBLIC LIMITED COMPANY
2012 EQUITY INCENTIVE PLAN
RESTRICTED SHARE UNIT AGREEMENT

1. Grant of Restricted Share Units. Seagate Technology public limited company, a public company incorporated under the laws of the Republic of Ireland with limited liability (the "Company"), hereby grants to you (the Participant named in Section 2 below) the number of Restricted Share Units set forth in Section 2 below subject to the terms and conditions of the Seagate Technology public limited company 2012 Equity Incentive Plan, as may be amended from time to time and including any exhibits thereto (the "Plan") and this Restricted Share Unit Agreement, including any exhibits hereto (the "Agreement") (collectively, the "Award"). In the event of a conflict between the terms of the Plan and the terms of this Agreement, the terms of the Plan shall govern. Unless otherwise defined in this Agreement, any capitalized term used in this Agreement shall have the meaning assigned to such term in the Plan.

2. Award Terms. Subject to further detail included in this Agreement, the key terms related to the Award are as follows:

   (a) Participant.

   (b) Global ID Number.

   (c) Date of Grant.

   (d) Grant Number.

   (e) Vesting Commencement Date.

   (f) Number of Restricted Share Units.

   (g) Vesting Schedule. Subject to your Continuous Service with the Company or one of its Affiliates, 25% of the Restricted Share Units shall vest each year on the first four anniversaries of the Vesting Commencement Date, subject to the vesting conditions described in Section 3 below. If, on any vesting date, this Vesting Schedule would result in the vesting of a fraction of a Share, such fraction shall be rounded down to the nearest whole Share.

3. Vesting and Settlement.

   (a) Subject to Sections 3(b), 3(c) and 3(d) below, the Restricted Share Units will vest as provided in Section 2 above.

   (b) In the event of your termination of Continuous Service on account of your death, you shall be deemed to have completed an additional year of service as of the date of such termination.

(c) Subject to the terms of the Seagate Technology Executive Severance and Change in Control Plan, as amended from time to time, or other similar plan (the "Severance Plan"), in the event of your termination of Continuous Service for any reason, you shall forfeit any and all Restricted Share Units that have not vested as of the date of such termination, as further described in Section 8(n) below.

(d) The Committee may, in its sole discretion, suspend vesting of the Restricted Share Units if you are on a leave of absence.

(e) Upon the vesting of any Restricted Share Units, as promptly as is reasonably practicable (but in any event no later than March 15 of the calendar year following the calendar year of vesting), Shares (which shall be fully paid up) shall be issued to you, and the Company shall deliver to you appropriate documentation evidencing the number of Shares issued in settlement of such vested Restricted Share Units. However, the settlement of the Restricted Share Units shall be conditioned upon your making adequate provision for Tax-Related Items, as discussed in Section 7 below.

4. Compliance with Law. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from such registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares issuable upon vesting of the Restricted Share Units prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign law or under rulings or regulations of the U.S. Securities and Exchange Commission or of any other governmental regulatory body, or prior to the obtaining of any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable.

5. Shareholder Rights. You shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of the Shares subject to the Restricted Share Units unless and until such Shares have been issued by the Company to you. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Article 12 of the Plan.

6. Transferability. The Restricted Share Units may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by you other than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate.

7. Responsibility for Taxes.

(a) Regardless of any action the Company, any of its Affiliates or the Participant's employer (the "Employer") take with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount, if any, actually withheld by the Company or the Affiliate. You further acknowledge that the Company and/or the Affiliate (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, but not limited to, the grant, vesting or settlement of the Restricted Share Units, the issuance of Shares, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction, you acknowledge that the Company and/or the Affiliate may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Subject to Sections 7(c) and (d) below, your acceptance of this Agreement constitutes your instruction and authorization to your brokerage firm (or, in the absence of a designated brokerage firm, any brokerage firm determined acceptable to the Company for such purpose) to sell on your behalf the number of whole Shares from those Shares issuable to you upon settlement of the Restricted Share Units as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy any applicable withholding obligation for Tax-Related Items. Such Shares will be sold on the day the Tax-Related Items are determined or as soon thereafter as practicable. You will be responsible for all brokers' fees and other costs of sale, which fees and costs may be deducted from the proceeds of the foregoing sale of Shares, and you agree to indemnify and hold the Company and any brokerage firm selling such Shares harmless from any losses, costs, damages, or expenses relating to any such sale. To the extent the proceeds of such sale exceed your Tax-Related Items, such excess cash will be deposited into the securities account established with the brokerage firm for the settlement of your Restricted Share Units. You acknowledge that the broker or its designee is under no obligation to arrange for such sale at any particular price, and that the proceeds of any such sale may not be sufficient to satisfy your Tax-Related Items.

(c) At any time before any taxable or tax withholding event, the Committee may, in its sole discretion, determine that the Company or the Affiliate will satisfy any tax withholding obligation with respect to the Tax-Related Items by withholding Shares to be issued upon vesting of the Restricted Share Units. To the extent the Committee makes such a determination, you hereby authorize the Company to withhold Shares otherwise issuable upon vesting of the Restricted Share Units having a Fair Market Value on the date of vesting equal to the amount sufficient to satisfy the Tax-Related Items.

(d) In the event that, in the reasonable determination of the Company and/or its Affiliate, such tax withholding by the sale or withholding of Shares as described in Sections 7(b) and (c) above is problematic under applicable tax or securities law or has materially adverse accounting consequences, you authorize the Company and/or the Affiliate to satisfy any applicable withholding obligation for Tax-Related Items by withholding from your wages or other cash compensation paid to you by the Company and/or the Affiliate, within legal limits, or by requiring you to tender a cash payment to the Company or the Affiliate in the amount of the Tax-Related Items.

(e) Depending on the withholding method, the Company or an Affiliate may, if necessary, withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including up to maximum applicable rates, in which case you may receive a refund of any over-withheld amount and will have no entitlement to the equivalent in Shares. If the obligation for the Tax-Related Items is satisfied by withholding in Shares as described in Section 7(c) above, for tax purposes, you will be deemed to have been issued the full number of Shares subject to the Restricted Share Units, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of your participation in the Plan.

(f) Finally, you agree to pay the Company or the Affiliate any amount of Tax-Related Items that the Company or the Affiliate may be required to withhold as a result of your participation in the Plan or the vesting and settlement of the Restricted Share Units that cannot be satisfied by the means previously described. The Company or the Affiliate may refuse to issue or deliver the Shares or the proceeds of the sale of Shares unless and until you have complied with your obligations related to the Tax-Related Items described in this Section 7.

8. Nature of the Award. In accepting the Award, you acknowledge, understand and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be amended, suspended or terminated by the Company at any time;

(b) the Award is exceptional, voluntary and occasional and does not create any contractual or other right to receive future awards of Restricted Share Units, or benefits in lieu of Restricted Share Units, even if Restricted Share Units have been awarded repeatedly in the past;

(c) all decisions with respect to future Restricted Share Unit awards, if any, will be at the sole discretion of the Company;

(d) you are voluntarily participating in the Plan;

(e) your participation in the Plan will not create a right to employment and shall not interfere with the ability of the Company or any Affiliate to terminate your Continuous Service at any time;

(f) the Award and any Shares subject to the Award, and the income and value of the same, are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or any Affiliate, and which is outside the scope of your employment or service contract, or consulting arrangement, if any;

(g) the Award and any Shares subject to the Award, and the income and value of the same, are not intended to replace any pension rights or compensation;

(h) the Award and any Shares subject to the Award are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, holiday pay, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any Affiliate;

(i) the Award will not be interpreted to form or amend an employment or service contract or relationship with the Company or any Affiliate;

(j) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(k) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from termination of your Continuous Service (regardless of the reason for the termination and whether or not the termination is in breach of any employment law in the country where you reside, even if such law is otherwise applicable to your employment benefits, and whether or not such termination is later found to be invalid);

(l) neither the Company nor any Affiliate shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of this Award or of any amounts due to you pursuant to the issuance of Shares upon settlement of this Award or the subsequent sale of such Shares;

(m) unless otherwise agreed with the Company, the Award and the Shares subject to the Award, and the income and value of the same, are not granted as consideration for, or in connection with, the service you may provide as a director of an Affiliate of the Company; and

(n) for purposes of the Award, your Continuous Service will be considered terminated as of the date you are no longer actively employed by and/or providing services to the Company or an Affiliate, as applicable; your right, if any, to vest in the Restricted Share Units under the Plan after termination of Continuous Service (regardless of whether the termination is in breach of any employment law in the country where you reside, even if such law is otherwise applicable to your employment benefits, and whether or not such termination is later found to be invalid) will be measured by the date you cease to be actively employed and/or actively providing services and will not be extended by any notice period mandated under any employment law in the country where you reside, even if such law is otherwise applicable to your employment benefits (*e.g.*, active employment would not include a period of "garden leave" or similar period); the Committee, in its sole discretion, shall determine when you are no longer actively employed for purposes of the Award (including whether you may still be considered actively employed while on a leave of absence).

9. No Advice Regarding Grant**.** The Company and its Affiliates are not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You should consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

10. ***Data Privacy.***

(a) ***You are hereby notified of the collection, use and transfer outside of the European Economic Area, in electronic or other form, of your Data (defined below) by and among, as applicable, the Company and certain of its Affiliates for the exclusive and legitimate purpose of implementing, administering and managing your participation in the Plan.***

(b) ***You understand that the Company and its Affiliates hold certain personal information about you, including, but not limited to, your name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all entitlement to Shares awarded, canceled, vested, unvested or outstanding in your favor ("Data"), for the purpose of implementing, administering and managing the Plan.***

(c) ***You understand that providing the Company with this Data is necessary for the performance of this Agreement and that your refusal to provide the Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan. Your Data shall be accessible within the Company only by the persons specifically charged with Data processing operations and by the persons that need to access the Data because of their duties and position in relation to the performance of this Agreement.***

(d) ***The Company will use your Data only as long as is necessary to implement, administer and manage your participation in the Plan or as required to comply with legal or regulatory obligations, including under tax and securities laws. When the Company no longer needs your Data, it will remove it from its systems. If the Company keeps Data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be relevant laws or regulations. You have a number of rights under data privacy laws in your country. Depending on where you are based, your rights may include the right to (i) request access or copies of Data the Company processes, (ii) rectification of incorrect Data, (iii) deletion of Data, (iv) restrictions on processing, (v) portability of Data, (vi) to lodge complaints with competent authorities in your country, and/or (vii) a list with the names and addresses of any potential recipients of your Data. To receive clarification regarding your rights or to exercise your rights please contact the Company at Attn: Data Protection Officer, data.protection.officer@seagate.com.***

(e) ***Further, you understand that the Company will transfer Data to E*TRADE Corporate Financial Services, Inc. and E*TRADE Securities LLC (collectively, "E*TRADE"), and/or such other third parties as may be selected by the Company, which are assisting the Company with the implementation, administration and management of the Plan. The Company may select a different service provider or additional service providers and share Data with such other provider(s) serving in a similar manner. You may be asked to agree on separate terms and data processing practices with the service provider, with such agreement being a condition of the ability to participate in the Plan.***

(f) ***E*TRADE is based in the United States. Your country or jurisdiction may have different data privacy laws and protections than the United States. If you are outside of the United States, you should note that your country has enacted data privacy laws that are different from the United States. For example, the European Commission has issued a limited adequacy finding with respect to the United States that applies only to the extent companies register for the EU-U.S. Privacy Shield program, which is open to companies subject to Federal Trade Commission jurisdiction. The Company does not participate in the EU-U.S. Privacy Shield program with respect to employee data. By participating in the Plan, you agree to the transfer of your Data to E*TRADE for the exclusive purpose of administering your participation in the Plan. The Company's legal basis, where required, for the transfer of Data to E*TRADE is your consent.***

(g) ***Finally, you may choose to opt out of allowing the Company to share your Data with E*TRADE and others as described above, although execution of such choice may mean the Company cannot grant awards under the Plan to you. For questions about this choice or to make this choice, you should contact Equity Administration at stockadmin@seagate.com.***

11. Electronic Delivery and Participation. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means or request that you consent to participate in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an online or electronic system established and maintained by the Company or any third party designated by the Company.

12. Notices. Any notices provided for in your Award or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company. Any such notices from the Company to you may also be delivered to you through the Company's electronic mail system (during your Continuous Service) or at the last email address you provided to the Company (after termination of your Continuous Service).

13. Choice of Law and Venue. The Award is governed by, and subject to, the laws of the State of California, without regard to such state's conflicts of law rules, as provided in the Plan. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this Award, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this Award is made and/or to be performed.

14. Country-Specific Provisions. The Award shall be subject to any special provisions set forth in Exhibit A for your country, if any. If you relocate to one of the countries included in Exhibit A during the life of the Award or while holding Shares acquired upon vesting of the Restricted Share Units, the special provisions for such country shall apply to you, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with applicable laws with regard to the acquisition, issuance or sale of the Shares or facilitate the administration of the Plan. Exhibit A constitutes part of this Agreement.

15. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Award and the Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with applicable laws with regard to the acquisition, issuance or sale of the Shares or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

16. Insider Trading Restrictions/Market Abuse Laws. You acknowledge that, depending on you or your broker's country of residence or where the Shares are listed, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to accept, acquire, sell or otherwise dispose of Shares or rights to Shares (e.g., Restricted Share Units) or rights linked to the value of the Shares under the Plan during such times as you are considered to have "inside information" regarding the Company (as defined by the laws or regulations in the applicable jurisdictions or your country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you placed before you possessed inside information. Furthermore, you could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Third parties include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You are responsible for ensuring compliance with any applicable restrictions and are instructed to speak with your personal legal advisor on this matter.

17. Foreign Asset/Account Reporting; Exchange Controls. Without limitation to any specific information stated in Exhibit A, you acknowledge that your country may have certain foreign asset and/or account reporting requirements and/or exchange controls which may affect your ability to purchase or hold Shares subject to the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside your country. You may be required to report such accounts, assets or transactions to the tax or other authorities in your country. You also may be required to repatriate sale proceeds or other funds received as a result of your participation in the Plan to your country through a designated bank or broker and/or within a certain time after receipt. You further acknowledge that it is your responsibility to be compliant with such regulations, and that you should consult your personal legal advisor for any details.

18. Waiver. You acknowledge that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by you or any other participant.

19. Recoupment.

(a) Compensation Recovery for Fraud and Misconduct Policy. You hereby acknowledge and agree that to the extent you are or become subject to the Seagate Technology public limited company Compensation Recovery for Fraud and Misconduct Policy, as amended from time to time (the "Compensation Recovery Policy"), the terms and conditions of the Policy are hereby incorporated by reference into this Agreement and shall apply to (a) the Award, (b) each outstanding share award granted or issued to you (pursuant to which Shares may be issued or payments deriving their value from the Shares may be made), and (c) the gain received in connection with the vesting, exercise and/or issuance of any share award (i.e., the market value of the Shares on the vesting, exercise and/or issuance date, as applicable, less (i) any price paid for the Shares and (ii) any Tax-Related Items withheld from or paid by you in connection with the vesting, exercise and/or issuance of the share award), in each case without regard to whether such award was granted or issued under a share plan of the Company, a predecessor to the Company or a company acquired by the Company or outside a share plan; provided, however, that such award was granted or such gain was received within the three years prior to the Date of Grant; and provided, further, that no share award granted prior to January 29, 2009 shall be subject to the terms of the Compensation Recovery Policy. A copy of the current version of the Compensation Recovery Policy is attached to this Agreement as Exhibit B.

(b) Other Required Recoupments. Without derogating from the terms of Section 19(a) hereof, as an additional condition of receiving the Award, you agree that the Award and any benefits or proceeds you may receive hereunder shall be subject to forfeiture and/or repayment to the Company to the extent required (i) under the terms of any other recoupment or "clawback" policy adopted by the Company, as may be amended from time to time (and such requirements shall be deemed incorporated into this Agreement without your consent), or (ii) to comply with any requirements imposed under applicable laws and/or the rules and regulations of the securities exchange or inter-dealer quotation system on which the Shares are listed or quoted, including, without limitation, pursuant to Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Further, if you receive any amount in excess of what you should have received under the terms of the Award for any reason (including without limitation by reason of a financial restatement, mistake in calculations or administrative error), all as determined by the Committee, then you shall be required to promptly repay any such excess amount to the Company.

(c) Execution of Recoupment. You hereby irrevocably appoints the Company as the your true and lawful attorney for the purpose of undertaking all actions and executing all deeds and documentation that may be required to be executed to enforce the recovery of compensation pursuant to the Compensation Recovery Policy under Section 19(a) hereof or pursuant to any other required recoupment under Section 19(b).

20. Amendments. The Committee at any time, and from time to time, may amend the terms of the Award; provided, however, that the rights under any Award shall not be materially impaired by any such amendment unless (a) the Company requests your consent and (b) you consent in writing.

21. Language. If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

22. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

23. Acknowledgements. By indicating acceptance of the Award through the Company's online acceptance procedure, you acknowledge that: (a) you have received, and understand and agree to the terms of, this Agreement and the Plan (including any exhibits to each document), (b) you accept the Award on the terms and conditions set forth in this Agreement and the Plan (including any exhibits to each document), and (c) this Agreement and the Plan (including any exhibits to each document) set forth the entire understanding between you and the Company regarding the rights to acquire the Shares subject to this Award and supersede all prior oral and written agreements with respect thereto.

EXHIBIT 10.5

SEAGATE TECHNOLOGY PUBLIC LIMITED COMPANY
2012 EQUITY INCENTIVE PLAN
EXECUTIVE PERFORMANCE UNIT AGREEMENT

1. Grant of Performance Units. Seagate Technology public limited company, a public company incorporated under the laws of the Republic of Ireland with limited liability (the "Company"), hereby grants to you (the Participant named in Section 2 below) the number of Performance Units set forth in Section 2 below subject to the terms and conditions of the Seagate Technology public limited company 2012 Equity Incentive Plan, as may be amended from time to time and including any exhibits thereto (the "Plan") and this Performance Unit Agreement, including any exhibits hereto (the "Agreement") (collectively, the "Award"). In the event of a conflict between the terms of the Plan and the terms of this Agreement, the terms of the Plan shall govern. Unless otherwise defined in this Agreement, any capitalized term used in this Agreement shall have the meaning assigned to such term in the Plan.

2. Award Terms. Subject to further detail included in this Agreement, the key terms related to the Award are as follows:

   (a) Participant.

   (b) Global ID Number.

   (c) Date of Grant.

   (d) Grant Number.

   (e) Vesting Commencement Date.

   (f) Number of Performance Units.

   (g) Vesting Schedule. As set forth in Schedule A attached hereto.

3. Vesting and Settlement.

   (a) Subject to the limitations contained herein, the Performance Units will vest as provided in Schedule A attached hereto

   (b) Upon the vesting of any Performance Units, as promptly as is reasonably practicable (but in any event no later than March 15 of the calendar year following the calendar year of vesting), Shares (which shall be fully paid up) shall be issued to you, and the Company shall deliver to you appropriate documentation evidencing the number of Shares issued in settlement of such vested Performance Units. However, the settlement of the Performance Units shall be conditioned upon your making adequate provision for Tax-Related Items, as discussed in Section 7 below.

4. Compliance with Law. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from such registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares issuable upon vesting of the Performance Units prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign law or under rulings or regulations of the U.S. Securities and Exchange Commission or of any other governmental regulatory body, or prior to the obtaining of any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable.

5. Shareholder Rights. You shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of the Shares subject to the Performance Units unless and until such Shares have been issued by the Company to you. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Article 12 of the Plan.

6. Transferability. The Performance Units may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by you other than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate.

7. Responsibility for Taxes.

   (a) Regardless of any action the Company, any of its Affiliates or the Participant's employer (the "Employer") take with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items is and remains your responsibility and may exceed the amount, if any, actually withheld by the Company or the Affiliate, if any. You further acknowledge that the Company and/or the Affiliate (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, but not limited to, the grant, vesting or settlement of the Performance Units, the issuance of Shares, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction, you acknowledge that the Company and/or the Affiliate may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Subject to Sections 7(c) and (d) below, your acceptance of this Agreement constitutes your instruction and authorization to your brokerage firm (or, in the absence of a designated brokerage firm, any brokerage firm determined acceptable to the Company for such purpose) to sell on your behalf the number of whole Shares from those Shares issuable to you upon settlement of the Performance Units as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy any applicable withholding obligation for Tax-Related Items. Such Shares will be sold on the day the Tax-Related Items are determined or as soon thereafter as practicable. You will be responsible for all brokers' fees and other costs of sale, which fees and costs may be deducted from the proceeds of the foregoing sale of Shares, and you agree to indemnify and hold the Company and any brokerage firm selling such Shares harmless from any losses, costs, damages, or expenses relating to any such sale. To the extent the proceeds of such sale exceed your Tax-Related Items, such excess cash will be deposited into the securities account established with the brokerage firm for the settlement of your Performance Units. You acknowledge that the broker or its designee is under no obligation to arrange for such sale at any particular price, and that the proceeds of any such sale may not be sufficient to satisfy your Tax-Related Items.

(c) At any time before any taxable or tax withholding event, the Committee may, in its sole discretion, determine that the Company or the Affiliate will satisfy any tax withholding obligation with respect to the Tax-Related Items by withholding Shares to be issued upon vesting of the Performance Units. To the extent the Committee makes such a determination, you hereby authorize the Company to withhold Shares otherwise issuable upon vesting of the Performance Units having a Fair Market Value on the date of vesting equal to the amount sufficient to satisfy the Tax-Related Items.

(d) In the event that, in the reasonable determination of the Company and/or its Affiliate, such tax withholding by the sale or withholding of Shares as described in Sections 7(b) and (c) above is problematic under applicable tax or securities law or has materially adverse accounting consequences, you authorize the Company and/or the Affiliate to satisfy any applicable withholding obligation for Tax-Related Items by withholding from your wages or other cash compensation paid to you by the Company and/or the Affiliate, within legal limits, or by requiring you to tender a cash payment to the Company or the Affiliate in the amount of the Tax-Related Items.

(e) Depending on the withholding method, the Company or an Affiliate may, if necessary, withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including up to maximum applicable rates, in which case I may receive a refund of any over-withheld amount and will have no entitlement to the equivalent in Shares. If the obligation for the Tax-Related Items is satisfied by withholding in Shares as described in Section 7(c) above, for tax purposes, you will be deemed to have been issued the full number of Shares subject to the Performance Units, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of your participation in the Plan.

(f) Finally, you agree to pay the Company or the Affiliate any amount of Tax-Related Items that the Company or the Affiliate may be required to withhold as a result of your participation in the Plan or the vesting and settlement of the Performance Units that cannot be satisfied by the means previously described. The Company or the Affiliate may refuse to issue or deliver the Shares or the proceeds of the sale of Shares unless and until you have complied with your obligations related to the Tax-Related Items described in this Section 7.

8. Nature of the Award. In accepting the Award, you acknowledge, understand and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be amended, suspended or terminated by the Company at any time;

(b) the Award is exceptional, voluntary and occasional and does not create any contractual or other right to receive future awards of Performance Units, or benefits in lieu of Performance Units, even if Performance Units have been awarded repeatedly in the past;

(c) all decisions with respect to future Performance Unit awards, if any, will be at the sole discretion of the Company;

(d) you are voluntarily participating in the Plan;

(e) your participation in the Plan will not create a right to employment and shall not interfere with the ability of the Company or any Affiliate to terminate your Continuous Service at any time;

(f) the Award and any Shares subject to the Award, and the income and value of the same, are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or any Affiliate, and which is outside the scope of your employment or service contract or consulting arrangement, if any;

(g) the Award and any Shares subject to the Award, and the income and value of the same, are not intended to replace any pension rights or compensation;

(h) the Award and any Shares subject to the Award are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, holiday pay, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, or any Affiliate;

(i) the Award will not be interpreted to form or amend an employment or service contract or relationship with the Company or any Affiliate;

(j) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(k) no claim or entitlement to compensation or damages shall arise from forfeiture of the Award resulting from termination of your Continuous Service (regardless of the reason for the termination and whether or not the termination is in breach of any employment law in the country where you reside, even if such law is otherwise applicable to your employment benefits, and whether or not such termination is later found to be invalid);

(l) neither the Company nor any Affiliate shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of this Award or of any amounts due to you pursuant to the issuance of Shares upon settlement of this Award or the subsequent sale of such Shares;

(m) unless otherwise agreed with the Company, the Award and the Shares subject to the Award, and the income and value of the same, are not granted as consideration for, or in connection with, the service you may provide as a director of an Affiliate of the Company; and

(n) for purposes of the Award, your Continuous Service will be considered terminated as of the date you are no longer actively employed by and/or providing services to the Company or an Affiliate, as applicable; your right, if any, to vest in the Performance Units under the Plan after termination of Continuous Service (regardless of whether the termination is in breach of any employment law in the country where you reside, even if such law is otherwise applicable to your employment benefits, and whether or not such termination is later found to be invalid) will be measured by the date you cease to be actively employed and/or actively providing services and will not be extended by any notice period mandated under any employment law in the country where you reside, even if such law is otherwise applicable to your employment benefits (e.g., active employment would not include a period of "garden leave" or similar period); the Committee, in its sole discretion, shall determine when you are no longer actively employed for purposes of the Award (including whether you may still be considered actively employed while on a leave of absence).

9. No Advice Regarding Grant. The Company and its Affiliates are not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You should consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

10. ***Data Privacy***.

(a) ***You are hereby notified of the collection, use and transfer outside of the European Economic Area, in electronic or other form, of your Data (defined below) by and among, as applicable, the Company and certain of its Affiliates for the exclusive and legitimate purpose of implementing, administering and managing your participation in the Plan.***

(b) ***You understand that the Company and its Affiliates hold certain personal information about you, including, but not limited to, your name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all entitlement to Shares awarded, canceled, vested, unvested or outstanding in your favor ("Data"), for the purpose of implementing, administering and managing the Plan.***

(c) ***You understand that providing the Company with this Data is necessary for the performance of this Agreement and that your refusal to provide the Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan. Your Data shall be accessible within the Company only by the persons specifically charged with Data processing operations and by the persons that need to access the Data because of their duties and position in relation to the performance of this Agreement.***

(d) ***The Company will use your Data only as long as is necessary to implement, administer and manage your participation in the Plan or as required to comply with legal or regulatory obligations, including under tax and securities laws. When the Company no longer needs your Data, it will remove it from its systems. If the Company keeps Data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be relevant laws or regulations. You have a number of rights under data privacy laws in your country. Depending on where you are based, your rights may include the right to (i) request access or copies of Data the Company processes, (ii) rectification of incorrect Data, (iii) deletion of Data, (iv) restrictions on processing, (v) portability of Data, (vi) to lodge complaints with competent authorities in your country, and/or (vii) a list with the names and addresses of any potential recipients of your Data. To receive clarification regarding your rights or to exercise your rights please contact the Company at Attn: Data Protection Officer, data.protection.officer@seagate.com.***

(e) ***Further, you understand that the Company will transfer Data to E*TRADE Corporate Financial Services, Inc. and E*TRADE Securities LLC (collectively, "E*TRADE"), and/or such other third parties as may be selected by the Company, which are assisting the Company with the implementation, administration and management of the Plan. The Company may select a different service provider or additional service providers and share Data with such other provider(s) serving in a similar manner. You may be asked to agree on separate terms and data processing practices with the service provider, with such agreement being a condition of the ability to participate in the Plan.***

(f) ***E*TRADE is based in the United States. Your country or jurisdiction may have different data privacy laws and protections than the United States. If you are outside of the United States, you should note that your country has enacted data privacy laws that are different from the United States. For example, the European Commission has issued a limited adequacy finding with respect to the United States that applies only to the extent companies register for the EU-U.S. Privacy Shield program, which is open to companies subject to Federal Trade Commission jurisdiction. The Company does not participate in the EU-U.S. Privacy Shield program with respect to employee data. By participating in the Plan, you agree to the transfer of your Data to E*TRADE for the exclusive purpose of administering your participation in the Plan. The Company's legal basis, where required, for the transfer of Data to E*TRADE is your consent.***

(g) ***Finally, you may choose to opt out of allowing the Company to share your Data with E*TRADE and others as described above, although execution of such choice may mean the Company cannot grant awards under the Plan to you. For questions about this choice or to make this choice, you should contact Equity Administration at stockadmin@seagate.com.***

11. Electronic Delivery and Participation. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means or request that you consent to participate in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an online or electronic system established and maintained by the Company or any third party designated by the Company.

12. Notices. Any notices provided for in your Award or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company. Any such notices from the Company to you may also be delivered to you through the Company's electronic mail system (during your Continuous Service) or at the last email address you provided to the Company (after termination of your Continuous Service).

13. Choice of Law and Venue. The Award is governed by, and subject to, the laws of the State of California, without regard to such state's conflicts of law rules, as provided in the Plan. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this Award, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this Award is made and/or to be performed.

14. Country-Specific Provisions. The Award shall be subject to any special provisions set forth in Exhibit A for your country, if any. If you relocate to one of the countries included in Exhibit A during the life of the Award or while holding Shares acquired upon vesting of the Performance Units, the special provisions for such country shall apply to you, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with applicable laws with regard to the acquisition, issuance or sale of the Shares or facilitate the administration of the Plan. Exhibit A constitutes part of this Agreement.

15. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Award and the Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with applicable laws with regard to the acquisition, issuance or sale of the Shares or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

16. Insider Trading Restrictions/Market Abuse Laws. You acknowledge that, depending on you or your broker's country of residence or where the Shares are listed, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to accept, acquire, sell, or otherwise dispose of Shares or rights to Shares (*e.g.*, Awards) or rights linked to the value of the Shares under the Plan during such times as you are considered to have "inside information" regarding the Company (as defined by the laws or regulations in the applicable jurisdictions of your country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you placed before you possessed inside information. Furthermore, you could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Third parties include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You are responsible for ensuring compliance with any applicable restrictions and are instructed to speak with your personal legal advisor on this matter.

17. Foreign Asset/Account Reporting; Exchange Controls. Without limitation to any specific information stated in Exhibit A, you acknowledge that your country may have certain foreign asset and/or account reporting requirements and/or exchange controls which may affect your ability to purchase or hold Shares subject to the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside my country. You may be required to report such accounts, assets or transactions to the tax or other authorities in your country. You also may be required to repatriate sale proceeds or other funds received as a result of your participation in the Plan to your country through a designated bank or broker and/or within a certain time after receipt. You further acknowledge that it is your responsibility to be compliant with such regulations, and that you should consult your personal legal advisor for any details.

18. Waiver. You acknowledge that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by you or any other participant.

19. Recoupment.

(a) Compensation Recovery for Fraud and Misconduct Policy. You hereby acknowledge and agree that to the extent you are or become subject to the Seagate Technology public limited company Compensation Recovery for Fraud and Misconduct Policy, as amended from time to time (the "Compensation Recovery Policy"), the terms and conditions of the Policy are hereby incorporated by reference into this Agreement and shall apply to (a) the Award, (b) each outstanding share award granted or issued to you (pursuant to which Shares may be issued or payments deriving their value from the Shares may be made), and (c) the gain received in connection with the vesting, exercise and/or issuance of any share award (i.e., the market value of the Shares on the vesting, exercise and/or issuance date, as applicable, less (i) any price paid for the Shares and (ii) any Tax-Related Items withheld from or paid by you in connection with the vesting, exercise and/or issuance of the share award), in each case without regard to whether such award was granted or issued under a share plan of the Company, a predecessor to the Company or a company acquired by the Company or outside a share plan; provided, however, that such award was granted or such gain was received within the three years prior to the Date of Grant; and provided, further, that no share award granted prior to January 29, 2009 shall be subject to the terms of the Compensation Recovery Policy. A copy of the current version of the Compensation Recovery Policy is attached to this Agreement as Exhibit B.

(b) Other Required Recoupments. Without derogating from the terms of Section 19(a) hereof, as an additional condition of receiving the Award, you agree that the Award and any benefits or proceeds you may receive hereunder shall be subject to forfeiture and/or repayment to the Company to the extent required (i) under the terms of any other recoupment or "clawback" policy adopted by the Company, as may be amended from time to time (and such requirements shall be deemed incorporated into this Agreement without your consent), or (ii) to comply with any requirements imposed under applicable laws and/or the rules and regulations of the securities exchange or inter-dealer quotation system on which the Shares are listed or quoted, including, without limitation, pursuant to Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Further, if you receive any amount in excess of what you should have received under the terms of the Award for any reason (including without limitation by reason of a financial restatement, mistake in calculations or administrative error), all as determined by the Committee, then you shall be required to promptly repay any such excess amount to the Company.

(c) Execution of Recoupment. You hereby irrevocably appoint the Company as your true and lawful attorney for the purpose of undertaking all actions and executing all deeds and documentation that may be required to be executed to enforce the recovery of compensation pursuant to the Compensation Recovery Policy under Section 19(a) hereof or pursuant to any other required recoupment under Section 19(b).

20. Amendments. The Committee at any time, and from time to time, may amend the terms of the Award; provided, however, that the rights under any Award shall not be materially impaired by any such amendment unless (a) the Company requests your consent and (b) you consent in writing.

21. Language. If you have received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

22. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

23. Acknowledgements. By indicating acceptance of the Award through the Company's online acceptance procedure, you acknowledge that: (a) you have received, and understand and agree to the terms of, this Agreement and the Plan (including any exhibits to each document), (b) you accept the Award on the terms and conditions set forth in this Agreement and the Plan (including any exhibits to each document), and (c) this Agreement and the Plan (including any exhibits to each document) set forth the entire understanding between you and the Company regarding the rights to acquire the Shares subject to this Award and supersede all prior oral and written agreements with respect thereto.

EXHIBIT 10.6

SEAGATE TECHNOLOGY PUBLIC LIMITED COMPANY
2012 EQUITY INCENTIVE PLAN
OPTION AGREEMENT

1. Grant of Option. Seagate Technology public limited company, a public company incorporated under the laws of the Republic of Ireland with limited liability (the "Company"), hereby grants to the Participant named in Section 2 below (the "Participant") an option (the "Option") to purchase the number of the Company's ordinary shares (the "Shares") set forth in Section 2 below at the exercise price per Share set forth in Section 2 (the "Exercise Price") subject to the terms and conditions of the Seagate Technology public limited company 2012 Equity Incentive Plan, as may be amended from time to time and including any exhibits thereto (the "Plan") and this Option Agreement, including any exhibits hereto (the "Agreement"). In the event of a conflict between the terms of the Plan and the terms of this Agreement, the terms of the Plan shall govern. Unless otherwise defined in this Agreement, any capitalized term used in this Agreement shall have the meaning assigned to such term in the Plan.

2. Option Terms. Subject to further detail included in this Agreement, the key terms related to the Option are as follows:

(a) Participant.

(b) Global ID Number.

(c) Date of Grant.

(d) Grant Number.

(e) Vesting Commencement Date.

(f) Exercise Price (Per Share).

(g) Number of Shares Subject to Option.

(h) Total Exercise Price.

(i) Expiration Date.

(j) Type of Grant. Nonstatutory Share Option.

(k) Exercise Schedule. Same as Vesting Schedule.

(l) Vesting Schedule. Subject to the Participant's Continuous Service with the Company or one of its Affiliates, 25% of the Shares shall vest on the first anniversary of the Vesting Commencement Date, and an additional 1/48 of the Shares shall vest at the end of each full month thereafter, until the fourth anniversary of the Vesting Commencement Date, subject to the vesting conditions described in Section 3 below. If, on any vesting date, this Vesting Schedule would result in the vesting of a fraction of a Share, such fraction shall be rounded down to the nearest whole Share.

(m) Payment. By cash or check or other method of payment permitted under Section 4(d) of the Agreement.

3. Vesting.

(a) Subject to Sections 3(b), 3(c) and 3(d) below, the Option shall vest and become exercisable in accordance with the Vesting Schedule set forth in Section 2 above. The portion of the Option which has become vested and exercisable as described in this Section 3 is hereinafter referred to as the "Vested Portion."

(b) In the event of the Participant's termination of Continuous Service on account of the Participant's death, the Participant shall be deemed to have completed an additional year of service for purposes of determining the portion of the Option which is the Vested Portion.

(c) Subject to the terms of the Seagate Technology Executive Severance and Change in Control Plan, as amended from time to time, or other similar plan (the "Severance Plan"), in the event of Participant's termination of Continuous Service for any reason, the Option shall, to the extent not then vested, be canceled by the Company without consideration, as further described in Section 7(p) below. The Vested Portion of the Option which is vested as of the date of such termination (after giving effect to the terms of the Severance Plan or Section 3(b) above, if applicable) shall remain exercisable for the period set forth in Section 4(b) below.

(d) The Committee may, in its sole discretion, suspend vesting of the Option if the Participant is on a leave of absence.

4. Exercise of Option.

(a) Eligibility to Exercise Option. During the Participant's lifetime, only the Participant may exercise the Option. Should the Participant die while holding the Option, the Vested Portion of the Option shall remain exercisable by the Participant's executor or administrator, or the person or persons to whom the Participant's rights under this Agreement shall pass by will or the laws of descent and distribution, as the case may be, for the period set forth in Section 4(b) below. Any heir or legatee of the Participant shall take rights herein granted subject to the terms and conditions hereof.

(b) Period of Exercise. Subject to the provisions of the Plan and this Agreement, including the provision set forth in Section 7(n) below, the Participant may exercise all or any part of the Vested Portion of the Option at any time prior to the earliest to occur of:

(i) the "Expiration Date" set forth in Section 2 above;

(ii) three (3) months following the date of the Participant's termination of Continuous Service for any reason (other than as a result of death or Disability or for Cause); provided, however, that if termination of the Participant's Continuous Service by the Company or an Affiliate is not for Cause and if the exercise of the Vested Portion of the Option following such termination would be prohibited because the issuance of Shares would violate either the registration requirements under the Securities Act (or other applicable securities law) or the Company's insider trading policy, then the Option shall terminate on the earlier of (A) the "Expiration Date" set forth in Section 2 above or (B) the expiration of a period of three (3) months after termination during which time the exercise of the Option would not be in violation of either such registration requirements (or other applicable securities law) or the Company's insider trading policy;

(iii) one year following the date of the Participant's termination of Continuous Service as a result of death or Disability (as defined in the Plan); and

(iv) the date of the Participant's termination of Continuous Service for Cause.

For purposes of this Agreement:

"Cause" shall mean (A) the Participant's continued failure substantially to perform the material duties of his office (other than as a result of total or partial incapacity due to physical or mental illness), (B) the fraud, embezzlement or theft by the Participant of the Company's property (or any Affiliate's property), (C) the conviction of such Participant of, or plea of nolo contendere by the Participant to, a felony under the laws of the United States or any state (or the equivalent under the laws of any other jurisdiction), (D) the Participant's willful malfeasance or willful misconduct in connection with the Participant's duties to the Company (or any Affiliate) or any other act or omission which is materially injurious to the financial condition or business reputation of the Company or any Affiliate, or (E) a material breach by the Participant of the terms of his employment agreement or any non-compete, non-solicitation or confidentiality provisions to which the Participant is subject; provided, however, that if the Participant is eligible to receive benefits under a Severance Plan containing a definition of "Cause," then that definition shall control.

(c) Manner of Exercise. The Vested Portion of the Option may be exercised by delivering to the Company at its principal office (or to the Company's designee) notice of intent to so exercise; provided, however, that the Option may be exercised with respect to whole Shares only. Such notice shall specify the number of Shares for which the Option is being exercised and shall be accompanied by payment in full of the Exercise Price, any applicable Tax-Related Items (as defined in Section 7 below) and any written representations, warranties or agreements as may be reasonably required by the Company to comply (or evidence compliance) with applicable laws with regard to the acquisition, issuance and sale of the Shares. The Company shall have the right to specify the manner of exercise, which may vary by country and which may be subject to change from time to time.

(d) Method of Payment. The Exercise Price for the Shares as to which the Option is exercised shall be paid to the Company by any of the following (or a combination thereof): (i) cash or check, (ii) provided there is a public market for the Shares at the time of exercise and pursuant to rules and procedures established by the Company from time to time, through the delivery of irrevocable instruments to a broker to sell all or a portion of such Shares and deliver promptly to the Company an amount equal to the aggregate Exercise Price for the Shares being purchased, or (iii) if permitted by the Committee, in its sole discretion, in Shares having a Fair Market Value equal to the aggregate Exercise Price for the Shares being purchased.

The Company reserves the right to restrict the available methods of payment to the extent it determines in its sole discretion that such restriction is required to comply with applicable laws with regard to the acquisition and issuance of the Shares or desirable for the administration of the Plan, or to otherwise modify the available methods of payment to the extent permitted under the terms of the Plan.

(e) Compliance with Law. Notwithstanding any other provision of the Plan or this Agreement, unless there is an available exemption from such registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares purchased upon exercise of the Option prior to the completion of any registration or qualification of the Shares under any local, state, federal or foreign law or under rulings or regulations of the U.S. Securities and Exchange Commission or of any other governmental regulatory body, or prior to the obtaining of any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable.

(f) Shareholder Rights. The Participant shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of any Shares purchasable upon the exercise of any part of the Option unless and until such Shares have been issued by the Company to the Participant. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Article 12 of the Plan.

5. Transferability. The Option may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Participant other than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate.

6. Responsibility for Taxes.

(a) Regardless of any action the Company, any of its Affiliates or the Participant's employer (the "Employer") take with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Affiliate. The Participant further acknowledges that the Company and/or any Affiliate (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Affiliate may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to any relevant taxable or tax withholding event, as applicable, the Participant will pay to the Company or the Affiliate an amount equal to, or will make arrangements acceptable to the Company and the Affiliate to satisfy any withholding obligation with respect to the Tax-Related Items. In this regard, the Participant authorizes the Company and/or its Affiliates, or their respective agents, at their discretion, to satisfy any withholding obligation with respect to the Tax-Related Items by one or a combination of the following: (i) withholding from the Participant's wages or other cash compensation payable to the Participant by the Company and/or the Affiliate; (ii) withholding from proceeds of the sale of Shares acquired upon exercise of the Option (either through a voluntary or mandatory sale); or (iii) withholding in Shares to be issued upon exercise of the Option; provided, however, that if the Participant is an Officer, the Committee (as constituted to satisfy Rule 16b-3 of the Exchange Act) shall approve the use of withholding in Shares to the extent necessary or desirable to exempt the transaction under Rule 16b-3 of the Exchange Act.

(c) Depending on the withholding method, the Company or the Affiliate may, if necessary, withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including up to maximum applicable rates, in which case the Participant may receive a refund of any over-withheld amount and will have no entitlement to the equivalent in Shares. If the obligation for Tax-Related Items is satisfied by withholding in Shares as described in (iii) above, for tax purposes, the Participant will be deemed to have been issued the full number of Shares subject to the exercised portion of the Option, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Participant's participation in the Plan.

(d) Finally, the Participant agrees to pay the Company or the Affiliate any amount of Tax-Related Items that the Company or the Affiliate may be required to withhold as a result of the Participant's participation in the Plan or the vesting and exercise of the Option that cannot be satisfied by the means previously described. The Company or the Affiliate may refuse to honor the exercise or refuse to issue or deliver the Shares or the proceeds of the sale of Shares unless and until the Participant has complied with the obligations related to Tax-Related Items described in this Section 6.

7. Nature of Grant. In accepting the Option, the Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time;

(b) the grant of the Option is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted repeatedly in the past;

(c) all decisions with respect to future option grants, if any, will be at the sole discretion of the Company;

(d) the Participant is voluntarily participating in the Plan;

(e) the Participant's participation in the Plan will not create a right to employment and shall not interfere with the ability of the Company or any Affiliate to terminate the Participant's Continuous Service at any time;

(f) the Option and any Shares subject to the Option, and the income and value of the same, are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or any Affiliate, and which is outside the scope of the Participant's employment or service contract, or consulting arrangement, if any;

(g) the Option and any Shares subject to the Option, and the income and value of the same, are not intended to replace any pension rights or compensation;

(h) the Option and any Shares subject to the Option are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, holiday pay, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services to the Company or any Affiliate;

(i) the Option grant will not be interpreted to form or amend an employment or service contract or relationship with the Company or any Affiliate;

(j) the future value of the Shares subject to the Option is unknown and cannot be predicted with certainty;

(k) if the Shares subject to the Option do not increase in value, the Option will have no value;

(l) if the Participant exercises the Option and acquires Shares, the value of such Shares may increase or decrease, even below the Exercise Price;

(m) no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from termination of the Participant's Continuous Service as described in Section 3(c) above and in Section 6.6 of the Plan (regardless of the reason for the termination and whether or not the termination is in breach of any employment law in the country where the Participant resides, even if such law is otherwise applicable to the Participant's employment benefits, and whether or not such termination is later found to be invalid);

(n) neither the Company nor any affiliate shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of this Option or of any amounts due to the Participant pursuant to the issuance of Shares upon exercise of the Option or the subsequent sale of such Shares;

(o) unless otherwise agreed with the Company, the Option and the Shares subject to the Option, and the income and value of the same, are not granted as consideration for, or in connection with, the service the Participant may provide as a director of an Affiliate of the Company; and

(p) for purposes of the Option, the Participant's Continuous Service will be considered terminated as of the date he or she is no longer actively employed by and/or providing services to the Company or an Affiliate, as applicable; the Participant's right, if any, to vest in the Option and/or exercise the Vested Portion of the Option after termination of Continuous Service (regardless of whether the termination is in breach of any employment law in the country where the Participant resides, even if such law is otherwise applicable to the Participant's employment benefits, and whether or not such termination is later found to be invalid) will be measured by the date the Participant ceases to be actively employed and/or actively providing services and will not be extended by any notice period mandated under any employment law in the country where the Participant resides, even if such law is otherwise applicable to the Participant's employment benefits (e.g., active employment would not include a period of "garden leave" or similar period); the Committee, in its sole discretion, shall determine when the Participant is no longer actively employed for purposes of the Option (including whether the Participant may still be considered actively employed while on a leave of absence).

8. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Shares. The Participant should consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

9. Data Privacy.

(a) You are hereby notified of the collection, use and transfer outside of the European Economic Area, in electronic or other form, of your Data (defined below) by and among, as applicable, the Company and certain of its Affiliates for the exclusive and legitimate purpose of implementing, administering and managing your participation in the Plan.

(b) You understand that the Company and its Affiliates hold certain personal information about you, including, but not limited to, your name, home address and telephone number, email address, date of birth, social insurance, passport or other identification number, salary, nationality, job title, any shares or directorships held in the Company, details of all entitlement to Shares awarded, canceled, vested, unvested or outstanding in your favor ("Data"), for the purpose of implementing, administering and managing the Plan.

(c) You understand that providing the Company with this Data is necessary for the performance of this Agreement and that your refusal to provide the Data would make it impossible for the Company to perform its contractual obligations and may affect your ability to participate in the Plan. Your Data shall be accessible within the Company only by the persons specifically charged with Data processing operations and by the persons that need to access the Data because of their duties and position in relation to the performance of this Agreement.

(d) The Company will use your Data only as long as is necessary to implement, administer and manage your participation in the Plan or as required to comply with legal or regulatory obligations, including under tax and securities laws. When the Company no longer needs your Data, it will remove it from its systems. If the Company keeps Data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be relevant laws or regulations. You have a number of rights under data privacy laws in your country. Depending on where you are based, your rights may include the right to (i) request access or copies of Data the Company processes, (ii) rectification of incorrect Data, (iii) deletion of Data, (iv) restrictions on processing, (v) portability of Data, (vi) to lodge complaints with competent authorities in your country, and/or (vii) a list with the names and addresses of any potential recipients of your Data. To receive clarification regarding your rights or to exercise your rights please contact the Company at Attn: Data Protection Officer, data.protection.officer@seagate.com.

(e) Further, you understand that the Company will transfer Data to E*TRADE Corporate Financial Services, Inc. and E*TRADE Securities LLC (collectively, "E*TRADE"), and/or such other third parties as may be selected by the Company, which are assisting the Company with the implementation, administration and management of the Plan. The Company may select a different service provider or additional service providers and share Data with such other provider(s) serving in a similar manner. You may be asked to agree on separate terms and data processing practices with the service provider, with such agreement being a condition of the ability to participate in the Plan.

(f) E*TRADE is based in the United States. Your country or jurisdiction may have different data privacy laws and protections than the United States. If you are outside of the United States, you should note that your country has enacted data privacy laws that are different from the United States. For example, the European Commission has issued a limited adequacy finding with respect to the United States that applies only to the extent companies register for the EU-U.S. Privacy Shield program, which is open to companies subject to Federal Trade Commission jurisdiction. The Company does not participate in the EU-U.S. Privacy Shield program with respect to employee data. By participating in the Plan, you agree to the transfer of your Data to E*TRADE for the exclusive purpose of administering your participation in the Plan. The Company's legal basis, where required, for the transfer of Data to E*TRADE is your consent.

(g) Finally, you may choose to opt out of allowing the Company to share your Data with E*TRADE and others as described above, although execution of such choice may mean the Company cannot grant awards under the Plan to you. For questions about this choice or to make this choice, you should contact Equity Administration at stockadmin@seagate.com.

10. Electronic Delivery and Participation. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means or to request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by the Company or any third party designated by the Company.

11. Notices. Any notices provided for in this Agreement or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by the Company to the Participant, five (5) days after deposit in the United States mail, postage prepaid, addressed to the Participant at the last address he or she provided to the Company. Any such notices from the Company to the Participant may also be delivered through the Company's electronic mail system (during the Participant's Continuous Service) or at the last email address the Participant provided to the Company (after termination of the Participant's Continuous Service).

12. Choice of Law and Venue. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of California, without regard to such state's conflicts of law rules, as provided in the Plan. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or the Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this grant is made and/or to be performed.

13. Country-Specific Provisions. The Option shall be subject to any special provisions set forth in Exhibit A for the Participant's country, if any. If the Participant relocates to one of the countries included in Exhibit A during the life of the Option or while holding Shares acquired upon exercise of the Option, the special provisions for such country shall apply to the Participant, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with applicable laws with regard to the acquisition, issuance or sale of the Shares or facilitate the administration of the Plan. Exhibit A constitutes part of this Agreement.

14. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Option and the Shares acquired upon exercise of the Option, to the extent the Company determines it is necessary or advisable in order to comply with applicable laws with regard to the acquisition, issuance or sale of Shares or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

15. Insider Trading Restrictions/Market Abuse Laws. The Participant acknowledges that, depending on the Participant's or the Participant's broker's country of residence or where the Shares are listed, he or she may be subject to insider trading restrictions and/or market abuse laws which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of Shares or rights to Shares (e.g., options) or rights linked to the value of the Shares under the Plan during such times as he or she is considered to have "inside information" regarding the Company (as defined by the laws or regulations in the applicable jurisdictions or the Participant's country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before he or she possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Third parties include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant is responsible for ensuring compliance with any applicable restrictions and the Participant is instructed to speak with the Participant's personal legal advisor on this matter.

16. Foreign Asset/Account Reporting; Exchange Controls. Without limitation to any specific information stated in Exhibit A, the Participant acknowledges that his or her country may have certain foreign asset and/or account reporting requirements and/or exchange controls which may affect the Participant's ability to purchase or hold Shares subject to the Plan or cash received from participating in the Plan (including from any dividends received or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside the Participant's country. He or she may be required to report such accounts, assets or transactions to the tax or other authorities in the Participant's country. He or she also may be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Plan to his or her country through a designated bank or broker and/or within a certain time after receipt. The Participant further acknowledges that it is his or her responsibility to be compliant with such regulations, and that he or she should consult the Participant's personal legal advisor for any details.

17. Waiver. The Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant or any other participant.

18. Recoupment.

(a) Compensation Recovery for Fraud and Misconduct Policy. The Participant hereby acknowledges and agrees that, to the extent he or she is or becomes subject to the Seagate Technology public limited company Compensation Recovery for Fraud and Misconduct Policy, as amended from time to time (the "Compensation Recovery Policy"), the terms and conditions of the Policy are hereby incorporated by reference into this Agreement and shall apply to (a) the Option, (b) each outstanding share award granted or issued to the Participant (pursuant to which Shares may be issued or payments deriving their value from the Shares may be made), and (c) the gain received in connection with the vesting, exercise and/or issuance of any share award (i.e., the market value of the Shares on the vesting, exercise and/or issuance date, as applicable, less (i) any price paid for the Shares and (ii) any Tax-Related Items withheld from or paid by Participant in connection with the vesting, exercise and/or issuance of the share award), in each case without regard to whether such award was granted or issued under a share plan of the Company, a predecessor to the Company or a company acquired by the Company or outside a share plan; provided, however, that such award was granted or such gain was received within the three years prior to the Date of Grant; and provided, further, that no share award granted prior to January 29, 2009 shall be subject to the terms of the Compensation Recovery Policy. A copy of the current version of the Compensation Recovery Policy is attached to this Agreement as Exhibit B.

(b) Other Required Recoupments. Without derogating from the terms of Section 18(a) hereof, as an additional condition of receiving the Option, the Participant agrees that the Option and any benefits or proceeds the Participant may receive hereunder shall be subject to forfeiture and/or repayment to the Company to the extent required (i) under the terms of any other recoupment or "clawback" policy adopted by the Company, as may be amended from time to time (and such requirements shall be deemed incorporated into this Agreement without the Participant's consent), or (ii) to comply with any requirements imposed under applicable laws and/or the rules and regulations of the securities exchange or inter-dealer quotation system on which the Shares are listed or quoted, including, without limitation, pursuant to Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Further, if the Participant receives any amount in excess of what the Participant should have received under the terms of the Option for any reason (including without limitation by reason of a financial restatement, mistake in calculations or administrative error), all as determined by the Committee, then the Participant shall be required to promptly repay any such excess amount to the Company.

(c) Execution of Recoupment. The Participant hereby irrevocably appoints the Company as the Participant's true and lawful attorney for the purpose of undertaking all actions and executing all deeds and documentation that may be required to be executed to enforce the recovery of compensation pursuant to the Compensation Recovery Policy under Section 18(a) hereof or pursuant to any other required recoupment under Section 18(b).

19. Amendments. The Committee at any time, and from time to time, may amend the terms of the Option; provided, however, that the rights under any Option shall not be materially impaired by any such amendment unless (a) the Company requests the consent of the Participant and (b) the Participant consents in writing.

20. Language. If the Participant has received this or any other document related to the Plan or this Option translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

21. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

22. Participant's Acknowledgements. By indicating acceptance of the Option through the Company's online acceptance procedure, the Participant acknowledges that: (a) he or she has received, and understands and agrees to the terms of, this Agreement and the Plan (including any exhibits to each document), (b) he or she accepts the Option on the terms and conditions set forth in this Agreement and the Plan (including any exhibits to each document), and (c) this Agreement and the Plan (including any exhibits to each document) set forth the entire understanding between the Participant and the Company regarding the rights to acquire the Shares subject to this Option and supersede all prior oral and written agreements with respect thereto.

EXHIBIT 31.1

CERTIFICATION

I, Dr. William D. Mosley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Seagate Technology plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 4, 2020

/s/ Dr. William D. Mosley

Name: Dr. William D. Mosley

Title: Chief Executive Officer and Director
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

I, Gianluca Romano, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Seagate Technology plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 4, 2020

/s/ Gianluca Romano

Name: Gianluca Romano

Title: Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

This certification is not to be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and does not constitute a part of the Quarterly Report of Seagate Technology plc (the "Company") on Form 10-Q for the fiscal quarter ended January 3, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report").

In connection with the Report, we, Dr. William D. Mosley, Chief Executive Officer of the Company, and Gianluca Romano, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 4, 2020

/s/ Dr. William D. Mosley

Name: Dr. William D. Mosley

Title: Chief Executive Officer and Director
(Principal Executive Officer)

Date: February 4, 2020

/s/ Gianluca Romano

Name: Gianluca Romano

Title: Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)