

REFINITIV

## DELTA REPORT

### 10-Q

SEAGATE TECHNOLOGY HOLDIN

10-Q - MARCH 29, 2024 COMPARED TO 10-Q - DECEMBER 29, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 2653

█ CHANGES 264  
█ DELETIONS 318  
█ ADDITIONS 2071

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 **December 29, 2023** **March 29, 2024**

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 HOLDINGS PUBLIC LIMITED COMPANY**

(Exact name of registrant as specified in its charter)

Ireland

(State or other jurisdiction of  
incorporation or organization)

98-1597419

(I.R.S. Employer  
Identification Number)

121 Woodlands Avenue 5,  
Singapore  
(Address of principal executive offices)  
739009  
(Zip Code)

Telephone: (65) 6018-2562  
(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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		<input type="checkbox"/>

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 22, 2024** **April 22, 2024**, **209,510,729** **209,988,542** 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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See Notes to Condensed Consolidated Financial Statements.

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**SEAGATE TECHNOLOGY HOLDINGS PLC**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In millions)

		June December 29, 2023	30, 2023	March 29, 2024	June 30, 2023
		(unaudited)			
ASSETS					
ASSETS	ASSETS				
Current assets:	Current assets:			Current assets:	
Cash and cash equivalents	Cash and cash equivalents	\$ 787	\$ 786		
Accounts receivable, net	Accounts receivable, net	471	621		
Inventories		1,053	1,140		
Inventories, net					
Other current assets	Other current assets	317	358		
Total current assets	Total current assets	2,628	2,905		
Property, equipment and leasehold improvements, net	Property, equipment and leasehold improvements, net	1,642	1,706		

Goodwill	Goodwill	1,237	1,237	
Deferred income taxes	Deferred income taxes	1,074	1,117	
Other assets, net	Other assets, net	568	591	
Total Assets	Total Assets	\$ 7,149	\$ 7,556	
<b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>	<b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>			<b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>
Current liabilities:	Current liabilities:			Current liabilities:
Accounts payable	Accounts payable	\$ 1,619	\$ 1,603	
Accrued employee compensation	Accrued employee compensation	86	100	
Accrued warranty	Accrued warranty	81	78	
Current portion of long-term debt	Current portion of long-term debt	—	63	
Accrued expenses	Accrued expenses	743	748	
Total current liabilities	Total current liabilities	2,529	2,592	
Long-term accrued warranty	Long-term accrued warranty	86	90	
Other non-current liabilities	Other non-current liabilities	679	685	
Long-term debt, less current portion	Long-term debt, less current portion	5,669	5,388	
<b>Total Liabilities</b>	<b>Total Liabilities</b>	<b>8,963</b>	<b>8,755</b>	
Commitments and contingencies (See Notes 10, 12 and 13)	Commitments and contingencies (See Notes 10, 12 and 13)			
Shareholders' Deficit:	Shareholders' Deficit:			
Shareholders' Deficit:				
Ordinary shares and additional paid-in capital	Ordinary shares and additional paid-in capital	7,377	7,373	
Accumulated other comprehensive income		3	98	
Ordinary shares and additional paid-in capital				
Ordinary shares and additional paid-in capital				
Accumulated other comprehensive (loss) income				
Accumulated deficit	Accumulated deficit	(9,194)	(8,670)	
Total Shareholders' Deficit	Total Shareholders' Deficit	(1,814)	(1,199)	

Total Liabilities and Shareholders' Deficit	Total Liabilities and Shareholders' Deficit	\$ 7,149	\$ 7,556
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See Notes to Condensed Consolidated Financial Statements.

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

		For the Three Months Ended		For the Six Months Ended		For the Three Months Ended		For the Nine Months Ended			
				December 29, 2023	December 30, 2022	December 29, 2023	December 30, 2022	March 29, 2024	March 31, 2023	March 29, 2024	March 31, 2023
		Revenue	Cost of revenue	Revenue	Cost of revenue	Revenue	Cost of revenue	Revenue	Cost of revenue	Revenue	Cost of revenue
Revenue	Revenue	\$ 1,555	\$ 1,887	\$ 3,009	\$ 3,922						
Cost of revenue	Cost of revenue	1,193	1,641	2,498	3,194						
Cost of revenue	Cost of revenue										
Product development	Product development	161	200	332	434						
Marketing and administrative	Marketing and administrative	108	125	213	254						
Amortization of intangibles	Amortization of intangibles	—	—	—	3						
BIS settlement penalty	BIS settlement penalty										
Restructuring and other, net	Restructuring and other, net	(31)	81	(29)	90						
Total operating expenses	Total operating expenses	1,431	2,047	3,014	3,975						
Income (loss) from operations	Income (loss) from operations	124	(160)	(5)	(53)						
Income (loss) from operations	Income (loss) from operations										
Interest income	Interest income										
Interest income	Interest income										
Interest income	Interest income	3	1	5	2						
Interest expense	Interest expense	(84)	(77)	(168)	(148)						

Net gain recognized from termination of interest rate swap	Net gain recognized from termination of interest rate swap	—	—	104	—
Net gain (loss) recognized from early redemption of debt	Net gain (loss) recognized from early redemption of debt	—	204	(29)	204
Other, net	Other, net	(47)	(6)	(58)	(16)
Other (expense) income, net		(128)	122	(146)	42
Other expense, net					
Loss before income taxes		(4)	(38)	(151)	(11)
Provision for (benefit from) income taxes		15	(5)	52	(7)
Net loss		\$ (19)	\$ (33)	\$ (203)	\$ (4)
Income (loss) before income taxes					
Income (loss) before income taxes					
Income (loss) before income taxes					
Provision for income taxes					
Net income (loss)					
Net loss per share:					
Net income (loss) per share:					
Net income (loss) per share:					
Net income (loss) per share:					
Basic					
Basic					
Basic	Basic	\$ (0.09)	\$ (0.16)	\$ (0.97)	\$ (0.02)
Diluted	Diluted	\$ (0.09)	\$ (0.16)	\$ (0.97)	\$ (0.02)
Number of shares used in per share calculations:	Number of shares used in per share calculations:				
Basic	Basic	209	206	209	207
Basic					
Basic					
Diluted	Diluted	209	206	209	207

See Notes to Condensed Consolidated Financial Statements.

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

	For the Three Months Ended		For the Six Months Ended	
	December 29, 2023	December 30, 2022	December 29, 2023	December 30, 2022
	\$	\$	\$	\$
Net loss	\$ (19)	\$ (33)	\$ (203)	\$ (4)
Other comprehensive income (loss), net of tax:				
Change in net unrealized gains (losses) on cash flow hedges:				
Net unrealized gains (losses) arising during the period	13	19	(9)	51
Losses (gains) reclassified into earnings	5	6	(87)	11
Net change	18	25	(96)	62
Change in unrealized components of post-retirement plans:				
Net unrealized losses arising during the period	—	(1)	—	—
Losses reclassified into earnings	—	1	—	1
Net change	—	—	—	1
Foreign currency translation adjustments	—	1	1	—
Total other comprehensive income (loss), net of tax	18	26	(95)	63
Comprehensive (loss) income	\$ (1)	\$ (7)	\$ (298)	\$ 59

	For the Three Months Ended		For the Nine Months Ended	
	March 29, 2024	March 31, 2023	March 29, 2024	March 31, 2023
	\$	\$	\$	\$
Net income (loss)	\$ 25	\$ (433)	\$ (178)	\$ (437)
Other comprehensive (loss) income, net of tax:				
Change in net unrealized (losses) gains on cash flow hedges:				
Net unrealized (losses) gains arising during the period	(4)	(6)	(13)	45
(Gains) losses reclassified into earnings	(3)	(9)	(90)	2
Net change	(7)	(15)	(103)	47
Change in unrealized components of post-retirement plans:				
Net unrealized losses arising during the period	—	—	—	—
Losses reclassified into earnings	1	—	1	1
Net change	1	—	1	1
Foreign currency translation adjustments	—	—	1	—
Total other comprehensive (loss) income, net of tax	(6)	(15)	(101)	48
Comprehensive income (loss)	\$ 19	\$ (448)	\$ (279)	\$ (389)

See Notes to Condensed Consolidated Financial Statements.

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

OPERATING ACTIVITIES	OPERATING ACTIVITIES	For the Six Months Ended		For the Nine Months Ended	
		December		March 29, 2024	
		29, 2023	30, 2022	March 31, 2023	
<b>OPERATING ACTIVITIES</b>					
Net loss	Net loss	\$ (203)	\$ (4)		
Adjustments to reconcile net loss to net cash provided by operating activities:	Adjustments to reconcile net loss to net cash provided by operating activities:				
Depreciation and amortization	Depreciation and amortization	138	283		
Depreciation and amortization	Depreciation and amortization				
Share-based compensation	Share-based compensation	55	62		
Deferred income taxes	Deferred income taxes	41	(4)		
Deferred income taxes	Deferred income taxes				
Net loss (gain) on redemption and repurchase of debt	Net loss (gain) on redemption and repurchase of debt				
Net loss (gain) on redemption and repurchase of debt	Net loss (gain) on redemption and repurchase of debt				
Net loss (gain) on redemption and repurchase of debt	Net loss (gain) on redemption and repurchase of debt	7	(204)		
Other non-cash operating activities, net	Other non-cash operating activities, net	(12)	28		
Changes in operating assets and liabilities:	Changes in operating assets and liabilities:				
Accounts receivable, net	Accounts receivable, net	150	692		
Inventories	Inventories	87	371		
Accounts receivable, net	Accounts receivable, net				
Inventories, net	Inventories, net				
Accounts payable	Accounts payable	54	(919)		
Accrued employee compensation	Accrued employee compensation	(14)	(145)		
BIS settlement penalty	BIS settlement penalty	(15)	—		
Accrued expenses, income taxes and warranty	Accrued expenses, income taxes and warranty	(13)	228		

Other assets and liabilities	Other assets and liabilities	21	108
Net cash provided by operating activities	Net cash provided by operating activities	296	496
<b>INVESTING ACTIVITIES</b>	<b>INVESTING ACTIVITIES</b>		<b>INVESTING ACTIVITIES</b>
Acquisition of property, equipment and leasehold improvements	Acquisition of property, equipment and leasehold improvements	(140)	(212)
Proceeds from the sale of assets	Proceeds from the sale of assets	35	3
Purchases of investments	Purchases of investments	—	(1)
Proceeds from sale of investments			
Net cash used in investing activities	Net cash used in investing activities	(105)	(210)
Net cash used in investing activities			
<b>FINANCING ACTIVITIES</b>	<b>FINANCING ACTIVITIES</b>		
Redemption and repurchase of debt	Redemption and repurchase of debt	(1,288)	—
Redemption and repurchase of debt	Redemption and repurchase of debt	(1,288)	—
Dividends to shareholders	Dividends to shareholders	(291)	(292)
Repurchases of ordinary shares	Repurchases of ordinary shares	—	(408)
Taxes paid related to net share settlement of equity awards	Taxes paid related to net share settlement of equity awards	(28)	(39)
Proceeds from issuance of long-term debt	Proceeds from issuance of long-term debt	1,500	600
Proceeds from issuance of ordinary shares under employee stock plans	Proceeds from issuance of ordinary shares under employee stock plans	44	29
Other financing activities, net	Other financing activities, net	(128)	(21)
Net cash used in financing activities	Net cash used in financing activities	(191)	(131)

Effect of foreign currency exchange rate changes on cash, cash equivalents and restricted cash	Effect of foreign currency exchange rate changes on cash, cash equivalents and restricted cash	1	—
Increase in cash, cash equivalents and restricted cash	Increase in cash, cash equivalents and restricted cash	1	155
Cash, cash equivalents and restricted cash at the beginning of the period	Cash, cash equivalents and restricted cash at the beginning of the period	788	617
Cash, cash equivalents and restricted cash at the end of the period	Cash, cash equivalents and restricted cash at the end of the period	\$ 789	\$ 772

See Notes to Condensed Consolidated Financial Statements.

SEAGATE TECHNOLOGY HOLDINGS PLC  
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT

For the Three Months Ended December 29, 2023 March 29, 2024 and December 30, 2022 March 31, 2023

(In millions)

(Unaudited)

	Number of Additional Other Accumulated					
	Ordinary Shares	Par Value of Shares	Paid-in Capital	Comprehensive (Loss) Income	Accumulated Deficit	Total
Balance at September 29, 2023	209	\$ —	\$ 7,338	\$ (15)	\$ (9,025)	\$ (1,702)
Net loss	—	—	—	—	(19)	(19)
Other comprehensive income	—	—	—	18	—	18
Balance at December 29, 2023	Number of Ordinary Shares	Number of Ordinary Shares	Additional Paid-in Capital	Comprehensive Income (Loss)	Accumulated Deficit	Other Total
Net income	—	—	—	—	—	—
Other comprehensive loss	—	—	—	—	—	—
Issuance of ordinary shares under employee share plans	Issuance of ordinary shares under employee share plans	1	—	9	—	9

	Number of Ordinary Shares	Par Value of Shares	Additional Paid-in Capital	Comprehensive Income (Loss)	Accumulated Deficit	Other Total

	Tax withholding						
Tax withholding related to vesting of restricted share units	related to vesting of restricted share units	—	—	—	—	(3)	(3)
Tax withholding related to vesting of restricted share units							
Tax withholding related to vesting of restricted share units							
Dividends to shareholders (\$0.70 per ordinary share)	Dividends to shareholders (\$0.70 per ordinary share)	—	—	—	—	(147)	(147)
Share-based compensation	Share-based compensation	—	—	30	—	—	30
Balance at December 29, 2023	210	\$ —	\$ 7,377	\$ 3	\$ (9,194)	\$ (1,814)	
Balance at March 29, 2024							

		Number of Ordinary Shares	Par Value of Shares	Additional Capital	Other Comprehensive Income	Accumulated Deficit	Number of Ordinary Shares	Par Value of Shares	Additional Capital	Other Comprehensive Income	Accumulated Deficit
						Total					Total
Balance at September 30, 2022	206	\$ —	\$ 7,248	\$ 73	\$ (7,672)	\$ (351)					
Balance at December 30, 2022											
Net loss	Net loss	—	—	—	—	(33)	(33)				
Other comprehensive income		—	—	—	26	—	26				
Other comprehensive loss											
Issuance of ordinary shares under employee share plans	Issuance of ordinary shares under employee share plans	—	—	—	—	—	—	—	—	—	—
Tax withholding related to vesting of restricted share units	Tax withholding related to vesting of restricted share units	—	—	—	—	—	—	—	—	—	—
Tax withholding related to vesting of restricted share units											
Tax withholding related to vesting of restricted share units											
Dividends to shareholders (\$0.70 per ordinary share)	Dividends to shareholders (\$0.70 per ordinary share)	—	—	—	—	(145)	(145)				
Share-based compensation	Share-based compensation	—	—	33	—	—	33				
Balance at December 30, 2022	206	\$ —	\$ 7,281	\$ 99	\$ (7,850)	\$ (470)					

Balance at  
March 31, 2023

**SEAGATE TECHNOLOGY HOLDINGS PLC**  
**CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT**  
**For the Six Nine Months Ended December 29, 2023 and December 30, 2022 March 31, 2023**  
 (In millions)  
 (Unaudited)

		Number of of Ordinary Shares						Accumulated Additional Paid-in Comprehensive (Loss) Income						Number of of Ordinary Shares					
		Number of of Ordinary Shares	Par Value	Paid-in Capital	Other (Loss) Income	Accumulated Deficit	Total	Number of of Ordinary Shares	Par Value	Paid-in Capital	Other (Loss) Income	Accumulated Deficit	Total	Number of of Ordinary Shares	Par Value	Paid-in Capital	Other (Loss) Income	Accumulated Deficit	Total
Balance at June 30, 2023	Balance at June 30, 2023	207	\$ —	\$ 7,373	\$ 98	\$ (8,670)	\$(1,199)												
Net loss	Net loss	—	—	—	—	—	(203)												
Other comprehensive loss	Other comprehensive loss	—	—	—	—	(95)	—												
Issuance of ordinary shares under employee share plans	Issuance of ordinary shares under employee share plans	3	—	44	—	—	44												
Repurchases of ordinary shares	Repurchases of ordinary shares	—	—	—	—	—	—												
Capped calls related to the issuance of exchangeable notes	Capped calls related to the issuance of exchangeable notes																		
Capped calls related to the issuance of exchangeable notes	Capped calls related to the issuance of exchangeable notes																		
Capped calls related to the issuance of exchangeable notes	Capped calls related to the issuance of exchangeable notes	—	—	(95)	—	—	(95)												
Tax withholding related to vesting of restricted share units	Tax withholding related to vesting of restricted share units	—	—	—	—	—	(28)												
Dividends to shareholders (\$1.40 per ordinary share)	Dividends to shareholders (\$1.40 per ordinary share)	—	—	—	—	(293)	(293)												
Dividends to shareholders (\$2.10 per ordinary share)	Dividends to shareholders (\$2.10 per ordinary share)																		
Share-based compensation	Share-based compensation	—	—	55	—	—	55												
Balance at December 29, 2023	Balance at December 29, 2023	210	\$ —	\$ 7,377	\$ 3	\$ (9,194)	\$(1,814)												
Balance at March 29, 2024	Balance at March 29, 2024																		

		Number of of Ordinary Shares						Accumulated Additional Paid-in Comprehensive Income						Number of of Ordinary Shares					
		Number of of Ordinary Shares	Par Value	Paid-in Capital	Other Income	Accumulated Deficit	Total	Number of of Ordinary Shares	Par Value	Paid-in Capital	Other Income	Accumulated Deficit	Total	Number of of Ordinary Shares	Par Value	Paid-in Capital	Other Income	Accumulated Deficit	Total
Balance at July 1, 2022	Balance at July 1, 2022	210	\$ —	\$ 7,190	\$ 36	\$ (7,117)	\$ 109												
Net loss	Net loss	—	—	—	—	—	(4)												

Other comprehensive income	Other comprehensive income	—	—	—	63	—	63
Issuance of ordinary shares under employee share plans	Issuance of ordinary shares under employee share plans	2	—	29	—	—	29
Repurchases of ordinary shares	Repurchases of ordinary shares	(5)	—	—	—	(400)	(400)
Tax withholding related to vesting of restricted share units	Tax withholding related to vesting of restricted share units	(1)	—	—	—	(39)	(39)
Dividends to shareholders (\$1.40 per ordinary share)		—	—	—	—	(290)	(290)
Dividends to shareholders (\$2.10 per ordinary share)							
Share-based compensation	Share-based compensation	—	—	62	—	—	62
Balance at December 30, 2022		206	\$	—	\$ 7,281	\$ 99	\$ (7,850)
Balance at March 31, 2023							\$ (470)

See Notes to Condensed Consolidated Financial Statements.

**SEAGATE TECHNOLOGY HOLDINGS PLC**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Uaudited)

**1. Basis of Presentation and Summary of Significant Accounting Policies**

**Organization**

Seagate Technology Holdings plc ("STX") and its subsidiaries (collectively, unless the context otherwise indicates, the "Company") is a leading provider of data storage technology and infrastructure 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") and storage subsystems and offers storage solutions such as a scalable edge-to-cloud mass data platform that includes data transfer shuttles and a storage-as-a-service cloud.

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 capacities, superior quality and cost effectiveness. Complementing HDD storage architectures, SSDs use NAND flash memory integrated circuit assemblies to store data.

The Company's HDD products are designed for mass capacity storage and legacy markets. Mass capacity storage involves well-established use cases, such as hyperscale data centers and public clouds as well as emerging use cases. Legacy markets are those that the Company continues to sell to but does not plan to invest in significantly. The Company's HDD and SSD product portfolio includes Serial Advanced Technology Attachment ("SATA"), Serial Attached SCSI ("SAS") and Non-Volatile Memory Express ("NVMe") based designs to support a wide variety of mass capacity and legacy applications.

The Company's systems portfolio includes storage subsystems for enterprises, cloud service providers ("CSPs"), scale-out storage servers and original equipment manufacturers ("OEMs"). Engineered for modularity, mobility, capacity and performance, these solutions include the Company's enterprise HDDs and SSDs, enabling customers to integrate powerful, scalable storage within existing environments or create new ecosystems from the ground up in a secure, cost-effective manner.

The Company's Lyve portfolio provides a simple, cost-efficient and secure way to manage massive volumes of data across the distributed enterprise. The Lyve platform includes a shuttle solution that enables enterprises to transfer massive amounts of data from endpoints to the core cloud and a storage-as-a-service cloud offering that provides frictionless mass capacity storage at the metro edge.

In January 2024, the Company established Singapore as its principal executive offices to better align its operational footprint.

**Basis of Presentation and Consolidation**

The unaudited Condensed Consolidated Financial Statements of the Company and the accompanying notes were prepared in accordance with United States ("U.S.") Generally Accepted Accounting Principles ("GAAP"). 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 U.S. GAAP 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 30, 2023 are included in its Annual Report on Form 10-K, as filed with the U.S. Securities and Exchange Commission ("SEC") on August 4, 2023. 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 30, 2023, and the notes thereto, are adequate to make the information presented not misleading. The results of operations for the three and **six** **nine** months ended **December 29, 2023** **March 29, 2024** are not necessarily indicative of the results to be expected for any subsequent interim period or for the Company's fiscal year ending June 28, 2024.

#### **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. Both the three and **six** **nine** months ended **December 29, 2023** **March 29, 2024** and **December 30, 2022** **March 31, 2023** consisted of 13 and **26** **39** weeks, respectively. Fiscal years 2024 and 2023 both comprise 52 weeks and end on June 28, 2024 and June 30, 2023, respectively. The fiscal quarters ended **December 29, 2023** **March 29, 2024**, **September 29, 2023** **December 29, 2023** and **December 30, 2022** **March 31, 2023**, are also referred to herein as the "December 2023" "March 2024 quarter", the "September 2023" "December 2023 quarter" and the "December 2022" "March 2023 quarter", respectively.

#### **Summary of Significant Accounting Policies**

Except for the change in the Company's other long-lived assets 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 30, 2023, as filed with the SEC on August 4, 2023.

#### **Other Long-Lived Assets**

In accordance with its policy, the Company reviews the estimated useful lives of its fixed assets on an ongoing basis. Effective from the first quarter of fiscal year 2024, the Company changed the useful lives of certain manufacturing equipment from a range of three to seven years to a range of three to ten years based on its review of technology product roadmap. The effect of this change in estimate increased the net income by approximately **\$30** **\$30** million and **\$40** **\$70** million for three and **six** **nine** months ended **December 29, 2023** **March 29, 2024**, respectively. **Loss** **Earnings** per share for the three months ended March 29, 2024 increased by **\$0.14** and loss per share for the nine months ended March 29, 2024 decreased by **\$0.14** and **\$0.19** for three and six months ended December 29, 2023, respectively. **\$0.33**.

#### **Recently Adopted Accounting Pronouncements**

In September 2022, the Financial Accounting Standards Board (FASB) issued ASU 2022-04 (ASC Subtopic 405-50), *Disclosure of Supplier Finance Program Obligations*. This ASU requires disclosure of key terms of the outstanding supplier finance programs and a roll forward of the related obligations. The Company adopted this guidance in the quarter ended September 29, 2023. The adoption of this ASU did not have a material impact on the Company's Condensed Consolidated Financial Statements.

#### **Recently Issued Accounting Pronouncements**

In November 2023, the FASB issued ASU 2023-07 (ASC Topic 280), *Improvements to Reportable Segment Disclosures*. This ASU improves reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. The Company is required to adopt this guidance for its annual reporting in fiscal year 2025 and for interim period reporting beginning the first quarter of fiscal year 2026 on a retrospective basis. Early adoption is permitted. This standard is expected to impact the Company's disclosures and will not have impact on its Condensed Consolidated Financial Statements.

In December 2023, the FASB issued ASU 2023-09 (ASC Topic 740), *Improvements to Income Tax Disclosures*. This ASU requires disaggregated income tax disclosures on the rate reconciliation and income taxes paid. The Company is required to adopt this guidance in the first quarter of the fiscal year 2026. Early adoption is permitted. This standard is expected to impact the Company's disclosures and will not have impact on its Condensed 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 available-for-sale debt investments as of **December 29, 2023** **March 29, 2024** and June 30, 2023:

December 29, 2023				June 30, 2023				March 29, 2024				June 30, 2023				
March 29, 2024				March 29, 2024				March 29, 2024				March 29, 2024				
(Dollars in millions)	(Dollars in millions)	Amortized Cost	Unrealized Gain/(Loss)	Fair Value	(Dollars in millions)	Amortized Cost	Unrealized Gain/(Loss)	Fair Value	(Dollars in millions)	Amortized Cost	Unrealized Gain/(Loss)	Fair Value	(Dollars in millions)	Amortized Cost	Unrealized Gain/(Loss)	Fair Value

Available-for-sale debt securities:	Available-for-sale debt securities:						
Money market funds	Money market funds	\$ 90	\$ —	\$ 90	\$ 73	\$ —	\$ 73
Money market funds	Money market funds						
Time deposits and certificates of deposit	Time deposits and certificates of deposit	1	—	1	1	—	1
Time deposits and certificates of deposit	Time deposits and certificates of deposit						
Other debt securities	Other debt securities						
Other debt securities	Other debt securities	15	—	15	16	—	16
Total	Total	\$ 106	\$ —	\$ 106	\$ 90	\$ —	\$ 90
Included in Cash and cash equivalents	Included in Cash and cash equivalents						
\$ 89	\$ 72						
Included in Cash and cash equivalents	Included in Cash and cash equivalents						
Included in Other current assets	Included in Other current assets						
Included in Other current assets	Included in Other current assets						
Included in Other current assets	Included in Other current assets	2		2			
Included in Other assets, net	Included in Other assets, net						
15	16						
Total	Total	\$ 106		\$ 90			

As of December 29, 2023 March 29, 2024 and June 30, 2023, the Company's Other current assets included \$2 million in restricted cash equivalents held as collateral at banks for various performance obligations.

As of December 29, 2023 March 29, 2024 and June 30, 2023, the Company had no 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 impairment related to credit losses for available-for-sale debt securities as of December 29, 2023 March 29, 2024.

The fair value and amortized cost of the Company's investments classified as available-for-sale debt securities as of December 29, 2023 March 29, 2024, by remaining contractual maturity were as follows:

(Dollars in millions)	(Dollars in millions)	Amortized Cost	Fair Value

Due in less than 1 year	Due in less than 1 year	\$ 91	\$ 91
Due in 1 to 5 years	Due in 1 to 5 years	15	15
Total	Total	\$ 106	\$106

Total

Total

#### Cash, Cash Equivalents and Restricted Cash

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

(Dollars in millions)	(Dollars in millions)	December 29, 2023	June 30, 2023	December 30, 2022	July 1, 2022	(Dollars in millions)	March 29, 2024	June 30, 2023	March 31, 2023	July 1, 2022
Cash and cash equivalents	Cash and cash equivalents	\$ 787	\$786	\$ 770	\$615					
Restricted cash included in Other current assets	Restricted cash included in Other current assets									
		2	2	2	2					
Total cash, cash equivalents and restricted cash shown in the Statements of Cash Flows	Total cash, cash equivalents and restricted cash shown in the Statements of Cash Flows	\$ 789	\$788	\$ 772	\$617					

#### Accounts receivable, net

In connection with the Company's factoring agreements, from time to time the Company sells trade receivables to a third party for cash proceeds less a discount.

During the three and **six** months ended **December 29, 2023** **March 29, 2024**, the Company sold trade receivables without recourse for cash proceeds of **\$290 million** **\$291 million** and **\$582 million** **\$873 million**, respectively. As of **December 29, 2023** **March 29, 2024**, the total amount that remained subject to servicing by the Company was **\$290 million** **\$291 million**. During the three and **six** months ended **December 30, 2022** **March 31, 2023**, the Company sold trade receivables without recourse for cash proceeds of **\$211 million** **\$261 million** and **\$411 million** **\$672 million**, respectively.

The discounts on the sale of trade receivables were not material for the three and **six** months ended **December 29, 2023** **March 29, 2024** and **December 30, 2022** **March 31, 2023**, respectively.

#### Inventories, net

The details of the inventories, **net** were as follows:

(Dollars in millions)	June			March 29, 2024	June 30, 2023
	(Dollars in millions)	December 29, 2023	30, 2023		
Raw materials and components	Raw materials and components	\$ 214	\$ 241		
Work-in-process	Work-in-process	627	682		
Finished goods	Finished goods	212	217		
Total inventories		\$ 1,053	\$ 1,140		
Total inventories, net					

#### Other Current Assets

The details of the other current assets were as follows:

(Dollars in millions)	June			March 29, 2024	June 30, 2023
	(Dollars in millions)	December 29, 2023	30, 2023		
Vendor receivables	Vendor receivables	\$ 122	\$ 167		
Other current assets	Other current assets	195	191		
Total	Total	\$ 317	\$ 358		

#### Property, Equipment and Leasehold Improvements, net

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

(Dollars in millions)	December June 30,			March 29, 2024	June 30, 2023
	(Dollars in millions)	29, 2023	2023		
Property, equipment and leasehold improvements	Property, equipment and leasehold improvements	\$ 10,270	\$ 10,267		
Accumulated depreciation and amortization	Accumulated depreciation and amortization	(8,628)	(8,561)		
Property, equipment and leasehold improvements, net	Property, equipment and leasehold improvements, net	\$ 1,642	\$ 1,706		

During the three months ended December March 29, 2023, 2024, the Company did not record any accelerated depreciation expense. During the six nine months ended December 29, 2023 March 29, 2024, the Company recognized a charge of \$13 million for the accelerated depreciation of certain fixed assets, respectively, which was recorded to Cost of revenue in the Condensed Consolidated Statements of Operations.

During the three and six nine months ended December 30, 2022 March 31, 2023, the Company recognized a charge of \$39\$21 million and \$61\$82 million for the accelerated depreciation of certain fixed assets, respectively, which was recorded to Cost of revenue and Product development in the Condensed Consolidated Statements of Operations.

#### Accrued Expenses

The details of the accrued expenses were as follows:

June		
(Dollars in millions)	(Dollars in millions)	30, 2023
		2023 (Dollars in millions)
Dividends payable	Dividends payable	\$ 147 \$145
Other accrued expenses	Other accrued expenses	596 603
<b>Total</b>	<b>Total</b>	<b>\$ 743 \$748</b>

March 29, 2024

June 30, 2023

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

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

(Dollars in millions)		Unrealized Gains/(Losses) on Post-Retirement Plans				Unrealized Gains/(Losses) on Cash Flow Hedges		Foreign Currency Translation Adjustments		Total	
(Dollars in millions)	(Dollars in millions)	Unrealized Gains/(Losses) on Cash Flow Hedges	Hedges	Gains/(Losses) on Post-Retirement Plans	Foreign Currency Translation Adjustments	Unrealized Gains/(Losses) on Cash Flow Hedges	Unrealized Gains/(Losses) on Post-Retirement Plans	Foreign Currency Translation Adjustments	Total		
<b>Balance at June 30, 2023</b>	<b>Balance at June 30, 2023</b>										
30, 2023	30, 2023	\$ 103	\$ (4)	\$ (1)	\$ 98						
Other comprehensive (loss) income before reclassifications	Other comprehensive (loss) income before reclassifications		(9)	—	1	(8)					
Amounts reclassified from AOCI	Amounts reclassified from AOCI		(87)	—	—	(87)					
Other comprehensive (loss) income	Other comprehensive (loss) income		(96)	—	1	(95)					
<b>Balance at December 29, 2023</b>	<b>Balance at December 29, 2023</b>	<b>\$ 7</b>	<b>\$ (4)</b>	<b>\$ —</b>	<b>\$ 3</b>						
<b>Balance at March 29, 2024</b>											
<b>Balance at July 1, 2022</b>											
<b>Balance at July 1, 2022</b>											
<b>Balance at July 1, 2022</b>	<b>Balance at July 1, 2022</b>										
1, 2022	1, 2022	\$ 51	\$ (14)	\$ (1)	\$ 36						
Other comprehensive income before reclassifications	Other comprehensive income before reclassifications	51	—	—	51						
Amounts reclassified from AOCI	Amounts reclassified from AOCI	11	1	—	12						
Other comprehensive income	Other comprehensive income	62	1	—	63						
<b>Balance at December 30, 2022</b>	<b>Balance at December 30, 2022</b>	<b>\$ 113</b>	<b>\$ (13)</b>	<b>\$ (1)</b>	<b>\$ 99</b>						
<b>Balance at March 31, 2023</b>											

### 3. Debt

The following table provides details of the Company's debt as of **December 29, 2023** **March 29, 2024** and June 30, 2023:

(Dollars in millions)	December 29, 2023	June 30, 2023
<b>Unsecured Senior Notes<sup>(1)</sup></b>		
\$1,000 issued on May 28, 2014 at 4.75% due January 1, 2025 ( <i>the "2025 Notes"</i> ), interest payable semi-annually on January 1 and July 1 of each year.	\$ 479	\$ 479
\$700 issued on May 14, 2015 at 4.875% due June 1, 2027 ( <i>the "2027 Notes"</i> ), interest payable semi-annually on June 1 and December 1 of each year.	504	504
\$500 issued on June 18, 2020 at 4.091% due June 1, 2029 ( <i>the "June 2029 Notes"</i> ), interest payable semi-annually on June 1 and December 1 of each year.	469	465
\$500 issued on December 8, 2020 at 3.125% due July 15, 2029 ( <i>the "July 2029 Notes"</i> ), interest payable semi-annually on January 15 and July 15 of each year.	163	163
\$500 issued on May 30, 2023 at 8.25% due December 15, 2029 ( <i>the "December 2029 Notes"</i> ), interest payable semi-annually on June 15 and December 15 of each year.	500	500
\$500 issued on June 10, 2020 at 4.125% due January 15, 2031 ( <i>the "January 2031 Notes"</i> ), interest payable semi-annually on January 15 and July 15 of each year.	275	275
\$500 issued on December 8, 2020 at 3.375% due July 15, 2031 ( <i>the "July 2031 Notes"</i> ), interest payable semi-annually on January 15 and July 15 of each year.	72	72
\$500 issued on May 30, 2023 at 8.50% due July 15, 2031 ( <i>the "8.50% July 2031 Notes"</i> ), interest payable semi-annually on January 15 and July 15 of each year.	500	500
\$750 issued on November 30, 2022 at 9.625% due December 1, 2032 ( <i>the "2032 Notes"</i> ), interest payable semi-annually on June 1 and December 1 of each year.	750	750
\$500 issued on December 2, 2014 at 5.75% due December 1, 2034 ( <i>the "2034 Notes"</i> ), interest payable semi-annually on June 1 and December 1 of each year.	489	489
<b>Exchangeable Senior Notes<sup>(1)</sup></b>		
\$1,500 issued on September 13, 2023 at 3.50% due June 1, 2028 ( <i>the "2028 Notes"</i> ), interest payable semi-annually on March 1 and September 1 of each year.	1,500	—
<b>Term Loans</b>		
\$600 borrowed on October 14, 2021 at SOFR plus a variable margin ranging from 1.125% to 2.375%, ( <i>the "Term Loan A1"</i> ), repayable in quarterly installments beginning on December 31, 2022, with a final maturity date of September 16, 2025.	—	430
\$600 borrowed on October 14, 2021 at SOFR plus a variable margin ranging from 1.25% to 2.5%, ( <i>the "Term Loan A2"</i> ), repayable in quarterly installments beginning on December 31, 2022, with a final maturity date of July 30, 2027.	—	430
\$600 borrowed on August 18, 2022 at SOFR plus a variable margin ranging from 1.25% to 2.5%, ( <i>the "Term Loan A3"</i> ), repayable in quarterly installments beginning on December 31, 2022, with a final maturity date of July 30, 2027.	—	430
Less: unamortized debt issuance costs	5,701	5,487
Debt, net of debt issuance costs	(32)	(36)
Less: current portion of long-term debt	5,669	5,451
Long-term debt, less current portion	\$ 5,669	\$ 5,388

(Dollars in millions)	March 29, 2024	June 30, 2023
<b>Unsecured Senior Notes<sup>(1)</sup></b>		
\$1,000 issued on May 28, 2014 at 4.75% due January 1, 2025 ( <i>the "2025 Notes"</i> ), interest payable semi-annually on January 1 and July 1 of each year.	\$ 479	\$ 479
\$700 issued on May 14, 2015 at 4.875% due June 1, 2027 ( <i>the "2027 Notes"</i> ), interest payable semi-annually on June 1 and December 1 of each year.	505	504

\$500 issued on June 18, 2020 at 4.091% due June 1, 2029 ( <i>the "June 2029 Notes"</i> ), interest payable semi-annually on June 1 and December 1 of each year.	469	465
\$500 issued on December 8, 2020 at 3.125% due July 15, 2029 ( <i>the "July 2029 Notes"</i> ), interest payable semi-annually on January 15 and July 15 of each year.	163	163
\$500 issued on May 30, 2023 at 8.25% due December 15, 2029 ( <i>the "December 2029 Notes"</i> ), interest payable semi-annually on June 15 and December 15 of each year.	500	500
\$500 issued on June 10, 2020 at 4.125% due January 15, 2031 ( <i>the "January 2031 Notes"</i> ), interest payable semi-annually on January 15 and July 15 of each year.	275	275
\$500 issued on December 8, 2020 at 3.375% due July 15, 2031 ( <i>the "July 2031 Notes"</i> ), interest payable semi-annually on January 15 and July 15 of each year.	72	72
\$500 issued on May 30, 2023 at 8.50% due July 15, 2031 ( <i>the "8.50% July 2031 Notes"</i> ), interest payable semi-annually on January 15 and July 15 of each year.	500	500
\$750 issued on November 30, 2022 at 9.625% due December 1, 2032 ( <i>the "2032 Notes"</i> ), interest payable semi-annually on June 1 and December 1 of each year.	750	750
\$500 issued on December 2, 2014 at 5.75% due December 1, 2034 ( <i>the "2034 Notes"</i> ), interest payable semi-annually on June 1 and December 1 of each year.	489	489
<b>Exchangeable Senior Notes<sup>(1)</sup></b>		
\$1,500 issued on September 13, 2023 at 3.50% due June 1, 2028 ( <i>the "2028 Notes"</i> ), interest payable semi-annually on March 1 and September 1 of each year.	1,500	—
<b>Term Loans</b>		
\$600 borrowed on October 14, 2021 at SOFR plus a variable margin ranging from 1.125% to 2.375%, ( <i>the "Term Loan A1"</i> ), repayable in quarterly installments beginning on December 31, 2022, with a final maturity date of September 16, 2025.	—	430
\$600 borrowed on October 14, 2021 at SOFR plus a variable margin ranging from 1.25% to 2.5%, ( <i>the "Term Loan A2"</i> ), repayable in quarterly installments beginning on December 31, 2022, with a final maturity date of July 30, 2027.	—	430
\$600 borrowed on August 18, 2022 at SOFR plus a variable margin ranging from 1.25% to 2.5%, ( <i>the "Term Loan A3"</i> ), repayable in quarterly installments beginning on December 31, 2022, with a final maturity date of July 30, 2027.	—	430
	5,702	5,487
Less: unamortized debt issuance costs	(31)	(36)
Debt, net of debt issuance costs	5,671	5,451
Less: current portion of long-term debt	(479)	(63)
Long-term debt, less current portion	\$ 5,192	\$ 5,388

<sup>(1)</sup> All unsecured senior notes and exchangeable senior notes are issued by Seagate HDD Cayman ("Seagate HDD"), and the obligations under these notes are fully and unconditionally guaranteed, on a senior unsecured basis, by Seagate Technology Unlimited Company ("STUC") and exchangeable senior notes are issued by Seagate HDD Cayman ("Seagate HDD"), and the obligations under these notes are fully and unconditionally guaranteed, on a senior unsecured basis, by Seagate Technology Unlimited Company ("STUC") and STX.

#### 2028 Exchangeable Senior Notes and related Capped Call Transactions

**2028 Notes.** On September 13, 2023, Seagate HDD, in a private placement, issued \$1.5 billion in aggregate principal amount of 3.50% exchangeable Senior Notes due 2028 (*the "2028 Notes"*), which includes \$200 million aggregate principal amount pursuant to the over-allotment option of the initial purchasers to purchase additional notes. The 2028 Notes will mature on June 1, 2028, with interest payable semi-annually on March 1 and September 1 of each year, commencing March 1, 2024.

The entire outstanding principal amount of Term Loans A1, A2 and A3 were repaid from the proceeds of the 2028 Notes issuance. The exchange was accounted for as a debt extinguishment and the Company recorded a net loss of \$29 million, which was included in the Net loss/gain (loss) recognized from early redemption of debt in the Company's Condensed Consolidated Statements of Operations for the ~~six~~ nine months ended ~~December 29, 2023~~ ~~March 29, 2024~~. In connection with the repayment of Term Loans, the Company terminated its interest rate swap agreements. Refer to "Note 6. Derivative Financial Instruments" for more details.

Prior to March 1, 2028, the 2028 Notes are exchangeable at the option of the holders only under certain circumstances as set forth in the indenture with respect to the 2028 Notes. On or after March 1, 2028, the 2028 Notes are exchangeable at any time at the option of the holders until the close of business on the second scheduled trading day immediately preceding the maturity date, unless the 2028 Notes have been previously redeemed or repurchased by Seagate HDD. Upon exchange of the 2028 Notes, Seagate HDD will pay cash up to the aggregate principal amount of 2028 Notes to be exchanged and will pay or cause to be delivered, as the case may be, cash, ordinary shares of the Company or a combination of cash and ordinary shares of the Company, at Seagate HDD's election, in respect of any remainder of the exchange obligation in excess of such principal amount. The initial exchange rate for the 2028 Notes is 12.1253 ordinary shares per \$1,000 principal amount of 2028 Notes.

Seagate HDD may redeem the 2028 Notes at its option, in whole but not in part, if Seagate HDD or the Guarantors have, or on the next interest payment date would, become obligated to pay to the holder of any Note additional amounts as a result of certain tax-related events at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest, including additional interest, if any, to, but excluding, the redemption date; provided that Seagate HDD may only redeem the Notes if: (x) Seagate HDD or the relevant Guarantor cannot avoid these obligations by taking commercially reasonable measures available to Seagate HDD or such Guarantor; and (y) Seagate HDD delivers to the Trustee an opinion of outside legal counsel of recognized standing in the relevant taxing jurisdiction attesting to such tax-related event and obligation to pay additional amounts.

Seagate HDD also may redeem the 2028 Notes at its option on or after September 8, 2026, in whole or in part, if the last reported sale price of ordinary shares of the Company has been at least 130% of the exchange price then in effect for at least 20 trading days (whether or not consecutive), including the trading day immediately preceding the date on which Seagate HDD provides notice of redemption, during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which Seagate HDD provides notice of redemption at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. If Seagate HDD redeems less than all the outstanding 2028 Notes, at least \$150 million aggregate principal amount of 2028 Notes must be outstanding and not subject to redemption as of the relevant notice of redemption date.

As of March 29, 2024, the 2028 Notes were not exchangeable and the aggregate if-converted value of the 2028 Notes exceeded their aggregate principal amount by approximately \$100 million. Refer to "Note 11. Net Income (Loss) Per Share" for the potential dilutive impact of the 2028 Notes.

In connection with the 2028 Notes, the Company and Seagate HDD entered into privately negotiated capped call transactions with certain financial institutions. The cap price of the capped call transactions will initially be \$107.848 per share, which represents a premium of approximately 70% over the last reported sale price of the ordinary shares of \$63.44 per share on the Nasdaq Global Market on September 7, 2023. The cost of the capped call transactions was \$95 million, which met certain accounting criteria to be accounted under Additional Paid-in Capital as part of the Shareholders' Deficit and are not accounted as derivatives in the Company's Condensed Consolidated Balance Sheets.

#### Credit Agreement

The credit agreement dated as of February 20, 2019, by and among, Seagate Technology Holdings plc, Seagate HDD, The Bank of Nova Scotia, as administrative agent, and the lenders party thereto (as amended from time to time, the "Credit Agreement") includes two financial covenants: (1) interest coverage ratio and (2) total net leverage ratio. The maximum permitted total net leverage ratio did not apply for the fiscal quarter ended December 29, 2023 and will not apply for the fiscal quarter ending March 29, 2024. For the fiscal quarters ending June 28, 2024 until the end of the covenant relief period, which terminates on June 27, 2025, the maximum permitted total net leverage ratio is 6.75 to 1.00, and applies only to the extent that the aggregate outstanding amount of revolving loans, swing line loans and the aggregate face amount of certain letters of credit exceeds 25% of the then outstanding revolving commitments in effect (the "Testing Condition") as of the last day of the fiscal quarter. The maximum permitted total leverage ratio for each fiscal quarter ending after June 27, 2025 is 4.00 to 1.00.

The minimum interest coverage ratio did not apply for the fiscal quarter ended December 29, 2023 and will not apply for the fiscal quarter ending March 29, 2024. For the fiscal quarters ending June 28, 2024 until June 27, 2025, the minimum interest coverage ratio is 2.25 to 1.00, and applies only to the extent that the Testing Condition is satisfied as of the last day of the fiscal quarter. The minimum interest coverage ratio is 3.25 to 1.00 for each fiscal quarter ending after June 27, 2025.

#### Future Principal Payments on Long-term Debt

At December 29, 2023 March 29, 2024, future principal payments on long-term debt were as follows (in millions):

Fiscal Year	Principal Amount
Remainder of 2024	\$ —
2025	479
2026	—
2027	505
2028	1,500
Thereafter	3,245
<b>Total</b>	<b>\$ 5,729</b>

#### 4. Income Taxes

The Company recorded income tax provisions of \$15 million \$33 million and \$52 million \$85 million for the three and six nine months ended December 29, 2023 March 29, 2024, respectively. The discrete items in the income tax provision were not material for the three months ended December 29, 2023 March 29, 2024. The income tax provision for the six nine months ended December 29, 2023 March 29, 2024 included approximately \$36 \$42 million of net discrete expense, primarily associated with an increase in the Company's valuation allowance to account for the impacts of new tax guidance which clarifies the treatment of specified research and experimental expenditures issued by the U.S. Treasury Department under Internal Revenue Code Section 174 during the September 2023 quarter, partially offset by net excess tax benefits related to share-based compensation expense. Additional guidance issued by the Treasury department in December 2023 did not result in any impacts. The Company will have income taxes payable based on profits generated in various jurisdictions.

During the six nine months ended December 29, 2023 March 29, 2024, the Company's unrecognized tax benefits excluding interest and penalties decreased by approximately \$8 \$6 million to \$108 million \$110 million, substantially all of which would impact the effective tax rate, if recognized, subject to certain future valuation allowance reversals. The Company is not expecting material changes to its unrecognized tax benefits in the next twelve months beginning December 30, 2023 March 30, 2024.

The Company recorded income tax **benefits** provisions of \$5 million \$33 million and \$7 \$26 million for the three and **six** nine months ended December 30, 2022 March 31, 2023, respectively. The discrete items in the income tax **benefit** provisions were not material for the three and **nine** months ended December 30, 2022 March 31, 2023.

During the third quarter of fiscal year 2024, the Company established Singapore as its principal executive offices. The Company's income tax **benefit** provisions recorded for the **six** three and **nine** months ended December 30, 2022 included approximately \$5 million March 29, 2024 differed from the provisions for income taxes that would be derived by applying the Singaporean statutory rate of 17% to income before income taxes, primarily due to the net **discrete** effect of (i) earnings generated in jurisdictions that are subject to tax benefit, primarily associated with excess tax benefits related to share-based compensation expense, incentive programs, (ii) non-Singaporean earnings taxed at different rates, and (iii) changes in valuation allowance.

The Company's income tax **provision** **provisions** recorded for the three and **six** **nine** months ended December 29, 2023 and December 30, 2022 March 31, 2023 differed from the **provision** **provisions** 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) **increases** in valuation allowance, and/or (iii) the **current** **year** generation of research **credits** during the **current** **fiscal** **year** **credits**.

##### 5. Restructuring and Other, net

The Company recorded restructuring and other, net **benefits** charge of \$31 million \$2 million and \$29 benefit of \$27 million for the three and **six** **nine** months ended December 29, 2023 March 29, 2024, respectively, respectively. The net benefit for the nine months ended March 29, 2024 was primarily due to the net gain of \$30 million from the sale and leaseback of certain property during the December 2023 quarter. The net proceeds of \$34 million from this transaction were recorded as an investing inflow on the Company's Condensed Statements of Cash Flows. Flows for the nine months ended March 29, 2024.

For the three and **six** **nine** months ended December 30, 2022 March 31, 2023, the Company recorded restructuring **charges** and other, net of \$81 million \$20 million and \$90 million, respectively, \$110 million, respectively, on the Company's Condensed Consolidated Statements of Operations. The Company's restructuring plans are comprised primarily of charges related to workforce reduction costs, including severance and other one-time termination benefits, facilities and other exit costs. All restructuring charges are reported in Restructuring and other, net on the Company's Condensed Consolidated Statement of Operations.

The Company's significant restructuring plans are described below.

*October 2022 Plan* - On October 24, 2022, the Company committed to an October 2022 restructuring plan (the "October 2022 Plan") to reduce its cost structure to better align the Company's operational needs to current economic conditions while continuing to support the long-term business strategy. On March 29, 2023, in light of further deteriorating economic conditions, the Company committed to an expansion of the October 2022 Plan to further reduce its global headcount by approximately 480 employees to a total reduction of approximately 3,480 employees. This expanded plan included aligning its business plan to near-term market conditions, along with other cost saving measures. The October 2022 Plan was substantially completed by the end of fiscal year 2023.

*April 2023 Plan* - On April 20, 2023, the Company committed to an April 2023 restructuring plan (the "April 2023 Plan") to further reduce its cost structure in response to changes in macroeconomic and business conditions. The April 2023 Plan was intended to align the Company's operational needs with the near-term demand environment while continuing to support the long-term business strategy. The April 2023 Plan was substantially completed by the end of fiscal year 2023.

The following table summarizes the Company's restructuring activities under its active restructuring plans:

		April 2023 Plan		October 2022 Plan		Other Plans											
		April 2023		Plan													
(Dollars in millions)		(Dollars in millions)															
(Dollars in millions)	(Dollars in millions)	Facilities and	Facilities and	Facilities and	Facilities and	Workforce	Facilities	Workforce	Facilities	Workforce	Facilities	Workforce	Facilities	Workforce	Facilities	Workforce	Facilities
		Workforce Reduction	Other Exit	Workforce Reduction	Other Exit	Workforce Reduction	Other Exit	Workforce Reduction	Other Exit	Workforce Reduction	Facilities and Other Exit Costs	Workforce Reduction	Facilities and Other Exit Costs	Workforce Reduction	Facilities and Other Exit Costs	Workforce Reduction	Facilities and Other Exit Costs
Accrual balances at June 30, 2023	2023	\$ 108	\$ —	\$ 1	\$ 5	\$ 1	\$ 4	\$ 119									
Restructuring charges	Restructuring charges	—	—	—	—	3	—	3									
Cash payments	Cash payments	(104)	—	(1)	(1)	(4)	—	(110)									
Adjustments	Adjustments	(1)	—	(1)	—	—	—	(2)									

Accrual balances at December 29, 2023	\$ 3	\$ —	\$ 3	\$ —	\$ 4	\$ 10
Total costs incurred inception to date as of December 29, 2023	\$ 144	\$ 3	\$ 104	\$ 5	\$ 66	\$ 13 \$335
Total expected charges to be incurred as of December 29, 2023	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Accrual balances at March 29, 2024						
Total costs incurred inception to date as of March 29, 2024						
Total expected charges to be incurred as of March 29, 2024						

Of the The accrued restructuring balance of \$10 million \$7 million at December 29, 2023, \$9 million March 29, 2024 was included in Accrued expenses and \$1 million was included in Other non-current liabilities in the Company's Condensed Consolidated Balance Sheets. Of the accrued restructuring balance of \$119 million at June 30, 2023, \$117 million \$117 million was included in Accrued expenses and \$2 million was included in Other non-current liabilities in the Company's Condensed Consolidated Balance Sheets.

## 6. 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 in order to manage the foreign currency exchange rate risk on forecasted expenses and investments denominated in foreign currencies.

The Company entered into certain interest rate swap agreements to convert the variable interest rate on its Term Loans to fixed interest rates. The objective of the interest rate swap agreements was to eliminate the variability of interest payment cash flows associated with the variable interest rate under the Term Loans. The Company designated the interest rate swaps as cash flow hedges. On September 13, 2023, the Company terminated its then existing interest rate swap agreements as a result of the repayment of Term Loans A1, A2 and A3 and received cash proceeds of \$25 million from the counterparty. The cash proceeds are reported within Net cash provided by operating activities in the Company's Condensed Consolidated Statements of Cash Flows during the six nine months ended December 29, 2023 March 29, 2024. The Company discontinued the related hedge accounting prospectively and realized a net gain of \$104 million in Net gain recognized from termination of interest rate swap in the Condensed Consolidated Statements of Operations during the six nine months ended December 29, 2023 March 29, 2024. Additionally, \$6 million of the gains were amortized to Interest expense prior to the termination of interest rate swap in the Company's Condensed Consolidated Statements of Operations. Refer to "Note 3. Debt" for more details.

As of December 29, 2023 March 29, 2024, the Company does not have any interest rate swap contracts.

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 AOCI 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 net unrealized gain/loss on cash flow hedges was \$4 million \$3 million as of December 29, 2023 March 29, 2024, all of which is expected to be reclassified to earnings within twelve months. The net unrealized gain on cash flow hedges was \$12 million as of June 30, 2023.

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 AOCI 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 following tables show the effect of the Company's derivative instruments on the Condensed Consolidated Statements of Comprehensive Income (Loss) and the Condensed Consolidated Statements of Operations for the three and six nine months ended December 29, 2023 March 29, 2024:

Amount of Gain/(Loss) Recognized in Income on Derivatives
-----------------------------------------------------------------------

Amount of Gain/(Loss) Recognized in Income on Derivatives							
Location of Gain/(Loss) Recognized in Income on Derivatives				Amount of Gain/(Loss) Recognized in Income on Derivatives			
(Dollars in millions)	(Dollars in millions)	Location of Gain/(Loss)	(Dollars in millions)				
Derivatives Not Designated as Hedging Instruments	Derivatives Not Designated as Hedging Instruments	Recognized in Income on Derivatives	For the Three Months	Derivatives Not Designated as Hedging Instruments	For the Three Months	For the Nine Months	For the Nine Months
Foreign currency forward exchange contracts	Foreign currency forward exchange contracts	Other, net	\$ 6	—			
Total return swap	Total return swap	Operating expenses	(13)	(16)			

Amount of Gain/(Loss) Recognized in Income on Derivatives							
Location of Gain/(Loss) Recognized in Income on Derivatives				Amount of Gain/(Loss) Recognized in Income on Derivatives			
(Dollars in millions)	Amount of Gain/(Loss) Recognized in OCI on Derivatives (Effective Portion)	Location of Gain/(Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain/(Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	(Dollars in millions)	Amount of Gain/(Loss) Recognized in Income on Derivatives	Location of Gain/(Loss) Recognized in Income on Derivatives	Amount of Gain/(Loss) Recognized in Income on Derivatives
Derivatives Designated as Hedging Instruments	For the Three Months	For the Six Months	(Effective Portion)	For the Three Months	For the Six Months	Effectiveness Testing <sup>(a)</sup>	For the Three Months
Foreign currency forward exchange contracts	\$ 13	\$ 6	Cost of revenue	\$ (5)	\$ (6)	Other, net	\$ 1
Interest rate swap	—	(15)	Interest expense	—	11	Net gain recognized from termination of interest rate swap	— 104

<sup>(a)</sup>The net gain recognized into earnings as a result of the discontinuance of interest rate swap during the six months ended December 29, 2023

Amount of Gain/(Loss) Recognized in Income on Derivatives							
Location of Gain/(Loss) Recognized in Income on Derivatives				Amount of Gain/(Loss) Recognized in Income on Derivatives			
(Dollars in millions)	Amount of Gain/(Loss) Recognized in OCI on Derivatives (Effective Portion)	Location of Gain/(Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Gain/(Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	(Dollars in millions)	Amount of Gain/(Loss) Recognized in Income on Derivatives	Location of Gain/(Loss) Recognized in Income on Derivatives	Amount of Gain/(Loss) Recognized in Income on Derivatives
Derivatives Designated as Hedging Instruments	For the Three Months	For the Nine Months	(Effective Portion)	For the Three Months	For the Nine Months	Effectiveness Testing <sup>(a)</sup>	For the Three Months
Foreign currency forward exchange contracts	\$ (4)	\$ 2	Cost of revenue	\$ 3	\$ (3)	Other, net	\$ 1
Interest rate swap	—	(15)	Interest expense	—	11	Net gain recognized from termination of interest rate swap	— 104

<sup>(a)</sup>The net gain recognized into earnings as a result of the discontinuance of interest rate swap during the nine months ended March 29, 2024.

The following tables show the effect of the Company's derivative instruments on the Condensed Consolidated Statements of Comprehensive Income (**Loss**) and the Condensed Consolidated Statements of Operations for the three and **six** **nine** months ended **December 30, 2022** **March 31, 2023**:

Location of Gain/(Loss) Recognized in Income on Derivatives				Amount of Gain/(Loss) Recognized in Income on Derivatives	
Recognized in Income on Derivatives				For the Three Months	For the Six Months
(Dollars in millions)	Derivatives Not Designated as Hedging Instruments	Derivatives	For the Three Months	For the Three Months	For the Six Months
Foreign currency forward exchange contracts	Other, net		\$ 4	\$ (6)	(6)

Total return swap	Operating expenses	—	(8)
<b>Amount of Gain/(Loss) Recognized in Income on Derivatives</b>			
(Dollars in millions)		Location of Gain/(Loss) Recognized in Income on Derivatives	
Derivatives Not Designated as Hedging Instruments		Derivatives	
Foreign currency forward exchange contracts		Other, net	\$ — \$ (6)
Total return swap		Operating expenses	8 —

(Dollars in millions)	(Dollars in millions)	Amount of Gain/(Loss) Recognized in OCI on Derivatives (Effective Portion)		Location of Gain/(Loss) Reclassified from Accumulated OCI into Income	Amount of Gain/(Loss) Reclassified from Accumulated OCI into Income (Effective Portion)	Location of Gain/(Loss) Recognized in Income on Derivatives		Amount of Gain/(Loss) Recognized in Income (Ineffective Portion and Amount Excluded from Effectiveness Testing)				
		Derivatives Designated as Hedging Instruments	Derivatives Designated as Hedging Instruments			Income from OCI into Income	For the Three Months					
		For the Three Months	For the Six Months			For the Three Months	For the Six Months					
<b>(Dollars in millions)</b>												
<b>Derivatives Designated as Hedging Instruments</b>												
<b>Foreign currency forward exchange contracts</b>												
<b>Foreign currency forward exchange contracts</b>												
Foreign currency forward exchange contracts	Foreign currency forward exchange contracts	\$ 19	\$ (1)	Cost of revenue	\$ (12)	\$ (19)	Other, net	\$ — \$ (1)				
Interest rate swap	Interest rate swap	—	52	Interest expense	6	8	Interest expense	— —				
<b>Interest rate swap</b>												
<b>Interest rate swap</b>												

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 also enters into foreign currency forward contracts with contractual maturities of less than one month, which are designed to mitigate the effect of changes in foreign exchange rates on monetary assets and liabilities. 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 December 29, 2023 March 29, 2024 and June 30, 2023. All of the foreign currency forward exchange contracts mature within 12 months:

(Dollars in millions)	As of December 29, 2023			As of March 29, 2024		
	Contracts Designated as Hedges	Contracts Not Designated as Hedges	(Dollars in millions)	Contracts Designated as Hedges	Contracts Not Designated as Hedges	
	Contracts Designated as Hedges	Contracts Not Designated as Hedges	(Dollars in millions)	Contracts Designated as Hedges	Contracts Not Designated as Hedges	
Singapore Dollar	Singapore Dollar	\$ 126	\$ 102			

Thai Baht	Thai Baht	95	16
Chinese	Chinese		
Renminbi	Renminbi	40	19
British	British		
Pound	Pound		
Sterling	Sterling	38	7
<b>Total</b>	<b>Total</b>	<b>\$ 299</b>	<b>\$ 144</b>

As of June 30, 2023

(Dollars in millions)	Contracts Designated as Hedges		Contracts Not Designated as Hedges	
Singapore Dollar		\$ 195	\$ 161	
Thai Baht		129	16	
Chinese Renminbi		64	12	
British Pound Sterling		57	8	
<b>Total</b>		<b>\$ 445</b>	<b>\$ 197</b>	

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's liabilities. The Company pays a floating rate, based on SOFR plus an interest rate spread, on the notional amount of the TRS. The TRS is designed to substantially offset changes in the SDCP's liabilities due to changes in the value of the investment options made by employees. As of **December 29, 2023** **March 29, 2024**, the notional investments underlying the TRS amounted to **\$107 million** **\$109 million**. This contract, which settles monthly and **matures in January 2024**, effectively mitigates counterparty **risk**. Currently, the Company is renegotiating the contract's maturity terms without altering other aspects. **risk**, will mature in May 2024. 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's liabilities.

The following tables show the Company's derivative instruments measured at gross fair value as reflected in the Condensed Consolidated Balance Sheets as of **December 29, 2023** **March 29, 2024** and June 30, 2023:

As of December 29, 2023										As of March 29, 2024									
As of March 29, 2024										As of March 29, 2024									
(Dollars in millions)	(Dollars in millions)	Derivative Assets		Derivative Liabilities		Derivative Assets		Derivative Liabilities		Fair Value									
		Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value										
		(Dollars in millions)		(Dollars in millions)		(Dollars in millions)		(Dollars in millions)											
Derivatives designated as hedging instruments:	Derivatives designated as hedging instruments:	Derivatives designated as hedging instruments:																	
Foreign currency forward exchange contracts	Foreign currency forward exchange contracts	Other current assets	\$ 5	Accrued expenses	\$ (1)														
Derivatives not designated as hedging instruments:	Derivatives not designated as hedging instruments:																		
Derivatives not designated as hedging instruments:	Derivatives not designated as hedging instruments:																		

<b>Derivatives not designated as hedging instruments:</b>					
Foreign currency forward exchange contracts					
Foreign currency forward exchange contracts					
Foreign currency forward exchange contracts	Foreign currency forward exchange contracts	Other current assets	Accrued expenses	—	—
<b>Total derivatives</b>	<b>Total derivatives</b>	<u>\$ 6</u>	<u>\$ (1)</u>		
<b>Total derivatives</b>					
<b>Total derivatives</b>					

As of June 30, 2023					
(Dollars in millions)	Derivative Assets			Derivative Liabilities	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value	Fair Value
<b>Derivatives designated as hedging instruments:</b>					
Foreign currency forward exchange contracts	Other current assets	\$ 2	Accrued expenses	\$ (10)	
Interest rate swap	Other current assets	20	Accrued expenses	—	
<b>Derivatives not designated as hedging instruments:</b>					
Foreign currency forward exchange contracts	Other current assets	—	Accrued expenses	(1)	
Total return swap	Other current assets	1	Accrued expenses	—	
<b>Total derivatives</b>		<u>\$ 23</u>			<u>\$ (11)</u>

## 7. 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:

December 29, 2023	June 30, 2023
March 29, 2024	

		Fair Value Measurements at Reporting Date						Fair Value Measurements at Reporting Date						Fair Value Measurements at Reporting Date Using													
		Using			Using																						
		Quoted Prices in Active Markets for Identical Instruments			Quoted Prices in Active Markets for Identical Instruments																						
		Significant	Other	Significant	Significant	Other	Significant	Significant	Other	Significant	Significant	Other	Significant	Significant	Other	Significant	Significant										
(Dollars in millions)	(Dollars in millions)	Instruments	Inputs (Level 1)	Inputs (Level 2)	Inputs (Level 3)	Total Balance	Instruments	Inputs (Level 1)	Inputs (Level 2)	Inputs (Level 3)	Total Balance	Instruments	Inputs (Level 1)	Inputs (Level 2)	Inputs (Level 3)	Total Balance	(Dollars in millions)										
Assets:	Assets:																										
Money market funds	Money market funds																										
Money market funds	Money market funds	\$ 89	\$ —	\$ —	\$ 89	\$ 72	\$ —	\$ —	\$ —	\$ —	\$ 72																
Total cash equivalents	Total cash equivalents	89	—	—	89	72	—	—	—	—	72																
Total cash equivalents	Total cash equivalents																										
Restricted cash and investments:	Restricted cash and investments:																										
Money market funds	Money market funds	1	—	—	1	1	—	—	—	—	1																
Time deposits and certificates of deposit	Time deposits and certificates of deposit	—	1	—	1	—	1	—	—	—	1																
Other debt securities	Other debt securities	—	—	15	15	—	—	—	—	16	16																
Derivative assets	Derivative assets	—	6	—	6	—	23	—	—	23	—																
Total assets	Total assets	\$ 90	\$ 7	\$ 15	\$ 112	\$ 73	\$ 24	\$ 16	\$ 113																		
Liabilities:	Liabilities:																										
Derivative liabilities	Derivative liabilities	\$ —	\$ 1	\$ —	\$ 1	\$ —	\$ 11	\$ —	\$ 11																		
Derivative liabilities	Derivative liabilities																										
Total liabilities	Total liabilities	\$ —	\$ 1	\$ —	\$ 1	\$ —	\$ 11	\$ —	\$ 11																		
Total liabilities	Total liabilities																										
	December 29, 2023						June 30, 2023																				
	March 29, 2024																										
		Fair Value Measurements at Reporting Date						Fair Value Measurements at Reporting Date						Fair Value Measurements at Reporting Date Using													
		Using			Using																						

(Dollars in millions)	(Dollars in millions)	Quoted Prices in Active Markets for Identical Instruments			Quoted Prices in Active Markets for Identical Instruments			(Dollars in millions)	Quoted Prices in Active Markets for Identical Instruments		
		Significant Other	Significant	Inputs (Level 1)	Significant Other	Significant	Inputs (Level 1)		Significant	Inputs (Level 1)	Significant
		Observable	Unobservable	Inputs (Level 2)	Observable	Unobservable	Inputs (Level 2)		Inputs (Level 2)	Inputs (Level 3)	Inputs (Level 2)
		Instruments	Inputs	Inputs (Level 3)	Instruments	Inputs	Inputs (Level 3)		Instruments	Inputs	Inputs (Level 3)
		(Level 1)	(Level 2)	3)	Balance	(Level 1)	(Level 2)	3)	Balance	in millions	Total Balance
Assets:	Assets:										
Cash and cash equivalents	Cash and cash equivalents	\$ 89	\$ —	\$ —	\$ 89	\$ 72	\$ —	\$ —	\$ 72		
Cash and cash equivalents											
Other current assets											
Other current assets	Other current assets	1	7	—	8	1	24	—	25		
Other assets, net	Other assets, net	—	—	15	15	—	—	—	16	16	
Total assets	Total assets	\$ 90	\$ 7	\$ 15	\$ 112	\$ 73	\$ 24	\$ 16	\$ 113		
Liabilities:	Liabilities:										
Accrued expenses	Accrued expenses	\$ —	\$ 1	\$ —	\$ 1	\$ —	\$ 11	\$ —	\$ 11		
Accrued expenses											
Total liabilities	Total liabilities	\$ —	\$ 1	\$ —	\$ 1	\$ —	\$ 11	\$ —	\$ 11		

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. For the cash equivalents 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 December 29, 2023 March 29, 2024, 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, which are accounted for either under the equity method or the measurement alternative. Investments under the measurement alternative are recorded at cost, less impairment and adjusted for qualifying observable price changes on a prospective basis. If measured at fair value in the Condensed Consolidated Balance Sheets, these investments would generally be classified in Level 3 of the fair value hierarchy.

For the investments that are accounted for under the equity method, the Company sold certain investments for \$5 million and recorded immaterial loss for the three months ended March 29, 2024. The Company recorded a net loss of \$29 million for the three and six nine months ended December 29, 2023 March 29, 2024, which included \$25 million related to downward adjustments to write down the carrying amount of certain investments to their fair value. The Company recorded an immaterial gain and a net loss of \$3 million \$1 million and \$4 million for the three and six nine months ended December 30, 2022 March 31, 2023, respectively. The adjusted carrying value of the investments accounted for under the equity method amounted to \$26 million \$21 million and \$55 million as of December 29, 2023 March 29, 2024 and June 30, 2023, respectively.

For the investments that are accounted for under the measurement alternative, the Company recorded a net loss of \$14 million for the three and six nine months ended December 29, 2023 March 29, 2024, related to downward adjustments to write down the carrying amount of certain investments to their fair value. The Company recorded an immaterial loss and a net gain of \$3 million for the three and six nine months ended December 30, 2022 March 31, 2023, respectively, related to downward and upward adjustments

due to observable price changes. As of **December 29, 2023** **March 29, 2024** and June 30, 2023, the carrying value of the Company's strategic investments under the measurement alternative was \$75 million and \$88 million, respectively.

#### 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 in order of maturity:

(Dollars in millions)	(Dollars in millions)	December 29, 2023				June 30, 2023				March 29, 2024		June 30, 2023	
		Carrying Amount		Estimated Fair Value		Carrying Amount		Estimated Fair Value		Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
						(Dollars in millions)							
4.75% Senior Notes due January 2025	4.75% Senior Notes due January 2025	\$ 479	\$ 476	\$ 479	\$ 472								
4.75% Senior Notes due January 2025													
4.75% Senior Notes due January 2025													
4.875% Senior Notes due June 2027	4.875% Senior Notes due June 2027	504	496	504	484								
3.50% Senior Notes due June 2028		1,500	1,812	—	—								
3.50% Exchangeable Senior Notes due June 2028													
4.091% Senior Notes due June 2029	4.091% Senior Notes due June 2029	469	457	465	436								
3.125% Senior Notes due July 2029	3.125% Senior Notes due July 2029	163	136	163	126								
8.25% Senior Notes due December 2029	8.25% Senior Notes due December 2029	500	539	500	522								
4.125% Senior Notes due January 2031	4.125% Senior Notes due January 2031	275	247	275	227								
3.375% Senior Notes due July 2031	3.375% Senior Notes due July 2031	72	57	72	53								
8.50% Senior Notes due July 2031	8.50% Senior Notes due July 2031	500	545	500	524								
9.625% Senior Notes due December 2032	9.625% Senior Notes due December 2032	750	859	750	830								

5.75% Senior Notes due December 2034	5.75% Senior Notes due December 2034	489	470	489	438
SOFR Based Term Loan A1 due September 2025	SOFR Based Term Loan A1 due September 2025	—	—	430	426
SOFR Based Term Loan A2 due July 2027	SOFR Based Term Loan A2 due July 2027	—	—	430	420
SOFR Based Term Loan A3 due July 2027	SOFR Based Term Loan A3 due July 2027	—	—	430	413
		\$ 5,701	\$ 6,094	\$ 5,487	\$ 5,371
Less: unamortized debt issuance costs	Less: unamortized debt issuance costs	(32)	—	(36)	—
Debt, net of debt issuance costs	Debt, net of debt issuance costs	\$ 5,669	\$ 6,094	\$ 5,451	\$ 5,371
Less: current portion of debt, net of debt issuance costs	Less: current portion of debt, net of debt issuance costs	—	—	(63)	(62)
Long-term debt, less current portion, net of debt issuance costs	Long-term debt, less current portion, net of debt issuance costs	\$ 5,669	\$ 6,094	\$ 5,388	\$ 5,309

## 8. Shareholders' Deficit

### 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 209,504,857 209,982,166 shares were outstanding as of December 29, 2023 March 29, 2024, and 100,000,000 preferred shares, par value \$0.00001, of which none were issued or outstanding as of December 29, 2023 March 29, 2024.

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

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

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

#### Repurchases of Equity Securities

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

As of December 29, 2023 March 29, 2024, \$1.9 billion remained available for repurchase under the existing repurchase authorization limit approved by the Board of Directors. The following table sets forth information with respect to repurchases of the Company's ordinary shares during the six nine months ended December 29, 2023 March 29, 2024.

(In millions)	Number of Shares Repurchased	Dollar Value of Shares	
		Repurchased	
Tax withholding related to vesting of equity awards	—	\$	2831
Total	—	\$	2831

#### 9. 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	
	December 29, 2023	December 30, 2022	December 29, 2023	December 30, 2022
<b>Revenues by Channel</b>				
OEMs	\$ 1,140	\$ 1,365	\$ 2,172	\$ 2,910
Distributors	218	297	484	596
Retailers	197	225	353	416
Total	\$ 1,555	\$ 1,887	\$ 3,009	\$ 3,922
<b>Revenues by Geography<sup>(1)</sup></b>				
Asia Pacific	\$ 777	\$ 760	\$ 1,588	\$ 1,561
Americas	544	853	999	1,789
EMEA	234	274	422	572
Total	\$ 1,555	\$ 1,887	\$ 3,009	\$ 3,922

(Dollars in millions)	For the Three Months Ended		For the Nine Months Ended	
	March 29, 2024	March 31, 2023	March 29, 2024	March 31, 2023
<b>Revenues by Channel</b>				
OEMs	\$ 1,236	\$ 1,358	\$ 3,408	\$ 4,268
Distributors	252	294	736	890
Retailers	167	208	520	624
Total	\$ 1,655	\$ 1,860	\$ 4,664	\$ 5,782
<b>Revenues by Geography<sup>(1)</sup></b>				
Asia Pacific	\$ 837	\$ 774	\$ 2,425	\$ 2,335
Americas	618	799	1,617	2,588
EMEA	200	287	622	859
Total	\$ 1,655	\$ 1,860	\$ 4,664	\$ 5,782

<sup>(1)</sup> Revenue is attributed to geography based on bill from locations.

#### 10. Guarantees

##### 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 warranty return rates in order to determine its warranty obligation. Changes in the Company's product warranty liability during the **six** nine months ended **December 29, 2023** **March 29, 2024** and **December 30, 2022** **March 31, 2023** were as follows:

		For the Six Months Ended	
(Dollars in millions)	(Dollars in millions)	December 29, 2023	December 30, 2022
(Dollars in millions)			
(Dollars in millions)			
Balance, beginning of period			
Balance, beginning of period			
Balance, beginning of period	Balance, beginning of period	\$ 168	\$ 148
Warranties issued	Warranties issued	27	27
Warranties issued			
Warranties issued			
Repairs and replacements			
Repairs and replacements			
Repairs and replacements	Repairs and replacements	(40)	(48)
Changes in liability for pre-existing warranties, including expirations	Changes in liability for pre-existing warranties, including expirations	12	26
Changes in liability for pre-existing warranties, including expirations			
Changes in liability for pre-existing warranties, including expirations			
Balance, end of period	Balance, end of period	\$ 167	\$ 153
Balance, end of period			
Balance, end of period			

#### 11. Loss Net Income (Loss) Per Share

Basic **income** (loss) 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 Employee Stock Purchase Plan. The Plan using the treasury stock method, as well as shares issuable in connection with the Company's exchangeable senior notes using the "if-converted" method.

Under the treasury stock method, the dilutive effect of potentially dilutive securities is reflected in diluted net earnings per share by application of the treasury stock method. Under the treasury stock method, and an increase in fair market value of the Company's share price can result in a greater dilutive effect from potentially dilutive securities. Under the "if-converted" method, diluted earnings per share is calculated assuming that the excess value above the principal of the exchangeable notes were converted solely into shares of common stock at the beginning of the reporting period, unless the result would be anti-dilutive, which could adversely affect our diluted earnings per share.

The following table sets forth the computation of basic and diluted net loss per share attributable to the shareholders of the Company:

(In millions, except per share data)	(In millions, except per share data)	For the Three Months Ended		For the Six Months Ended		(In millions, except per share data)	For the Three Months Ended		For the Nine Months Ended	
		December 29, 2023	December 30, 2022	December 29, 2023	December 30, 2022		March 29, 2024	March 31, 2023	March 29, 2024	March 31, 2023
<b>Numerator:</b>	<b>Numerator:</b>									
Net loss		\$ (19)	\$ (33)	\$ (203)	\$ (4)					
Net income (loss)										
Net income (loss)										
Net income (loss)										

Number of shares used in per share calculations:	Number of shares used in per share calculations:				
Total shares for purposes of calculating basic net loss per share	209	206	209	207	
Total shares for purposes of calculating basic net income (loss) per share					
Total shares for purposes of calculating basic net income (loss) per share					
Weighted-average effect of dilutive securities:	Weighted-average effect of dilutive securities:				
Employee equity award plans	Employee equity award plans	—	—	—	—
Total shares for purposes of calculating diluted net loss per share	209	206	209	207	
<b>Net loss per share:</b>					
Employee equity award plans					
Employee equity award plans					
2028					
Notes if-converted shares					
Total shares for purposes of calculating diluted net income (loss) per share					
<b>Net income (loss) per share:</b>					
Basic					
Basic					
Basic	Basic	\$ (0.09)	\$ (0.16)	\$ (0.97)	\$ (0.02)
Diluted	Diluted	\$ (0.09)	\$ (0.16)	\$ (0.97)	\$ (0.02)

For the three and six months ended December 29, 2023, the Company recorded a net loss, and as such, all potentially dilutive securities related to the employee equity award plans that were excluded from the computation of diluted net income per share was not material for the three months ended March 29, 2024. All potentially dilutive securities have been excluded for those periods that the Company was in a loss position, as including them would be anti-dilutive. The weighted average anti-dilutive shares that were excluded from the computation of diluted net loss per share were 6.7 million for the nine months ended March 29, 2024, and 7 million for both the three and six nine months ended December 29, 2023, respectively, and were 2 million for both the three and six months ended December 30, 2022 March 31, 2023, respectively.

## 12. 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.

### Litigation

*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," seeking damages as well as additional relief. The district court entered judgement in favor of Seagate on April 19, 2022, following a jury trial. The parties filed post-trial motions with the district court, which were denied. An appeal to the Federal Circuit is pending. The Company believes the asserted claims are without merit and intends to vigorously defend this case.

*Seagate Technology LLC, et al. v. Headway Technologies, Inc., et al.* On February 18, 2020, Seagate Technology LLC, Seagate Technology (Thailand) Ltd., Seagate Singapore International Headquarters Pte. Ltd. and Seagate Technology International (collectively, the "Seagate Entities") filed a complaint in the U.S. District Court for the Northern District of California against defendant suppliers of HDD suspension assemblies. Defendants include NHK Spring Co. Ltd., TDK Corporation, Hutchinson Technology Inc. and several of their subsidiaries and affiliates. The complaint includes federal and state antitrust law claims, as well as a breach of contract claim. The complaint alleges that defendants and their co-conspirators knowingly conspired for more than twelve years not to compete in the supply of suspension assemblies; that defendant misused confidential information that the Seagate Entities had provided pursuant to nondisclosure agreements, in breach of their contractual obligations; and that the Seagate Entities paid artificially high prices on purchases of suspension assemblies. The Seagate Entities seek to recover the overcharges they paid for suspension assemblies and additional relief permitted by law. On March 22, 2022, the Seagate Entities dismissed with prejudice all claims being asserted against Defendants TDK Corporation, Hutchinson Technology Inc. and their subsidiaries and affiliates (collectively "TDK") relating to the antitrust law claims, the breach of contract claim and other matters described in the complaint. On April 8, 2022, the court entered an Amended Stipulation and Order of Dismissal with Prejudice to dismiss all claims against TDK. On August 2, 2022, NHK Spring Co. Ltd. filed a motion for Partial Summary Judgment Regarding under the Foreign Commerce Trade Antitrust Improvement Act ("FTAIA Motion") against Seagate's antitrust claims, and on October 14, 2022, the Seagate Entities filed their corresponding opposition. On May 15, 2023, the court issued a ruling that Seagate's antitrust claims can proceed as to suspension assemblies that enter the United States but not as to suspension assemblies that do not enter the United States. On July 28, 2023, the judge District Court initiated a reconsideration of this ruling and requested further briefing. On November 17, 2023, the Court granted NHK's FTAIA Motion for Partial Summary Judgment regarding the Foreign Trade Antitrust Improvements Act ("FTAIA") and denied Seagate's Motion for Leave to Amend the Complaint. Seagate plans to appeal the Court's ruling on NHK's FTAIA Motion to the Ninth Circuit and filed a motion on December 15, 2023 for the Court to certify the ruling for interlocutory review of its ruling. A trial date has not been set. appeal. On April 22, 2024, the District Court granted in part and denied in part Seagate's motion to certify for interlocutory appeal the Court's ruling on NHK's FTAIA Motion.

*In re Seagate Technology Holdings plc Securities Litigation.* A putative class action lawsuit alleging violations of the federal securities laws, *UA Local 38 Defined Contribution Pension Plan, et al. v. Seagate Technology Holdings PLC, et al.*, was filed on July 10, 2023, in the U.S. District Court for the Northern District of California against Seagate Technology Holdings plc, Dr. William D. Mosley, and Gianluca Romano. The complaint alleged that it was a securities class action on behalf of all purchasers of Seagate common stock between September 15, 2020 and October 25, 2022, inclusive, and asserted claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b5-1. The complaint sought unspecified monetary damages and other relief. A second action, *Public Employees' Retirement System of Mississippi v. Seagate Technology Holdings plc, William David Mosley, and Gianluca Romano*, was filed on July 26, 2023, asserting similar claims. The cases were consolidated on September 25, 2023. On October 19, 2023, plaintiffs filed an amended complaint asserting similar claims with a putative class period of September 14, 2020 through April 19, 2023. The Company, on behalf of all defendants, filed a motion to dismiss the amended complaint, which is currently pending before the court. The A hearing regarding Seagate's motion to dismiss occurred on March 26, 2024. The Company believes that the asserted claims are without merit and intends to vigorously defend the case.

*God Kaisha IP Bridge 1 v. Seagate Technology LLC, Seagate Technology (US) Holding, Inc., Seagate Technology (Thailand) Limited, Seagate Singapore International Headquarters Ltd., Seagate Technology (Netherlands) B.V.* On March 15, 2024, a patent infringement action was filed by God Kaisha IP Bridge 1 ("IP Bridge") against Seagate in United States District Court for the District of Delaware. The complaint alleges patent infringement by Seagate of US Patent Nos. 7,884,403 (entitled, "Magnetic tunnel junction device and memory device including the same"), 8,319,263 (entitled, "Magnetic tunnel junction device"), and 11,737,372 (entitled, "Method of manufacturing a magnetoresistive random access memory (MRAM)"). IP Bridge is seeking damages as well as additional relief. The Company believes the asserted claims are without merit and intends to vigorously defend this case.

### 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 United States, 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 fail to comply with the substance restrictions, recycle requirements or other environmental requirements as they are enacted worldwide, it could have a materially adverse effect on the Company's business.

#### *BIS Settlement*

On April 18, 2023, the Company's subsidiaries Seagate Technology LLC and Seagate Singapore International Headquarters Pte. Ltd (collectively, "Seagate"), entered into a settlement agreement (the "Settlement Agreement") with the U.S. Department of Commerce's Bureau of Industry and Security ("BIS") that resolves BIS' allegations regarding Seagate's sales of hard disk drives to Huawei between August 17, 2020 and September 29, 2021. Under the terms of the Settlement Agreement, Seagate has agreed to pay \$300 million to BIS in quarterly installments of \$15 million over the course of five years beginning October 31, 2023. Seagate has also agreed to complete three audits of its compliance with the license requirements of Section 734.9 of the U.S. Export Administration Regulations ("EAR"), including one audit by an unaffiliated third-party consultant chosen by Seagate with expertise in U.S. export control laws and two internal audits. The Settlement Agreement also includes a denial order that is suspended and will be waived five years after the date of the order issued under the Settlement Agreement, provided that Seagate has made full and timely payments under the Settlement Agreement and timely completed the audit requirements. While Seagate is in compliance with and upon successful compliance in full with the terms of the Settlement Agreement, BIS has agreed it will not initiate any further administrative proceedings against Seagate in connection with any violation of the EAR arising out of the transactions detailed in the Settlement Agreement.

While Seagate believed that it complied with all relevant export control laws at the time it made the hard disk drive sales at issue, Seagate determined that engaging with BIS and settling this matter was in the best interest of the Company, its customers, and its shareholders. In determining to engage with BIS and resolve this matter through a settlement agreement, the Company considered a number of factors, including the risks and cost of protracted litigation involving the U.S. government, and the size of the potential penalty and the Company's desire to focus on current business challenges and long-term business strategy. The Settlement Agreement includes a finding that the Company incorrectly interpreted the regulation at issue to require evaluation of only the last stage of Seagate's hard disk drive manufacturing process rather than the entire process. As part of this settlement, Seagate has agreed not to contest BIS' determination that the sales in question did not comply with the U.S. EAR.

The Company accrued a charge of \$300 million during fiscal year 2023, of which \$60 million and \$225 million were included in Accrued expense and Other non-current liabilities, respectively, on its Condensed Consolidated Balance Sheets as of December 29, 2023 March 29, 2024. During For the December 2023 quarter, \$15 million nine months ended March 29, 2024, \$30 million was paid and reported as an outflow from operating activities on its Condensed Consolidated Statements of Cash Flows.

#### *Other Matters*

From time to time, arising in the normal course of business, the Company is involved in a number of other judicial, regulatory or administrative proceedings and investigations incidental to its business, and the Company expects to 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.

### **13. Commitments**

*Unconditional Long-Term Purchase Obligations.* As of December 29, 2023 March 29, 2024, the Company had unconditional long-term purchase obligations of approximately \$2.6 billion \$2.5 billion, primarily related to purchases of inventory components. The Company expects the commitment to total \$146 million \$79 million, \$218 million \$234 million, \$1.5 billion \$1.5 billion and \$744 million \$718 million for fiscal years 2025, 2026, 2027 and 2028, respectively.

The Company recorded order cancellation fees to terminate certain purchase commitments related to the purchase of inventory components and equipment. During the three and six months ended December 29, 2023 March 29, 2024, the Company recorded \$4 million \$1 million credits to order cancellation fees and \$114 million \$113 million order cancellation fees, respectively, which were reflected under recorded in Cost of revenue on its Condensed Consolidated Statements of Operations. As of December 29, 2023 March 29, 2024, cumulative unpaid order cancellation fees on the Condensed Consolidated Balance Sheets were \$144 million \$134 million, with \$127 million \$121 million in Accrued expenses and \$17 million \$13 million in Accounts payable, all of which is expected to be paid within one year.

## 14. Subsequent Events

### Dividend Declared

On January 24, 2024 April 23, 2024, the Board of Directors of the Company declared a quarterly cash dividend of \$0.70 per share, which will be payable on April 4, 2024 July 5, 2024 to shareholders of record as of the close of business on March 21, 2024 June 20, 2024.

### Sale of System-on-Chip ("SoC") Operations

On April 23, 2024, the Company entered into an Asset Purchase Agreement with Avago Technologies International Sales Pte. Limited ("Purchaser"), a subsidiary of Broadcom Inc., to sell certain intellectual property, equipment and other assets related to the design, development and manufacture of its SoC products to Purchaser for \$600 million. Purchaser and its affiliates have agreed to offer employment to certain of the Company's employees engaged in the SoC Operations. In connection with this transaction, the Company and Purchaser have also restructured an existing purchasing agreement.

## 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 December 29, 2023 March 29, 2024, September 29, 2023 December 29, 2023 and December 30, 2022 March 31, 2023, referred to herein as the "December 2023 March 2024 quarter", the "September December 2023 quarter" and the "December 2022 March 2023 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 March 2024 quarter, December 2023 quarter September and March 2023 quarter and December 2022 quarter were each 13 weeks.

You should read this discussion in conjunction with financial information and related notes included in this Quarterly Report on Form 10-Q, as well as our Annual Report on Form 10-K for the fiscal year ended June 30, 2023. Unless the context indicates otherwise, as used herein, the terms "we," "us," "Seagate," the "Company" and "our" refer collectively to Seagate Technology Holdings 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. These statements include, among other things, statements about our plans, programs, strategies and prospects; anticipated shifts in technology and storage industry trends, and anticipated demand for and performance of new storage product introductions; expectations regarding market demand for our products and technologies and our ability to optimize our level of production and meet market and industry expectations and the effects of these future trends on our performance; financial outlook for future periods; expectations regarding our ability to service debt, meet debt and credit agreement covenants and continue to generate free cash flow; expectations regarding our ability to make timely quarterly payments under the Settlement Agreement with BIS; the impact of macroeconomic headwinds and customer inventory adjustments on our business and operations; our cost saving plans, including our ability to execute such plans, the projected savings under such plans and the assumptions on which the plans and projected savings are based; expectations regarding our business strategy and performance; the sufficiency of our sources of cash to meet cash needs for the next 12 months; and our expectations regarding capital expenditures and dividend issuance plans. Forward-looking statements generally can be identified by words such as "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "projects," "should," "may," "will," "will continue," "can," "could," or negative of these words, variations of these words and comparable terminology, in each case, intended to refer to future events or circumstances. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. 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 subject to known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from historical experience and our present expectations or projections. Therefore, undue reliance should not be placed on forward-looking statements. These risks and uncertainties include, but are not limited to, those set forth in "Part II, Item 1A. Risk Factors" in this Quarterly Report on Form 10-Q. 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 2023 March 2024 quarter.* Highlights of events in the December 2023 March 2024 quarter that impacted our financial position.
- *Results of Operations.* Analysis of our financial results comparing the December 2023 March 2024 quarter to the September December 2023 quarter and the December 2022 March 2023 quarter.
- *Liquidity and Capital Resources.* Analysis of changes in our balance sheet and cash flows, and discussion of our financial condition including potential sources of liquidity, material cash requirements and their general purpose.
- *Critical Accounting Policies. Estimates.* 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 2023 March 2024 quarter

During the December 2023 March 2024 quarter, we shipped 95 shipped 99 exabytes of HDD storage capacity. We generated revenue of approximately \$1.6 \$1.7 billion with a gross margin of 23% 26%. Our operating cash flow was \$169 \$188 million and we paid \$146 \$147 million in dividends. Additionally, we recorded a net loss of \$43 million from equity investments and recognized a gain of \$30 million from the sale and leaseback of certain property. dividends.

### Recent Developments, Economic Conditions and Challenges

During the December 2023 March 2024 quarter, we experienced gradual ongoing recovery within the U.S. cloud market, reflecting continued progress in customer inventory adjustments which we believe are now mostly complete, along with more stable an improvement in end-market demand, although the data storage industry and our business continued to be impacted by macroeconomic headwinds. As a result of these market dynamics, we demand. We continued to execute cost discipline manage our factory production levels in light of the lower demand and implement pricing actions to improve operational efficiencies efficiency and profitability. We believe that we are in the early stage of an industry-wide demand recovery, however we expect the dynamic macroeconomic environment will to remain dynamic and continue to moderate impact our business and results of operations operations.

As described in what "Part I, Item 1. Financial Statements — Note 14. Subsequent Events", on April 23, 2024, we believe is sold certain intellectual property, equipment and other assets related to the early stage design, development and manufacture of industry-wide demand recovery. our System-on-Chip products to Avago Technologies International Sales Pte. Limited, a subsidiary of Broadcom Inc., for \$600 million.

For a further discussion of the uncertainties and business risks, see "Part II, Item 1A. Risk Factors" of this Quarterly Report on Form 10-Q.

## 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:

(Dollars in millions)	(Dollars in millions)	For the Six Months Ended						For the Three Months Ended						For the Nine Months Ended					
		For the Three Months Ended			December 29, 2023			December 30, 2022			(Dollars in millions)			For the Three Months Ended			March 31, 2023		
		December 29, 2023	September 29, 2023	December 30, 2022	December 29, 2023	December 30, 2022	(Dollars in millions)	March 29, 2024	December 29, 2023	March 31, 2023	March 29, 2024	March 31, 2023	March 31, 2024	March 31, 2023					
Revenue	Revenue	\$ 1,555	\$ 1,454	\$ 1,887	\$ 3,009	\$ 3,922	(Dollars in millions)	March 29, 2024	December 29, 2023	March 31, 2023	March 29, 2024	March 31, 2023	March 31, 2024	March 31, 2023					
Cost of revenue	Cost of revenue	1,193	1,305	1,641	2,498	3,194	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)					
Gross profit	Gross profit	362	149	246	511	728	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)					
Product development	Product development	161	171	200	332	434	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)					
Marketing and administrative	Marketing and administrative	108	105	125	213	254	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)					
Amortization of intangibles	Amortization of intangibles	—	—	—	—	3	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)					
BIS settlement penalty	BIS settlement penalty	—	—	—	—	—	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)					
Restructuring and other, net	Restructuring and other, net	(31)	2	81	(29)	90	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)					
Income (loss) from operations	Income (loss) from operations	124	(129)	(160)	(5)	(53)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)					
Other (expense) income, net	Other (expense) income, net	(128)	(18)	122	(146)	42	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)					
Loss before income taxes	Loss before income taxes	(4)	(147)	(38)	(151)	(11)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)					
Provision for (Benefit from) income taxes	Provision for (Benefit from) income taxes	15	37	(5)	52	(7)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)					
Net loss	Net loss	\$ (19)	\$ (184)	\$ (33)	\$ (203)	\$ (4)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)					
Other expense, net	Other expense, net	—	—	—	—	—	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)					
Income (loss) before income taxes	Income (loss) before income taxes	—	—	—	—	—	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)	(Dollars in millions)					

Provision  
for income  
taxes  
Net  
Income  
(loss)

	For the Three Months Ended			For the Six Months Ended		
	December 29, 2023		September 29, 2023	December 30, 2022	December 29, 2023	
	100 %	100 %	100 %	100 %	100 %	100 %
Revenue						
Cost of revenue	77		90	87	83	81
Gross margin	23		10	13	17	19
Product development	10		12	11	11	11
Marketing and administrative	7		7	7	7	7
Amortization of intangibles	—		—	—	—	—
Restructuring and other, net	(2)		—	4	(1)	2
Operating margin	8		(9)	(9)	—	(1)
Other (expense) income, net	(8)		(1)	6	(5)	1
Loss before income taxes	—		(10)	(3)	(5)	—
Provision for income taxes	1		3	—	2	—
Net loss	(1 %)		(13 %)	(3 %)	(7 %)	— %

	For the Three Months Ended			For the Nine Months Ended		
	March 29, 2024		December 29, 2023	March 31, 2023	March 29, 2024	
	100 %	100 %	100 %	100 %	100 %	100 %
Revenue						
Cost of revenue	74		77	83	80	82
Gross margin	26		23	17	20	18
Product development	10		10	10	11	11
Marketing and administrative	7		7	7	7	7
Amortization of intangibles	—		—	—	—	—
BIS settlement penalty	—		—	16	—	5
Restructuring and other, net	—		(2)	1	(1)	1
Operating margin	9		8	(17)	3	(6)
Other (expense) income, net	(5)		(8)	(4)	(5)	(1)
Loss before income taxes	4		—	(21)	(2)	(7)
Provision for income taxes	2		1	2	2	1
Net Income (loss)	2 %		(1 %)	(23 %)	(4 %)	(8 %)

#### 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		For the Three Months Ended	For the Nine Months Ended	
	December December		December December				
	December 29, 2023	September 29, 2023	December 30, 2022	December 29, 2023	December 30, 2022		

		March 29, 2024						March 29, 2024			December 29, 2023			March 31, 2023			March 31, 2023	
Revenues by Channel (%)	Revenues by Channel (%)																	
OEMs	OEMs																	
OEMs	OEMs	73 %	71 %	72 %	72 %	74 %		75 %	73 %	73 %	73 %	73 %	74 %					
Distributors	Distributors	14 %	18 %	16 %	16 %	15 %		Distributors	15 %	14 %	16 %	16 %	16 %	15 %				
Retailers	Retailers	13 %	11 %	12 %	12 %	11 %		Retailers	10 %	13 %	11 %	11 %	11 %	11 %				
Revenues by Geography (%)	Revenues by Geography (%)																	
(1)	(1)																	
Asia Pacific	Asia Pacific	50 %	56 %	40 %	53 %	40 %												
Asia Pacific	Asia Pacific																	
Americas	Americas	35 %	31 %	45 %	33 %	46 %		Americas	37 %	35 %	43 %	43 %	35 %	45 %				
EMEA	EMEA	15 %	13 %	15 %	14 %	14 %		EMEA	12 %	15 %	15 %	15 %	13 %	15 %				
Revenues by Market (%)	Revenues by Market (%)																	
Mass capacity	Mass capacity																	
Mass capacity	Mass capacity	68 %	70 %	66 %	69 %	67 %		Mass capacity	71 %	68 %	66 %	70 %	67 %					
Legacy	Legacy	21 %	19 %	22 %	20 %	21 %		Legacy	18 %	21 %	20 %	19 %	20 %					
Other	Other	11 %	11 %	12 %	11 %	12 %		Other	11 %	11 %	14 %	11 %	13 %					
HDD Exabytes Shipped by Market	HDD Exabytes Shipped by Market																	
HDD Exabytes Shipped by Market	HDD Exabytes Shipped by Market																	
Mass capacity	Mass capacity																	
Mass capacity	Mass capacity	83	79	97	162	201		Mass capacity										
Legacy	Legacy	12	11	16	23	30		Legacy										
Total	Total	95	90	113	185	231		Total										
HDD Price per Terabyte	HDD Price per Terabyte	\$ 14	\$ 14	\$ 15	\$ 14	\$ 15		HDD Price per Terabyte										
HDD Price per Terabyte	HDD Price per Terabyte							HDD Price per Terabyte										

(1) Revenue is attributed to geography based on bill from locations.

Revenue in the December 2023 March 2024 quarter increased by \$100 million to \$101 million compared to the September December 2023 quarter, primarily due to an increase in mass capacity and legacy storage exabytes shipped, as we experienced gradual ongoing recovery within the U.S. cloud market and positive seasonality within favorable pricing actions undertaken by the consumer market. Company, partially offset by seasonal decreases in legacy market exabytes shipped.

Revenue for the three and six months ended December 29, 2023 decreased by \$205 million to \$332 million and \$913 million from \$1.1 billion from the three and six months ended December 30, 2022 March 31, 2023, respectively, primarily due to a decrease in exabytes shipped reflecting due to lower broad-based market demand, slowdown resulting from weaker macroeconomic conditions, slightly offset by an increase in revenue as a result of favorable pricing actions.

We maintain various sales incentive programs such as channel and OEM rebates. Sales incentive programs were approximately 18% 15% of gross revenue for the March 2024 quarter, 18% for the December 2023 quarter 20% and 16% for the September March 2023 quarter and 17% for the December 2022 quarter. Adjustments to revenues due to under or over accruals for sales incentive programs related to revenues reported in prior quarterly periods were less than 3% than 1% of quarterly gross revenue in all periods presented.

#### Cost of Revenue and Gross Margin

(Dollars in millions)	For the Six Months Ended						(Dollars in millions)	For the Three Months Ended			For the Nine Months Ended			
	For the Three Months Ended			Ended				For the Three Months Ended			For the Nine Months Ended			
	December 29, 2023	September 29, 2023	December 30, 2022	December 29, 2023	December 30, 2022	March 29, 2024		March 29, 2024	December 29, 2023	March 31, 2023	March 29, 2024	March 31, 2023		
Cost of revenue	Cost of revenue	\$1,193	\$1,305	\$1,641	\$2,498	\$3,194								
Gross profit	Gross profit	362	149	246	511	728								
Gross margin	Gross margin	23 %	10 %	13 %	17 %	19 %	Gross margin	26 %	23 %	17 %	20 %	18 %		

Gross margin for the March 2024 quarter increased compared to the December 2023 quarter, increased compared to the September 2023 quarter, primarily driven by \$118 million of order cancellation fees for favorable pricing actions undertaken by the September 2023 quarter that did not recur, Company and, to a \$23 million reduction lesser extent, favorable product mix, partially offset by a \$7 million increase in factory underutilization charges due to the transition of some production lines to new products.

Gross margin for the March 2024 quarter increased compared to the March 2023 quarter, primarily driven by favorable pricing actions undertaken by the Company, a \$20 million \$30 million decrease in depreciation expense due to the extension of useful lives of certain manufacturing equipment, \$13 million which was partially reflected in the reduction in factory underutilization charges, and \$18 million of accelerated depreciation expense for certain capital equipment in March 2023 quarter that did not recur, and recur.

Gross margin for the nine months ended March 29, 2024 increased compared to the nine months ended March 31, 2023 primarily driven by favorable pricing actions undertaken by the Company.

Gross margin for the December 2023 quarter increased compared to the December 2022 quarter, primarily driven by \$108 million of order cancellation fees for the December 2022 quarter that did not recur, Company, a \$43 million reduction in factory underutilization charges which included the decrease in depreciation expense due to the extension of useful lives of certain manufacturing equipment, and \$39 million of accelerated depreciation expense for certain capital equipment that did not recur.

Gross margin for the six months ended December 29, 2023 decreased compared to the six months ended December 30, 2022 primarily driven by an increase of \$6 million in order cancellation fees and less favorable product mix, partially offset by a \$40 million \$72 million reduction in factory underutilization charges which included the decrease in depreciation expense due to the extension of useful lives of certain manufacturing equipment, a decrease of \$26 million \$44 million in accelerated depreciation expense for certain capital equipment, and pandemic-related lockdown in one of our factories in fiscal year 2023 that did not recur, recur, partially offset by an increase of \$5 million in order cancellation fees and less favorable product mix.

In the December 2023 March 2024 quarter, total warranty cost was 0.8% 0.5% of revenue and included an unfavorable favorable change in estimates of prior warranty accruals of 0.1% 0.2% of revenue primarily due to changes decreases to our estimated future product return rates. Warranty cost related to new shipments was 0.9% 0.8%, 0.9% and 0.7% 0.8% of revenue revenue for the March 2024 quarter, December 2023 quarter September and March 2023 quarter, and December 2022 quarter, respectively.

#### Operating Expenses

(Dollars in millions)	For the Six Months Ended						(Dollars in millions)	For the Three Months Ended		For the Nine Months Ended			
	For the Three Months Ended			Ended				For the Three Months Ended			For the Nine Months Ended		
	December 29, 2023	September 29, 2023	December 30, 2022	December 29, 2023	December 30, 2022	March 29, 2024		March 29, 2024	December 29, 2023	March 31, 2023	March 29, 2024	March 31, 2023	
Product development	Product development	161	\$ 171	\$ 200	\$ 332	\$ 434							
Marketing and administrative													
Marketing and administrative													

Marketing and administrative	Marketing and administrative	108	105	125	213	254
Amortization of intangibles	Amortization of intangibles	—	—	—	—	3
Amortization of intangibles	Amortization of intangibles					
BIS settlement penalty	BIS settlement penalty					
Restructuring and other, net	Restructuring and other, net	(31)	2	81	(29)	90
Operating expenses	Operating expenses	\$ 238	\$ 278	\$ 406	\$ 516	\$ 781
Operating expenses	Operating expenses					

Product development expense. Product development expenses decreased increased by \$10 \$3 million in the December 2023 March 2024 quarter compared to the September December 2023 quarter, primarily due to a \$7 million \$6 million increase in compensation and other employee benefits as a result of completion of temporary salary reductions and a \$2 million increase in lease expense as we sold and leased back certain properties, partially offset by a \$5 million decrease in materials expense.

Product development expenses decreased by \$27 million in the March 2024 quarter compared to the March 2023 quarter, primarily due to a \$23 million decrease in compensation and other employee benefits from the reduction in headcount as a result of our restructuring plans.

Product development expenses decreased by \$39 million in the December 2023 quarter compared to the December 2022 quarter, primarily due to workforce reductions, a \$36 million decrease in compensation and other employee benefits from the reduction in headcount as a result of our restructuring plans and temporary salary reduction and an \$8 million \$9 million decrease in depreciation expense, and a \$2 million decrease in materials expense, partially offset by a \$7 million increase in lease expense as we sold and leased back certain properties.

Product development expenses decreased by \$102 \$129 million for the six nine months ended December 29, 2023 March 29, 2024 compared to the six nine months ended December 30, 2022 March 31, 2023, primarily due to a \$75 million \$98 million decrease in compensation and other employee benefits from the reduction in headcount as a result of our restructuring plans workforce and temporary salary reduction reductions, a \$46 million decrease in depreciation expense and a \$37 million \$4 million decrease in depreciation materials expense, partially offset by a \$13 million \$19 million increase in lease expense as we sold and leased back certain properties.

Marketing and administrative expense. Marketing and administrative expenses increased by \$3 \$8 million in the December 2023 March 2024 quarter compared to the September December 2023 quarter primarily due to a \$2 million increase in advertising costs and a \$1 million \$5 million increase in compensation and other employee benefits due to the completion of the temporary salary reduction during the December 2023 quarter, and a \$3 million increase in legal costs.

Marketing and administrative expenses decreased by \$17 million \$7 million in the December 2023 March 2024 quarter compared to the December 2022 March 2023 quarter primarily due to a \$23 million \$5 million decrease in compensation and other employee benefits from the reduction in headcount as a result of our restructuring plans and temporary salary reduction and workforce reductions, a \$3 million decrease in advertising costs, a \$2 million decrease in travel expenses and a \$2 million decrease in outside services expense, partially offset by a \$5 million increase in legal cost.

Marketing and administrative expenses decreased by \$48 million for the nine months ended March 29, 2024 compared to the nine months ended March 31, 2023 primarily due to a \$31 million decrease in compensation and other employee benefits as a result of workforce and temporary salary reductions, a \$12 million decrease in advertising costs, a \$6 million decrease in travel expenses, a \$6 million decrease in outside services expense and a \$2 million increase in tax credit, partially offset by a \$7 million recovery in the December 2022 quarter of an accounts receivable previously written off in prior years, years and a \$2 million increase in depreciation expenses.

Marketing and administrative expenses decreased by \$41 million BIS Settlement Penalty. BIS settlement penalty for the six three and nine months ended December 29, 2023 compared March 31, 2023 was \$300 million related to BIS allegations of violations of the six months ended December 30, 2022 primarily due to a \$26 million decrease U.S. EAR, which were subsequently resolved by the Settlement Agreement in compensation and other employee benefits from the reduction in headcount as a result of our restructuring plans and temporary salary reduction, a \$9 million decrease in advertising costs, an \$8 million decrease in outside services expense, a \$5 million decrease in legal costs and a \$4 million decrease in travel expenses, partially offset by a \$7 million recovery in the December 2022 quarter of an accounts receivable previously written off in prior years. April 2023.

Restructuring and other, net. Restructuring and other, net for the three and six March 2024 quarter was \$2 million. For the nine months ended December 29, 2023 was March 29, 2024, we recorded a \$31 million benefit and \$29 million benefit, respectively, of \$27 million primarily due related to the net gain of \$30 \$30 million from the sale and leaseback transaction during the December 2023 quarter.

## Other (Expense) Income, Net

(Dollars in millions)	For the Six Months					(Dollars in millions)	For the Nine Months				
	For the Three Months Ended			Ended			For the Three Months Ended	March 29, 2024	December 29, 2023	March 31, 2023	March 29, 2024
Other (Expense) Income, net	\$ (128)	\$ (18)	\$ 122	\$ (146)	\$ 42						
Other Expense, net											

Other (expense) income, expense, net. Other expense increased decreased by \$110 million \$43 million for the March 2024 quarter compared to the December 2023 quarter primarily due to \$43 million of net loss from equity investments in the December 2023 quarter that did not recur.

Other expense increased by \$188 million for the nine months ended March 29, 2024 compared to the September 2023 quarter nine months ended March 31, 2023 primarily due to \$207 million of net gain recognized from the early redemption of debt in the nine months ended March 31, 2023, a \$43 million net loss from equity investments, a \$29 million net loss recognized from early redemption of debt and a \$17 million net increase in interest expense in the nine months ended March 29, 2024. The increase is partially offset by \$104 million of net gain recognized from the termination of interest rate swaps associated with the repayment of term loans in the September 2023 quarter, partially offset by \$29 million of net loss recognized from early redemption of debt in the September 2023 quarter and \$43 million of net loss from equity investments in the December 2023 quarter.

Other expense increased by \$250 million for the December 2023 quarter compared to the December 2022 quarter primarily due to \$204 million of net gain recognized from the early redemption of debt in the December 2022 quarter and \$43 million of net loss from equity investments in the December 2023 quarter.

Other expense increased by \$188 million for the six nine months ended December 2023 compared to the six months ended December 2022 primarily due to \$204 million of net gain recognized from the early redemption of debt in the six months ended December 2022, a \$43 million net loss from equity investments and a \$29 million net loss recognized from early redemption of debt in the six months ended December 2023 and a \$20 million increase in interest expense. The increase is partially offset by \$104 million of net gain recognized from the termination of interest rate swaps associated with the repayment of term loans in the six months ended December 2023. March 29, 2024.

## Income Taxes

(Dollars in millions)	For the Six Months					(Dollars in millions)	For the Nine Months Ended				
	For the Three Months Ended			Ended			For the Three Months Ended	March 29, 2024	December 29, 2023	March 31, 2023	March 29, 2024
Provision for (benefit from) income taxes	\$ 15	\$ 37	\$ (5)	\$ 52	\$ (7)						
Provision for income taxes											

We recorded income tax provisions of \$15 million \$33 million and \$52 million \$85 million for the three and six nine months ended December 29, 2023 March 29, 2024, respectively. The discrete items in the income tax provision were not material for the three months ended December 29, 2023 March 29, 2024. The income tax provision for the six nine months ended December 29, 2023 March 29, 2024 included approximately \$36 million \$42 million of net discrete expense, primarily associated with an increase in our valuation allowance to account for the impacts of new tax guidance which clarifies the treatment of specified research and experimental expenditures issued by the U.S. Treasury Department under Internal Revenue Code Section 174 during the September 2023 quarter, partially offset by net excess tax benefits related to share-based compensation expense. Additional guidance issued by the U.S. Treasury Department in December 2023 did not result in any impacts. We will have income taxes payable based on profits generated in various jurisdictions.

During the six nine months ended December 29, 2023 March 29, 2024, our unrecognized tax benefits, excluding interest and penalties decreased by approximately \$8 \$6 million to \$108 million \$110 million, substantially all of which would impact the effective tax rate, if recognized, subject to certain future valuation allowance reversals. We do not expect material changes to our unrecognized tax benefits in the next twelve months beginning December 30, 2023 March 30, 2024.

We recorded income tax benefits provisions of \$5 million \$33 million and \$7 million \$26 million for the three and six nine months ended December 30, 2022 March 31, 2023, respectively. The discrete items in the income tax benefit provisions were not material for the three and nine months ended December 30, 2022 March 31, 2023. The income tax benefit for

During the six months ended December 30, 2022 included approximately \$5 million third quarter of net discrete tax benefit, primarily associated with excess tax benefits related to share-based compensation expense.

fiscal year 2024, we established Singapore as our principal executive offices. Our income tax provision provisions recorded for the three and **six nine** months ended **December 29, 2023** and **December 30, 2022** **March 29, 2024** differed from the provision provisions for income taxes that would be derived by applying the Singaporean statutory rate of 17% to income before income taxes, primarily due to the net effect of (i) earnings generated in jurisdictions that are subject to tax incentive programs, (ii) non-Singaporean earnings taxed at different rates, and (iii) changes in valuation allowance.

Our income tax provisions recorded for the three and **nine** months ended **March 31, 2023** differed from the provisions 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) **increases in valuation allowance, and/or (iii) the current year** generation of research credits during the current fiscal year credits.

#### 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. The principal objectives of our investment policy are the preservation of principal and maintenance of liquidity. We believe our cash equivalents 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 will continue to be sufficient to fund our operations and meet our cash requirements for the next 12 months. Although there can be no assurance, we believe that our financial resources, along with controlling our costs and capital expenditures, will allow us to manage the ongoing impacts of macroeconomic headwinds including higher inflationary pressures, inventory adjustments by our customers and the overall market demand disruptions on our business operations for the foreseeable future. However, some challenges to our industry and to our business continue to remain uncertain and cannot be predicted at this time. Consequently, we will continue to evaluate our financial position in light of future developments, particularly those relating to the global economic factors.

We are not aware of any downgrades, losses or other significant deterioration in the fair value of our cash equivalents from the values reported as of **December 29, 2023** **March 29, 2024**. For additional information on risks and factors that could impact our ability to fund our operations and meet our cash requirements, see "Part II, Item 1A. Risk Factors" of this Quarterly Report on Form 10-Q.

#### Cash and Cash Equivalents

(Dollars in millions)	June			Change (Dollars in millions)	March 29, 2024	June 30, 2023	Change
	(Dollars in millions)	December 29, 2023	2023				
Cash and cash equivalents	\$ 787	\$786	\$ 1				

Our cash and cash equivalents as of **December 29, 2023** **March 29, 2024** increased by **\$1 million** **\$9 million** from June 30, 2023 primarily as a result of net cash of **\$296** **\$484** million provided by operating activities and net proceeds of \$1.5 billion from the issuance of exchangeable senior notes, partially offset by \$1.3 billion redemption of term loans, **\$438 million** dividends paid to our shareholders, **of \$291 million**, **\$128 million** debt fees relating to issuance of long-term exchangeable debt and capped call transaction and **\$200 million** payments for capital expenditures of **\$140 million** expenditures.

#### Cash Provided by Operating Activities

Cash provided by operating activities for the **six nine** months ended **December 29, 2023** **March 29, 2024** was **\$296** **\$484** million and includes the effects of net loss adjusted for non-cash items including depreciation, amortization, share-based compensation and:

- a decrease of **\$150** **\$289** million in accounts receivable, primarily due to lower revenue and higher accounts receivable factoring;
- a decrease of **\$87 million** in inventories, primarily due to a decrease in units built to align with the prevailing demand environment;
- an increase of **\$54** **\$108** million in accounts payable, primarily due to timing of payments; and
- an increase of \$25 million cash proceeds received from the settlement of certain interest rate swap agreements; partially offset by
- an increase of **\$51 million** in inventories, net, primarily due to an increase in raw materials;
- a decrease of **\$28 million** **\$50 million** in accrued expenses primarily due to restructuring activities and BIS settlement penalty payment; and
- a decrease of **\$14 million** **\$25 million** in accrued employee compensation, primarily due to timing of payments.

#### Cash Used in Investing Activities

Net cash used in investing activities for the **six nine** months ended **December 29, 2023** **March 29, 2024** was **\$105 million** **\$157 million**, primarily attributable to payments of **\$140 million** **\$200 million** for the purchase of property, equipment and leasehold improvements, partially offset by proceeds of **\$35 million** **\$38 million** from the sale of assets which primarily included \$34 million from the sale and leaseback transaction during the December 2023 quarter, as well as proceeds of \$5 million from the sale of investments in the March 2024 quarter.

### Cash Used in Financing Activities

Net cash used in financing activities of ~~\$191 million~~ \$319 million for the ~~six~~ nine months ended ~~December 29, 2023~~ March 29, 2024 was primarily attributable to the following activities:

- \$1.3 billion redemption of term loans;
- ~~\$291.438~~ million in dividend payments;
- \$128 million debt fees relating to issuance of long-term debt and capped call transaction; and
- ~~\$28.31~~ million taxes paid related to net share settlement of equity awards; partially offset by
- \$1.5 billion in net proceeds from the issuance of 2028 Notes and
- ~~\$44.66~~ million proceeds from the issuance of ordinary shares under employee stock purchase plans.

### Liquidity Sources

Our primary sources of liquidity as of ~~December 29, 2023~~ March 29, 2024 consist of: (1) approximately ~~\$787 million~~ \$795 million in cash and cash equivalents, (2) cash we expect to generate from operations and (3) \$1.5 billion available for borrowing under the revolving credit facility of the Credit Agreement (the "Revolving Credit Facility").

As of ~~December 29, 2023~~ March 29, 2024, no borrowings (including swing line loans) were outstanding and no commitments were utilized for letters of credit 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.

As of ~~December 29, 2023~~ March 29, 2024, the existing Credit Agreement includes two financial covenants: (1) interest coverage ratio and (2) total net leverage ratio. The interest coverage ratio and total net leverage ratio covenants did not apply for the fiscal quarter ended ~~December 29, 2023~~ and will not apply for the fiscal quarter ending March 29, 2024. Refer to "Part I, Item 1. Financial Statements—Note 3. Debt" for details of the financial covenants which will apply for the fiscal quarter ending June 28, 2024 and thereafter.

~~In addition, as described in "Part I, Item 1. Financial Statements—Note 14. Subsequent Events", on April 23, 2024, we sold certain intellectual property, equipment and other assets related to the design, development and manufacture of our SoC products for \$600 million.~~

We believe that our sources of cash will be sufficient to fund our operations and meet our cash requirements for at least the next 12 months. Our ability to fund liquidity requirements beyond 12 months 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 ~~additional~~ information on risks and factors that could impact our ability to fund our operations and meet our cash requirements, see "Part II, Item 1A. Risk Factors" of this Quarterly Report on Form 10-Q.

### Cash Requirements and Commitments

Our liquidity requirements are primarily to meet our working capital, product development and capital expenditure needs, to fund scheduled payments of principal and interest on our indebtedness and to fund our quarterly dividend and any future strategic investments. As of ~~December 29, 2023~~ March 29, 2024, our contractual cash requirements have not changed materially since our Annual Report on Form 10-K for the fiscal year ended June 30, 2023, except for the purchase obligations and long-term debt obligations.

#### Purchase obligations

Purchase obligations are defined as contractual obligations for the purchase of goods or services, which are enforceable and legally binding on us, and that specify all significant terms. From time to time, we enter into long-term, non-cancelable purchase commitments or make large up-front investments with certain suppliers in order to secure certain components or technologies for the production of our products or to supplement our internal manufacturing capacity for certain components. As of ~~December 29, 2023~~ March 29, 2024, we had unconditional purchase obligations of approximately ~~\$3.7 billion~~ \$3.4 billion primarily related to purchases of inventory components with our suppliers. We expect ~~\$1.1 billion~~ \$926 million of these short-term commitments to be paid within one year and expect ~~\$2.6 billion~~ \$2.5 billion of these long-term commitments to be paid thereafter.

~~The Company~~ We recorded order cancellation fees to terminate certain purchase commitments related to the purchase of inventory components and equipment. During the six months ended December 29, 2023, we recorded order cancellation fees of \$114 million, which were reflected under Cost of revenue on our Condensed Consolidated Statements of Operations. As of ~~December 29, 2023~~ March 29, 2024, cumulative unpaid order cancellation fees on the Condensed Consolidated Balance Sheets were ~~\$144 million~~ \$134 million, with ~~\$127 million~~ \$121 million in Accrued expenses and ~~\$17 million~~ \$13 million in Accounts payable, all of which is expected to be paid within one year. In certain instances, our unpaid order cancellation fees may change based on the expected timing or ongoing negotiations with our suppliers.

#### Long-term debt and interest payments on debt

On September 13, 2023, we issued the 2028 Notes of \$1.5 billion and repaid Term Loans A1, A2 and A3 of \$1.3 billion. The exchange was accounted for as a debt extinguishment and resulted in a net loss of \$29 million for the six months ended December 29, 2023.

As of ~~December 29, 2023~~ March 29, 2024, the future principal payment obligation on our long-term debt was \$5.7 billion, of which ~~\$479 million~~ will mature in more than one year. As of ~~December 29, 2023~~ March 29, 2024, future interest payments on this outstanding debt are estimated to be approximately ~~\$2.2 billion~~ \$2.1 billion, of which ~~\$325 million~~ \$323 million is expected to be paid within one year. 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. Refer to "Item 1. Financial Statements—Note 3. Debt" for more details.

#### *BIS settlement penalty*

We accrued a settlement penalty of \$300 million in the quarter ended March 31, 2023, related to BIS' allegations of violations of the U.S. EAR, which were subsequently resolved by the Settlement Agreement in April 2023. As part of the Settlement Agreement with BIS, quarterly payments of \$15 million are made over the course of five years beginning October 31, 2023, of which \$60 million is expected to be paid within one year and \$225 million thereafter. Refer to "Item 1. Financial Statements—Note 12. Legal, Environmental and Other Contingencies" for more details.

#### *Restructuring*

During the six months ended December 29, 2023 March 29, 2024, we made cash payments of \$110 million \$115 million related to the workforce reduction costs under the restructuring plans.

As of December 29, 2023 March 29, 2024, the future cash payments related to our remaining active restructuring plans were \$10 million \$7 million, of which \$9 million is expected to be paid within one year.

#### *Dividends*

During the December 2023 March 2024 quarter, we declared dividends of \$0.70 per share, totaling \$147 million, which was paid on January 9, 2024 April 4, 2024. On January 24, 2024 April 23, 2024, we declared a quarterly cash dividend of \$0.70 per share, payable on April 4, 2024 July 5, 2024 to shareholders of record at the close of business on March 21, 2024 June 20, 2024. Our ability to pay dividends in the future will be subject to, among other things, general business conditions within the data storage industry, our financial results, the impact of paying dividends on our credit ratings and legal and contractual restrictions on the payment of dividends by our subsidiaries to us or by us to our ordinary shareholders, including restrictions imposed by covenants on our debt instruments.

#### *Share repurchases*

From time to time, at our discretion, we may repurchase any of our outstanding ordinary shares through private, open market, or broker-assisted purchases, tender offers, or other means, including through the use of derivative transactions. As of December 29, 2023 March 29, 2024, \$1.9 billion remained available for repurchase under our existing repurchase authorization limit. We may limit or terminate the repurchase program at any time. All repurchases are effected as redemptions in accordance with our Constitution.

#### *Other*

For fiscal year 2024, we expect capital expenditures to be lower than fiscal year 2023. We require substantial amounts of cash to fund any increased working capital requirements, future capital expenditures, scheduled payments of principal and interest on our indebtedness and payments of dividends. We will continue to evaluate and manage the retirement and replacement of existing debt and associated obligations, including evaluating the issuance of new debt securities, exchanging existing debt securities for other debt securities and retiring debt pursuant to privately negotiated transactions, open market purchases, tender offers or other means or otherwise. In addition, we may selectively pursue strategic alliances, acquisitions, joint ventures and investments, which may require additional capital.

### **Critical Accounting Policies Estimates**

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, GAAP. 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 "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended June 30, 2023, as filed with the SEC on August 4, 2023, 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 December 29, 2023 March 29, 2024, 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 impairment related to credit losses for available-for-sale debt securities as of December 29, 2023 March 29, 2024.

We have fixed rate debt obligations, which we enter into for general corporate purposes including capital expenditures and working capital needs.

We previously entered into certain interest rate swap agreements to convert the variable interest rate on our Term Loans to fixed interest rates. The objective of the interest rate swap agreements was to eliminate the variability of interest payment cash flows associated with the variable interest rate under the Term Loans. We designated the interest rate swaps as cash flow hedges. On September 13, 2023, we terminated our interest rate swap agreements as we repaid the Term Loans.

The table below presents principal amounts and related fixed or weighted-average interest rates by year of maturity for our investment portfolio and debt obligations as of December 29, 2023 March 29, 2024:

(Dollars in millions, except percentages)	(Dollars in millions, except percentages)	Fiscal Years Ended						Fair Value at December 29, 2023		Fiscal Years Ended			
		2024	2025	2026	2027	2028	Thereafter	Total	Total	29, 2023	Total		
<b>Assets</b>													
<b>Assets</b>													
<b>Assets</b>													
Money market funds, time deposits and certificates of deposit	Money market funds, time deposits and certificates of deposit												
Floating rate	Floating rate	\$ 91	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 91	\$ 91				
Floating rate	Floating rate												
Average interest rate	Average interest rate												
Average interest rate	Average interest rate	5.37 %											
<b>Other debt securities</b>													
<b>Other debt securities</b>													
Other debt securities	Other debt securities												
Fixed rate	Fixed rate	\$ —	\$ —	\$ 15	\$ —	\$ —	\$ —	\$ 15	\$ 15				
<b>Debt</b>													
<b>Debt</b>													
Fixed rate	Fixed rate	\$ —	\$ 479	\$ —	\$ 505	\$ 1,500	\$ 3,245	\$ 5,729	\$ 6,094				
Average interest rate	Average interest rate	— %	4.75 %	— %	4.88 %	3.50 %	6.88 %	5.64 %					

*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.

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 mature within 12 months.

We recognized a net loss gain of \$5 million in Cost of revenue related to the de-designation on discontinued cash flow hedges during the three months ended December 29, 2023 March 29, 2024. We recognized a net loss of \$6 million, a net gain of \$11 million and a net gain of \$104 million in Cost of revenue, Interest expense and Net gain recognized from termination of interest rate swap, respectively, related to the de-designation on discontinued cash flow hedges during the six months ended December 29, 2023 March 29, 2024.

The table below provides information as of December 29, 2023 March 29, 2024 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 rate)	(Dollars in millions, except weighted-average rate)			(Dollars in millions, except weighted-average contract rate)	Notional Amount	Weighted-Average Contract Rate	Estimated Fair Value <sup>(1)</sup>
	Notional Amount	Contract Rate	Fair Value <sup>(1)</sup>				
Foreign currency forward exchange contracts:							
Singapore Dollar	Singapore Dollar	\$ 228	\$ 1.32	\$ 2			
Singapore Dollar	Singapore Dollar						
Thai Baht	Thai Baht	111	\$ 34.28	2			
Chinese Renminbi	Chinese Renminbi	59	\$ 6.93	(1)			
British Pound Sterling	British Pound Sterling	45	\$ 0.80	2			
Total	Total	\$ 443		\$ 5			

<sup>(1)</sup>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 may 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 non-qualified deferred compensation plan—the SDCP.

In fiscal year 2014, we entered into a TRS agreement in order to manage the equity market risks associated with the SDCP liabilities. We pay a floating rate, based on SOFR plus an interest rate spread, on the notional amount of the TRS. The TRS is designed to substantially offset changes in the SDCP liabilities due to changes in the value of the investment options made by employees. See "Part I, Item 1. Financial Statements—Note 6. 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 (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are effective as of December 29, 2023 March 29, 2024.

##### Changes in Internal Control over Financial Reporting

During the quarter ended **December 29, 2023** **March 29, 2024**, there were no changes in our internal control over financial reporting that have 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 12. Legal, Environmental and Other Contingencies" of this Quarterly Report on Form 10-Q.

**ITEM 1A. RISK FACTORS**

**Summary of Risk Factors**

The following is a summary of the principal risks and uncertainties that could materially adversely affect our business, results of operations, financial condition, cash flows, brand and/or the price of our outstanding ordinary shares, and make an investment in our ordinary shares speculative or risky. You should read this summary together with the more detailed description of each risk factor contained below. Additional risks beyond those summarized below or discussed elsewhere in this Quarterly Report on Form 10-Q may apply to our business and operations as currently conducted or as we may conduct them in the future or to the markets in which we currently, or may in the future, operate.

**Risks Related to our Business, Operations and Industry**

- Our ability to increase our revenue and maintain our market share depends on our ability to successfully introduce and achieve market acceptance of new products on a timely basis. If our products do not keep pace with customer requirements, our results of operations will be adversely affected.
- We operate in highly competitive markets and our failure to anticipate and respond to technological changes and other market developments, including price competition, could harm our ability to compete.
- We have been adversely affected by reduced, delayed, loss of or canceled purchases by one or more of our key customers, including large hyperscale data center companies and CSPs.
- We are dependent on sales to distributors and retailers, which may increase price erosion and the volatility of our sales.
- We must plan our investments in our products and incur costs before we have customer orders or know about the market conditions at the time the products are produced. If we fail to predict demand accurately for our products or if the markets for our products change, we may have insufficient demand or we may be unable to meet demand, which may materially adversely affect our financial condition and results of operations.
- Changes in demand for computer systems, data storage subsystems and consumer electronic devices may in the future cause a decline in demand for our products.
- We have a long and unpredictable sales cycle for nearline storage solutions, which impairs our ability to accurately predict our financial and operating results in any period and may adversely affect our ability to manage inventory and forecast the need for investments and expenditures.
- We experience seasonal declines in the sales of our consumer products during the second half of our fiscal year which may adversely affect our results of operations.
- We may not be successful in our efforts to grow our systems, SSD and Lyve revenues.
- Our worldwide sales and manufacturing operations subject us to risks that may adversely affect our business related to disruptions in international markets, currency exchange fluctuations and increased costs.
- If we do not control our costs, we will not be able to compete effectively and our financial condition may be adversely impacted.
- We may not be able to execute acquisitions, divestitures and other significant transactions successfully and we may have difficulty or fail to successfully integrate acquired companies.

**Risks Associated with Supply and Manufacturing**

- Shortages or delays in the receipt of, or cost increases in, critical components, equipment or raw materials necessary to manufacture our products, as well as reliance on single-source suppliers, may affect our production and development of products and may harm our operating results.
- We have cancelled purchase commitments with suppliers and incurred costs associated with such cancellations, and if revenues fall or customer demand decreases significantly, we may seek to cancel or may otherwise not meet our purchase commitments to certain suppliers in the future, which could result in damages, penalties, disputes, litigation, increased manufacturing costs or excess inventory.
- Due to the complexity of our products, some defects may only become detectable after deployment, which may lead to increased costs and adversely affect our operating results.

**Risks Related to Human Capital and Corporate Responsibility**

- The loss of or inability to attract, retain and motivate key executive officers and employees could negatively impact our business prospects.
- We are subject to risks related to corporate and social responsibility that could adversely affect our reputation and performance.

**Risks Related to Financial Performance or General Economic Conditions**

- Changes in the macroeconomic environment have impacted and may continue to negatively impact our results of operations.

- We may not be able to generate sufficient cash flows from operations and our investments to meet our liquidity requirements, including servicing our indebtedness and continuing to declare our quarterly dividend.
- Our quarterly results of operations fluctuate, sometimes significantly, from period to period, and may cause our share price to decline.
- Any cost reduction initiatives that we undertake may not deliver the results we expected and these actions may adversely affect our business.
- The effect of geopolitical uncertainties, war, terrorism, natural disasters, public health issues and other circumstances, on national and/or international commerce and on the global economy, could materially adversely affect our results of operations and financial condition.
- We are subject to counterparty default risks.

#### **Legal, Regulatory and Compliance Risks**

- Our business is subject to various laws, regulations, governmental policies, litigation, governmental investigations or governmental proceedings that may cause us to incur significant expense or adversely impact our results of operations and financial condition.
- Some of our products and services are subject to export control laws and other laws affecting the countries in which our products and services may be sold, distributed, or delivered, and any changes to or violation of these laws could have a material adverse effect on our business, results of operations, financial condition and cash flows.
- Changes in U.S. trade policy, including the imposition of sanctions or tariffs and the resulting consequences, may have a material adverse impact on our business and results of operations.

#### **Risks Related to Intellectual Property and Other Proprietary Rights**

- We may be unable to protect our intellectual property rights, which could adversely affect our business, financial condition and results of operations.
- We are at times subject to intellectual property proceedings and claims which could cause us to incur significant additional costs or prevent us from selling our products, and which could adversely affect our results of operations and financial condition.
- Our business and certain products and services depend in part on intellectual property and technology licensed from third parties, as well as data centers and infrastructure operated by third parties.

#### **Risks Related to Information Technology, Data and Information Security**

- We could suffer a loss of revenue and increased costs, exposure to significant liability including legal and regulatory consequences, reputational harm and other serious negative consequences in the event of cyber-attacks, ransomware or other cyber security breaches or incidents that disrupt our operations or result in unauthorized access to, or the loss, corruption, unavailability or dissemination of proprietary or confidential information of our customers or about us or other third parties.
- We must successfully implement our new global enterprise resource planning system and maintain and upgrade our information technology ("IT") systems, and our failure to do so could have a material adverse effect on our business, financial condition and results of operations.

#### **Risks Related to Owning our Ordinary Shares**

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

### **RISKS RELATED TO OUR BUSINESS, OPERATIONS AND INDUSTRY**

***Our ability to increase our revenue and maintain our market share depends on our ability to successfully introduce and achieve market acceptance of new products on a timely basis. If our products do not keep pace with customer requirements, our results of operations will be adversely affected.***

The markets for our products are characterized by rapid technological change, frequent new product introductions and technology enhancements, uncertain product life cycles and changes in customer demand. The success of our products and services also often depends on whether our offerings are compatible with our customers' or third-parties' products or services and their changing technologies. Our customers demand new generations of storage products as advances in computer hardware and software have created the need for improved storage, with features such as increased storage capacity, enhanced security, energy efficiency, improved performance and reliability and lower cost. We, and our competitors, have developed improved products, and we will need to continue to do so in the future.

Historically, our results of operations have substantially depended upon our ability to be among the first-to-market with new data storage product offerings. We **have faced and may continue to** face technological, operational and financial challenges in developing new products. In addition, our investments in new product development may not yield the anticipated benefits. Our market share, revenue and results of operations in the future may be adversely affected if we fail to:

- develop new products, identify business strategies and timely introduce competitive product offerings to meet technological shifts or we are unable to execute these matters successfully;
- consistently maintain our time-to-market performance with our new products;
- manufacture these products in adequate volume;
- meet specifications or satisfy compatibility requirements;
- qualify these products with key customers on a timely basis by meeting our customers' performance and quality specifications; or
- achieve acceptable manufacturing yields, quality and margins with these products.

Accordingly, we cannot accurately determine the ultimate effect that our new products will have on our results of operations. Our failure to accurately anticipate customers' needs and accurately identify the shift in technological changes could materially adversely affect our long-term financial results.

In addition, the concentration of customers in our largest end markets magnifies the potential adverse effect of missing a product qualification opportunity. If the delivery of our products is delayed, our customers may use our competitors' products to meet their requirements.

When we develop new products with higher capacity and more advanced technology, our results of operations may decline because the increased difficulty and complexity associated with producing these products increases the likelihood of reliability, quality or operability problems. If our products experience increases in failure rates, are of low quality or are not reliable, customers may reduce their purchases of our products, our factory utilization may decrease and our manufacturing rework and scrap costs, along with our service and warranty costs may increase. In addition, a decline in the reliability of our products may make it more difficult for us to effectively compete with our competitors.

Additionally, we may be unable to produce new products that have higher capacities and more advanced technologies in the volumes and timeframes that are required to meet customer demand. **We As part of our launch of the Mozaic hard drive platform, we are transitioning to key areal density recording technologies that use HAMR technology to increase HDD capacities.** If our transitions to more advanced technologies, including the transition to HDDs utilizing HAMR technology, require development and production cycles that are longer than anticipated or if we otherwise fail to implement new HDD technologies successfully, we may lose sales and market share, which could significantly harm our financial results.

We cannot assure you that we will be among the leaders in time-to-market with new products or that we will be able to successfully qualify new products with our customers in the future. If our new products are not successful, our future results of operations may be adversely affected.

***We operate in highly competitive markets and our failure to anticipate and respond to technological changes and other market developments, including price competition, could harm our ability to compete.***

We face intense competition in the data storage industry. Our principal sources of competition include HDD and SSD manufacturers, and companies that provide storage subsystems, including electronic manufacturing services and contract electronic manufacturing.

The markets for our data storage products are characterized by technological change, which is driven in part by the adoption of new industry standards. These standards provide mechanisms to ensure technology component interoperability but they also hinder our ability to innovate or differentiate our products. When this occurs, our products may be considered commodities, which could result in downward pressure on prices.

We also experience competition from other companies that produce alternative storage technologies such as flash memory, where increasing capacity, decreasing cost, energy efficiency and improvements in performance have resulted in SSDs that offer increased competition with our lower capacity, smaller form factor HDDs and a declining trend in demand for HDDs in our legacy markets. Some customers for both mass capacity storage and legacy markets have adopted SSDs as an alternative to hard drives in certain applications. Further adoption of SSDs or other alternative storage technologies may limit our total addressable HDD market, impact the competitiveness of our product portfolio and reduce our market share.

Any resulting increase in competition could have a material adverse effect on our business, financial condition and results of operations.

***We have been adversely affected by reduced, delayed, loss of or canceled purchases by one or more of our key customers, including large hyperscale data center companies and CSPs.***

Some of our key customers, such as OEM customers, including large hyperscale data center companies and CSPs, account for a large portion of our revenue in our mass capacity markets. While we have long-standing relationships with many of our customers, if any key customers were to significantly reduce, defer or cancel their purchases from us or delay product acceptances, or we were prohibited from selling to those key customers such as due to export regulations, our results of operations would be adversely affected. Although sales to key customers may vary from period to period, a key customer that permanently discontinues or significantly reduces its relationship with us, or that we are prohibited from selling to, could be difficult to replace. In line with industry practice, new key customers usually require that we pass a lengthy and rigorous qualification process. Accordingly, it may be **a difficult, costly or costly for us prolonged process to attract and sign** new key customers. Additionally, our customers' demand for our products may fluctuate due to factors beyond our control. If any of our key customers unexpectedly reduce, delay or cancel orders, our revenues and results of operations may be materially adversely affected.

Furthermore, to the extent that there is consolidation among our customer base, or when supply exceeds demand in our industry, our customers may be able to command increased leverage in negotiating prices and other terms of sale, causing price erosion, which could adversely affect our profitability. Furthermore, if such customer pressures require us to reduce our pricing such that our gross margins are diminished, it might not be feasible to sell to a particular customer, which could result in a decrease in our revenue. Consolidation among our customer base may also lead to reduced demand for our products, replacement of our products by the combined entity with those of our competitors and cancellations of orders, each of which could adversely affect our results of operations. If a significant transaction or regulatory impact involving any of our key customers results in the loss of or reduction in purchases by these key customers, it could have a materially adverse effect on our business, results of operations and financial condition.

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

A substantial portion of our sales has been to distributors and retailers of disk drive products. Certain of our distributors and retailers may also market competing products. We face significant competition in this distribution channel as a result of limited product qualification programs and a focus on price, terms and product availability. Sales volumes through this channel are also less predictable and subject to greater volatility. In addition, deterioration in business and economic conditions has exacerbated price erosion and volatility as distributors or retailers lower prices to compensate for lower demand and higher inventory levels. Our distributors' and retailers' ability to access credit to fund their operations may also affect their purchases of our products. If prices decline significantly in this distribution channel or our distributors or retailers reduce purchases of our products or if distributors or retailers experience financial difficulties or terminate their relationships with us, our revenues and results of operations would be adversely affected.

**We must plan our investments in our products and incur costs before we have customer orders or know about the market conditions at the time the products are produced. If we fail to predict demand accurately for our products or if the markets for our products change, we may have insufficient demand or we may be unable to meet demand, which may materially adversely affect our financial condition and results of operations.**

Our results of operations are highly dependent on strong cloud, enterprise and consumer spending and the resulting demand for our products. Reduced demand, particularly from our key cloud and enterprise customers as a result of a significant change in macroeconomic conditions or other factors may result in a significant reduction or cancellation of their purchases from us which can and have materially adversely impacted our business and financial condition.

Our manufacturing process requires us to make significant product-specific investments in inventory for production at least three to six months in advance. As a result, we incur inventory and manufacturing costs in advance of anticipated sales that may never materialize or that may be substantially lower than expected. If actual demand for our products is lower than the forecast, we may also experience excess and obsolescence of inventory, higher inventory carrying costs, factory underutilization charges and manufacturing rework costs, which have resulted in and could in the future result in adverse material effects on our financial condition and results of operations. For example, due to customer inventory adjustments, we have experienced a slowdown in demand for our products, particularly in the mass capacity markets. These reductions in demand have required us to significantly reduce manufacturing production plans and recognize factory underutilization charges. We expect these factors will continue to impact our business and results of operations over the near term.

Other factors that have affected and may continue to affect our ability to anticipate or meet the demand for our products and adversely affect our results of operations include:

- competitive product announcements or technological advances that result in excess supply when customers cancel purchases in anticipation of newer products;
- variable demand resulting from unanticipated upward or downward pricing pressures;
- our ability to successfully qualify, manufacture and sell our data storage products;
- changes in our product mix, which may adversely affect our gross margins;
- growing demand for data storage caused by the increasing use of artificial intelligence ("AI") technologies;
- key customers deferring or canceling purchases or delaying product acceptances, or unexpected increases in their orders;
- manufacturing delays or interruptions, particularly at our manufacturing facilities in China, Malaysia, Northern Ireland, Singapore, Thailand or the United States;
- limited access to components that we obtain from a single or a limited number of suppliers; and
- the impact of changes in foreign currency exchange rates on the cost of producing our products and the effective price of our products to non-U.S. customers.

***Changes in demand for computer systems, data storage subsystems and consumer electronic devices may in the future cause a decline in demand for our products.***

Our products are incorporated in computers, data storage systems deployed in data centers and consumer electronic devices. Historically, the demand for these products has been volatile. Unexpected slowdowns in demand for computers, data storage subsystems or consumer electronic devices generally result in sharp declines in demand for our products. Declines in customer spending on the systems and devices that incorporate our products could have a material adverse effect on demand for our products and on our financial condition and results of operations. Uncertain global economic and business conditions can exacerbate, and have in the past exacerbated, these risks.

We are dependent on our long-term investments to manufacture adequate products. Our investment decisions in adding new manufacturing capacity require significant planning and lead-time, and a failure to accurately forecast demand for our products could cause us to over-invest or under-invest, which would lead to excess capacity, underutilization charges, or impairments.

Sales to the legacy markets remain an important part of our business. These markets, however, have been, and we expect them to continue to be, adversely affected by:

- announcements or introductions of major new operating systems or semiconductor improvements or shifts in customer preferences, performance requirements and behavior, such as the shift to tablet computers, smart phones, NAND flash memory or similar devices that meet customers' cost and capacity metrics;
- longer product life cycles; and
- changes in macroeconomic conditions that cause customers to spend less, such as the imposition of new tariffs, increased laws and regulations, and increased unemployment levels.

The deterioration of demand for disk drives in certain of the legacy markets has accelerated, and we believe this deterioration may continue and may further accelerate, which has caused and could further cause our operating results to suffer.

In addition, we believe announcements regarding competitive product introductions from time to time have caused customers to defer or cancel their purchases, making certain inventory obsolete. Whenever an oversupply of products in the market causes our industry to have higher than anticipated inventory levels, we experience even more intense price competition from other manufacturers than usual, which may materially adversely affect our financial results.

***We have a long and unpredictable sales cycle for nearline storage solutions, which impairs our ability to accurately predict our financial and operating results in any period and may adversely affect our ability to manage inventory and forecast the need for investments and expenditures.***

Our nearline storage solutions are technically complex and we typically supply them in high quantities to a small number of customers. Many of our products are tailored to meet the specific requirements of individual customers and are often integrated by our customers into the systems and products that they sell.

Our sales cycle for nearline storage solutions could exceed one year and could be unpredictable, depending on the time required for developing, testing and evaluating our products before deployment, the size of deployment, and the complexity of system configuration necessary for development. Additionally, our nearline storage solutions are subject to variability of sales primarily due to the timing of IT spending or a reflection of cyclical demand from CSPs based on the timing of their procurement and deployment requirements and their ability to procure other components needed to build out data center infrastructure. Given the length of development and qualification programs and unpredictability of the sales cycle, we may be unable to accurately forecast product demand, which may result in excess inventory and associated inventory reserves or write-downs, which could harm our business, financial condition and results of operations.

***We experience seasonal declines in the sales of our consumer products during the second half of our fiscal year which may adversely affect our results of operations.***

In certain end markets, sales of computers, storage subsystems and consumer electronic devices tend to be seasonal, and therefore, we expect to continue to experience seasonality in our business as we respond to variations in our customers' demand for our products. In particular, sales of our consumer products may be lower during the second half of our fiscal year. Retail sales of certain of our legacy markets solutions traditionally experience higher demand in the first half of our fiscal year driven by consumer spending in the back-to-school season from late summer to fall and the traditional holiday shopping season from fall to winter. We experience seasonal reductions in the second half of our fiscal year in the business activities of our customers during international holidays like Lunar New Year, as well as in the summer months (particularly in Europe), which typically result in lower sales during those periods. Since our working capital needs peak during periods in which we are increasing production in anticipation of orders that have not yet been received, our results of operations will fluctuate even if the forecasted demand for our products proves accurate. Failure to anticipate consumer demand for our branded solutions may also adversely impact our future results of operations. Furthermore, it is difficult for us to evaluate the degree to which this seasonality may affect our business in future periods because of the rate and unpredictability of product transitions and new product introductions, as well as macroeconomic conditions. In particular, during periods when there are rapidly changing macroeconomic conditions, historical seasonality trends may not be a good indicator to predict our future performance and results of operations.

***We may not be successful in our efforts to grow our systems, SSD and Lyve revenues.***

We have made and continue to make investments to grow our systems, SSD and Lyve platform revenues. Our ability to grow our systems, SSD and Lyve revenues is subject to the following risks:

- we may be unable to accurately estimate and predict data center capacity and requirements;
- we may be unable to offer compelling solutions or services to enterprises, subscribers or consumers;
- we may be unable to obtain cost effective supply of NAND flash memory in order to offer competitive SSD solutions; and
- our cloud systems revenues generally have a longer sales cycle, and growth is likely to depend on relatively large orders from a concentrated customer base, which may increase the variability of our results of operations and the difficulty of matching revenues with expenses.

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

***Our worldwide sales and manufacturing operations subject us to risks that may adversely affect our business related to disruptions in international markets, currency exchange fluctuations and increased costs.***

We are a global company and have significant sales operations outside of the United States, including sales personnel and customer support operations. We also generate a significant portion of our revenue from sales outside the United States. Disruptions in the economic, environmental, political, legal or regulatory landscape in the countries where we operate may have a material adverse impact on our manufacturing and sales operations. Disruptions in financial markets and the deterioration of global economic conditions have had and may continue to have an impact on our sales to customers and end-users.

Prices for our products are denominated predominantly in dollars, even when sold to customers located outside the United States. An increase in the value of the dollar could increase the real cost to our customers in those markets outside of the United States where we sell in dollars. This could adversely impact our sales and market share in such areas or increase pressure to lower our prices, and adversely impact our profit margins. In addition, we have revenue and expenses denominated in currencies other than the dollar, primarily the Thai Baht, Singaporean dollar, Chinese Renminbi and British Pound Sterling, which further exposes us to adverse movements in foreign currency exchange rates. A weakened dollar could increase the effective cost of our expenses such as payroll, utilities, tax and marketing expenses, as well as overseas capital expenditures. Any of these events could have a material adverse effect on our results of operations. We have attempted to manage the impact of foreign currency exchange rate changes by, among other things, entering into foreign currency forward exchange contracts from time to time, which could be designated as cash flow hedges or not designated as hedging instruments. Our hedging strategy may be ineffective, and specific hedges may expire and not be renewed or may not offset any or more than a portion of the adverse financial impact resulting from currency variations. The hedging activities may not cover our full exposure, subject us to certain counterparty credit risks and may impact our results of operations. See "Item 7A. Quantitative and Qualitative Disclosures About Market Risk—Foreign Currency Exchange Risk" of this report for additional information about our foreign currency exchange risk.

The shipping and transportation costs associated with our international operations are typically higher than those associated with our U.S. operations, resulting in decreased operating margins **for us** in some countries. Volatility in fuel costs, political instability or constraints and increases in the costs of air transportation may lead us to develop alternative shipment methods, which could disrupt our ability to receive raw materials, or ship finished products, and as a result our business and results of operations may be harmed.

***If we do not control our costs, we will not be able to compete effectively and our financial condition may be adversely impacted.***

We continually seek to make our cost structure and business processes more efficient. We are focused on increasing workforce flexibility and scalability, and improving overall competitiveness by leveraging our global capabilities, as well as external talent and skills, worldwide. Our strategy involves, to a substantial degree, increasing revenue and exabytes volume while controlling expenses. Because of our vertical design and manufacturing strategy, our operations have higher costs that are fixed or difficult to reduce in the short-term, including our costs related to utilization of existing facilities and equipment. If we fail to forecast demand accurately or if there is a partial or complete reduction in long-term demand for our products, we could be required to write off inventory or record excess capacity charges, which could negatively impact our gross margin and financial results. If we do not control our manufacturing and operating expenses, our ability to compete in the marketplace may be impaired. In the past, activities to reduce costs have included closures and transfers of facilities, significant personnel reductions, restructuring efforts, asset write-offs and efforts to increase automation. Our restructuring efforts and other measures to reduce costs may not yield the intended benefits and may be unsuccessful or disruptive to our business operations, which may materially adversely affect our financial results.

***We may not be able to execute acquisitions, divestitures and other significant transactions successfully and we may have difficulty or fail to successfully integrate acquired companies.***

As part of our business strategy, we may acquire companies or businesses, divest businesses or assets, enter into strategic alliances and joint ventures, and make investments to further our business. Risks associated with these transactions **have included, and may include:**

- not fully realizing the anticipated profits or other benefits of any particular transaction in the timeframe we expected or at all due to competition, market trends, additional costs or investments, the actions of advisors, suppliers or other third parties, or other factors;
- certain transactions have resulted, and in the future may result, resulting in significant costs and expenses; expenses;;
- failing to identify significant issues with the target during the due diligence process that result in significant liabilities;

  

- issuing common stock (potentially creating dilution) or incurring additional debt in order to finance a transaction, which financings may not be available require us to us on accept onerous terms acceptable to us such as high interest rates or at all; covenants that restrict our business;

  

- an adverse impact on our effective tax rate;
- acquiring a target with differing or inadequate privacy, data protection, and cybersecurity controls; and
- litigation.

In addition, if we fail to identify and complete such transactions and successfully integrate acquired businesses that further our strategic objectives, we may be required to expend additional resources to develop products, services and technology internally, which may put us at a competitive disadvantage. Integrations could significantly disrupt our business and the acquired business as they are often time-consuming and expensive and involve significant challenges, including successfully combining product and service offerings, entering or expanding markets, and retaining and integrating key employees, customers, distributors, facilities, technologies, and business systems, among other challenges. Furthermore, if there are future decreases in our stock price or significant changes in the business climate or results of operations of our reporting units, we may incur additional charges, including impairment charges.

In the case of a divestiture, we may have difficulty finding buyers or alternative exit strategies on acceptable terms in a timely manner. We may also dispose of a business at a price or on terms that are less desirable than we had anticipated. In addition, we may experience fewer benefits than expected, and the impact of the divestiture on our revenue growth may be larger than projected.

#### **RISKS ASSOCIATED WITH SUPPLY AND MANUFACTURING**

***Shortages or delays in the receipt of, or cost increases in, critical components, equipment or raw materials necessary to manufacture our products, as well as reliance on single-source suppliers, may affect our production and development of products and may harm our operating results.***

The cost, quality and availability of components, subassemblies, certain equipment and raw materials used to manufacture our products are critical to our success. Particularly important for our products are components such as read/write heads, substrates for recording media, ASICs, spindle motors, printed circuit boards, suspension assemblies and NAND flash memory. Certain rare earth elements are also critical in the manufacture of our products. In addition, the equipment we use to manufacture our products and components is frequently custom made and comes from a few suppliers and the lead times required to obtain manufacturing equipment can be significant. Our efforts to control our costs, including capital expenditures, may also affect our ability to obtain or maintain such inputs and equipment, which could affect our ability to meet future demand for our products.

We rely on sole or a limited number of direct and indirect suppliers for some or all of these components and rare earth elements that we do not manufacture, including substrates for recording media, read/write heads, ASICs, spindle motors, printed circuit boards, suspension assemblies and NAND flash memory. Our options in supplier selection in these cases are limited and the supplier-based technology has been and may continue to be single sourced until wider adoption of the technology occurs and any necessary licenses become available. In light of this small, consolidated supplier base, if our suppliers increased their prices as a result of inflationary pressures from the current macroeconomic conditions or changes to such conditions, and we could not pass these price increases to our customers, our operating margin would decline. Also, many of such direct and indirect component suppliers are geographically concentrated, making our supply chain more vulnerable to regional disruptions, such as severe weather, local or global health issues or pandemics, acts of terrorism, war and an unpredictable geopolitical climate, which have materially impacted, and may have a material in the future impact, on the production, availability and transportation of many components. We also often aim to lead the market in new technology deployments and leverage unique and customized technology from single source suppliers who are early adopters in the emerging market. If there are any technical issues in the supplier's technology, it may also cause us to delay shipments of our new technology deployments, incur scrap, rework or warranty charges and harm our financial position. Further, if a sole source or limited source supplier decides not to do business with us for any reason, we may be unable to develop, manufacture and commercialize certain of our products, which would adversely affect our business and financial position.

We have experienced and could in the future experience increased costs and production delays when we were unable to obtain the necessary equipment or sufficient quantities of some components, and/or have been forced to pay higher prices or make volume purchase commitments or advance deposits for some components, equipment or raw materials that were in short supply in the industry in general. If our direct and indirect vendors for these components are unable to meet our cost, quality, supply and transportation requirements or fulfill their contractual commitments and obligations, we may have to reengineer some products, which would likely cause production and shipment delays, make the reengineered products more costly and provide us with a lower rate of return on these products. Further, if we have to allocate the components we receive to certain of our products and ship less of others due to shortages or delays in critical components, we may lose sales to customers who could purchase more of their required products from our competitor that either did not experience these shortages or delays or that made different allocations, and thus our revenue and operating margin would decline.

We cannot assure you that we will be able to obtain critical components in a timely and economic manner. In addition, from time to time, some of our suppliers' manufacturing facilities may be fully utilized. If they fail to invest in additional capacity or deliver components in the required timeframe, such failure would have an impact on our ability to ramp new products, and may result in a loss of revenue or market share if our competitors did not utilize the same components and were not affected. Further, if our customers experience shortages of components or materials used in their products it could result in a decrease in demand for our products and have an adverse effect on our results of operations.

***We have cancelled purchase commitments with suppliers and incurred costs associated with such cancellations, and if revenues fall or customer demand decreases significantly, we may seek to cancel or may otherwise not meet our purchase commitments to certain suppliers in the future, which could result in damages, penalties, disputes, litigation, increased manufacturing costs or excess inventory.***

From time to time, we enter into long-term, non-cancelable purchase commitments or make large up-front investments with certain suppliers to secure certain components or technologies for the production of our products or to supplement our internal manufacturing capacity for certain components. In the September and December 2023 quarters, due to changes in forecasted demand, we cancelled certain purchase commitments and incurred associated fees, as well as sought to reduce or otherwise modify purchase commitments with other suppliers. If our actual revenues in the future are lower than our projections or if customer demand decreases significantly below our projections, we may seek to cancel or modify or may otherwise not meet our additional purchase commitments with certain suppliers. As a result, it is possible that our revenues will not be sufficient to recoup our up-front investments, in which case we will have to shift output from our internal manufacturing facilities to these suppliers, resulting in higher internal manufacturing costs, or we may be required to make penalty-type payments or pay specified amounts under the terms of these contracts for failure to meet our purchase commitments or otherwise satisfy our obligations under the contracts. We have and may continue to have disputes with our suppliers regarding our purchase commitments, including the cancellation or reduction of such commitments, that we may be unable to resolve, which may result in litigation that could result in adverse judgments, settlements or other litigation-related costs, the amounts of which may be material, as well as disruption to our supply chain and require management's attention. Additionally, because our markets are volatile, competitive and subject to rapid technology and price changes, we face inventory and other asset risks in the event we do not fully utilize purchase commitments. If we cancel purchase commitments, are unable to fully utilize our purchase commitments or shift output from our internal manufacturing facilities to meet the commitments, our gross margin and operating margin could be materially adversely impacted.

***Due to the complexity of our products, some defects may only become detectable after deployment, which may lead to increased costs and adversely affect our operating results.***

Our products are highly complex and are designed to operate in and form part of larger complex networks and storage systems. Our products may contain a defect or be perceived as containing a defect by our customers as a result of improper use or maintenance. Lead times required to manufacture certain components are significant, and a quality excursion may take significant time and resources to remediate. Defects in our products, third-party components or in the networks and systems of which they form a part, directly or indirectly, have resulted in and may in the future result in:

- increased costs and product delays until the complex solution level interoperability issues are resolved;
- costs associated with the remediation of any problems attributable to our products;
- loss of or delays in revenues;
- loss of customers;
- failure to achieve market acceptance and loss of market share;
- increased service and warranty costs; and
- increased insurance costs.

Defects in our products could also result in legal actions by our customers for breach of warranty, property damage, injury or death. Such legal actions, including but not limited to product liability claims, could exceed the level of insurance coverage that we have obtained. Any significant uninsured claims could significantly harm our financial condition.

## **RISKS RELATED TO HUMAN CAPITAL AND CORPORATE RESPONSIBILITY**

***The loss of or inability to attract, retain and motivate key executive officers and employees could negatively impact our business prospects.***

Our future performance depends to a significant degree upon the continued service of key members of management as well as marketing, sales and product development personnel. We believe our future success will also depend in large part upon our ability to attract, retain and further motivate highly skilled management, marketing, sales and product development personnel. We have experienced intense competition for qualified and capable personnel in many locations in which we operate, including the United States, Thailand, China, Singapore and Northern Ireland, and we cannot assure you that we will be able to retain our key employees or that we will be successful in attracting, assimilating and retaining personnel in the future. Additionally, because a portion of our key personnel's compensation is contingent upon the performance of our business, including through cash bonuses and equity compensation, when the market price of our ordinary shares fluctuates or our results of operations or financial condition are negatively impacted, we may be at a competitive disadvantage for retaining and hiring employees. The reductions in workforce, salary reductions and variability in our bonus payouts that result from our historical restructurings have also made and may continue to make it difficult for us to recruit and retain personnel. Increased difficulty in accessing, recruiting or retaining personnel may lead to increased manufacturing and employment compensation costs, which could adversely affect our results of operations. The loss of one or more of our key personnel or the inability to hire and retain key personnel could have a material adverse effect on our business, results of operations and financial condition.

***We are subject to risks related to corporate and social responsibility that could adversely affect our reputation and performance.***

Many factors influence our reputation including the perception held by our customers, suppliers, partners, shareholders, other key stakeholders and the communities in which we operate. Our key customers' satisfaction with the volume, quality and timeliness of our products is a material element of our market reputation, and any damage to our key

customer relationships could materially adversely affect our reputation. We face increasing scrutiny related to environmental, social and governance activities. We risk damage to our reputation if we fail to act responsibly in a number of areas, such as diversity and inclusion, environmental stewardship, sustainability, supply chain management, climate change, **the usage of AI**, workplace conduct and human rights. The increasing concern over climate change could also result in shifting customer preferences and regulations. Changing customer preferences may result in increased demands or requirements regarding our solutions, products and services, including the use of packaging materials, chemicals and other components in our products. These demands may cause us to incur additional costs or make other changes to our operations, which could adversely affect our financial results. If we fail to manage these requirements in an effective manner, customer demand for our solutions, products, and services could diminish, and our profitability could suffer.

Further, despite our policies to the contrary, our employees and personnel may violate environmental, social or governance standards or engage in other unethical conduct. These acts, or any accusation of such conduct, even if proven to be false, could adversely impact the reputation of our business. Any harm to our reputation could impact employee engagement and retention, our corporate culture and the willingness of customers, suppliers and partners to do business with us, which could have a material adverse effect on our business, results of operations and cash flows.

#### **RISKS RELATED TO FINANCIAL PERFORMANCE OR GENERAL ECONOMIC CONDITIONS**

##### ***Changes in the macroeconomic environment have impacted and may continue to negatively impact our results of operations.***

Changes in macroeconomic conditions may affect consumer and enterprise spending, and as a result, our customers may postpone or cancel spending in response to volatility in credit and equity markets, negative financial news and/or declines in income or asset values, all of which may have a material adverse effect on the demand for our products and/or result in significant changes in our product prices. Other factors that could have a material adverse effect on demand for our products, financial condition and results of operations include inflation, slower growth or recession, conditions in the labor market, healthcare costs, access to credit, consumer confidence and other macroeconomic factors affecting consumer and business spending behavior. These changes could happen rapidly and we may not be able to react quickly to prevent or limit our losses or exposures.

Macroeconomic developments such as adverse economic conditions worldwide or efforts of governments to stimulate or stabilize the economy, international conflicts, trade disputes, sanctions, increased tariffs between the United States and China, Mexico and other countries and the withdrawal of the United Kingdom from the EU, have and may continue to adversely impact our business. Significant inflation and related increases in interest rates, have negatively affected our business in recent quarters and could continue in the near future to negatively affect our business, operating results or financial condition or the markets in which we operate, which, in turn, could adversely affect the price of our ordinary shares. A general weakening of, and related declining corporate confidence in, the global economy or the curtailment in government or corporate spending could cause current or potential customers to reduce their IT budgets or be unable to fund data storage products, which could cause customers to delay, decrease or cancel purchases of our products or cause customers to not pay us or to delay paying us for previously purchased products and services.

##### ***We may not be able to generate sufficient cash flows from operations and our investments to meet our liquidity requirements, including servicing our indebtedness and continuing to declare our quarterly dividend.***

We are leveraged and require significant amounts of cash to service our outstanding indebtedness. Our business may not generate sufficient cash flows to enable us to meet our liquidity requirements, including working capital, capital expenditures, product development efforts, investments, servicing our indebtedness and other general corporate requirements. Our high level of debt presents the following risks:

- we are required to use a substantial portion of our cash flows from operations to service our debt, which reduces the availability of our cash flows to fund working capital, capital expenditures, product development efforts, strategic acquisitions, investments and alliances and other general corporate requirements;
- our substantial leverage increases our vulnerability to economic downturns, decreases the availability of capital and may subject us to a competitive disadvantage vis-à-vis those of our competitors that are less leveraged;
- our debt service obligations could limit our flexibility in planning for, or reacting to, changes in our business and our industry, and could limit our ability to borrow additional funds on satisfactory terms for operations or capital to implement our business strategies; and
- covenants in our debt agreements, including our existing Credit Agreement, limit, among other things, our ability to pay future dividends or make other restricted payments and investments and to incur additional indebtedness, which could restrict our ability to execute on our business strategy or react to the economic environment.

In addition, our ability to service our debt obligations and comply with debt covenants depends on our financial performance. If we fail to meet our debt service obligations or fail to comply with debt covenants, or are unable to modify, obtain a waiver, or cure a debt covenant on terms acceptable to us or at all, we could be in default of our debt agreements and instruments. Such a default could result in an acceleration of our indebtedness, including via cross-defaults, and may require us to change capital allocation or engage in distressed debt transactions on terms unfavorable to us, which could have a material negative impact on our financial performance, stock market price and operations.

In the event the conditional exchange feature of our 2028 Notes is triggered, holders of the 2028 Notes will be entitled to exchange their 2028 Notes at any time during specified periods at their option. Pursuant to the terms of the indenture governing the 2028 Notes, if one or more holders elect to exchange their 2028 Notes, we would be required to settle the principal portion of our exchange obligation in cash, and any remainder of the exchange obligation in excess of such principal amount in cash, ordinary shares issued by us or a combination of cash and ordinary shares, at our election. Such cash payment obligations could adversely affect our liquidity. In addition, if the conditional exchange feature of our 2028 Notes is triggered, even if holders of the 2028 Notes do not elect to exchange their 2028 Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of such 2028 Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

In the event that we need to refinance all or a portion of our outstanding debt as it matures or incur additional debt to fund our operations, we may not be able to refinance our existing debt or incur additional debt to fund our operations on terms acceptable to us or at all. If prevailing interest rates or other factors result in higher interest rates upon refinancing, then the interest expense relating to our debt would increase. Furthermore, if any rating agency changes our credit rating or outlook, our debt and equity securities could be negatively affected, which could adversely affect our ability to refinance existing debt or raise additional capital and increase the interest costs under our existing Credit Agreement.

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

Our quarterly revenue and results of operations fluctuate, sometimes significantly, from period to period. These fluctuations, which we expect to continue, have been and may continue to be precipitated by a variety of factors, including:

- uncertainty in global economic and political conditions, and instability or war or adverse changes in the level of economic activity in the major regions in which we do business;
- competitive pressures resulting in lower prices by our competitors which may shift demand away from our products;
- announcements of new products, services or technological innovations by us or our competitors, and delays or problems in our introduction of new, more cost-effective products, the inability to achieve high production yields or delays in customer qualification or initial product quality issues;
- changes in customer demand or the purchasing patterns or behavior of our customers;
- application of new or revised industry standards;
- disruptions in our supply chain, including increased costs or adverse changes in availability of supplies of raw materials or components;
- increased costs of electricity and/or other energy sources, freight and logistics costs or other materials or services necessary for the operation of our business;
- pandemics or other global health issues that impact our operations as well as those of our customers and suppliers;
- the impact of corporate restructuring activities that we have and may continue to engage in;
- changes in the demand for the computer systems and data storage products that contain our products;
- unfavorable supply and demand imbalances;
- our high proportion of fixed costs, including manufacturing and research and development expenses;
- any impairments in goodwill or other long-lived assets;
- changes in tax laws, such as global tax developments applicable to multinational businesses; the impact of trade barriers, such as import/export duties and restrictions, sanctions, tariffs and quotas, imposed by the United States or other countries in which the Company conducts business;
- the evolving legal and regulatory, economic, environmental and administrative climate in the international markets where the Company operates; and
- adverse changes in the performance of our products.

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

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

From time to time, we engage in restructuring plans that have resulted and may continue to result in workforce reduction and consolidation of our real estate facilities and our manufacturing footprint. In addition, management will continue to evaluate our global footprint and cost structure, and additional restructuring plans are expected to be formalized. As a result of our restructurings, we have experienced and may in the future experience a loss of continuity, loss of accumulated knowledge, disruptions to our operations and inefficiency during transitional periods. Any cost-cutting measures could impact employee retention. In addition, we cannot be sure that any future cost reductions or global footprint consolidations will deliver the results we expect, be successful in reducing our overall expenses as we expect or that additional costs will not offset any such reductions or global footprint consolidation. If our operating costs are higher than we expect or if we do not maintain adequate control of our costs and expenses, our results of operations may be adversely affected.

***The effect of geopolitical uncertainties, war, terrorism, natural disasters, public health issues and other circumstances, on national and/or international commerce and on the global economy, could materially adversely affect our results of operations and financial condition.***

Geopolitical uncertainty, terrorism, instability or war, such as the military action against Ukraine launched by Russia and the latest developments in the Middle East conflict, natural disasters, public health issues and other business interruptions have caused and could cause damage or disruption to international commerce and the global economy, and thus could have a strong negative effect on our business, our direct and indirect suppliers, logistics providers, manufacturing vendors and customers. Our business operations are subject to interruption by natural disasters such as floods and earthquakes, fires, power or water shortages, terrorist attacks, other hostile acts, labor disputes, public health issues and related mitigation actions, and other events beyond our control. Such events may decrease demand for our products, make it difficult or impossible for us to make and deliver products to our customers or to receive components from our direct and indirect suppliers, and create delays and inefficiencies in our supply chain.

A significant natural disaster, such as an earthquake, fire, flood, or significant power outage could have an adverse impact on our business, results of operations, and financial condition. The impact of climate change may increase these risks due to changes in weather patterns, such as increases in storm intensity, sea-level rise and temperature extremes in areas where we or our suppliers and customers conduct business. We have a number of our employees and executive officers located in the San Francisco Bay Area, a region known for seismic activity, wildfires and drought conditions, and in Asia, near major earthquake faults known for seismic activity. To mitigate wildfire risk, electric utilities are deploying public safety power shutoffs, which affects electricity reliability to our facilities and our communities. Many of our suppliers and customers are also located in areas with risks of natural disasters. In the event of a natural disaster, losses and significant recovery time could be required to resume operations and our financial condition and results of operations could be materially adversely affected.

Should major public health issues, including pandemics, arise, we could be negatively affected by stringent employee travel restrictions, additional limitations or cost increases in freight and other logistical services, governmental actions limiting the movement of products or employees between regions, increases in or changes to data collection and reporting obligations, delays in production ramps of new products, and disruptions in our operations and those of some of our key direct and indirect suppliers and customers.

***We are subject to counterparty default risks.***

We have numerous arrangements with financial institutions that subject us to counterparty default risks, including the capped call transactions, cash and investment deposits, and foreign currency forward exchange contracts and other derivative instruments. As a result, we are subject to the risk that the counterparty to one or more of these arrangements will, voluntarily or involuntarily, default on its performance obligations. In times of market distress in particular, a counterparty may not comply with its contractual commitments that could then lead to it defaulting on its obligations with little or no notice to us, thereby limiting our ability to take action to lessen or cover our exposure. Additionally, our ability to mitigate our counterparty exposures could be limited by the terms of the relevant agreements or because market conditions prevent us from taking effective action. For example, our exposure to the credit risk of the option counterparties to the capped call transactions will not be secured by any collateral. If one of our counterparties, including the option counterparties to the capped call transactions, becomes insolvent or files for bankruptcy, our ability to recover any losses suffered as a result of that counterparty's default may be limited by the liquidity of the counterparty or the applicable laws governing the bankruptcy proceedings. In the event of any such counterparty default, we could incur significant losses, which could have a material adverse effect on our business, results of operations, or financial condition. Our exposure to counterparty risk with respect to the capped call transactions will depend on many factors but, generally, an increase in our exposure will be correlated to an increase in the market price and in the volatility of our ordinary shares. In addition, upon a default by an option counterparty, we may suffer more dilution than we currently anticipate with respect to our ordinary shares. We can provide no assurance as to the financial stability or viability of the option counterparties to the capped call transactions.

Further, our customers could have reduced access to working capital due to global economic conditions, higher interest rates, reduced bank lending resulting from contractions in the money supply or the deterioration in the customer's, or their bank's financial condition or the inability to access other financing, which would increase our credit and non-payment risk, and could result in an increase in our operating costs or a reduction in our revenue. Also, our customers outside of the United States are sometimes allowed longer time periods for payment than our U.S. customers. This increases the risk of nonpayment due to the possibility that the financial condition of particular customers may worsen during the course of the payment period. In addition, some of our OEM customers have adopted a subcontractor model that requires us to contract directly with companies, such as original design manufacturers, that provide manufacturing and fulfillment services to our OEM customers. Because these subcontractors are generally not as well capitalized as our direct OEM customers, this subcontractor model exposes us to increased credit risks. Our agreements with our OEM customers may not permit us to increase our product prices to alleviate this increased credit risk.

#### LEGAL, REGULATORY AND COMPLIANCE RISKS

*Our business is subject to various laws, regulations, governmental policies, litigation, governmental investigations or governmental proceedings that may cause us to incur significant expense or adversely impact our results of operations and financial condition.*

Our business is subject to regulation under a wide variety of U.S. federal and state and non-U.S. laws, regulations and policies. Laws, regulations and policies may change in ways that will require us to modify our business model and objectives or affect our returns on investments by restricting existing activities and products, subjecting them to escalating costs or prohibiting them outright. In particular, potential uncertainty of changes to global tax laws, including global initiatives put forth by the Organization for Economic Co-operation and Development ("OECD") and tax laws in any jurisdiction in which we operate have had and may continue to have an effect on our business, corporate structure, operations, sales, liquidity, capital requirements, effective tax rate, results of operations, and financial performance. The member states of the European Union agreed to implement the OECD's Pillar Two framework, which imposes a global corporate minimum tax rate of 15%. Other countries may also adopt the Pillar Two framework. These changes may materially increase the level of income tax on our U.S. and non-U.S. jurisdictions. Jurisdictions such as China, Malaysia, Northern Ireland, Singapore, Thailand and the U.S., in which we have significant operating assets, and the European Union each have exercised and continue to exercise significant influence over many aspects of their domestic economies including, but not limited to, fair competition, tax practices, anti-corruption, anti-trust, data privacy, protection, security and sovereignty, price controls and international trade, which have had and may continue to have an adverse effect on our business operations and financial condition.

Our business, particularly our Lyve products and related services, is subject to state, federal, and international laws and regulations relating to data privacy, data protection and data security, including security breach notification, data retention, transfer and localization. Laws and regulations relating to these matters evolve frequently and their scope may change through new legislation, amendments to existing legislation and changes in interpretation or enforcement and may impose conflicting and inconsistent obligations. Any such changes, and any changes to our products or services or manner in which our customers utilize them may result in new or enhanced costly compliance requirements and governmental or regulatory scrutiny, may limit our ability to operate in certain jurisdictions or to engage in certain data processing activities, and may require us to modify our practices and policies, potentially in a material manner, which we may be unable to do in a timely or commercially reasonable manner or at all.

Further, the sale and manufacturing of products in certain states and countries ~~has and may continue to subject~~ subjects us and our suppliers to state, federal and international laws and regulations governing protection of the environment, including those governing climate change, discharges of pollutants into the air and water, the management and disposal of hazardous substances and wastes, the cleanup of contaminated sites, restrictions on the presence of certain substances in electronic products and the responsibility for environmentally safe disposal or recycling. If additional or more stringent requirements are imposed on us and our suppliers in the future, we could incur additional operating costs and capital expenditures. If we fail to comply with applicable environmental laws, regulations, initiatives, or standards of conduct, our customers may refuse to purchase our products and we could be subject to fines, penalties and possible prohibition of sales of our products into one or more states or countries, liability to our customers and damage to our reputation, which could result in a material adverse effect on our financial condition or results of operations.

As the laws and regulations to which we are subject to continue to change and vary greatly from jurisdiction to jurisdiction, compliance with such laws and regulations may be onerous, may create uncertainty as to how they will be applied and interpreted, and may continue to increase our cost of doing business globally.

From time to time, we have been and may continue to be involved in various legal, regulatory or administrative investigations, inquiries, negotiations or proceedings arising in the normal course of business. Litigation and government investigations or other proceedings are subject to inherent risks and uncertainties that may cause an outcome to differ materially from our expectations and may result in us being required to pay substantial damages, fines or penalties and cease certain practices or activities, and may harm our reputation and market position, all of which could materially harm our business, results of operations and financial conditions. The costs associated with litigation and government proceedings can also be unpredictable depending on the complexity and length of time devoted to such litigation or proceeding. Litigation and governmental investigations or other proceedings may also divert the efforts and attention of our key personnel, which could also harm our business.

In addition, regulation or government scrutiny may impact the requirements for marketing our products and slow our ability to introduce new products, resulting in an adverse impact on our business. Although we have implemented policies and procedures designed to ensure compliance, there can be no assurance that our employees, contractors or agents will not violate these or other applicable laws, rules and regulations to which we are and may be subject. Actual or perceived violations of these laws and regulations could lead to significant penalties, restraints on our export or import privileges, monetary fines, government investigations, disruption of our operating activities, damage to our reputation and corporate brand, criminal proceedings and regulatory or other actions that could materially adversely affect our results of operations. The political and media scrutiny surrounding a governmental investigation for the violation of such laws, even if an investigation does not result in a finding of violation, could cause us significant expense and collateral consequences, including reputational harm, that could have an adverse impact on our business, results of operations and financial condition.

***Some of our products and services are subject to export control laws and other laws affecting the countries in which our products and services may be sold, distributed, or delivered, and any changes to or violation of these laws could have a material adverse effect on our business, results of operations, financial condition and cash flows.***

Due to the global nature of our business, we are subject to import and export restrictions and regulations, including the Export Administration Regulations ("EAR") administered by BIS and the trade and economic sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"). We incorporate encryption technology into certain of our products and solutions. These encryption products and the underlying technology may be exported outside of the United States only with export authorizations, including by license, a license exception or other appropriate government authorizations, including the filing of an encryption registration. The United States, through the BIS and OFAC, places restrictions on the sale or export of certain products and services to certain countries, persons and entities, as well as for certain end-uses, such as military, military-intelligence and weapons of mass destruction end-uses. The U.S. government also imposes sanctions through executive orders restricting U.S. companies from conducting business activities with specified individuals and companies. Although we have controls and procedures to ensure compliance with all applicable regulations and orders, we cannot predict whether changes in laws or regulations by the United States, China or another jurisdiction will affect our ability to sell our products and services to existing or new customers. Additionally, we cannot ensure that our interpretation of relevant restrictions and regulations will be accepted in all cases by relevant regulatory and enforcement authorities. On April 18, 2023, we entered into a Settlement Agreement with BIS (the "Settlement Agreement") that resolves BIS' allegations regarding our sales of hard disk drives to Huawei. We have also agreed to complete three audits of our compliance with the license requirements of Section 734.9 of the EAR. The Settlement Agreement also includes a denial order that is suspended and will be waived five years after the date of the order issued under the Settlement Agreement, provided that we have made full and timely payments under the Settlement Agreement and timely completed the audit requirements. Despite our best efforts to comply with the terms of the Settlement Agreement, failure we may fail to do so or we may discover additional violations. In addition, from time to time, we have voluntarily self-reported potential export violations to OFAC or BIS. Although voluntary self-disclosure is considered a mitigating factor by OFAC and BIS, in light of the Settlement Agreement, we may be subject to increased penalties. Failure to comply with the Settlement Agreement, or any additional violations we discover could result in significant penalties, including the loss of the suspension of the denial order which would prohibit us from exporting our products subject to the EAR outside of the United States, and could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Violators of any U.S. export control and sanctions laws may be subject to significant penalties, which may include monetary fines, criminal proceedings against them and their officers and employees, a denial of export privileges, and suspension or debarment from selling products to the U.S. government. Moreover, the sanctions imposed by the U.S. government could be expanded in the future. Our products could be shipped to restricted end-users or for restricted end-uses by third parties, including potentially our channel partners, despite our precautions. In addition, if our partners fail to obtain appropriate import, export or re-export licenses or permits, we may also be adversely affected, through reputational harm as well as other negative consequences including government investigations and penalties. A significant portion of our sales are to customers in Asia Pacific region and other geographies that have been the recent focus of changes in U.S. export control policies. Various U.S. agencies have implemented and are considering additional changes to the regulations to increase controls over advanced computing chips, computers and related technologies. Any further limitation that impedes our ability to export or sell our products and services could materially adversely affect our business, results of operations, financial condition and cash flows.

Other countries also regulate the import and export of certain encryption and other technology, including import and export licensing requirements, and have enacted laws that could limit our ability to sell or distribute our products and services or could limit our partners' or customers' ability to sell or use our products and services in those countries, which could materially adversely affect our business, results of operations, financial condition and cash flows. Violations of these regulations may result in significant penalties and fines. For example, in our Settlement Agreement with BIS, we agreed to pay a penalty of \$300 million over a period of five years to resolve BIS' allegations. Changes in our products and services or future changes in export and import regulations may create delays in the introduction of our products and services in those countries, prevent our customers from deploying our products and services globally or, in some cases, prevent the export or import or sale of our products and services to certain countries, governments or persons altogether. From time to time, various governmental agencies have proposed additional regulation of encryption technology, including the escrow and government recovery of private encryption keys. Any change in export or import regulations, economic sanctions or related legislation, increased export and import controls, or change in the countries, governments, persons or technologies targeted by such regulations, in the countries where we operate could result in decreased use of our products and services by, or in our decreased ability to export or sell our products and services to, new or existing customers, which could materially adversely affect our business, results of operations, financial condition and cash flows.

If we were ever found to have violated applicable export control laws, we may be subject to penalties which could have a material and adverse impact on our business, results of operations, financial condition and cash flows. Even if we were not found to have violated such laws, the political and media scrutiny surrounding any governmental investigation of us could cause us significant expense and reputational harm. Such collateral consequences could have a material adverse impact on our business, results of operations, financial condition and cash flows.

***Changes in U.S. trade policy, including the imposition of sanctions or tariffs and the resulting consequences, may have a material adverse impact on our business and results of operations.***

We face uncertainty with regard to U.S. government trade policy. Current U.S. government trade policy includes tariffs on certain non-U.S. goods, including information and communication technology products. These measures may materially increase costs for goods imported into the United States. This in turn could require us to materially increase prices to our customers which may reduce demand, or, if we are unable to increase prices to adequately address any tariffs, quotas or duties, could lower our margin on products sold and negatively impact our financial performance. Changes in U.S. trade policy have resulted in, and could result in more, U.S. trading partners adopting responsive trade policies, including imposition of increased tariffs, quotas or duties. Such policies could make it more difficult or costly for us to export our products to those countries, therefore negatively impacting our financial performance.

## **RISKS RELATED TO INTELLECTUAL PROPERTY AND OTHER PROPRIETARY RIGHTS**

***We may be unable to protect our intellectual property rights, which could adversely affect our business, financial condition and results of operations.***

We rely on a combination of patent, trademark, copyright and trade secret laws, confidentiality agreements, security measures and licensing arrangements to protect our intellectual property rights. In the past, we have been involved in significant and expensive disputes regarding our intellectual property rights and those of others, including claims that we may be infringing patents, trademarks and other intellectual property rights of third parties. We expect that we will be involved in similar disputes in the future.

There can be no assurance that:

- any of our existing patents will continue to be held valid, if challenged;
- patents will be issued for any of our pending applications;
- any claims allowed from existing or pending patents will have sufficient scope or strength to protect us;
- our patents will be issued in the primary countries where our products are sold in order to protect our rights and potential commercial advantage;
- we will be able to protect our trade secrets and other proprietary information through confidentiality agreements with our customers, suppliers and employees and through other security measures; and
- others will not gain access to our trade secrets.

In addition, our competitors may be able to design their products **around** our patents and other proprietary rights. Enforcement of our rights often requires litigation. If we bring a patent infringement action and are not successful, our competitors would be able to use similar technology to compete with us. Moreover, the defendant in such an action may successfully countersue us for infringement of their patents or assert a counterclaim that our patents are invalid or unenforceable.

Furthermore, we have significant operations and sales in countries where intellectual property laws and enforcement policies are often less developed, less stringent or more difficult to enforce than in the United States. Therefore, we cannot be certain that we will be able to protect our intellectual property rights in jurisdictions outside the United States.

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

We are subject from time-to-time to legal proceedings and claims, including claims of alleged infringement of the patents, trademarks and other intellectual property rights of third parties by us, or our customers, in connection with the make, use, sale, or offer for sale of our products. Intellectual property litigation can be expensive and time-consuming, regardless of the merits of any claim, and could divert our management's attention from operating our business. In addition, intellectual property lawsuits are subject to inherent uncertainties due to the complexity of the technical issues involved, which may cause actual results to differ materially from our expectations. Some of the actions that we face from time-to-time seek injunctions against the sale of our products and/or substantial monetary damages, which, if granted or awarded, could materially harm our business, financial condition and operating results.

We cannot be certain that our products do not and will not infringe issued patents or other intellectual property rights of others. We may not be aware of currently filed patent applications that relate to our products or technology. If patents are later issued on these applications, we may be liable for infringement. If our products were found to infringe the intellectual property rights of others, we could be required to pay substantial damages, cease the manufacture, use and sale of infringing products in one or more geographic locations, expend significant resources to develop non-infringing technology, discontinue the use of specific processes or obtain licenses to the technology infringed. We might not be able to obtain the necessary licenses on acceptable terms, or at all, or be able to reengineer our products successfully to avoid infringement. Any of the foregoing could cause us to incur significant costs and prevent us from selling our products, which could adversely affect our results of operations and financial condition. See "Item 1. Financial Statements—Note 12. Legal, Environmental and Other Contingencies" contained in this report for a description of pending intellectual property proceedings.

***Our business and certain products and services depend in part on intellectual property and technology licensed from third parties, as well as data centers and infrastructure operated by third parties.***

Some of our business and some of our products rely on or include software licensed from third parties, including open source licenses. We may not be able to obtain or continue to obtain licenses from these third parties at all or on reasonable terms, or such third parties may demand cross-licenses to our intellectual property. Third-party components and technology may become obsolete, defective or incompatible with future versions of our products or services, or our relationship with the third party may deteriorate, or our agreements may expire or be terminated. We may face legal or business disputes with licensors that may threaten or lead to the disruption of inbound licensing relationships. In order to remain in compliance with the terms of our licenses, we monitor and manage our use of third-party software, including both proprietary and open source license terms to avoid subjecting our products and services to conditions we do not intend, such as the licensing or public disclosure of our intellectual property without compensation or on undesirable terms. The terms of many open source licenses have not been interpreted by U.S. courts, and these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our products or services. Additionally, some of these licenses may not be available to us in the future on terms that are acceptable or that allow our product offerings to remain competitive. Our inability to obtain licenses or rights on favorable terms could have a material effect on our business, financial condition, results of operations and cash flow, such as diverting resources away from our development efforts if we are required to take remedial action.

In addition, we also rely upon third-party hosted infrastructure partners globally to serve customers and operate certain aspects of our business or services. Any disruption of or interference at our hosted infrastructure partners would impact our operations and our business could be adversely impacted.

## **RISKS RELATED TO INFORMATION TECHNOLOGY, DATA AND INFORMATION SECURITY**

**We could suffer a loss of revenue and increased costs, exposure to significant liability including legal and regulatory consequences, reputational harm and other serious negative consequences in the event of cyber-attacks, ransomware or other cyber security breaches or incidents that disrupt our operations or result in unauthorized access to, or the loss, corruption, unavailability or dissemination of proprietary or confidential information of our customers or about us or other third parties.**

Our operations are dependent upon our ability to protect our digital infrastructure and data. We manage and store various proprietary information and sensitive or confidential data relating to our operations, as well as to our customers, suppliers, employees and other third parties, and we store subscribers' data on Lyve, our edge-to-cloud mass storage platform. As our operations become more automated and increasingly interdependent and our edge-to-cloud mass storage platform service grows, our exposure to the risks posed by storage, transfer, and maintenance of data, such as damage, corruption, loss, unavailability, unauthorized acquisition and other processing, and other security risks, including risks of disruptions to our platform or security breaches and incidents impacting our digital infrastructure and data, will continue to increase.

Despite the measures we and our vendors put in place designed to protect our computer equipment and data, our customers, suppliers, employees or other third parties, the digital infrastructure and data have been and may continue to be vulnerable to phishing, employee or contractor error, hacking, cyberattacks, ransomware and other malware, malfeasance, system error or other irregularities or incidents, including from attacks or breaches and incidents at third party vendors we utilize. In addition, the measures we take may not be sufficient for all eventualities. Threat actors are increasingly using tools and techniques that circumvent controls, evade detection, and remove forensic evidence, which means that we and others may be unable to anticipate, detect, deflect, contain or recover from cyberattacks in a timely or effective manner. As AI capabilities improve and are increasingly adopted, we may see cyberattacks created through AI. These attacks could be crafted with an AI tool to attack information systems by creating more effective phishing emails or social engineering and by exploiting vulnerabilities in electronic security programs utilizing false image or voice recognition. In addition, the threat could be a result of our or our customers and business partners incorporating the output of an AI tool, such as malicious code from an AI generated source code. Our network and storage applications, as well as those of our customers, business partners, and third-party providers, may be subject to unauthorized access by hackers or breached due to operator error, malfeasance or other system disruptions. There have been and may continue to be significant supply chain attacks, and we cannot guarantee that our or our suppliers' or other vendors' systems, networks, or other components or infrastructure have not been compromised or do not contain exploitable defects, bugs or vulnerabilities. We anticipate that these threats will continue to grow in scope and complexity over time due to the development and deployment of increasingly advanced tools and techniques.

We and our vendors may be unable to anticipate or prevent these attacks and other threats, react in a timely manner, or implement adequate preventive measures, and we and they may face delays in detection or remediation of, or other responses to, security breaches and other security-related incidents. The costs to eliminate or address security problems and security vulnerabilities before or after a security breach or incident may be significant. Certain legacy IT systems may not be easily remediated, and our disaster recovery planning may not be sufficient for all eventualities. Our remediation and other aspects of our efforts to address any attack, compromise, breach or incident may not be successful and could result in interruptions, delays or cessation of service. Security breaches or incidents and unauthorized access to, or loss, corruption, unavailability, or processing of data we and our vendors maintain or otherwise process has exposed us and could expose us, our vendors and customers or other third parties to a risk of loss or misuse of this data. Any actual or perceived breach incident could result in litigation or governmental investigations, fines, penalties, indemnity obligations and other potential liability and costs for us, materially damage our brand, cause us to lose existing or potential customers, impede critical functions or otherwise materially harm our business, results of operations and financial condition.

Additionally, defending against claims, litigation or regulatory inquiries or proceedings relating to any security breach or other security incident, regardless of merit, could be costly and divert attention of key personnel. We cannot ensure that any provisions in our contracts with customers or others relating to limitations of liability would be enforceable or adequate or would otherwise protect us from any liabilities or damages with respect to any claim. The insurance coverage we maintain that is intended to address certain data security risks may be insufficient to cover all types of claims or losses that may arise and has been increasing in price over time. We cannot be certain that insurance coverage will continue to be available to us on economically reasonable terms, or at all.

**We must successfully implement our new global enterprise resource planning system and maintain and upgrade our information technology ("IT") systems, and our failure to do so could have a material adverse effect on our business, financial condition and results of operations.**

We are in the process of implementing, and will continue to invest in and implement, modifications and upgrades to our IT systems and procedures, including making changes to legacy systems or acquiring new systems with new functionality, and building new policies, procedures, training programs and monitoring tools.

We are engaged in a multi-year implementation of a new global enterprise resource planning system ("ERP") which **requires** has required and will continue to require significant investment of human and financial resources. The ERP is designed to efficiently maintain our financial records and provide information important to the operation of our business to our management team. In implementing the ERP, we may experience significant increases to inherent costs and risks associated with changing and acquiring these systems, policies, procedures and monitoring tools, including capital expenditures, additional operating expenses, demands on management time and other risks and costs of delays or difficulties in transitioning to or integrating new systems policies, procedures or monitoring tools into our current systems. Any significant disruption or deficiency in the design and implementation of the ERP may adversely affect our ability to process orders, ship product, send invoices and track payments, fulfill contractual obligations, maintain effective disclosure controls and internal control over financial reporting or otherwise operate our business. These implementations, modifications and upgrades may not result in productivity improvements at a level that outweighs the costs of implementation, or at all. In addition, difficulties with implementing new technology systems, such as ERP, delays in our timeline for planned improvements, significant system failures or our inability to successfully modify our IT systems, policies, procedures or monitoring tools to respond to changes in our business needs in the past have caused and in the future may cause disruptions in our business operations, increase security risks, and may have a material adverse effect on our business, financial condition and results of operations.

#### **RISKS RELATED TO OWNING OUR ORDINARY SHARES**

***The price of our ordinary shares may be volatile and could decline significantly.***

The market price of our ordinary shares has fluctuated and may continue to fluctuate or decline significantly in response to various factors some of which are beyond our control, including:

- general stock market conditions, or general uncertainty in stock market conditions due to global economic conditions and negative financial news unrelated to our business or industry;
- the timing and amount of or the discontinuance of our share repurchases;
- actual or anticipated variations in our results of operations;
- announcements of innovations, new products, significant contracts, acquisitions, or significant price reductions by us or our competitors, including those competitors who offer alternative storage technology solutions;
- our failure to meet our guidance or the performance estimates of investment research analysts, or changes in financial estimates by investment research analysts;
- significant announcements by or changes in financial condition of a large customer;
- the ability of our customers to procure necessary components which may impact their demand or timing of their demand for our products, especially during a period of persistent supply chain shortages;
- reduction in demand from our key customers due to macroeconomic conditions that reduce cloud, enterprise or consumer spending;
- the issuance of our ordinary shares upon exchange of some or all of our outstanding 2028 Notes for amounts in excess of the principal amount. Refer to "Part I, Item 1. Financial Statements—Note 3. *Debt*" for details;
- actual or perceived security breaches or incidents or security vulnerabilities;
- actual or anticipated changes in the credit ratings of our indebtedness by rating agencies; and
- the sale of our ordinary shares held by certain equity investors or members of management.

In addition, in the past, following periods of decline in the market price of a company's securities, class action lawsuits have often been pursued against that company. Similar litigation has been pursued against us, and it could result in substantial costs and a diversion of management's attention and resources, which could materially adversely affect our results of operations, financial condition and liquidity.

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

Although historically we have announced regular cash dividend payments and a share repurchase program, we are under no obligation to pay cash dividends to our shareholders in the future at historical levels or at all or to repurchase our ordinary shares at any particular price or at all. The declaration and payment of any future dividends is at the discretion of our Board of Directors. Our previously announced share repurchase program was paused in the December 2022 quarter, remained paused through the **Second** third quarter of fiscal year 2024 and there are no assurances as to if and when the program will resume. Our payment of quarterly cash dividends and the repurchase of our ordinary shares pursuant to our share repurchase program are subject to, among other things, our financial position and results of operations, distributable reserves, available cash and cash flow, capital and regulatory requirements, market and economic conditions, our ordinary share price and other factors. Any reduction or discontinuance by us of the payment of quarterly cash dividends or the repurchase of our ordinary shares pursuant to our share repurchase program could cause the market price of our ordinary shares to decline significantly. Moreover, in the event our payment of quarterly cash dividends or repurchases of our ordinary shares are reduced or discontinued, our failure to resume such activities at historical levels could result in a persistent lower market valuation of our ordinary shares.

## 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 our Constitution.

As of **December 29, 2023** **March 29, 2024**, \$1.9 billion remained available for repurchases under the existing repurchase authorization. There is no expiration date on this authorization. The timing of purchases will depend upon prevailing market conditions, alternative uses of capital and other factors. We may limit or terminate the repurchase program at any time.

The following table sets forth information with respect to all repurchases of our ordinary shares made during the fiscal quarter ended **December 29, 2023** **March 29, 2024**, 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 <sup>(1)</sup>	Average Price Paid Per Share <sup>(1)</sup>	Total Number of Shares Repurchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs <sup>(1)</sup>
<b>September December 30, 2023 through October 27, 2023 January 26, 2024</b>	—	—	—	\$ <b>1,896</b> 1,893
<b>October 28, 2023 January 27, 2024 through November 24, 2023 February 23, 2024</b>	—	—	—	\$ <b>1,895</b> 1,893
<b>November 25, 2023 February 24, 2024 through December 29, 2023 March 29, 2024</b>	—	—	—	\$ <b>1,894</b> 1,891
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

(1) Repurchase of shares pursuant to the repurchase program described above, as well as tax withholdings.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**ITEM 5. OTHER INFORMATION**

**Trading Plans or Rule 10b5-1 Trading Plans**

The table below summarizes the material terms of trading arrangements adopted by our executive officers or directors during the December 2023/March 2024 quarter. The trading arrangement listed below is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c):

Name	Title	Date of Adoption	End Date <sup>1</sup>	Aggregate number of ordinary shares to be sold pursuant to the trading agreement
Kian Fatt Chong John Morris	Senior Vice President	12/4/2023	12/4/ February 6, 2024	January 31, 2025
Ban Seng Teh	Executive Vice President	January 29, 2024	December 31, 2024	30,868
				11,353 35,433

(v) The plan will expire on the earlier of the end date or the completion of all transactions under the trading arrangement.

## ITEM 6. EXHIBITS

3.1	3.1 <a href="#">Certificate of Incorporation of Seagate Technology Holdings plc</a>	10-K 001-31560	3.1	8/6/2021		
3.2	3.2 <a href="#">Constitution of Seagate Technology Holdings public limited company as of May 18, 2021 (as amended by special resolution dated May 14, 2021).</a>	S-8 001-31560	4.1	10/20/2021		
	3.2					
	3.2					
	31.1					
	31.1					
31.1	31.1 <a href="#">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</a>	X		<a href="#">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</a>		X
31.2	31.2 <a href="#">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</a>	X				
	31.2					
	31.2					
	31.2					
	32.1†					
	32.1†					

32.1†	32.1†	<a href="#">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 of 2002</a>	X	<a href="#">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 of 2002</a>	X
101.INS	101.INS	Inline XBRL Instance Document.			
	101.INS				
	101.INS				
	101.SCH				
	101.SCH				
101.SCH	101.SCH	Inline XBRL Taxonomy Extension Schema.			
101.CAL	101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.			
	101.CAL				
	101.CAL				
101.LAB	101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.			
	101.LAB				
	101.LAB				
	101.PRE				
	101.PRE				
101.PRE	101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.			
101.DEF	101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase.			
	101.DEF				
	101.DEF				
104	104	Inline XBRL Cover page and contained in Exhibit 101.			
	104				
	104				

+ 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 Holdings 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.

\* Certain portions of this exhibit have been omitted because they are not material, and they are the type of information that the registrant treats as private or confidential.

^ The schedules and other attachments to this exhibit have been omitted. The Registrant agrees to furnish a copy of any omitted schedules or attachments to the SEC upon request.

## 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 HOLDINGS PUBLIC LIMITED COMPANY

DATE: **January** April 26, 2024

BY: **/s/ Gianluca Romano**

Gianluca Romano

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

**61 62**

**Exhibit 2.1**  
**Execution Version**

[\*] = Certain confidential information contained in this document, marked by brackets, has been omitted because it is both (i) not material and (ii) is the type that the registrant treats as private or confidential.

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## ASSET PURCHASE AGREEMENT

by and among

**SEAGATE TECHNOLOGY LLC,**

**SEAGATE SINGAPORE INTERNATIONAL HEADQUARTERS PTE. LTD.,**

**SEAGATE TECHNOLOGY HOLDINGS PLC,**

and

**AVAGO TECHNOLOGIES INTERNATIONAL SALES PTE. LIMITED**

**dated as of April 23, 2024**

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## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made as of April 23, 2024, by and among Seagate Technology LLC, a Delaware limited liability company, Seagate Singapore International Headquarters Pte. Ltd., a private company incorporated under the laws of Singapore (collectively, the "Sellers"), Avago Technologies International Sales Pte. Limited, a private company incorporated under the laws of Singapore ("Buyer"), and solely for purposes of Section 6.3 and Section 6.7 herein, Seagate Technology Holdings PLC, a public company incorporated under the laws of Ireland ("Seller Parent"). Sellers and Buyer are collectively referred to in this Agreement as the "Parties" and individually as a "Party".

WHEREAS, Sellers and their Subsidiaries are engaged in the Product Operations; and

WHEREAS, on the terms and subject to the conditions set forth herein, Sellers desire to, and desire to cause their relevant Subsidiaries to, sell, assign, transfer, convey and deliver to Buyer and its Subsidiaries, and Buyer and its Subsidiaries desire to purchase and acquire from Sellers and their Subsidiaries, all of their right, title and interest in and to certain assets related to the Product Operations, upon the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual representations, warranties and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

## ARTICLE I

### DEFINITIONS

**1.1 Definitions.** For purposes of this Agreement, the following terms shall have the meanings set forth below:

"Additional Closing" means a closing of the sale and purchase of Purchased Assets with respect to any jurisdiction, which closing did not occur at the Closing.

"Affiliates" of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities or otherwise.

"Antitrust Laws" means antitrust, competition and trade regulation Laws.

**"Books and Records"** means books, records, ledgers, files, documents, correspondence, lists, data, studies and reports, including all quality control records, research and development files, lists and records pertaining to suppliers, company manuals and other materials, whether written, electronic or otherwise. For clarity, Books and Records includes Technology (including Seller Technology) to the extent existing in a form or medium that can be readily copied without significant effort or expense (such as software or documentation, but not hardware).

**"Business Day"** means any day, excluding Saturday, Sunday and any day which is a legal holiday under the Laws of the State of California or New York or is a day on which banking institutions located in such states are authorized or obligated by Law or other governmental action to be closed.

**"Cash"** means cash and cash equivalents.

**"Code"** means the Internal Revenue Code of 1986, as amended.

**"Comparable Position"** means a position with the following attributes, as described in the Seagate US LLC Reduction in Force Separation Pay Plan, as amended and restated effective July 21, 2021: (a) total cash compensation equal to at least eighty-five percent (85%) of the combined base and target incentive pay of the Transferred Employee's position with the applicable Seller or Employing Subsidiary as in effect immediately prior to the Closing; (b) a work location no more than fifty (50) miles from the Transferred Employee's work location as in effect immediately prior to the Closing; and (c) for which the Transferred Employee's relocation of the Transferred Employee's principal residence is not required by the Buyer or any of its Affiliates.

**"Confidentiality Agreement"** means the Mutual Nondisclosure Agreement, dated October 10, 2022, as amended, by and among Broadcom Inc. and Seagate Technology LLC.

**"Contract"** means any oral or written contract, subcontract, note, bond, guarantee, license, sublicense, mortgage, purchase order, indenture, evidence of indebtedness, loan agreement, lease, sublease, agreement, instrument, binding arrangement or any binding commitment to enter into any of the foregoing.

**"Effect"** means any change, effect, development, circumstance, condition, fact, state of facts, event or occurrence.

**"Employing Subsidiary"** means an Affiliate of Seller that employs a Product Operations Employee.

**"Environmental and Safety Requirements"** means all federal, state, local and foreign statutes, regulations, ordinances and other provisions having the force or effect of Law, all judicial and administrative orders and determinations, all contractual obligations and all common law, in each case concerning public health and safety, worker health and safety and pollution or protection of the environment, including all those relating to the presence, use, production, generation, handling, transport, treatment, storage, recycling, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control or cleanup of any hazardous or otherwise regulated materials, substances or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, lead or lead-based paints or materials, polychlorinated biphenyls, radon, noise or radiation.

**"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended.

**"ERISA Affiliate"** means any corporation, trade, business, or entity that would be deemed a "single employer" with Seller or any of its Affiliates within the meaning of Section 414(b), (c), (m), or (o) of the Code or Section 4001 of ERISA.

**"Excluded Tax Refunds"** means all cash refunds of Taxes actually paid by the Sellers or any of their Affiliates that are received within the two (2) year period beginning on the Closing Date.

**"Excluded Taxes"** means, without duplication, (a) any Taxes imposed on, with respect to or relating to the Product Operations, any of the Purchased Assets or any of the Assumed Liabilities for any Pre-Closing Tax Period, (b) any Taxes (other than Transfer Taxes) of, imposed on or with respect to Sellers (or any direct or indirect owners of Sellers) or their Affiliates for any taxable period, (c) any Taxes imposed on, with respect to or relating to any Excluded Asset or any Excluded Liability for any taxable period, (d) Taxes arising or resulting from a breach of any representation or warranty contained in Section 3.7 (in each case, without giving effect to any limitation or qualification as to materiality or knowledge set forth therein or any scheduled exception thereto) or a breach by Sellers of any covenant and agreement contained in this Agreement, and (e) any Transfer Taxes for which Sellers are responsible pursuant to Section 6.1(b).

**"Fraud"** means common law fraud under the Laws of the State of Delaware.

**"GAAP"** means United States generally accepted accounting principles, consistently applied.

**"Governmental Entity"** means any United States, state, local or foreign governmental, regulatory or administrative body, agency or authority, any court or judicial authority or arbitration tribunal, whether national, federal, state, local or otherwise, or any Person lawfully empowered by any of the foregoing to enforce or seek compliance with any applicable Law.

**"Indebtedness"** means, with respect to a Person, at a particular time, without duplication, (a) all obligations for borrowed money; (b) all obligations evidenced by bonds, debentures, notes or similar instruments; (c) all obligations of the type referred to in any of clauses (a), (b) or (d) through (k) of this definition or others secured by any Lien on owned or acquired property, whether or not the indebtedness secured thereby has been assumed; (d) all guarantees by such Person (or any other arrangement having the economic effect of a guarantee) of obligations of any other Person of the type referred to in any of clauses (a) through (c) or (e) through (k) of this definition; (e) all obligations in respect of capital, finance and synthetic leases; (f) all obligations, contingent or otherwise, of such Person as an account party in respect of financial guaranties, letters of credit, letters of guaranty, surety bonds and other similar instruments; (g) all obligations in respect of securitization transactions; (h) all obligations representing the deferred and unpaid purchase price of property or services (other than trade payables incurred in the ordinary course of business); (i) all obligations, contingent or otherwise, in respect of bankers' acceptances; (j) net cash payment obligations of such Person under swaps, options, derivatives and other hedging agreements or arrangements that would be payable upon termination thereof (assuming they were terminated on the date of determination); and (k) all accrued interest, accrued value, conversion obligations, penalties or fees related to any of the foregoing, including any prepayment and redemption premiums, make-whole payments or penalties (including breakage costs) and any other fees and expenses paid or payable to satisfy such indebtedness.

**"Infrastructure Assets"** means the following assets used by Sellers and their respective Affiliates in the operation of their businesses: (a) email systems; (b) servers (other than the servers listed on Section 2.1(a)(iii) of the Sellers Disclosure Schedules); (c) personal productivity assets (other than the Transferred Personal Productivity Assets); (d) telephone and communication systems and equipment, public Internet Protocol address blocks, autonomous numbers or public domain names; and (e) human resource, accounting, finance, payroll, compliance, legal, quality, facility, security, safety/health/environment and other enterprise, administrative, or corporate overhead systems and services.

**"Intellectual Property Rights"** means any and all common law or statutory rights anywhere in the world arising under or associated with: (a) patents, patent applications, statutory invention registrations, registered designs, and similar or equivalent rights in inventions and designs, and all rights therein provided by international treaties and conventions ("Patents"); (b) trademarks, service marks, trade dress, trade names, corporate names, logos, and other designations of origin, domain names, uniform resource locators, Internet Protocol addresses, social media handles, and other names, identifiers, and locators associated with Internet addresses, sites, and services ("Marks"); (c) copyrights and any other equivalent rights in works of authorship (including rights in Software as a work of authorship) and any other related rights of authors ("Copyrights"); (d) mask work rights and any other similar or equivalent rights; (e) trade secrets and industrial secret rights, and similar or equivalent rights in know-how, and confidential or proprietary business or technical information, in each case, that derives independent economic value, whether actual or potential, from not being known to other Persons ("Trade Secrets"); and (f) other similar or equivalent intellectual property rights anywhere in the world.

**"Key Employee"** means each Product Operations Employee identified as a "Key Employee" on Section 1.1(a) of the Sellers Disclosure Schedules.

**"Key Employee Employment Agreements"** means the employment offer letters between either LSI Corporation, a Delaware corporation, or LSI India Research & Development Private Limited, and each of the Key Employees entered into prior to the date hereof and effective contingent upon the occurrence of the Closing.

**"Knowledge"** as used in the phrases "to the Knowledge of Sellers," "to Sellers' Knowledge," or phrases of similar import means the actual knowledge (after reasonable inquiry) of the persons set forth on Section 1.1(b) of the Sellers Disclosure Schedules.

**"Labor Agreement"** means any collective bargaining agreement or other material agreement with any representative body with respect to the Product Operations Employees.

**"Law"** foreign or domestic, federal, national, state, provincial, territorial or local law, common law, statute, treaty, ordinance, rule, regulation or code of any Governmental Entity or any statute, rule, regulation, executive order, decree, decision, determination, binding interpretation or other order (whether temporary, preliminary or permanent) of any Governmental Entity.

**"Liability"** means any and all liabilities, debts and obligations (whether direct or indirect, absolute or contingent, known or unknown, accrued or unaccrued, liquidated or unliquidated, or due or to become due whether in contract, tort, strict liability, by statute or regulation or otherwise arising under applicable Law, including any fines or penalties which may be levied under applicable Law, or otherwise), of whatever kind and nature.

**"Lien"** means any and all liens (statutory or otherwise), preferential arrangements of any kind or nature whatsoever (including the interest of a vendor or lessor under any conditional sale, capitalized lease or other title retention agreement), hypothecations, assignments, pledges, mortgages, license, deeds of trust, security interests, claims, leases, charges, options, preemptive rights, rights of first refusal or first offer, easements, restriction on the use or transfer of any property, servitudes, proxies, voting trusts or agreements, transfer restriction under any shareholder or similar agreements, encumbrances and other restrictions or limitations on any attribute of ownership whatsoever.

**"Local Transfer Agreements"** means, together, (a) the Asset Purchase Agreement in the form attached hereto as Exhibit E (the **"Local Asset Purchase Agreement"**), (b) the Workforce Transition Agreement in the form attached hereto as Exhibit F-1 and the Secondment Agreement in the form attached hereto as Exhibit F-2 (together, the **"Workforce Transition Agreement"**), and (c) the agreement by and among Seagate Technology HDD (India) Private Limited and LSI India Research & Development Private Limited, in the form attached hereto as Exhibit D-2.

**"Material Adverse Effect"** means any Effect that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on the financial condition, business, assets, liabilities or results of operations of the Product Operations, taken as a whole; provided, however, that no Effects to the extent resulting or arising from the following shall be deemed to constitute a Material Adverse Effect or shall be taken into account when determining whether a Material Adverse Effect exists or has occurred or is reasonably expected to exist or occur: (a) any changes in general United States or global economic conditions, including any changes affecting financial, credit, foreign exchange or capital market conditions (including the imposition of new or increased tariffs); (b) any changes in general conditions in the semiconductor industry, including supply chain disruptions; (c) any changes in general political conditions; (d) any changes after the date hereof in GAAP or any other accounting standards or principles or the interpretation of the foregoing; (e) any changes after the date hereof in applicable Law or the interpretation thereof; (f) any changes in geopolitical conditions, acts of terrorism or sabotage, war (whether or not declared), the commencement, continuation or escalation of a war, acts of armed hostility, civil unrest, weather conditions, natural disasters or other force majeure events, including any material worsening of such conditions threatened or existing as of the date hereof; and (g) the execution and delivery of this Agreement or the transactions contemplated by this Agreement, or the public announcement of this Agreement or the transactions contemplated hereby; provided that, with respect to the exceptions set forth in clauses (a), (b), (c), (d), (e) and (f), if such Effect has had a disproportionate adverse impact on the Product Operations relative to other businesses operating in the industry or industries in which the Product Operations operates, then the incremental disproportionate adverse impact of such Effect shall be taken into account for the purpose of determining whether a Material Adverse Effect exists or has occurred or is reasonably expected to exist or occur.

**"Open Source Material"** shall mean any Software, documentation or other material that is distributed under a licensing or distribution model meeting the definition of "Open Source" promulgated by the Open Source Initiative (available online at <http://opensource.org/osd>) (each, **"Open Source License"**), including the GNU General Public License (GPL), GNU Lesser General Public License (LGPL), Mozilla Public License (MPL), BSD licenses, the Artistic License, the Netscape Public License, the Sun Community Source License (SCSL) the Sun Industry Standards License (SISL) and the Apache License, or any other license approved by the Open Source Initiative as set forth on [www.opensource.org/licenses/alphabetical](http://www.opensource.org/licenses/alphabetical).

**"Ordinary Course of Business"** means ordinary and usual course of business, consistent with past practice (including with respect to quantity and frequency) (if there is any such past practice).

**"Organizational Documents"** means, with respect to a Person that is an entity, the articles or certificate of incorporation or formation, bylaws, operating agreement, certificate of partnership or other governing or constituent documents of such Person.

**"Patent Assignment Agreement"** means the agreement between Buyer and Sellers and each of their Subsidiaries in the form attached hereto as Exhibit C.

**"Permitted Liens"** means (a) mechanic's, materialman's, supplier's and similar liens; (b) statutory liens for Taxes that are not yet delinquent; and (c) non-exclusive licenses to Intellectual Property Rights or Technology (i) granted (or deemed granted) in confidentiality and non-disclosure agreements with respect to information disclosed in such agreements, (ii) granted in Contracts with consultants, contractors and vendors to the extent granting licenses in connection with the counterparty's provisions of products or services to or for any of the Sellers, or (iii) otherwise granted in the ordinary course of business.

**"Person"** means an individual, a partnership, a limited liability company, a corporation, a cooperative, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental authority, body or entity or any department, agency or political subdivision thereof.

**"Plan"** means (a) all employee benefit plans (as defined in Section 3(3) of ERISA, whether or not such plans are subject to ERISA) and (b) each other compensation or benefit plan, program, agreement or arrangement, including all equity ownership, equity purchase, equity option, phantom equity or other equity-based, retirement, vacation, severance, termination, layoff, disability, death benefit, employment, change-in-control, fringe benefit, bonus, incentive, pension, saving plans, profit sharing, life insurance, medical, dental, accident, gratuity, indemnity and deferred compensation plan, program, agreement or arrangement, whether or not subject to ERISA (and whether or not terminated) (i) that is sponsored or maintained by any Seller or any of its ERISA Affiliates, (ii) to which any Seller or any of its ERISA Affiliates is a party or contributes or is obligated to contribute, pay premiums or make other payments or (iii) with respect to which any Seller or any of its ERISA Affiliates could reasonably be expected to have any Liability.

**"Pre-Closing Tax Period"** means any taxable period ending on or before the Closing Date and the portion of any Straddle Period ending on and including the Closing Date.

**"Proceeding"** means an action, claim, demand, suit, causes of action, investigation, arbitration, mediation, audit, order, judgment or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Entity or arbitrator.

**"Product Operations"** means the design, development, specification, characterization, manufacture, having manufactured and testing of Seller Products.

**"Product Operations Employee"** means each employee of Sellers or any Employing Subsidiary who is employed as of the Closing and identified as a "Product Operations Employee" on Section 1.1(c) of the Sellers Disclosure Schedules.

**"Property Taxes"** means any real, personal and intangible *ad valorem* property Taxes.

**"Registered Intellectual Property"** means all U.S., international or foreign (a) issued Patents and Patent applications, (b) registered Marks and applications to register Marks, (c) registered Copyrights and applications for Copyright registration, (d) registered mask works and applications to register mask works, (e) domain name registrations and (f) all other Intellectual Property Rights that are registered with, issued by or applied for by or with any Governmental Entity or other public or quasi-public legal authority (including domain name registrars).

**"Representatives"** means, when used with respect to any Person, such Person's Affiliates and its and their respective the directors, officers, employees, consultants, financial advisors, financing sources, accountants, legal counsel, investment bankers and other agents, advisors and representatives.

**"Retained Businesses"** means Sellers' and their Affiliates' businesses other than the Product Operations, as conducted as of or prior to Closing, and any natural evolutions thereof (and in any event, excluding the design, development, specification, characterization, manufacture, having manufactured and testing of any hard drive memory controllers SOCs or hard drive SOCs that are not Retained SOCs).

**"Retained Products"** means (a) the Retained SOCs, and (b) all other products and services (other than hard drive memory controllers SOCs or hard drive SOCs) designed, developed, specified, characterized, manufactured, tested, marketed or sold by or for the Retained Business as of or prior to Closing, regardless of the state of development.

**"Retained SOCs"** means the SOCs that are set forth on Section 1.1(d) of the Sellers Disclosure Schedules.

**"Seller Intellectual Property Licenses"** means all Contracts: (i) pursuant to which any other Person has licensed, granted rights or access to any Intellectual Property Rights (including Patent licenses and cross licenses, covenants not to sue, SaaS agreements, or similar license forms), in each case that is used in the Product Operations, to Sellers or any of their respective Affiliates, including Contracts with respect to (A) any Software or related services, or Intellectual Property Rights, (B) licenses to any semiconductor IP (including IP blocks or memory), packaging or firmware, and (C) any other licenses to third-party Intellectual Property Rights or Technology (collectively, "In-Bound Licenses"); and (ii) each Contract pursuant to which the Sellers or any of their respective Affiliates have granted, or agreed to grant, to any other Person any right, access to, or license (including Patent licenses and cross licenses, covenants not to sue, SaaS agreements, or similar license forms) to any Seller Intellectual Property Rights ("Out-Bound Licenses").

**"Seller Intellectual Property Rights"** means (a) any and all Intellectual Property Rights (other than Patents and Marks) that (i) are owned or purported to be owned by Sellers or any of their Subsidiaries and (ii) are (A) embodied by the Seller Products or (B) primarily used, primarily held for use, or otherwise primarily related to the Seller Products and the Product Operations, and (b) the Patents set forth on Section 1.1(e) of the Sellers Disclosure Schedules.

**"Seller Products"** means any version, iteration or formulation of the SOCs that are set forth on Section 1.1(f) of the Sellers Disclosure Schedules.

**"Seller Technology"** means any and all Technology that, as of the Closing, both (a) is owned or purported to be owned by Sellers or their respective Subsidiaries (through ownership or purported ownership of the Intellectual Property Rights embodied thereby or, where such Technology is not protected by Intellectual Property Rights, by virtue of the Technology having been developed by or for Sellers or their respective Subsidiaries), and (b) is primarily used, primarily held for use, necessary, or otherwise primarily related to the Seller Products and the Product Operations, including the Technology set forth on Section 1.1(g) of the Sellers Disclosure Schedules.

**"Shared Technology"** means Technology that, as of the Closing, both (a) constitutes Seller Technology, and (b) is incorporated into any Retained Products (or the designs thereof), or is otherwise used, held for use or necessary for the Retained Businesses. A description of the Shared Technology is set forth on Section 1.1(h) of the Sellers Disclosure Schedules.

**"SOC"** means system-on-chip controller.

**"Straddle Period"** means any taxable period beginning on or before and ending after the Closing Date.

**"Subsidiary"** means, with respect to any Person, any corporation, partnership, joint venture, limited liability company or any other entity (a) of which such Person or a subsidiary of such Person is a general partner or managing member, (b) at least a majority of the securities or other interests of which, having by their terms ordinary voting power to elect a majority of the board of directors or Persons performing similar functions with respect to such entity, is directly or indirectly owned by such Person or one or more subsidiaries thereof or (c) which such Person directly or indirectly otherwise possesses the power to direct or cause the direction of its management or policies.

**"Tax"** means (i) any and all taxes, charges, levies, customs, fees, imposts, duties or other governmental assessments in the nature of tax, including, without limitation, any U.S. federal, state, local or foreign income, gross receipts, capital gains, franchise, profits, alternative or add-on minimum, estimated, sales, use, goods and services, transfer, registration, value added, excise, natural resources, severance, stamp, occupation, premium, windfall profit, environmental, real property, personal property, capital stock, escheat, intangibles, net worth, workers' compensation, social security, unemployment, employment, disability, payroll, license, withholding, contribution or other taxes, and including any interest, penalties, additions to tax or additional amounts imposed in respect of any of the foregoing, whether disputed or not, and (ii) any liability for the payment of any amounts of the type described in clause (i) of this definition as a result of being a member of an affiliated, consolidated, combined or unitary group for any period, as a result of any tax sharing or tax allocation agreement, arrangement or understanding, or as a result of being liable for another Person's taxes as a transferee or successor, by contract or otherwise.

**"Tax Proceeding"** means any audit, examination, contest, litigation or other Proceeding by or against any taxing authority or otherwise with respect to or relating to Taxes.

**"Tax Return"** means any return, form, declaration, report, claim for refund, election, information return, statement or other document filed or required to be filed with any Governmental Entity relating to Taxes, including any schedule or attachment thereto and any amendment thereof.

**"Technology"** means all source code, object code, and documentation related to the foregoing ("Software"), and other works of authorship including, semiconductor IP (including SOC designs (in production and in development), SOC generation designs (current and former), net lists, architectural documents, specifications, RTL files, verification test benches, development scripts, probe test programs, final test programs, layouts, floorplans, GDSII files and mask works), inventions, databases and documentation, but in all cases excludes the Intellectual Property Rights embodied by the foregoing.

**"Transaction Documents"** means this Agreement and the executed form of each agreement and instrument attached as an exhibit to this Agreement, and all other certificates being delivered by the Parties or their respective Affiliates pursuant to or in connection with the foregoing.

**"Transaction Expenses of Buyer"** means all of the fees, costs and expenses incurred, paid or payable by or on behalf of Buyer (or any of its Affiliates) in connection with the preparation, negotiation, execution and consummation of the transactions contemplated by this Agreement that are incurred on or prior to the Closing Date, including attorneys', accountants', investment bankers', brokers' and other advisors' fees and expenses payable by Buyer.

**"Transaction Expenses of Sellers"** means all of the fees, costs and expenses incurred, paid or payable by or on behalf of Sellers (or any of their respective Affiliates) in connection with the preparation, negotiation, execution and consummation of the transactions contemplated by this Agreement that are incurred on or prior to the Closing Date, including (a) attorneys', accountants', investment bankers', brokers' and other advisors' fees and expenses payable by Sellers, (b) any filing fees or similar costs payable in connection with the consummation of the transactions contemplated by this Agreement, (c) any costs, fees and expenses (including prepayment premiums or penalties) associated with the repayment of Indebtedness of Sellers on or prior to the Closing Date and (d) any costs, payments, amount of compensation or cost of accommodation required to obtain the consent of the other parties to any Purchased Contract or Purchased Asset for the assignment of such Purchased Contract or Purchased Asset to Buyer pursuant to Section 2.7.

**"Transition Services Agreements"** means collectively (i) the agreement by and among Seagate Technology LLC, Seagate Singapore International Headquarters Pte. Ltd. and Buyer, in the form attached hereto as [Exhibit D-1](#) and (ii) the agreement by and among Seagate Technology HDD (India) Private Limited and LSI India Research & Development Private Limited, in the form attached hereto as [Exhibit D-2](#).

**"VAT/GST"** means (i) within the European Union, such tax as may be levied in accordance with (but subject to derogations from) EC Directive 2006/112 and, (ii) outside the European Union, any similar Taxes levied by reference to added value, services, turnover or sales, including goods and services tax, or GST (including, for the avoidance of doubt, GST imposed by the Republic of Singapore), whether imposed in substitution for, or levied in addition to, such tax referred to in (i) above, or imposed elsewhere.

**1.2 Other Definitions.** Each of the following defined terms has the meaning given to such term in the Section set forth opposite such defined term:

Defined Term	Section Reference
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Agreement.....	Preamble
Allocation.....	2.5
Assignment and Assumption and Bill of Sale.....	2.6(b)(iii)C
Assumed Liabilities.....	2.2(a)
Available Insurance Policies.....	6.10(b)
Basket.....	5.2(b)(i)
Business Contracts.....	3.8(a)
Buyer.....	Preamble
Buyer Indemnified Parties.....	5.2(a)
Buyer Indemnified Party.....	5.2(a)
Buyer Licensed IP.....	6.7(c)
Buyer SOC Operations.....	2.1(a)(x)
Buyer's Allocation.....	2.5
Closing.....	2.6(a)
Closing Date.....	2.6(a)
Contributor.....	3.9(h)
Contributor Assignment Agreement.....	3.9(h)
Copyrights.....	Definition of Intellectual Property Rights
Covered Purchased Assets.....	6.10(a)
DCP Employee.....	6.9(f)
Declining Employee.....	6.9(b)
Deferred Compensation Plan.....	6.9(f)
Designated Attorneys.....	6.11(b)
Employment Offer.....	6.9(b)
Enforceability Limitations.....	3.2
Excluded Assets.....	2.1(b)
Excluded Liabilities.....	2.2(b)
Excluded Portions.....	2.1(b)(vi)
Excluded Tax Refunds.....	2.1(b)(xi)
Final Determination.....	5.2(g)(iv)
Final Release Amount.....	5.2(g)(ii)
Final Release Date.....	5.2(g)(ii)
First Release Amount.....	5.2(g)(i)
First Release Date.....	5.2(g)(i)
Holdback Amount.....	2.3(b)
In-Bound Licenses.....	Definition of Seller Intellectual Property Licenses
Indemnified Party.....	5.2(e)(i)
Indemnifying Party.....	5.2(e)(i)
Insiders.....	3.12
Lab Assets.....	2.1(a)(i)
Leave Employee.....	6.9(a)
Licenses.....	3.13(b)
Loss.....	5.2(a)
Losses.....	5.2(a)
Marks.....	Definition of Intellectual Property Rights
Mutual Consent.....	5.2(g)(iv)
Offered Deadline.....	6.9(b)
Offered Employees.....	6.9(b)
Open Source.....	Definition of Open Source Material
Open Source License.....	Definition of Open Source Material
Out-Bound Licenses.....	Definition of Seller Intellectual Property Licenses
Outstanding Claims.....	5.2(g)(i)
Parties.....	Preamble
Party.....	Preamble
Patents.....	Definition of Intellectual Property Rights

Payor.....	.2.8
Personal Information .....	3.16(b)
Privacy Laws .....	3.16(a)
Privacy Policies.....	3.16(a)
Purchase Price.....	2.3(b)
Purchased Assets.....	2.1(a)
Purchased Contracts.....	2.1(a)(iv)
Qualifying Offer .....	6.9(c)
Resolved Amount.....	5.2(g)(iii)
Review Accountant .....	2.5
Seller Fundamental Representations.....	5.1(a)
Seller Indemnified Parties.....	5.2(c)
Seller Indemnified Party.....	5.2(c)
Seller Licensed IP.....	6.7(b)
Seller Registered Intellectual Property.....	3.9(a)
Sellers.....	Preamble
Sellers Disclosure Schedules.....	Article III
Sellers' Allocation Notice .....	2.5
Shared Contract.....	2.1(a)(iv)
SOC.....	Definition of Seller Products
Software .....	Definition of Technology
SSO.....	3.9(k)
Terminated Employee.....	6.9(b)
Trade Secrets.....	Definition of Intellectual Property Rights
Transfer Taxes.....	6.1(b)
Transferred Employees.....	6.9(b)
Transferred Personal Productivity Assets.....	2.1(a)(ii)
USPTO.....	6.7(f)
Valid Pre-Closing Claims.....	6.10(b)
Visa Employee.....	6.9(a)

## ARTICLE II

### PURCHASE AND SALE OF ASSETS

#### **2.1 Purchase of Assets; Excluded Assets.**

(a) On the terms and subject to the conditions set forth in this Agreement, on the Closing Date, Buyer shall purchase from Sellers, and Sellers shall sell, convey, assign, transfer and deliver (or cause to be sold, conveyed, assigned, transferred and delivered) to Buyer, free and clear of all Liens other than Permitted Liens, all of Sellers' and Sellers' Affiliates' right, title and interest in and to all of the following assets, properties and rights (of every kind or nature, and whether or not reflected on the books or financial statements of the applicable Seller or its Affiliates) (collectively, the "Purchased Assets"):

(i) all lab equipment, manufacturing equipment and related tangible assets primarily used in connection with the Product Operations, including those described on Section 2.1(a)(i) to the Sellers Disclosure Schedules, but excluding those assets described on Section 2.1(b)(i) of the Sellers Disclosure Schedules and those assets described in Sections 2.1(b)(xiii) and 2.1(b)(xiv) (collectively, "Lab Assets");

(ii) all laptops, personal computers and related accessories listed on Section 2.1(a)(ii) of the Sellers Disclosure Schedules (collectively, "Transferred Personal Productivity Assets");

(iii) all servers listed on Section 2.1(a)(iii) of the Sellers Disclosure Schedules;

(iv) (A) all Seller Intellectual Property Licenses that are listed on Section 2.1(a)(iv)(A) of the Sellers Disclosure Schedules and (B) all other Contracts listed on Section 2.1(a)(iv)(B) of the Sellers Disclosure Schedules, including any sales orders and purchase orders issued under such Seller Intellectual Property Licenses and Contracts (collectively, the "Purchased Contracts"), except, in the case of any Purchased Contracts marked with an asterisk in Section 2.1(a)(iv)(A) or Section 2.1(a)(iv)(B) of the Sellers Disclosure Schedules (each a

"Shared Contract"), not such portion of the Shared Contracts (or sales orders and purchase orders issued thereunder) to the extent relating to the Excluded Assets;

(v) all Seller Intellectual Property Rights, including: (A) the right to register, prosecute, maintain or record any Seller Intellectual Property Rights with any Governmental Entity and (B) the right to all past, present and future income, royalties, damages and payments due from third parties after Closing with respect to such Seller Intellectual Property Rights;

(vi) all Seller Technology, but excluding hardware, equipment and Infrastructure Assets, copies of the Books and Records described in Section 2.1(b)(vi) that are retained by Sellers, copies of Shared Technology described in Section 2.1(b)(xv) that are retained by Sellers, those assets described on Section 2.1(b)(i) of the Sellers Disclosure Schedules, and those assets described in Section 2.1(b)(xiv);

(vii) (A) all originals and copies of any Books and Records in each case to the extent (y) in the possession of Sellers and their respective Affiliates and (z) primarily relating to the Seller Products, Product Operations or the Transferred Employees, along with the data contained or embodied in the electronic records of the Books and Records described herein and (B) copies of any Books and Records in each case to the extent in the possession of Sellers and their respective Affiliates and relating, but not primarily relating, to the Seller Products, Product Operations or the Transferred Employees, except that, with respect to each of (A) and (B) above, the Purchased Assets shall not include the portion of any Books and Records that cannot be transferred without violating applicable Law, the assets described in Sections 2.1(b)(xii) and 2.1(b)(xiii); copies of the Books and Records described in Section 2.1(b)(vi) that are retained by Sellers, and copies of Shared Technology described in Section 2.1(b)(xv) that are retained by Sellers;

(viii) all original registration certificates, and prosecution files and dockets relating to each item of Seller Intellectual Property Rights;

(ix) all rights, causes of actions and claims, known or unknown, matured or unmatured, accrued or contingent, against third parties, in each case, to the extent relating to the other Purchased Assets or the Assumed Liabilities, but excluding those assets described in Section 2.1(b)(xvii);

(x) any Licenses required to hold or operate the Purchased Assets as they are contemplated to be transferred to Buyer pursuant to the Transaction Documents, other than (A) the Licenses set forth on Section 2.1(a)(x) of the Sellers Disclosure Schedules (B) Licenses primarily related to the Infrastructure Assets or other authorizations to do business not primarily related to the Products Operations, and (C) any Licenses of a kind that Buyer or its Affiliates currently hold, or are required to hold, in connection with the design, development, specification, characterization, manufacture, having manufactured and testing of SOCs presently conducted by Buyer (such operations, the "Buyer SOC Operations");

(xi) subject to Section 2.1(b)(iv), all prepaid expenses, credits, deposits, warranties, guarantees, claims, refunds (other than Excluded Tax Refunds), rights of recovery, rights of set-off, rights of recoupment and advance payments of any kind under the Purchased Contracts; and

(xii) all work-in-process inventory that is used or held for use in the manufacture of the Seller Products, whether located at any facility of the Product Operations or at any other location in the supply chain of the Product Operations.

(b) Excluded Assets. The following assets are excluded from the purchase and sale contemplated by this Agreement and shall be retained by Sellers and Sellers' Affiliates, as applicable (collectively, the "Excluded Assets"):

(i) all lab equipment, manufacturing equipment and related tangible assets primarily used in connection with the Product Operations set forth on Schedule 2.1(b)(i) of the Sellers Disclosure Schedules;

(ii) any Contracts other than the Purchased Contracts;

(iii) such portion of the Shared Contracts (or sales orders and purchase orders issued thereunder) to the extent relating to the other Excluded Assets or Retained Businesses;

(iv) Contracts with any Product Operations Employee;

(v) all Cash and accounts receivables of Sellers and their respective Affiliates;

(vi) copies of all Books and Records; provided that with respect to Books and Records described in Section 2.1(a)(vii)(A) above, only the portions of which (1) are relating to any other Excluded Asset or Excluded Liability or (2) that pertain to the corporate existence, equity arrangements, accounting practices or ownership of any Seller, including the charter documents, minute books, stock ledgers, auditor's letters and other constituent records relating to the corporate organization of any Seller or Affiliate

thereof ("Excluded Portions"); and provided, further, that Sellers shall have the right, upon prior notice to Buyer, to redact or remove any Excluded Portions from any Books and Records otherwise required to be delivered to Buyer hereunder;

(vii) all rights, causes of actions and claims, known or unknown, matured or unmatured, accrued or contingent, against third parties, in each case, to the extent relating to any Excluded Asset or any Excluded Liability;

(viii) all shares of capital stock or equity interests in any Person;

(ix) all assets of any Plan or any other employee benefit plan program or arrangement sponsored or maintained by Sellers or any of their Affiliates on behalf of any Product Operations Employee;

(x) all letters of credits, loan facilities and performance bonds;

(xi) all Excluded Tax Refunds;

(xii) all Tax Returns and financial statements of Sellers or their respective Affiliates and all records (including working papers) related thereto;

(xiii) all Infrastructure Assets, including all documentation and materials related thereto;

(xiv) all finished goods inventory of Sellers and their respective Affiliates;

(xv) copies of all Shared Technology solely for the purpose of exercising Sellers' rights under Section 6.7(c);

(xvi) all Intellectual Property Rights that are not Seller Intellectual Property Rights;

(xvii) without limiting Section 6.10, all rights and claims under any insurance policy or any self-insurance program of Sellers or any of their respective Affiliates; and

(xviii) all rights of Sellers or any of their respective Affiliates under this Agreement and the other Transaction Documents.

## **2.2 Assumed Liabilities; Excluded Liabilities**

(a) On and subject to the terms and conditions of this Agreement, Buyer shall, effective as of the Closing Date, assume and thereafter pay, perform and discharge when due only the following Liabilities of Sellers or any of their respective Affiliates (collectively, the "Assumed Liabilities"):

(i) all Liabilities (including, for the avoidance of doubt, any Tax Liabilities) solely in respect of the ownership, operation, or conduct of the Product Operations or the Purchased Assets in each case following the Closing Date;

(ii) all Liabilities to the extent resulting from, arising out of or relating to the Purchased Contracts following the Closing Date, other than any Liabilities to the extent resulting from any breach, default or violation (or action or omission that with or without the passage of time or the giving of notice or both would result in a breach, default or violation) of such Purchased Contracts by Sellers or any of their respective Affiliates prior to the Closing Date;

(iii) all Liabilities in respect of or relating to the employment or service of any Transferred Employee that arise following the Employment Start Date and which relate to Contracts or obligations expressly assumed or implemented by Buyer; and

(iv) all Liabilities for which Buyer or its respective Affiliates expressly have responsibility pursuant to the terms of this Agreement or the other Transaction Documents.

(b) Excluded Liabilities. Notwithstanding anything to the contrary in this Agreement, and regardless of whether such Liability is disclosed in this Agreement (except as specifically assumed in Section 2.2(a)) or on any schedule or exhibit to this Agreement, all Liabilities of Sellers or any of their respective Affiliates that are not specifically identified in Section 2.2(a) as Assumed Liabilities are expressly excluded from the purchase and sale contemplated by this Agreement (collectively, the "Excluded Liabilities"), including:

(i) all Liabilities of Sellers or any of their respective Affiliates to the extent arising out of or relating to the ownership, operation, or conduct of the Product Operations or the Purchased Assets (other than the Purchased Contracts) on or prior to the Closing, including any litigation, claim, assessment, action, suit, Proceeding, order, judgment, decree or investigation of any kind or nature initiated after the Closing Date with respect thereto;

(ii) all Transaction Expenses of Sellers;

(iii) all Liabilities for which Sellers expressly have responsibility pursuant to the terms of this Agreement or the other Transaction Documents;

(iv) all Liabilities of Sellers or any of their respective Affiliates to the extent arising out of or relating to the Excluded Assets;

(v) all Liabilities of Sellers or any of their respective Affiliates to the extent resulting from, arising out of or relating to the Purchased Contracts before the Closing Date, including (A) all accounts payable incurred prior to the Closing and (B) all Liabilities to the extent resulting from any breach, default or violation (or action or omission that with or without the passage of time or the giving of notice or both would result in a breach, default or violation) of the Purchased Contracts by Sellers or any of their respective Affiliates prior to the Closing Date;

(vi) all Liabilities of Sellers or any of their respective Affiliates for or in respect of Excluded Taxes;

(vii) all Liabilities (including Tax Liabilities) of Sellers or any of their respective Affiliates relating to or arising out of any Plan or any other employee benefit plan program or arrangement sponsored or maintained by Sellers or any of their Affiliates on behalf of any Product Operations Employee, regardless of whether such Liabilities arise prior to or following the Closing Date;

(viii) all Liabilities of Sellers or any of their respective Affiliates in respect of or relating to the employment or service of any current or former Product Operations Employee before the Employment Start Date, including and without limiting the last sentence of Section 6.9(b), all Liabilities in respect of or relating to the failure to employ or engage, or termination of employment or service, of any current or former Product Operations Employee (e.g., all Liabilities for severance payments or benefits, gratuity payments, unpaid bonuses, commissions or similar incentive compensation, equity or equity-based compensation, unfunded or underfunded deferred compensation, underfunded pension liabilities, paid time off, and, in each case, the employer portion of any payroll, employment or similar Taxes due on the foregoing amounts); and

(ix) all other Liabilities of Sellers or any of their respective Affiliates not expressly included within the definition of Assumed Liabilities.

The intent of the Parties is that, except for Assumed Liabilities, Buyer shall not, and does not hereby, assume, and no transferee or successor liability of any kind and nature shall attach to Buyer pertaining to, any of the Excluded Liabilities, all of which such Excluded Liabilities shall be the sole responsibility of Sellers. Notwithstanding the foregoing, for the avoidance of doubt, the Transaction Expenses of Buyer shall be the sole responsibility of Buyer and its Affiliates.

Subject to Section 5.2(h), in no event shall anything in this Agreement limit the rights, agreements, obligations or Liabilities of the Parties or any of their respective Affiliates under any other Contract (excluding any Transaction Documents, as provided for herein) between or among the Sellers or their Affiliates, on the one hand, and Buyer or its Affiliates, on the other hand, in effect as of or following the execution of this Agreement, subject to and in accordance with their respective terms (as they may be amended, modified or supplemented from time to time and as they may have been amended, modified or supplemented by the Transaction Documents).

### **2.3 Delivery of Certain Assets.**

(a) Sellers shall transfer or deliver the Purchased Assets to Buyer pursuant to the terms of this Agreement, the Transition Services Agreements, the Assignment and Assumption and Bill of Sale, the Patent Assignment Agreement and the Local Transfer Agreements, as applicable.

(b) Notwithstanding anything to the contrary in this Agreement, none of the Purchased Assets subject to the Local Asset Purchase Agreement shall transfer to Buyer prior to the closing of the Local Asset Purchase Agreement.

**2.4 Purchase Price.** In consideration for the Purchased Assets, Buyer agrees to (a) pay and deliver, or cause to be paid and delivered on Buyer's behalf, to, or at the direction of, Sellers FIVE HUNDRED NINETY NINE MILLION ONE HUNDRED THIRTY SEVEN THOUSAND NINE

HUNDRED NINETY ONE DOLLARS AND TWO CENTS (\$599,137,991.02), increased by applicable VAT/GST pursuant to Section 6.1(c) (the "Purchase Price") and (b) assume the Assumed Liabilities. The Purchase Price will be paid by Buyer to Sellers as follows: (i) FIVE HUNDRED FIFTY NINE MILLION ONE HUNDRED THIRTY SEVEN THOUSAND NINE HUNDRED NINETY ONE DOLLARS AND TWO CENTS (\$559,137,991.02) of the Purchase Price shall be paid in cash by wire transfer of immediately available funds at the Closing to the account(s) specified by Sellers to Buyer in writing and (ii) FORTY MILLION DOLLARS (\$40,000,000) of the Purchase Price (the "Holdback Amount") shall be held by Buyer following the Closing Date and released or applied to any indemnification obligation of Sellers pursuant to Section 5.2 of this Agreement.

**2.5 Allocation.** The Parties agree to allocate for Tax purposes (and, as applicable, to cause their respective Affiliates to allocate for Tax purposes) the Purchase Price and any other amounts treated as consideration for Tax purposes among the Purchased Assets (and any other assets that, for Tax purposes, are treated as assets purchased by Buyer (or its relevant Affiliates) pursuant to this Agreement) in accordance with the principles set forth in Exhibit B and Section 1060 of the Code and the Treasury Regulations promulgated thereunder (and any similar provision of

state, local or non-U.S. law, as appropriate). Within one-hundred and twenty (120) days after the Closing Date, Buyer shall deliver to Sellers a proposed allocation of the Purchase Price and any other amounts treated as consideration for Tax purposes as of the Closing Date among the Purchased Assets (and any other assets that, for Tax purposes, are treated as assets purchased by Buyer (or its relevant Affiliates) pursuant to this Agreement (the "Buyer's Allocation"). No later than twenty (20) days following the delivery of the Buyer's Allocation, Sellers may deliver to Buyer a statement setting forth in reasonable detail any objections thereto, the basis for such objections and Sellers' proposed allocation (the "Sellers' Allocation Notice"). Buyer shall consider in good faith any reasonable comments provided in a timely delivered Sellers' Allocation Notice. If Buyer and Sellers cannot reach an agreement in good faith on such allocation within twenty (20) Business Days after Sellers receive Buyer's written comments, the Parties agree to refer any disputed items to a nationally recognized, independent accounting or financial services firm reasonably acceptable to the Parties (the "Review Accountant"), who will make a binding determination as to such remaining disputed items. The Review Accountant will have no more than thirty (30) days from the date of referral within which to render its written decision with respect to such disputed items. The Review Accountant shall deliver to Sellers and Buyer a written report setting forth its adjustments, if any, to the Buyer's Allocation based on the Review Accountant's determination with respect to the disputed items. Such report shall be final, conclusive and binding on the Parties. The fees and expenses of the Review Accountant shall be borne by Sellers, on the one hand, and Buyer, on the other hand, based on the inverse of the percentage that the Review Accountant's resolution of the disputed items covered by the Sellers' Allocation Notice bears to the total amount of such disputed items as originally submitted to the Review Accountant in the Buyer's Allocation (for example, if the total amount of such disputed items as originally submitted to the Review Accountant equals \$1,000 and the Review Accountant awards \$600 in favor of the Sellers' position, sixty percent (60%) of the fees and expenses of the Review Accountant would be borne by Buyer and forty percent (40%) of the fees and expenses of the Review Accountant would be borne by the Sellers). The Buyer's Allocation, if no Sellers' Allocation Notice is timely delivered, or as adjusted by Buyer following the timely delivery of a Sellers' Allocation Notice or, in the event that the parties cannot reach an agreement in good faith, as adjusted pursuant to the determination of the Review Accountant (the "Allocation"), shall be final and binding on the Parties. Each of the Parties (i) shall (and shall cause its Affiliates to) prepare and file all Tax Returns (and Internal Revenue Service Forms 8594) in a manner consistent with the Allocation, (ii)

shall not (and shall cause its Affiliates not to) take any position on any Tax Return, in connection with any Tax Proceeding or otherwise, inconsistent with the Allocation, in each case, except to the extent otherwise required by a "determination" within the meaning of Section 1313(a) of the Code (or any similar provision of state, local or non-U.S. Law), (iii) shall promptly inform each other of any challenge by any tax authority to the Allocation, and (iv) shall consult with and keep one another informed with respect to the status of, and any discussion, proposal or submission with respect to, any challenge to the Allocation or conduct of any Tax Proceeding related to the Allocation.

## **2.6 Closing Transactions.**

### **(a) Closing.**

(i) The closing of the transactions contemplated by this Agreement (the "Closing") shall take place remotely via the electronic exchange of documents and signature pages, immediately following the execution and delivery of this Agreement. The date of the Closing is referred to in this Agreement as the "Closing Date."

(ii) Subject to the following sentence, to the extent reasonably practicable, and unless otherwise agreed by the Parties, it is the intention of the Parties that the Closing will occur on the Closing Date. To the extent that closing does not occur with respect to the transfer of any of the Purchased Assets that are the subject of the Local Asset Purchase Agreement, the Parties shall hold an Additional Closing pursuant to the Local Asset Purchase Agreement for the purpose of purchase and transferring such Purchased Assets. The date of the Additional Closing is referred to in the Agreement as the "Additional Closing Date". Notwithstanding the foregoing, the Parties agree that the closing of the sale and purchase of all Seller Intellectual Property Rights and Seller Technology will occur on the Closing Date. At the Additional Closing, each Party shall, and shall cause its Affiliates, to make the deliveries set forth in the Local Asset Purchase Agreement in accordance with the terms of the applicable Transition Services Agreements.

(b) Closing Transactions. On the Closing Date, the Parties shall consummate the following (all of which, when consummated on the Closing Date, shall be deemed to have been consummated simultaneously):

(i) Buyer shall pay to Sellers (or to an Affiliate of Sellers designated by Sellers), by wire transfer to an account or accounts designated by Sellers in writing prior to the Closing Date, in immediately available funds, an aggregate amount equal to the Purchase Price, minus the Holdback Amount.

(ii) Each Key Employee shall have delivered to Buyer a copy of such Key Employee's Key Employee Employment Agreement duly executed by such Key Employee;

(iii) Sellers shall deliver to Buyer each of the following:

A. all of the Purchased Assets (subject to Section 2.3);

B. a certificate of good standing for each Seller (to the extent such a document is applicable to the jurisdiction of such Seller);

C. an Assignment and Assumption and Bill of Sale, duly executed by each Seller, in the form attached to this Agreement as Exhibit A (the "Assignment and Assumption and Bill of Sale");

D. the Patent Assignment Agreement, including all individual assignment and deeds attached thereto, duly executed by Sellers and their Subsidiaries (which shall include notarizations as specified in the Patent Assignment Agreement);

E. each Transition Services Agreement duly executed by the Sellers party thereto;

F. the Local Transfer Agreements, in each case, duly executed by the Seller party thereto;

G. a duly executed and properly completed Internal Revenue Service Form W-9 or W-8, as applicable, of each Seller, establishing an exemption from U.S. federal backup withholding;

H. copies of the resolutions duly adopted by the board of directors of each Seller authorizing the execution, delivery and performance of this Agreement and the Transaction Documents and approving the transactions contemplated hereby; and

I. such other documents or instruments as Buyer may reasonably request to effect the transactions contemplated hereby, including any deeds, bills of sale, endorsements, consents, assignments and other good and sufficient instruments of conveyance and assignment as Buyer shall deem reasonably necessary to vest in Buyer or one or more of its designees all right, title and interest in, to and under the Purchased Assets in the manner described herein free and clear of all Liens.

(iv) Buyer shall deliver to Seller:

A. the Assignment and Assumption and Bill of Sale duly executed by Buyer and the Affiliate of Buyer party thereto;

B. the Patent Assignment Agreement duly executed by Buyer;

C. each Transition Services Agreement duly executed by Buyer party thereto;

D. the Local Transfer Agreements, in each case, duly executed by Buyer's Affiliate that is party thereto.

**2.7 Assignment of Contracts and Rights.** Notwithstanding anything to the contrary herein, this Agreement shall not constitute an agreement to transfer or assign any Purchased Contract or other Purchased Asset if an attempted assignment, without the consent of a third party, would constitute

a material breach or material contravention of such Purchased Contract or Purchased Asset or a material violation of applicable Law, or would in any way materially adversely affect Buyer or any of its Affiliates. The Parties will, and will cause their respective Affiliates to cooperate with each other to obtain the consent of the other Parties to any such Purchased Contract or Purchased Asset for the assignment of such Purchased Contract (or in the case of a Shared Contract, such portion of the Shared Contract constituting a Purchased Contract) or Purchased Asset to Buyer, including, in the case of each Shared Contract, seeking to bifurcate, novate or otherwise enter into two (2) or more new Contracts with the applicable third party that is party to such Shared Contract and Buyer or its designee, on the one hand, and a Seller, on the other hand, relating to the Product Operations, on the one hand, or the Excluded Assets, on the other hand, respectively (and, when such consent is obtained, Sellers shall sell, convey, assign, transfer and deliver the applicable Purchased Contract (or in the case of a Shared Contract, such portion of the Shared Contract constituting a Purchased Contract) or Purchased Asset to Buyer in accordance with Section 2.1(a)). Unless and until such consent is obtained, the Parties will cooperate in an arrangement under which Buyer would substantially obtain the benefits and substantially assume the obligations under such Purchased Contract (or in the case of a Shared Contract, such portion of the Shared Contract constituting a Purchased Contract) or Purchased Asset in accordance with this Agreement and the Transition Services Agreements, including subcontracting, sublicensing, or subleasing to Buyer, or under which Sellers would enforce, for the benefit of Buyer, with Buyer assuming Sellers' obligations, any and all rights of Sellers against any third party; provided that Sellers, Buyer and their respective Affiliates shall not be required to take any action that would constitute a material breach of any third party Contract. In connection with the foregoing, Sellers will promptly pay to Buyer when received all monies received by Sellers or any of its Affiliates under any Purchased Contract or Purchased Asset, and Buyer shall pay, defend, discharge and perform all Liabilities (including promptly reimbursing Sellers for any amounts paid) under such Purchased Contracts and Purchased Assets to the extent required under Section 2.2(a). If after the Closing Date, any such Purchased Contract or Purchased Asset becomes transferable or assignable (either because consent for the assignment or execution thereof is obtained or otherwise), Sellers shall reasonably promptly notify Buyer after becoming aware of such fact and cooperate to assign or transfer such Purchased Contract or Purchased Asset to Buyer for no additional consideration. Without limiting the generality of the foregoing, the beneficial interest

in and to the Purchased Contracts and the Purchased Assets, to the fullest extent permitted by all applicable Contracts or Laws, will pass to Buyer as of the Closing. Nothing in this Section 2.7 shall be deemed to cause any Purchased Contract or Purchased Asset to constitute an Excluded Asset or any Assumed Liability arising out of or relating to the Purchased Assets or Purchased Contracts to constitute an Excluded Liability.

**2.8 Withholding.** Notwithstanding any other provision of this Agreement, each Party (the "Payor" for the purposes of this Section 2.8) and any other applicable withholding agent shall have the right to deduct and withhold (or cause to be deducted or withheld) from any amounts otherwise payable or otherwise deliverable pursuant to this Agreement such amounts as may be required to be deducted and withheld with respect to the making of such payment under the Code or any other provision of applicable Law; provided that, if the Payor becomes aware that any such withholding may be required, it shall (i) use commercially reasonable efforts to notify the recipient of its intent to deduct and withhold such amounts and (ii) reasonably cooperate with the recipient to reduce the amount required to be deducted and withheld in accordance with applicable Law. To the extent that amounts are so deducted and withheld, such amounts shall be treated for all purposes of this Agreement as having been paid to the Party in respect of which such deduction or withholding was made. The Payor shall

furnish the recipient with certificates or receipts as support of payment of such deduction or withholding to the relevant Governmental Entity.

## **ARTICLE III**

### **REPRESENTATIONS AND WARRANTIES OF SELLERS**

Except as set forth in the corresponding section of the disclosure schedules delivered by Sellers to Buyer in connection with the execution of this Agreement (the "Sellers Disclosure Schedules"), Sellers jointly and severally represent and warrant to Buyer that each of the representations and warranties contained in this Article III are true and correct as of the date hereof and, each of the representations and warranties contained in Section 3.6, to the extent that such representations and warranties are applicable to the Purchased Assets being transferred pursuant to the Local Asset Purchase Agreement, shall be true and correct as of the Additional Closing Date:

#### **3.1 Organization and Corporate Power.**

- (a) Each Seller is a legal entity duly organized, validly existing and, where such concept is recognized, in good standing under the Laws of its respective jurisdiction of organization, has the authority to carry on the Product Operations as now being conducted, and is qualified to do business and is in good standing as a foreign corporation in each jurisdiction where the conduct of the Product Operations requires such qualification.
- (b) Each of the Sellers has delivered to Buyer correct and complete copies of the Organizational Documents of such Seller, as amended through the Closing Date. No Seller is in violation of any terms of its Organizational Documents, as amended through the Closing Date.

**3.2 Authorization of Transactions.** Each Seller has full corporate or other organizational power and authority to execute and deliver this Agreement and each of the other Transaction Documents to which such Seller is a party and to consummate the transactions contemplated by this Agreement and the other Transaction Documents. The execution and delivery by each Seller of this Agreement and all other Transaction Documents to which such Seller is a party, the performance by such Seller of its obligations hereunder and thereunder and the consummation by such Seller of the transactions contemplated hereby and thereby have been duly and validly authorized and approved by all requisite corporate action on the part of such Seller. No other corporate proceedings on the part of any Seller or any of its Subsidiaries are necessary to approve and authorize the execution and delivery of this Agreement or the other Transaction Documents to which such Seller is a party and the consummation of the transactions contemplated by this Agreement and the other Transaction Documents. This Agreement has been duly executed and delivered by each Seller and constitutes the valid and binding agreements of each Seller, enforceable against each Seller in accordance with their terms, except that (a) such enforcement may be subject to applicable bankruptcy, insolvency, examinership, reorganization, moratorium or other similar Laws, now or hereafter in effect, relating to creditors' rights generally and (b) equitable remedies of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought (collectively, the "Enforceability Limitations"). Upon the execution and delivery by each Seller or one or more of its Subsidiaries of the other Transaction Documents to which it is a party, and

assuming the due authorization, execution and delivery thereof by the other parties thereto, such other Transaction Documents will constitute the valid and binding obligations of such Seller and any such Subsidiaries, enforceable against such entity in accordance with their terms, subject to the Enforceability Limitations.

#### **3.3 Sufficiency of Assets.**

- (a) Except for Infrastructure Assets and as otherwise set forth in Section 3.3 of the Sellers Disclosure Schedules, the Purchased Assets, together with the rights granted under this Agreement and the other Transaction Documents, comprise (i) all of the material lab equipment, manufacturing equipment and related tangible assets owned or purported to be owned by Sellers and their respective Affiliates as of Closing and used

in, held for use or necessary to operate the Product Operations as presently conducted and as presently contemplated by Sellers and their respective Affiliates to be conducted, (ii) all Intellectual Property Rights (other than Marks) owned or purported to be owned by Sellers and their respective Affiliates as of Closing as are used, held for use or necessary to operate the Product Operations as presently conducted and as presently contemplated by Sellers and their respective Affiliates to be conducted, and (iii) copies of all of the Books and Records that are necessary to operate the Product Operations as presently conducted and as presently contemplated by Sellers and their respective Affiliates to be conducted. Subject to **Section 2.7**, the Purchased Assets, together with the rights granted under, and the transactions contemplated by, this Agreement and the other Transaction Documents, and assuming the provision by Buyer or its Affiliates to the Product Operations of (A) assets, rights and services that are substantially equivalent to the Excluded Assets described in **Sections 2.1(b)(i), 2.1(b)(ii), 2.1(b)(iii), 2.1(b)(v), 2.1(b)(xiij), 2.1(b)(xiv) and 2.1(b)(xvii)** and (B) the assets and rights used in, held for use or necessary to operate the Buyer SOC Operations, would enable Buyer to conduct the Product Operations immediately after the Closing in a manner equivalent in all material respects to the manner in which the Sellers presently conduct and presently contemplate conducting the Product Operations. All of Sellers' tangible Purchased Assets are in good operating condition and repair in all material respects.

(b) Neither Sellers nor any of their respective Subsidiaries operates or conducts any business related to the design, development, specification, characterization, manufacture, having manufactured or testing of hard drive memory controllers SOCs or hard drive SOCs, other than (i) the Product Operations, (ii) the Retained Businesses in relation to the Retained SOCs, and (iii) activities relating to the incorporation or compatibility of SOCs into or with Sellers' hard drives, including with respect to controller and channel features.

**3.4 Absence of Conflicts.** No filing with or notice to, and no permit, authorization, registration, consent or approval of, any Governmental Entity is required on the part of Sellers or any of their respective Subsidiaries for the execution, delivery and performance by Sellers or any of their respective Subsidiaries of this Agreement or the other Transaction Documents or the consummation by Sellers and their respective Subsidiaries of the transactions contemplated by this Agreement or the other Transaction Documents. Neither the execution, delivery or performance of this Agreement or the other Transaction Documents by a Seller or its Subsidiaries nor the consummation by such Seller or its Subsidiaries of the transactions contemplated by this Agreement or the other Transaction Documents will (a) conflict with or violate any provision of such Seller's or any of its Subsidiaries' articles of organization, operating agreement or other Organizational Documents, (b) result in a material breach,

violation or infringement of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to the creation of any Lien or any right of termination, amendment, loss of benefits or other Loss, cancellation or acceleration) under, any of the terms, conditions or provisions of any Purchased Contract or (c) violate or infringe, in any material respect, any Law applicable to such Seller or any of its Subsidiaries, its Affiliates, the Product Operations or any of its or their assets, including the Purchased Assets.

**3.5 Absence of Certain Developments.** Except as contemplated by this Agreement and except as set forth on **Section 3.5** of the Sellers Disclosure Schedules, since January 1, 2023:

- (a) Sellers have conducted the Product Operations in the Ordinary Course of Business;
- (b) there has not occurred any Material Adverse Effect;
- (c) there has been no entry into or amendment of any agreements pursuant to which any Seller or any of its Subsidiaries (i) assigns, transfers or licenses exclusively to any Person any Seller Intellectual Property Rights or (ii) otherwise grants to any Person exclusive rights in any Seller Intellectual Property Rights;
- (d) there has been no assignment, transfer, lease, license or other disposition of, or agreement to sell, assign, transfer, lease, license or otherwise dispose of, any of the material properties, rights or assets of any Seller or any of its respective Subsidiaries used or held for use in, related to or otherwise helpful to maintaining the Product Operations or the Purchased Assets, except in the Ordinary Course of Business, or the imposition of any Lien (other than a Permitted Lien) on, any properties, rights or assets that are Purchased Assets;
- (e) there has been no reduction or increase in the amount of any insurance coverage of Sellers or any of their Subsidiaries with respect to the Purchased Assets and the Product Operations provided by existing insurance policies other than upon the expiration of any such policy;
- (f) there has been no disclosure of any proprietary confidential information comprising the Purchased Assets or otherwise relating to the Product Operations to any Person that is not either subject to any fully assignable confidentiality agreement or bound by a legal duty to keep such information confidential;
- (g) Sellers have not materially increased the salary, bonus or other compensation or benefits payable to any Product Operations Employees, other than: (i) as required by Law or a Labor Agreement; (ii) the initial compensation and benefits provided to a prospective Product Operations Employee in connection with the hiring of such Product Operations Employee prior to the date hereof; or (iii) increases (including in connection with promotions) in the Ordinary Course of Business consistent with past practice;

(h) Sellers have not established, adopted, amended or terminated any Plan in which any Product Operations Employee participates for which Buyer or any of its Affiliates may be responsible;

(i) Sellers have not accelerated or committed to accelerate the funding, payment or vesting of any compensation or benefits provided to any Product Operations Employee, including under any Plan, other than as required by Law or a Labor Agreement; and

(j) Sellers have not (i) modified, extended, terminated or entered into any Labor Agreement in which any Product Operations Employee participates; (ii) recognized or certified any labor union, labor organization, works council, employee representative or group of employees as the bargaining representative of Sellers or any of their Affiliates in which any Product Operations Employee participates; or (iii) waived or released any noncompetition, nonsolicitation, nondisclosure or other restrictive covenant obligation of any Product Operations Employee.

### **3.6 Title to Tangible Assets.**

(a) The applicable Seller or its Subsidiaries owns good and valid title to, or a valid leasehold interest in, free and clear of all Liens (other than Permitted Liens), the tangible Purchased Assets including all of its tangible personal property, Lab Assets, and other tangible assets included in the Purchased Assets. Other than this Agreement, none of Sellers nor any of their Subsidiaries or Affiliates is a party to any option, warrant, purchase right or other Contract or commitment obligating it to sell, transfer, pledge or otherwise dispose of any of the tangible Purchased Assets. Upon the consummation of the transactions contemplated hereby, Buyer will acquire sole ownership of (and in the case of any leased Purchased Assets, valid leasehold interests in) all of the tangible Purchased Assets, free and clear of all Liens (other than (i) Liens imposed or granted by Buyer or any of its Affiliates and (ii) Permitted Liens).

(b) No tangible properties or tangible assets used by any Seller in the conduct of the Product Operations (other than work in process and finished goods inventory), as currently conducted, nor any Lab Assets are held in the name or in the possession of any Person or entity other than the applicable Seller.

### **3.7 Taxes.**

(a) All material Tax Returns required to be filed with respect to the Purchased Assets, the Assumed Liabilities and the Product Operations have been duly and timely filed with the appropriate Governmental Entity and all such Tax Returns are true, correct and complete in all material respects.

(b) All Taxes required to be paid with respect to the Purchased Assets, the Assumed Liabilities and the Product Operations (whether or not shown as due on any Tax Return) have been duly and timely paid.

(c) Each Seller and each of its Subsidiaries has timely and properly collected, withheld and paid over to the appropriate Governmental Entity (or where such payment is not yet due, set aside in an account for such purpose), all material Taxes required to have been collected, withheld and paid over in connection with amounts received or owed from or paid or owing to any Product Operations Employee, creditor, stockholder, customer or other third party, and has

complied in all material respects with all applicable Law relating to the withholding, collection and remittance of Taxes (including information reporting requirements), in each case, with respect to or in connection with the Purchased Assets, the Assumed Liabilities or the Product Operations.

(d) There is no Tax Proceeding with respect to material Taxes pending or threatened in writing with respect to or relating to the Purchased Assets, the Assumed Liabilities or the Product Operations. No written claim has been made by a Governmental Entity in a jurisdiction where a Seller or any of its Subsidiaries does not file Tax Returns of a particular type with respect to or relating to the Purchased Assets, the Assumed Liabilities or the Product Operations that a Seller or any of its Subsidiaries is or may be subject to taxation of such type or required to file Tax Returns of such type in such jurisdiction with respect to or relating to the Purchased Assets, the Assumed Liabilities or the Product Operations.

(e) There are no Liens (other than Permitted Liens) for Taxes upon any of the Purchased Assets.

(f) There are no outstanding agreements, waivers or arrangements extending the statutory period of limitation applicable to any claim for, or the period for the collection or assessment of, material Taxes due with respect to the Purchased Assets, the Assumed Liabilities or the Product Operations for any Tax period.

(g) No material deficiencies, claims, issues or adjustments have been asserted, assessed, proposed or, to the Knowledge of Seller, threatened in writing by a Governmental Entity in connection with any Taxes or Tax Returns with respect to the Purchased Assets, the Assumed Liabilities or the Product Operations that remain unresolved.

(h) With respect to the Product Operations, each Seller and each of its Subsidiaries has collected all material sales and use Taxes required to be collected by it and has remitted, or will remit on a timely basis, such collected Taxes to the appropriate Governmental Entity.

(i) Seagate Technology HDD (India) Private Limited operates within a special economic zone in India pursuant to local country approval, as reflected in the documents listed on Section 3.7(i) of the Sellers Disclosure Schedules.

### **3.8 Contracts and Commitments.**

(a) Section 3.8 of the Sellers Disclosure Schedules sets forth each of the following Contracts to which any of Sellers or any of their Subsidiaries is a party or bound with respect to or relating to the Product Operations, other than Contracts with Buyer or any of its Affiliates (the "Business Contracts"):

(i) any Contract pursuant to which any Seller or any of its Subsidiaries purchases products or services in excess of \$500,000 in any year, excluding any sales orders or purchase orders relating thereto (other than In-Bound Licenses) and excluding any Contracts for Infrastructure Assets;

(ii) each Contract which provides for "exclusivity" or any similar requirement in favor of any Person other than Sellers or any of their Subsidiaries, or each Contract under which Sellers are restricted in any material respect in the distribution, licensing, marketing, purchasing, development or manufacturing of the Seller Products;

(iii) any settlement agreement or settlement-related agreement (including any agreement under which any threatened or asserted employment-related claim is settled) in each case that contains any on-going material obligation of Sellers or any of their Subsidiaries;

(iv) any Contract granting a right of first refusal or first negotiation with respect to the sale of any of the Purchased Assets;

(v) each Purchased Contract;

(vi) each Contract providing for payments of royalties, franchise fees or commissions to third Persons with respect to the Product Operations;

(vii) each (i) In-Bound License (including libraries provided by foundries), other than (A) Open Source Licenses, (B) Contracts for commercially available off-the-shelf Software (including SaaS agreements) available for an annual aggregate fee of \$50,000 or less, and in each case that is not incorporated into any Seller Products, (C) Contracts for Infrastructure Assets, (D) commercial Contracts to the extent including ancillary licenses to use a third Person's Marks or feedback; (E) licenses granted in Contributor Assignment Agreements; (F) license rights received by Sellers from members of a SSO through a Seller's membership in a SSO, and (G) confidentiality agreements; and (ii) Out-Bound License, other than (1) confidentiality and non-disclosure agreements; and (2) non-exclusive licenses in Contracts with consultants, contractors and vendors to the extent granting licenses in connection with the counterparty's provisions of products or services to or for any of the Sellers; and (3) license rights granted by Sellers to members of an SSO through Seller's membership in an SSO that is set forth in Section 3.9(k) of the Sellers Disclosure Schedules.

(viii) any Contract granting a Lien (other than a Permitted Lien) upon any Purchased Asset; and

(ix) each Contract providing for any license or franchise granted by any Seller pursuant to which such Seller has agreed to provide any third party with access to source code or to provide for source code to be put in escrow or to refrain from granting license or franchise rights to any other Person.

(b) As of the date of this Agreement, Sellers have made available to Buyer true and correct copies of all Business Contracts, together, in each case, with all written amendments or other changes thereto. Each Business Contract is a valid and binding obligation of the applicable Seller or its Subsidiaries and is in full force and effect. The applicable Seller and its Subsidiaries have performed all material obligations required to be performed by it under each Business Contract. There exists (and is not alleged to exist) no material breach or material default (or event that with or without notice or the lapse of time, or both, would constitute a material breach or material default) on the part of the applicable Seller, its Subsidiaries or its

Affiliates or, to the Knowledge of Sellers, on the part of any other party thereto under any Business Contract. No event is occurring or has occurred (in the case of any event with respect to a third party under any Business Contract, to the Knowledge of Sellers) that with or without notice or lapse of time would permit termination, modification, or acceleration, under any Business Contract. None of Seller, its Subsidiaries or its Affiliates or any other party thereto has repudiated any provision of any Business Contract. There are no circumstances that are reasonably likely to have an adverse effect on the ability of the applicable Seller or its Subsidiaries to perform their respective obligations under any Business Contract. With respect to all

Business Contracts that obligate the applicable Seller or its Subsidiaries to purchase all or part of its requirements of Seller Products, such Seller or its applicable Subsidiaries have met such purchase obligations required by such Business Contracts.

### **3.9 Intellectual Property.**

(a) Section 3.9(a) of the Sellers Disclosure Schedules sets forth a complete and accurate list of all Seller Intellectual Property Rights that are Registered Intellectual Property (the "Seller Registered Intellectual Property"), including for each item: (i) the current owner; (ii) the jurisdiction of application or registration; (iii) the application or registration number, and where applicable, the title; and (iv) the date of filing or registration. Sellers and their Subsidiaries are current in the payment of all registration, maintenance and renewal fees with respect to the Seller Registered Intellectual Property. The Seller Registered Intellectual Property is subsisting, unexpired, and to the Knowledge of Sellers, valid and enforceable, and none of the Seller Registered Intellectual Property has lapsed or been abandoned or cancelled (other than on the expiration of the full term for such Registered Intellectual Property). For purposes of the foregoing sentence, with respect to applications, "subsisting," "unexpired," and "valid and enforceable" shall mean, collectively, that the application has been properly filed and is pending.

(b) All Seller Intellectual Property Rights are owned exclusively by Sellers or their respective Subsidiaries free and clear of any Liens (other than Permitted Liens). Without limiting the foregoing, Sellers or their respective Subsidiaries have sole, clear and unencumbered title, other than Permitted Liens, to each item of Seller Registered Intellectual Property and all assignments of Registered Intellectual Property to Sellers or their respective Subsidiaries have been properly executed and recorded. Sellers or their respective Subsidiaries exclusively own or have a valid and enforceable interest in, free and clear of all Liens (other than Permitted Liens), all semiconductor IP, tooling, mask works, and other Technology for all Seller Products that are semiconductor devices, and all Intellectual Property Rights with respect to such Technology. No Person other than Sellers or their respective Subsidiaries have the right to license or grant rights, or offer to grant licenses or rights, to any Seller Intellectual Property Rights to any other Person.

(c) (i) All Seller Intellectual Property Rights are, and immediately following the Closing will be, freely licensable and transferrable by Buyer without payment or the granting of consideration to any other Person; (ii) Sellers and their Subsidiaries, and immediately following the Closing, Buyer, may exercise, transfer, or license the Seller Intellectual Property Rights and the Seller Technology, without restriction or payment to any Person; and (iii) neither this Agreement nor any of the transactions contemplated hereby will restrict or impair the right of Buyer to transfer, alienate, enforce or license any Seller Intellectual Property Rights or Seller Technology.

(d) Neither Sellers nor any of their Subsidiaries has received any notice, or otherwise has Knowledge that, (i) any of the Seller Registered Intellectual Property is subject to any order, decision, judgment, writ, injunction, stipulation, award, or decree, issued by any Governmental Entity adversely affecting the use thereof or rights thereto by Sellers or their Subsidiaries, or (ii) there is any opposition or cancellation Proceeding pending against Sellers or their Subsidiaries concerning the ownership, validity or enforceability of any Seller Registered Intellectual Property (other than in the case of (i) or (ii)) office actions or Proceedings in the ordinary course of prosecution of any pending applications for registration or issuance of any Registered Intellectual Property.

(e) The Product Operations, including the development, design, manufacture, provision, and sale of any Seller Products, do not infringe, misappropriate or otherwise violate, and have not infringed, misappropriated or otherwise violated, any Intellectual Property Rights owned by any other Person, and following the Closing, when conducted in substantially the same manner by Buyer, will not infringe, misappropriate or otherwise violate any Intellectual Property Rights owned by any other Person.

(f) There are no Proceedings or claims pending or, to the Knowledge of Sellers, threatened against Sellers or any of their Subsidiaries, and there have been no complaints, or claims or notices received by Sellers or any of their Subsidiaries since January 1, 2021 through the date hereof, alleging, or could reasonably be construed to allege, any infringement, misappropriation or violation of any Intellectual Property Rights of any other Person by Sellers or any of their Subsidiaries in respect of the Product Operations, or any request or demand for indemnification or defense (including cease and desist letters and invitations to license) received by Sellers or any of their Subsidiaries from any other Person in respect of the alleged infringement, misappropriation or violation of any Intellectual Property Rights of another Person in respect of the Product Operations. Neither Sellers nor any of their Subsidiaries is subject to any outstanding order that restricts the use, transfer or licensing of any Seller Intellectual Property Rights. To the Knowledge of Sellers, no Person is infringing, misappropriating or violating any Seller Intellectual Property Rights. Since January 1, 2021, neither Sellers nor any of their Subsidiaries has brought any Proceeding against any other Person, or provided any other Person with written (or to Sellers' Knowledge, unwritten notice) notice, alleging that any Person is infringing, misappropriating or otherwise violating any Seller Intellectual Property Rights.

(g) Neither this Agreement nor any of the transactions contemplated hereby will cause (i) the forfeiture or termination of, or give rise to a right of forfeiture or termination of any Seller Intellectual Property Rights, (ii) the grant of any rights or licenses to any Seller Intellectual Property Rights or any Intellectual Property Rights owned by Buyer or any of Buyer's Subsidiaries, (iii) the release from escrow of any Software or other Technology included in the Purchased Assets, or (iv) additional material payment obligations by Buyer in order to use or exploit any Intellectual Property Rights to the same extent as Sellers and their Subsidiaries were permitted before the date of this Agreement, except to the extent any of the foregoing arise by operation of any Contracts to which Buyer or its Subsidiaries is a party.

(h) Sellers and their Subsidiaries have secured from all employees, consultants and independent contractors who independently or jointly contributed to or participated in the conception, reduction to practice, creation or development of any Seller

Intellectual Property Rights or Seller Product (each, a "Contributor"), unencumbered and unrestricted exclusive ownership of, all of the Contributors' Intellectual Property Rights in such contribution that Sellers or any of their Subsidiaries does not already own by operation of law. No Contributor owns or, to the Knowledge of Sellers, claims any rights, licenses, claims or interest whatsoever with respect to any such Intellectual Property Rights or Seller Product. Without limiting the foregoing, Sellers have obtained written and enforceable proprietary information and invention disclosure and Intellectual Property Rights assignments from all current and former Contributors, in each case without material modification from Sellers' forms for such agreement (and copies of the forms of each such agreement used by Sellers or any of their Subsidiaries have been made available to Buyer) (each, a "Contributor Assignment Agreement") and, to the Knowledge of Sellers, no Contributor has materially violated such Contributor Assignment Agreement or otherwise misappropriated any Trade Secret.

(i) Sellers and their Subsidiaries have taken commercially reasonable steps to protect and maintain their respective rights in Trade Secrets included in the Seller Intellectual Property Rights or that have been disclosed to Sellers or any of their Subsidiaries by any other Person, and there have been no material unauthorized uses or disclosures of any such Trade Secrets that Sellers or their Subsidiaries have intended to maintain as Trade Secrets.

(j) Neither Sellers nor any of their Subsidiaries has received any support, funding, resources or assistance from any Governmental Entities, academic institutions, or research centers in the development of any Seller Product, Seller Intellectual Property Rights, or Seller Technology that resulted in, or will result in, such third parties being granted any rights or licenses to, or ownership interest in, any Seller Intellectual Property Rights (or Intellectual Property Rights that would have been, in the absence of such support, funding, resources or assistance, Seller Intellectual Property Rights).

(k) Neither Sellers nor any of their Subsidiaries is a member of or party to, or has participated in any patent pool, industry standards body, standards development organization, trade association or other organization ("SSO") pursuant to the rules of which Sellers or any of their Subsidiaries is obligated to license or offer to license any Seller Intellectual Property Rights to any Person or grant any right or license to any Seller Intellectual Property Rights to any other Person upon the sale or transfer thereof. Section 3.9(k) of the Sellers Disclosure Schedules contains an accurate and complete list of all SSOs with respect to which any Seller is or was a member, participant or contributor relating to the Seller Intellectual Property Rights.

(l) Sellers and their Subsidiaries are in material compliance with the Open Source Licenses for Open Source Materials used by Sellers and their Subsidiaries for the Product Operations, including notice and attribution obligations. No Open Source Material is compiled together with, or is otherwise linked with or incorporated into, any proprietary Software distributed by Sellers or any of their Subsidiaries in a manner that would subject such proprietary Software within the Seller Technology to the terms of an Open Source License, including requiring any portion of such proprietary Software be (i) disclosed or distributed in source code form, (ii) licensed for the purpose of making derivative works, (iii) redistributable at no charge or minimal charge or (iv) grant, or have the effect of granting, any other Person any right or license to any Patent or other Intellectual Property Right. Neither Sellers nor any of their Subsidiaries has delivered, licensed or made available, or is under a duty or obligation (whether present, contingent, or otherwise) to deliver, license or make available, the source code for any Software

to any escrow agent or other Person who is not an employee or consultant acting on behalf of Sellers or any of their Subsidiaries. No event has occurred, and no circumstance or condition exists, that (with or without notice or lapse of time) will, or would reasonably be expected to, result in the delivery, license or disclosure of the source code for any proprietary Software within the Seller Technology to or by any such escrow agent or other Person.

**3.10 Litigation; Proceedings.** There are no material Proceedings pending or, to the Knowledge of Sellers, threatened or reasonably plausible (given the facts and circumstances that exist) against or affecting the Product Operations, the Purchased Assets or the Assumed Liabilities at Law or in equity, or before or by any Governmental Entity. Neither Sellers nor any of their respective Subsidiaries are subject to any outstanding order, writ, injunction, judgment or decree issued by any court or quasi-judicial or administrative agency of any federal, state, local or foreign jurisdiction or any arbitrator with respect to the Product Operations, the Purchased Assets or the Assumed Liabilities. There is no pending amount to be paid, either to or by Sellers, with respect to any settled or adjudicated Proceeding with respect to the Product Operations, the Purchased Assets or the Assumed Liabilities. There is no Proceeding pending or, to the Knowledge of Sellers, threatened against any Seller and neither Sellers nor any Affiliate thereof is subject to any outstanding order, in each case, as would reasonably be expected to materially impair the ability of any Seller to perform its obligations under this Agreement.

### **3.11 Employees and Employee Benefit Plans.**

(a) Sellers have made available a complete and accurate list of each Product Operations Employee, including with respect to each Product Operations Employee, to the extent permitted by applicable Law, (i) name, (ii) title/position, (iii) hire date, (iv) annual base salary or hourly wage rate, (v) incentive and bonus opportunities (including commission opportunities) for the current performance year, (vi) earned incentive or bonus (including commissions) and target incentive pay for the 2022 performance year, (vii) work location (including country and state or province, as

applicable), (viii) status as full-time or part-time and exempt or nonexempt, (ix) status as active or on an approved leave of absence, type of leave (disciplinary or non-disciplinary) and expected return to work date, if applicable and (x) work authorization, immigration permit or visa status.

(b) Section 3.11(b) of the Sellers Disclosure Schedules sets forth a complete and accurate list of all independent contractors that are natural persons that are currently performing services or under contract to perform future services for Sellers related to Product Operations (except to the extent that such services relate primarily to the Infrastructure Assets).

(c) Section 3.11(c) of the Sellers Disclosure Schedules contains a complete and accurate list of all material Plans (other than Plans that are required by applicable Law) in which Product Operations Employees participate or are eligible to participate; provided, however, that, to the extent there exist certain forms of agreements or arrangements that would constitute Plans, Sellers shall be required to list only the forms of such agreements or arrangements and any material deviations from such forms and provided, further, that offer letters or other employment agreements that do not provide for severance payments or benefits, other than such severance payments or benefits required by applicable Law, will not be deemed material for purposes of this sentence. Sellers have (i) made available to Buyer a complete and accurate copy of each material Plan in which Product Operations Employees participate or (ii)

provided or made available to Buyer a complete and accurate description of the material terms of each material Plan in which Product Operations Employees participate (other than Plans that are required by applicable Law), and each Plan that (i) is an individual agreement with any Product Operations Employee, or (ii) provides for incentive compensation to any Product Operations Employee. For purposes of the disclosure and production requirements of this Section 3.11(c), to the extent a form agreement or arrangement is applicable to the broader Plan, only such form shall be disclosed or made available (in addition to any other agreement or arrangement applicable to any Product Operations Employee that materially deviates from such form).

(d) Other than the reimbursement obligations contemplated by Section 6.9, no act or omission has occurred and no condition exists with respect to any Plan that has, or is reasonably likely to, result in any fine, penalty, Tax or Liability of any kind imposed under ERISA or the Code for which Buyer or any of its Affiliates may be responsible.

(e) Sellers do not now maintain, and have never maintained, any group health plan for which Buyer or any of its Affiliates may be responsible. Neither Sellers nor any of their respective ERISA Affiliates maintains, contributes to or is required to contribute to, or has in the past six (6) years maintained, contributed to, been required to contribute to, or incurred any liability (contingent or otherwise) with respect to, (i) any plan intended to be qualified under Section 401(a) of the Code, (ii) any plan that is subject to Title IV of ERISA or (iii) any plan subject to Section 412 of the Code or Section 302 of ERISA.

(f) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby (alone or in connection with additional or subsequent events, including any termination of employment or service) is reasonably likely to (i) result in any payment (including severance or bonus payment), becoming due to any Product Operations Employee, (ii) result in any forgiveness of Indebtedness to any Product Operations Employee, (iii) increase the compensation or benefits provided to any Product Operations Employee under any Plan, (iv) result in the acceleration of the time of payment or vesting of any such compensation or benefits payable to any Product Operations Employee, or (v) result in any compensation or benefits to be paid or provided to any Product Operations Employee to be subject to the excise tax for U.S. federal income tax purposes by reason of Section 4999 of the Code.

(g) Each Plan in which a Product Operations Employee participates that constitutes in any part a "nonqualified deferred compensation plan" (as defined under Section 409A(d)(1) of the Code) subject to Section 409A of the Code has been operated and administered in all respects in operational compliance with, and is in all respects in documentary compliance with, Section 409A of the Code and all IRS guidance promulgated thereunder, and no amount under any such plan, agreement or arrangement is, has been or could reasonably be expected to be subject to any additional Tax, interest or penalties under Section 409A of the Code.

(h) Neither Sellers nor any of their Subsidiaries is a party to any collective bargaining or other labor union Contract with respect to the Product Operations Employees, no such collective bargaining agreement is being negotiated by Sellers or any of their Subsidiaries, and to the Knowledge of Sellers, no campaign or other attempt for recognition has been made by any labor organization with respect to the Product Operations Employees. There is no pending

or, to the Knowledge of Sellers, threatened labor dispute, strike or work stoppage involving the Product Operations Employees.

(i) Sellers and their Subsidiaries have complied with all Laws relating to the employment of the Product Operations Employees in all material respects, including any provisions thereof relating to: (i) wages, hours, bonuses, commissions, termination pay, vacation pay, sick pay, fringe benefits, employee benefits, health insurance continuation (COBRA), and the payment or accrual of the same and all insurance and all other costs and expenses applicable thereto; (ii) unlawful, wrongful, or retaliatory or discriminatory employment or labor practices; (iii) occupational health and safety standards; and (iv) plant closing, mass layoff, immigration, workers' compensation, disability, unemployment compensation, whistleblower Laws, and other employment Laws.

(j) Since January 1, 2021 (i) to the Knowledge of Sellers, no allegations of sexual harassment, sexual misconduct or discrimination have been made against any Product Operations Employee, (ii) there are no Proceedings pending or, to the Knowledge of Sellers, threatened related to any allegations of sexual harassment, sexual misconduct or discrimination by any Product Operations Employee, and (iii) neither Sellers nor any of their Subsidiaries has entered into any settlement agreements related to allegations of sexual harassment, sexual misconduct or discrimination by any Product Operations Employee.

**3.12 Insider Transactions.** Except as set forth on Section 3.12 of the Sellers Disclosure Schedules, no individual who is an Affiliate, officer or director of a Seller, or to the Knowledge of Sellers, any immediate family member of any such individual or any entity which is an Affiliate of such individual (other than Sellers and their Affiliates) (collectively, the "Insiders") is a party to any Business Contract or material transaction with a Seller pertaining to the Product Operations or Purchased Assets other than Plans entered into in the Ordinary Course of Business. Except as set forth on Section 3.12 of the Sellers Disclosure Schedules, no Insider has any direct or indirect interest in any Business Contract pertaining to the Product Operations or Purchased Assets to which a Seller or any of its Subsidiaries is a party or by which it may otherwise be bound, or purchases from, or sells, licenses or furnishes to, a Seller or any of its Subsidiaries any goods, property, technology, intellectual or other property rights or services material to the Product Operations or Purchased Assets, or competes in any material respect with a Seller with respect to the Product Operations or Purchased Assets. Section 3.12 of the Sellers Disclosure Schedules describes all Business Contracts pertaining to the Product Operations or Purchased Assets between Seller or its Subsidiaries, on the one hand, and any Insider, on the other hand.

**3.13 Compliance with Laws.**

(a) Except as would not reasonably be expected, individually or in the aggregate, to be material to the Product Operations, (i) each of Sellers and its Subsidiaries have complied with and is in compliance with all applicable Laws, regulations and ordinances of foreign, federal, state and local governments and all agencies thereof, (ii) no Seller or any of its Subsidiaries has been served with or otherwise received notice that any claim has been filed alleging a violation of any such Laws or regulations, and (iii) no investigation or review or civil penalty claims by any Governmental Entity with respect to any Seller or any of its Subsidiaries is pending or, to the Knowledge of Sellers, threatened.

(b) Sellers or their Affiliates own or possess all right, title and interest in all material permits, licenses, franchises, certificates, approvals, consents, certificates of authorization, registrations and other authorizations of foreign, federal, state, local, and international governments or regulatory authorities, or other similar rights are used in or necessary to hold the Purchased Assets or to operate the Product Operations as presently conducted and as presently contemplated by Sellers and their respective Affiliates to be conducted (collectively, the "licenses") and Sellers are in material compliance in all respects with the terms and conditions of such Licenses. No loss or expiration of any material License is pending or threatened. The consummation of the transactions contemplated by this Agreement will not require any consent, renewal or notice with respect to any material License.

(c) With respect to the Purchased Assets, for the prior five (5) years, none of Sellers, any of their Subsidiaries nor any controlled Affiliates, nor, to the Knowledge of Sellers, any Product Operations Employee or agent of the foregoing nor Person who performs or has performed services for or on behalf of any of them (a) has used any funds for unlawful contributions, gifts, payoffs, rebates, bribes, entertainment or other unlawful payments relating to political activity or (b) has made any unlawful payment to any foreign or domestic government official or employee or to any foreign or domestic political party or campaign or violated any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended.

**3.14 Environmental Matters.** Except as would not reasonably be expected, individually or in the aggregate, to be material to the Product Operations: (a) each Seller and its Subsidiaries have complied with and are currently in compliance with all Environmental and Safety Requirements applicable to the Product Operations, (b) the Product Operations is not subject to any Liabilities, including corrective, investigatory or remedial obligations arising under Environmental and Safety Requirements and (c) no Seller nor any of its Subsidiaries has received any written notice, report or information regarding any Liabilities, including corrective, investigatory or remedial obligations arising under Environmental and Safety Requirements, with respect to the Product Operations.

**3.15 Suppliers.**

(a) Section 3.15(a) of the Sellers Disclosure Schedules sets forth a true, accurate and complete list of the ten (10) largest suppliers of the Product Operations in terms of expenditures during the most recently completed fiscal year of Sellers and their Subsidiaries and the portion of the current fiscal year of Sellers and their Subsidiaries through March 31, 2024, and showing the total expenditures in each such period from each such supplier, excluding Buyer and its Affiliates.

(b) Since January 1, 2021, there has not been any material adverse change in the business relationship, and there has been no material dispute, between any Seller or any of their respective Subsidiaries and any Person identified on Section 3.15(a) of the Sellers Disclosure Schedules.

**3.16 Privacy and Security.**

(a) Since January 1, 2021, in respect of the Product Operations, Sellers and their Subsidiaries have complied and are in compliance in all material respects with all

applicable Laws of all Governmental Entities, or any self-regulating organization, regarding privacy, security or data protection (collectively, the "Privacy Laws"). Sellers and their Subsidiaries have maintained, enforced and complied with in all material respects with all written privacy, security and data protection policies (collectively, the "Privacy Policies") with respect to any confidential information used in the Product Operations. Neither this Agreement nor any Transaction Documents will violate the terms and conditions of any Privacy Policies, any applicable Privacy Laws or the privacy rights of any Person.

(b) Each Seller, each of its Subsidiaries and each of its Affiliates has not, in respect of the Product Operations, received any oral or written notice of investigation for potential breach of any Privacy Laws with respect to: (i) personally identifiable information (including but not limited to name, address, telephone number, email address, social security number, bank account number or credit card number), sensitive personal information and any special categories of personal information regulated thereunder or covered thereby ("Personal Information") (including such Personal Information of users of Sellers', their Subsidiaries or their Affiliates' Internet, web, digital and mobile sites, and mobile applications, suppliers and distributors), whether any of same is accessed or used by Sellers, their Subsidiaries or any of their business partners; (ii) spyware and adware; (iii) the sending of solicited or unsolicited electronic mail messages; and (iv) confidential or classified information or information whose use, possession or disclosure is regulated or restricted by any Governmental Entity.

(c) Sellers, their Subsidiaries and their Affiliates take commercially reasonable steps consistent with generally accepted industry standards to protect the operation, confidentiality, integrity and security of the Software, systems and Internet, web, digital and mobile sites of the Product Operations, and mobile applications and all information and transactions stored or contained therein or transmitted thereby against any unauthorized or improper use, access, transmittal, interruption, modification or corruption, and, within the twenty-four (24)-month period ending on the date hereof, and there have been no breaches of same that would require by applicable Law notification or remedial action.

(d) Sellers, their Subsidiaries and their Affiliates have the right to transfer to Buyer all Personal Information included in the Purchased Assets owned or held by them pursuant to the terms of this Agreement and such transfer shall not violate any applicable Privacy Laws or other applicable Laws; provided that Buyer adheres to the terms of the privacy statement and all applicable Privacy Laws and other Laws following the Closing. Buyer's use of such Personal Information in the manner it was used by Seller prior to Closing will comply in all material respects with applicable Privacy Laws or other applicable Laws.

**3.17 Brokers.** No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Sellers, any of their Subsidiaries or any of their Affiliates.

**3.18 No Other Representations and Warranties.** Except for the representations and warranties contained in Article IV, Sellers acknowledge that neither Buyer nor any of its Representatives makes, and Sellers specifically disclaim and acknowledge that they have not relied upon or otherwise been induced by, any other express or implied representation or warranty with respect to Buyer or any of

its Affiliates, including with respect to the accuracy or completeness of any information, documents or materials made available to Sellers or their Representatives, whether orally or in writing in expectation of the transactions contemplated by this Agreement and the other Transaction Documents.

## **ARTICLE IV** **REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer represents and warrants to Sellers that each of the representations and warranties contained in this Article IV are true and correct as of the date hereof:

**4.1 Organization and Corporate Power.** Buyer is duly organized, validly existing and in good standing under the Laws of Singapore and has all requisite power and authority to own, lease and operate its properties and assets and to carry on its business as and is qualified to do business and is in good standing as a foreign corporation in each jurisdiction where the ownership, leasing or operation of its properties or assets or conduct of its business requires such qualification, except where the failure to be so qualified or in good standing or to have such power or authority would not reasonably be expected to have a material adverse effect on its ability to perform its obligations under the Transaction Documents in a timely manner.

**4.2 Authorization of Transactions.** Buyer has full corporate power and authority to execute and deliver, and to perform its obligations under, this Agreement and each of the other Transaction Documents to which it is a party and to consummate the transactions contemplated by this Agreement and the other Transaction Documents. Buyer has duly approved this Agreement and each of the other Transaction Documents to which it is a party and has duly authorized the execution and delivery of this Agreement and each of the other Transaction Documents to which it is a party and the consummation of the transactions contemplated by this Agreement and the other Transaction Documents. No other corporate proceedings on the

part of Buyer are necessary to approve and authorize the execution and delivery of this Agreement or the other Transaction Documents to which it is a party and the consummation of the transactions contemplated by this Agreement and the other Transaction Documents. This Agreement and each of the other Transaction Documents to which Buyer is a party have been duly executed and delivered by such entity, as applicable, and constitute the valid and binding agreements of such entity, as applicable, enforceable against such entity, as applicable, in accordance with their terms, subject to the Enforceability Limitations.

**4.3 No Conflicts.** No filing with or notice to, and no permit, authorization, registration, consent or approval of, any Governmental Entity is required on the part of Buyer for the execution, delivery and performance by such entity of this Agreement or the other Transaction Documents to which it is a party or the consummation by such entity of the transactions contemplated by this Agreement or the other Transaction Documents. Neither the execution, delivery and performance by Buyer of this Agreement or the other Transaction Documents to which it is a party nor the consummation by such entity of the transactions contemplated by this Agreement and the other Transaction Documents will (a) conflict with or violate any provision of the Organizational Documents of such entity, or any of its Subsidiaries, (b) result in a material breach, violation or infringement of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to the creation of any Lien or any right of termination, amendment, loss of benefits or other Loss, cancellation or acceleration) under, any of the

terms, conditions or provisions of any Contract to which such entity or any of its Subsidiaries is a party or by which any of them or any of its properties or assets may be bound or (c) violate or infringe, in any material respect, any Law applicable to such entity, or any of its Subsidiaries or any of its properties or assets. None of the representations and warranties in this Section 4.3 shall be deemed to relate to any Antitrust Laws.

**4.4 Litigation.** There is no Proceeding pending or to the knowledge of Buyer, threatened against Buyer and neither Buyer nor any Affiliate thereof is subject to any outstanding order, in each case, as would reasonably be expected to materially impair the ability of Buyer to perform its obligations under this Agreement.

**4.5 No Other Representations or Warranties.** Except for the representations and warranties contained in Article III or any certificate delivered hereunder or in any Transaction Documents or other Contract between the Parties related to the transactions contemplated hereby, Buyer acknowledges that neither Sellers nor any of their Representatives makes, and Buyer specifically disclaims and acknowledges that it has not relied upon or otherwise been induced by, any other express or implied representation or warranty with respect to Sellers or any of their Affiliates, including with respect to the accuracy or completeness of any information, documents or materials made available to Buyer or its Representatives, whether orally or in writing, including in any confidential information memoranda, "data rooms," management presentations, due diligence discussions or in any other form in expectation of the transactions contemplated by this Agreement and the other Transaction Documents.

## ARTICLE V

### INDEMNIFICATION AND RELATED MATTERS

#### **5.1 Survival; Risk Allocation.**

(a) Survival of Representations, Warranties and Covenants. The representations and warranties of Sellers in Article III or in any certificate delivered hereunder (and any rights arising out of any breach of or inaccuracy in any such representations and warranties) shall survive the Closing and shall continue in full force and effect until the date that is fifteen (15) months from the Closing Date, except that the representations and warranties set forth in Section 3.1(a) (Organization and Corporate Power); Section 3.2 (Authorization of Transactions); clause (a) of Section 3.4 (Absence of Conflicts); Section 3.6(a) (Title to Assets); Section 3.7 (Taxes); and Section 3.17 (Brokers) (collectively, "Seller Fundamental Representations") shall survive the Closing and continue in full force and effect until sixty (60) calendar days after the expiration of the applicable statute of limitations (including any applicable extension thereof). Any obligations to indemnify and hold harmless in relation to any of the foregoing shall not terminate with respect to any claim as to which the Person to be indemnified shall have given notice (stating the basis of the claim for indemnification) to the indemnifying party in accordance with Section 5.2(e) before the termination of the applicable survival period until such claim is finally resolved. The representations and warranties of Buyer contained in Article IV shall not survive and shall terminate upon the Closing (and there shall be no Liability after the Closing in respect thereof). The covenants and agreements contained in this Agreement shall survive the Closing indefinitely until fully performed.

(b) Notification of Claims. Notwithstanding the foregoing, if prior to 11:59 p.m., Pacific time, on the last day of the applicable survival period, the Indemnifying Party has been notified of a claim for indemnity hereunder and such claim has not been finally resolved or disposed of on the last day of the applicable survival period, such claim will continue to survive and will remain a basis for indemnity hereunder, and for the Buyer Indemnified Party to receive recovery with respect to such Losses, until such claim is finally resolved or disposed of in accordance with the terms hereof.

(c) **Special Rule for Certain Losses.** Notwithstanding anything in this Article V to the contrary, the right of any Party to bring claims (and recover Losses), based on the Fraud of another Party shall be without regard to any limitation set forth in this Agreement (whether a temporal limitation, a dollar limitation or otherwise).

## 5.2 **Indemnification.**

(a) **Seller Indemnification.** Subject to each of the applicable limitations set forth in this Article V, Sellers shall, and cause their Subsidiaries to, jointly and severally, indemnify Buyer and its Affiliates and their respective directors, managers, members, officers, employees, successors and assigns (each, a "Buyer Indemnified Party" and collectively, the "Buyer Indemnified Parties") and hold each of them harmless from and against and pay on behalf of or reimburse such Buyer Indemnified Parties in respect of any loss, liability, demand, claim, action, cause of action, cost, damage, charge, fine or expense (including interest, penalties, settlement payments, assessments, judgments, awards and reasonable attorneys', accountants' and other professionals' fees and expenses, court costs and all reasonable amounts paid in investigation, defense or settlement of any of the foregoing, including in connection with enforcing the provisions of this Article V) (collectively, "Losses" and individually, a "Loss") imposed on, sustained, incurred or suffered by, any Buyer Indemnified Party, whether in respect of third party claims or claims between the Parties, directly or indirectly relating to, arising out of or in connection with:

- (i) any and all breaches of any representation or warranty made by Sellers contained in this Agreement or in the Patent Assignment Agreement, the Assignment and Assumption and Bill of Sale or the Local Transfer Agreements, in each case, other than the Assumed Liabilities described in Section 5.2(c)(iii);
- (ii) any and all breaches of any covenant, agreement or obligation made by, or to be performed by, Sellers contained in this Agreement or in the Patent Assignment Agreement, the Assignment and Assumption and Bill of Sale or the Local Transfer Agreements;
- (iii) all Excluded Assets;
- (iv) all Excluded Liabilities, including those Excluded Liabilities set forth on Section 5.2(a)(iv) of the Sellers Disclosure Schedules; or
- (v) any Fraud on the part of Sellers or their representatives in entering into this Agreement.

(b) **Limitations on Seller Indemnity.** The indemnification provided for in Section 5.2(a) above is subject to the following limitation:

(i) Sellers shall not be liable to any Buyer Indemnified Party for any Loss arising under Section 5.2(a)(i) (other than with respect to any breach, inaccuracy or failure to be true and correct of any of the Seller Fundamental Representations or in the case of Fraud) unless and until the aggregate amount of all Losses incurred by the Buyer Indemnified Parties under Section 5.2(a)(i) exceeds ONE MILLION DOLLARS (\$1,000,000) in the aggregate (the "Basket"), in which case Sellers shall be liable for all such Losses from the first dollar, including any such Losses that comprised part of the Basket.

(ii) The maximum aggregate liability of Sellers under Section 5.2(a)(i) (other than with respect to any breach, inaccuracy or failure to be true and correct of any of the Seller Fundamental Representations or in the case of Fraud) shall be SIXTY MILLION DOLLARS (\$60,000,000).

(iii) The maximum aggregate liability of Sellers under Section 5.2(a)(i) shall be an amount equal to SIX HUNDRED MILLION DOLLARS (\$600,000,000).

(iv) Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement will limit liability for any breach, inaccuracy or failure to be true and correct in respect of the Seller Fundamental Representations set forth in Section 3.7 (Taxes), or for indemnification pursuant to Section 5.2(a)(ii), Section 5.2(a)(iii), Section 5.2(a)(iv), or Section 5.2(a)(v). To the extent that a claim for indemnification pursuant to Section 5.2(a) may be properly characterized in multiple ways such that such claim may or may not be subject to different limitations depending on such characterization, then the Buyer Indemnified Parties shall have the right to characterize such claim in a manner that maximizes the recovery and time to assert such claim permitted in accordance with Section 5.2(a).

Notwithstanding anything to the contrary herein, the rights and remedies of the Buyer Indemnified Parties hereunder shall not be limited by the fact that Buyer Indemnified Party had actual or constructive knowledge (regardless of whether such knowledge was obtained through such Buyer Indemnified Party's own investigation or through disclosure by the Sellers, its Representatives or any other Person) of any breach, event or circumstance, whether before or after the execution and delivery of this Agreement or the Closing.

(c) **Buyer Indemnification.** Subject to each of the applicable limitations set forth in this Article V, Buyer shall, and cause its Subsidiaries to, jointly and severally, indemnify Sellers and their respective Affiliates and their respective directors, managers, members, officers, employees, successors and assigns (each, a "Seller Indemnified Party" and collectively, the "Seller Indemnified Parties") and hold each of them harmless from and against and pay on behalf of or reimburse such Seller Indemnified Parties in respect of any Losses imposed on, sustained,

incurred or suffered by, any Seller Indemnified Party, whether in respect of third party claims or claims between the Parties, directly or indirectly relating to, arising out of or in connection with (provided, for the avoidance of doubt, but without limiting the assumption by Buyer of the Assumed Liabilities and the Sellers' right to specific performance with respect thereto, that

Buyer shall not be required to indemnify the Seller Indemnified Parties with respect to any Assumed Liabilities except to the extent such Assumed Liabilities are included in clauses (i) through (iii) below:

- (i) any breach, default or violation (or action or omission that with or without the passage of time or the giving of notice or both would result in a breach, default or violation) of the Purchased Contracts by Buyer or its Affiliates following the Closing Date;
- (ii) the employment or service of any Transferred Employee that arise following the Closing Date and which relate to Contracts or obligations expressly assumed or implemented by Buyer; and
- (iii) [\*].

Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement will limit liability for indemnification pursuant to Section 5.2(c).

(d) Materiality. Notwithstanding any provision of this Agreement to the contrary, for purposes of determining any breach, inaccuracy or failure to be true and correct of any representation, warranty, covenant or other agreement contained in this Agreement (other than for purposes of Section 3.5(b) hereof) and the amount of any Losses resulting therefrom, any materiality, Material Adverse Effect or other similar qualifications contained or incorporated, directly or indirectly, in any such provision shall be disregarded and have no effect (as if such standard or qualification were deleted from such provision).

(e) Procedure.

(i) If a Buyer Indemnified Party or Seller Indemnified Party (as applicable, the "Indemnified Party") seeks indemnification under this Article V, such Indemnified Party shall give written notice (A) to Sellers, in the case of a Buyer Indemnified Party and (B) Buyer, in the case of a Seller Indemnified Party (as applicable, the "Indemnifying Party") promptly after receiving written notice of any action, lawsuit, Proceeding, investigation or other claim against it (if by a third party) or discovering the Liability, obligation or facts giving rise to such claim for indemnification, which notice shall (x) specify in reasonable detail the nature of the claim being made, including the relevant provisions of this Agreement, and (y) state the aggregate dollar amount of Losses to which the Indemnified Party claims to be entitled to indemnification pursuant to this Article V that have been incurred, or a good faith estimate of the aggregate dollar amount of such Losses reasonably expected to be incurred, by such Indemnified Party pursuant to such claim; provided that, the failure to so notify the Indemnifying Party promptly shall not relieve the Indemnifying Party of its Liabilities hereunder (including with respect to periods before such notification) except to the extent such failure shall have actually and materially prejudiced the Indemnifying Party. For the avoidance of doubt, the Indemnifying Party shall be entitled to dispute or contest any such indemnification claim, including pursuant to Section 7.9. In that regard, if any action, lawsuit, Proceeding, investigation or other claim shall be brought or asserted by any third party for which an Indemnified Party has made a claim for indemnity pursuant to this Article V, the Indemnifying Party shall be entitled to control the defense of such action, lawsuit, Proceeding, investigation or other claim giving rise to the Indemnified Party's claim for indemnification at the Indemnifying Party's sole expense, and, at the

Indemnifying Party's option (subject to the limitations set forth below), shall be entitled to appoint lead counsel of such defense with counsel reasonably acceptable to the Indemnified Party; provided that such Indemnifying Party shall not have the right to assume the control of the defense of any third party claim that: (i) seeks injunctive or other equitable relief against the Indemnified Party that would materially affect the Indemnified Party's business (provided that, for purposes of this clause (i), materiality shall be determined as if such Indemnified Party had an enterprise value equal to the enterprise value of Seller Parent), (ii) seeks monetary damages the amount of which would reasonably be expected to materially exceed any limitation on the amount of Losses for which the Indemnifying Party is responsible hereunder as determined by the good faith estimate by such Indemnified Party or (iii) that is criminal or regulatory in nature. If the Indemnifying Party is permitted and elects to assume the defense of any third party claim, it shall as promptly as practicable (and in any event within twenty (20) days, or sooner, if the nature of the third party claim so requires) following notice in accordance with the first sentence of this Section 5.2(e)(i) notify the Indemnified Party of its intent to do so, acknowledge in writing to the Indemnified Party its obligation to fully indemnify the Indemnified Party in accordance with this Article V. If (1) the Indemnifying Party elects not to or is not entitled pursuant to the terms hereof to elect to assume the defense of any third party claim, or contests its obligations to indemnify the Indemnified Party for such Losses in accordance with Article V or (2) upon request from the Indemnified Party, fails to provide assurance to the Indemnified Party that it has adequate financial resources to defend against, and fully indemnify the Indemnified Party in accordance with Article V for any Losses identified in such third party claim, then the Indemnified Party may control and defend such third party claim; provided that the Indemnified Party shall keep the Indemnifying Party reasonably and as promptly as practicable apprised of the status of such third party claim and use commercially reasonable efforts to allow the Indemnifying Party to participate therein at its own expense. Notwithstanding anything herein to the contrary, the Indemnifying Party shall not consent to a settlement or compromise of, or the entry of any judgment arising from, or otherwise settle or compromise, any such third party claim without the prior written consent of the Indemnified Party (not to be unreasonably withheld, conditioned or delayed) unless (A) the Indemnified Party, as a condition to settlement, is given a complete and unconditional release of any and all Liabilities by all relevant parties to such third party claim; (B) the damages payable under the

settlement are limited only to monetary payments for which the Indemnified Party is fully indemnified by the Indemnifying Party; (C) such third party claim does not involve any material non-monetary relief (including any material injunctive relief) against any Indemnified Party or finding or admission of any violation of Law or admission of any wrongdoing by any Indemnified Party; and (D) the settlement of such third party claim would not have a material and adverse impact on the Product Operations.

(ii) If the Indemnifying Party shall assume the defense of any third party claim, the Indemnified Party may participate at his, her or its own expense, in the defense of such third party claim; provided, however, that such Indemnified Party shall be entitled to participate in any such defense with separate counsel at the expense of the Indemnifying Party if (i) requested by the Indemnifying Party to participate, (ii) counsel to the parties shall have reasonably mutually determined that a material conflict or potential conflict exists between the Indemnified Party and the Indemnifying Party that would make such separate representation advisable, (iii) the named parties to any such action (including

any impleaded parties) include both such Indemnified Party and the Indemnifying Party and such Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to the Indemnified Party or (iv) the amount of the monetary recovery is reasonably expected to exceed the amount the Indemnifying Party is otherwise obligated to provide indemnification for under this Agreement. The Parties shall cooperate fully with each other in connection with the defense, negotiation or settlement of any such third party claim. Notwithstanding anything in Section 5.2(e)(i) or this Section 5.2(e)(ii) to the contrary, no Indemnified Party may settle or compromise any third party claim or consent to the entry of any judgment with respect to which indemnification is being sought hereunder without the prior written consent of the Indemnifying Party (which will not be unreasonably withheld, conditioned or delayed) unless the claimant and the Indemnified Party provide to the Indemnifying Party an unqualified release from all Liability in respect of such third party claim.

(f) Calculation of Losses. All Losses that an Indemnified Party is entitled to indemnification under this Article V shall be calculated net of any amounts actually recovered under insurance policies in each case with third parties (in each case, calculated net of reasonable expenses incurred in procuring such recovery and, with respect to recoveries from insurance, any increase in premiums or retroactive premium adjustments or chargebacks paid by or on behalf of such Indemnified Party solely as a result of the insurance claim related to such Loss). In the event that a particular matter entitles an Indemnified Party to indemnification pursuant to more than one clause of this Article V, such Indemnified Party will be entitled to recover a particular dollar of Losses associated with such matter only once under this Article V.

(g) Release of Holdback Amount.

(i) No later than 11:59 p.m., Pacific time, on the date that is the fifth(5th)Business Day following the date on which the later of the Transition Services Agreements expires or is terminated in accordance with its terms (the "First Release Date"), Buyer shall pay the First Release Amount to Sellers in cash by wire transfer of immediately available funds to the account(s) specified by Sellers to Buyer. The "First Release Amount" means the amount equal to (A) TWENTY-FIVE MILLION DOLLARS (\$25,000,000), minus (B) the sum of all Losses incurred or paid by the Buyer Indemnified Parties in the aggregate with respect to which the Buyer Indemnified Parties are entitled to indemnification pursuant to this Article V as of the First Release Date, minus (C) the sum of all Losses estimated in good faith to result from Outstanding Claims as of the First Release Date. "Outstanding Claims" means, as of the applicable date of determination, then-pending indemnification claims or demands for indemnification pursuant to this Article V. For the avoidance of doubt, if the First Release Amount is less than zero, then the First Release Amount shall be deemed to be zero.

(ii) No later than 11:59 p.m., Pacific time, on the fifth(5th)Business Day following the fifteen (15)-month anniversary of the Closing Date (the "Final Release Date"), Buyer shall pay the Final Release Amount to Sellers in cash by wire transfer of immediately available funds to the account(s) specified by Sellers to Buyer. The "Final Release Amount" means the amount equal to (A) FIFTEEN MILLION DOLLARS (\$15,000,000), minus (B) the sum of all Losses incurred or paid by the Buyer Indemnified Parties in the aggregate with respect to which the Buyer Indemnified Parties

are entitled to indemnification pursuant to this Article V between the First Release Date and the Final Release Date (including with respect to any Outstanding Claims as of the First Release Date that are resolved prior to the Final Release Date), minus (C) the sum of all Losses estimated in good faith to result from Outstanding Claims as of the Final Release Date. For the avoidance of doubt, if the Final Release Amount is less than zero, then the Final Release Amount shall be deemed to be zero.

(iii) With respect to any Outstanding Claim as of the First Release Date or the Final Release Date, as applicable, the parties agree that, when such Outstanding Claim is resolved, Buyer shall pay, in cash by wire transfer of immediately available funds to the account(s) specified by Sellers to Buyer, the Resolved Amount (if any) with respect to such Outstanding Claim to Sellers. As used in this Agreement, "Resolved Amount" means, with respect to any Outstanding Claim, the Losses estimated in good faith to result from such Outstanding Claims and retained by Buyer as of the First Release Date or the Final Release Date, as applicable, minus any amounts agreed or determined to be owed by Sellers in indemnification pursuant to this Article V. For the avoidance of doubt, if the Resolved Amount for any given Outstanding Claim is less than zero, the Resolved Amount for such Outstanding Claim shall be deemed to be zero.

(iv) Notwithstanding anything to the contrary contained herein, the Holdback Amount shall be retained by Buyer (including on behalf of the Buyer Indemnified Parties) beyond the First Release Date or the Final Release Date, as applicable, in satisfaction of the liability for

indemnification of Sellers pursuant to this Article V upon (and only upon) Mutual Consent or a Final Determination. As used herein, (A) "Mutual Consent" means a signed consent by Buyer and Sellers that all or a portion of the funds comprising the Holdback Amount shall be retained by Buyer (including on behalf of the Buyer Indemnified Parties) beyond the First Release Date or the Final Release Date, as applicable, in satisfaction of the liability for indemnification of Sellers pursuant to this Article V, and (B) "Final Determination" means a final judgment, decree or order (for which purpose, a judgment, decree or order of a court will be deemed final when the time for appeal, if any, will have expired and no appeal will have been taken or when all appeals taken will have been finally determined) of any court of competent jurisdiction which may be issued, together with the written payment instructions of the prevailing party to effectuate such order, in each case provided to Buyer and Sellers.

(h) **Exclusive Remedy.** Subject to Section 6.4 (Specific Performance) (including with respect to Buyer's assumption of the Assumed Liabilities) and Section 5.1(c) (Special Rule for Certain Losses) and without limiting the rights and remedies of the parties to the Transition Services Agreements or any other Contract entered into by Buyer on the one hand, and any Sellers on the other hand, in connection with this Agreement (other than the Patent Assignment Agreement, the Assignment and Assumption and Bill of Sale or the Local Transfer Agreements), the indemnification provided pursuant to this Article V shall be the sole and exclusive remedy for any Losses as a result of, with respect to or arising out of (A) any breach of any representation, warranty or covenant set forth in this Agreement, the Patent Assignment Agreement, the Assignment and Assumption and Bill of Sale or the Local Transfer Agreements, (B) the Assumed Liabilities, (C) the Excluded Liabilities to the extent relating to the Product Operations, the Seller Products, the Purchased Assets or the Product Operations Employees, and

(D) and the transactions contemplated hereby. Notwithstanding anything in this Article V to the contrary, in the event that any Buyer Indemnified Party makes a claim for Losses as a result of a breach or failure to be true of Section 3.3 (Sufficiency of Assets), Sellers may satisfy in full their obligation to indemnify and hold harmless the Buyer Indemnified Parties with respect to such Losses, without further Liability under this Agreement, by transferring, licensing or otherwise making available to Buyer the assets, properties and rights that are the subject of such breach or failure to be true.

(i) In the event that, after the date of Closing, a Seller (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any Person, then, and in either such case, proper provisions shall be made so that the acquiring party shall expressly assume the obligations set forth in this Article V to the extent that such obligations would not be assumed or otherwise transfer to the acquiring party by operation of law. No Seller shall take, nor shall they permit any of their respective subsidiaries to take, directly or indirectly, any action that is intended or designed to circumvent or avoid the obligations of Sellers under this Article V.

## ARTICLE VI

### ADDITIONAL AGREEMENTS

#### 6.1 Certain Tax Matters.

(a) **Straddle Periods.** For all purposes of this Agreement, in the case of any Straddle Period, (i) Property Taxes attributable to the Pre-Closing Tax Period shall be equal to the amount of such Property Taxes for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of days during the Straddle Period that are in the Pre-Closing Tax Period and the denominator of which is the number of days in the entire Straddle Period and (ii) Taxes (other than Property Taxes) attributable to the Pre-Closing Tax Period shall be computed as if such taxable period ended on and included the Closing Date.

(b) **Transfer Taxes.** Subject to Section 6.1(c), Sellers and Buyer shall each be responsible for fifty percent (50%) of, and shall pay as and when due, any and all transfer, stock transfer, documentary, sales, use, stamp, registration and other such Taxes and all conveyance fees, recording charges and other charges and fees (including any penalties and interest) imposed in connection with the purchase and sale of the Purchased Assets and the assumption of the Assumed Liabilities pursuant to this Agreement (collectively, "Transfer Taxes"). The Party primarily responsible under applicable Law for the filing of any Tax Return in respect of any Transfer Taxes shall be responsible for the preparation and timely filing of such Tax Return and shall promptly provide a copy of such Tax Returns to Buyer or Sellers, as applicable. The Parties shall reasonably cooperate as necessary to (i) enable the timely preparation and filing of such Tax Returns and other filings relating to such Transfer Taxes and (ii) obtain any available reduction, exclusion or exemption from any Transfer Tax; provided that, notwithstanding any of the foregoing, neither Buyer nor any of its Affiliates shall be required to file any claim for reduction, exemption or exclusion from any Transfer Taxes if Buyer determines in its sole discretion that the filing of such claim or any related action would have an adverse effect on Buyer or any of its Affiliates.

(c) **VAT/GST.** All sums payable under or pursuant to this Agreement, including, for avoidance of doubt, the Purchase Price are (unless expressly stated otherwise) exclusive of any applicable VAT/GST. Buyer (or any of its Affiliates) shall, subject to the receipt of a valid VAT/GST invoice, pay to Sellers (or an Affiliate of Sellers) an amount equal to any VAT/GST Sellers (or an Affiliate of Sellers) are required to account for in respect of the sale of the Purchased Assets in addition to the Purchase Price (which for the avoidance of doubt, shall not be calculated including any portion of the Purchase Price invoiced by Sellers for the assets located in the U.S. in accordance with Section 2.4). Neither any Seller nor Buyer shall, with respect to any of the transactions contemplated by this Agreement and the other Transaction Documents, waive any exemptions from VAT/GST

without the written consent of the respective other Party. Sellers shall cooperate with Buyer in good faith in order to claim any refund of VAT/GST paid by Buyer pursuant to this Agreement. For the avoidance of doubt, any such refund shall be the property of Buyer.

(d) **Technology Transfer Agreement.** The Parties intend for this Agreement to be a "technology transfer agreement" as defined in California Revenue and Taxation Code section 6012(c)(10) and California Sale and Use Tax Regulations 1507 and agree that certain assets transferred pursuant to this Agreement constitute "intangible personal property" (within the meaning of the California Revenue and Taxation Code section 6012(c)(10)). To the extent that such intangible personal property are transferred through the use of "tangible personal property" (within the meaning of the California Revenue and Taxation Code section 6012(c)(10)), the Parties agree that the amount of any applicable sales or use tax imposed on such tangible personal property shall be reasonably determined by the Parties acting in good faith, of the fair market value for such tangible personal property. The Parties agree to comply with any requirements for qualifying this Agreement as a technology transfer agreement in accordance with applicable Law.

(e) **Cooperation and Exchange of Information.** Following the Closing, Buyer and Sellers shall provide, and shall cause their respective Affiliates to provide, to the other Party such cooperation, documentation and information relating to the Purchased Assets, Assumed Liabilities and Product Operations as either of them may reasonably request in (i) filing any Tax Return, amended Tax Return or claim for refund, (ii) determining a liability for Taxes or a right to refund of Taxes, (iii) conducting any Tax Proceeding, or (iv) making any Tax election. Each Party shall make, and shall cause its Affiliates to make, its employees reasonably available on a mutually convenient basis at its cost to provide an explanation of any documents or information so provided.

(f) **Tax Treatment of Payments.** Except to the extent otherwise required pursuant to a "determination" within the meaning of Section 1313(a) of the Code (or any similar provision of state, local or non-U.S. Law), for all applicable Tax purposes, the Parties agree to treat any indemnification payments made pursuant to Article V as an adjustment to the purchase price.

**6.2 Publicity.** Seller Parent shall file a Form 8-K with the U.S. Securities and Exchange Commission with respect to the Transaction Documents and the transactions contemplated thereby in the form agreed with Buyer prior to the date hereof. So long as this Agreement is in effect, except as may be required by applicable Law or stock exchange rule or regulation, no Party nor any of its Subsidiaries, shall issue or cause the publication of any press release or other public announcement or with respect to the transactions contemplated by this Agreement without the prior written consent of the other Party;

provided, however, that (x) in the case of disclosure required by applicable Law or stock exchange rule or regulation, (i) the disclosing Party shall give the other Party a reasonable opportunity to review and comment on such disclosure and the disclosing Party shall consider any comments in good faith and (ii) the disclosing Party shall reasonably cooperate with the other Party if such other Party elects to object to the request or demand, seek a protective order narrowing the scope of such disclosure, seek a confidential filing in compliance with such applicable Law or stock exchange rule or regulation, or seek a protective order limiting the use or disclosure of the disclosure, (y) neither Party shall be required by this Section 6.2 to provide any such review or comment to the other Party to the extent that such release, announcement or disclosure relates to any dispute between the Parties relating to the Transaction Documents or the transactions contemplated thereby and (z) notwithstanding anything in the foregoing to the contrary, the Parties and their Representatives may make statements that are consistent with previous press releases, public disclosures or public statements made in compliance with this Section 6.2.

### **6.3 Further Assurances.**

(a) Subject to the provisions of this Agreement, each of the Parties and Seller Parent shall, and shall cause their applicable Subsidiaries to, execute and deliver such further instruments of conveyance and transfer or other documentation as the other Parties may reasonably request to effect, consummate, confirm or evidence the transfer to Buyer of the Purchased Assets and the assumption by Buyer of the Assumed Liabilities.

(b) Subject to Section 2.7, if, during a ten (10) year period following the Closing, any right, property or asset that would constitute an Excluded Asset is found to have been transferred to Buyer or its Subsidiaries in error, either directly or indirectly, Buyer shall transfer, or shall cause its Subsidiaries to transfer, at no cost, such right, property or asset (and any related Liabilities) as soon as practicable to the applicable Sellers or its designated Affiliate indicated by such Seller in writing. If, during a ten (10) year period following the Closing, any right, property or asset that would constitute a Purchased Asset is found to have been retained by the applicable Seller or any of its Affiliates in error, either directly or indirectly, such Seller shall transfer, or Seller Parent shall cause such Affiliate to transfer, at no cost, such right, property or asset (and any related Liabilities) as soon as practicable to Buyer or its designated Subsidiary, indicated by Buyer in writing.

(c) Sellers shall, or Seller Parent shall cause Sellers' applicable Affiliates to, promptly pay or deliver to Buyer any monies or checks received by Sellers or any of their respective Affiliates following the Closing to the extent they are (or represent the proceeds of) a Purchased Asset. Buyer shall, or shall cause its applicable Affiliates to, promptly pay or deliver to Sellers any monies or checks that have been received by Buyer or any of its Affiliates following the Closing to the extent they are (or represent the proceeds of) an Excluded Asset.

(d) Following the Closing, Sellers shall reasonably cooperate with Buyer and its Affiliates in obtaining any Licenses that do not constitute Purchased Assets and that are not otherwise held by Buyer or its Affiliates.

#### **6.4 Specific Performance.**

(a) The Parties agree that irreparable damage would occur in the event that any Party fails to perform its covenants and obligations under this Agreement in accordance with

the terms of this Agreement and that the Parties shall be entitled to specific performance in such event, in addition to any other remedy at Law or in equity.

(b) Each Party agrees that, in the event of any breach or threatened breach by any other Party of any covenant or obligation contained in this Agreement, including the obligation of the Parties to consummate the Closing following execution of this Agreement as required by Section 2.6, the non-breaching Party shall be entitled to seek and obtain (i) a decree or order of specific performance to enforce the observance and performance of such covenant or obligation, and (ii) an injunction restraining such breach or threatened breach.

**6.5 Expenses.** Subject to the treatment of Transaction Expenses of Sellers and Transaction Expenses of Buyer contemplated hereby and Transfer Taxes in Section 6.1(b), each of the Parties shall pay all of its own fees, costs and expenses (including fees, costs and expenses of legal counsel, investment bankers, brokers or other representatives and consultants and appraisal fees, costs and expenses) incurred in connection with the negotiation of this Agreement, the other Transaction Documents, the performance of its obligations hereunder and thereunder, and the consummation of the transactions contemplated by this Agreement and the other Transaction Documents.

#### **6.6 Confidentiality.**

(a) The Parties acknowledge that the information being provided to it in connection with this Agreement and the other transactions contemplated hereby is subject to the terms of the Confidentiality Agreement, the terms of which are incorporated herein by reference in their entirety and shall survive the Closing. Effective as of the date hereof, the confidentiality obligations of Buyer under the Confidentiality Agreement shall terminate with respect to Evaluation Material (as defined in the Confidentiality Agreement) of Sellers to the extent related to the Product Operations, the Purchased Assets or the Assumed Liabilities and not constituting an Excluded Asset, and the foregoing shall automatically become Evaluation Material (as defined in the Confidentiality Agreement) of Buyer and subject to the confidentiality obligations of Sellers under the Confidentiality Agreement.

(b) For five (5) years after the Closing, unless Buyer has otherwise consented in writing, each Seller shall, and shall cause its Subsidiaries to, retain in confidence any information to the extent related to the Product Operations, the Purchased Assets or the Assumed Liabilities and shall not disclose such confidential information to any Person other than its Representatives; provided that the foregoing restrictions shall not apply to any information (i) that is or becomes generally available to the public other than as a result of disclosure in violation of this Section 6.6(b), (ii) is required to be disclosed by applicable Law, stock exchange rule or regulation or to a Governmental Entity or otherwise required or requested in connection with compliance with applicable Law or judgment or (iii) relates to any dispute between the Parties relating to the Transaction Documents or any transactions contemplated thereby. The foregoing shall not (A) prohibit any Seller or its Subsidiaries from disclosing such confidential information for the purpose of complying with the terms of, or performing under, any of the Transaction Documents or (B) limit any of the rights granted to each Seller or its Subsidiaries under the Transaction Documents. Furthermore, the provisions of this Section 6.6(b) will not prohibit any retention of copies of records or any disclosure as may be, and only to the extent, necessary to comply with applicable Law or in connection with the preparation and filing of

financial statements with a Governmental Entity or Tax Returns of any Seller or its controlled Affiliates or in connection with the enforcement of any right or remedy relating to this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby.

#### **6.7 Intellectual Property.**

(a) Sellers acknowledge and agree that, except as specifically set forth herein, from and after the Closing neither Sellers nor any of their Affiliates shall oppose, dispute or contest the ownership or validity of, or any rights of, Buyer or its Affiliates in or to the Seller Intellectual Property Rights. Sellers shall, and shall cause their Affiliates to, (i) not retain copies of any Seller Technology, except as expressly set forth herein or in any other written agreement between the Parties, and (ii) cease and discontinue any and all uses of the Seller Intellectual Property Rights immediately following the Closing, except as expressly licensed or otherwise authorized herein or in any other written agreement between the Parties.

(b) Effective as of the Closing, each Seller and Seller Parent, on behalf of itself and its Affiliates, hereby grants and agrees to grant to Buyer and its Affiliates a non-exclusive, perpetual, irrevocable, non-sublicensable (except to vendors, consultants, customers and others in the supply chain, in connection with their providing or receiving goods or services to or from Buyer and its Affiliates, but not for the independent use of such Persons) and non-assignable (except as permitted under Section 6.7(d)), royalty-free, fully paid up, worldwide license under all Intellectual Property Rights owned by such Seller or its Affiliates as of Closing (other than (i) the Seller Intellectual Property Rights, (ii) any Marks, and (iii) any non-Patent Intellectual Property Rights that were neither used nor held for use in the Product Operations or the Seller Products as of or prior to Closing) (collectively, the "Seller Licensed IP"), to conduct the current and future operation of the Product Operations (including any marketing, selling and

distribution of Seller Products), including to make, have made, use, lease, sell, offer to sell, export, import, distribute, and otherwise dispose of Seller Products (including any natural extensions thereof). The above license includes any Patent that claims priority to or shares priority with any Patent included in the Seller Licensed IP, including any continuation, continuation in part, divisional, reissue, or any foreign counterpart of any such Patent and any extensions thereof, but in each case excluding any Patent that is included in the Seller Intellectual Property Rights. Buyer agrees that no license is being granted by Sellers in respect of any Seller-owned Intellectual Property Rights other than the Seller Licensed IP.

(c) Effective as of the Closing, Buyer, on behalf of itself and its Affiliates, hereby grants and agrees to grant to Sellers and their Affiliates, a non-exclusive, perpetual, irrevocable, non-sublicensable (except to vendors, consultants, customers and others in the supply chain, in connection with their providing or receiving goods or services to or from Sellers and their Affiliates, but not for the independent use of such Persons) and non-assignable (except as permitted under Section 6.7(d)), royalty-free, fully paid up, worldwide license, to conduct the current and future operation of the Retained Businesses, under all Seller Intellectual Property Rights (other than any non-Patent Intellectual Property Rights that are not embodied by Shared Technology and were neither used nor held for use in the Retained Business or the Retained Products as of or prior to Closing (collectively, the "Buyer Licensed IP")), including to make, have made, use, lease, sell, offer to sell, export, import, distribute, and otherwise dispose of Retained Products (including any natural extensions thereof). The above license includes any Patent that claims priority to or shares priority with any Patent included in the Buyer Licensed

IP, including any continuation, continuation in part, divisional, reissue, or any foreign counterpart of any such Patent or any extensions thereof. Sellers agree that no license is being granted by Buyer in respect of any Buyer-owned Intellectual Property Rights other than the Buyer Licensed IP.

(d) The licenses granted pursuant to Section 6.7(b) and 6.7(c) may be assigned to an Affiliate of the licensee Party (Seller or Buyer, as applicable) or in connection with a merger, consolidation, or sale of all, or substantially all, of any of the businesses or any material portion of the assets to which the license relates. Notwithstanding the foregoing, in the event of such assignment or in the event of a change of control of the licensee Party or its Affiliates (other than an assignment to an Affiliate of the licensee party), such license shall not be deemed to extend to other businesses or Affiliates of a successor or acquiror.

(e) Seller shall, promptly after Closing, use commercially reasonable efforts to cause each Contributor listed in Section 6.7(e) of the Sellers Disclosure Schedules, to enter into a written agreement, in a form acceptable to Buyer, assigning to Buyer all of such Contributor's right, title and interest in, to and under all Intellectual Property Rights created by such Contributor.

(f) Sellers shall, promptly after Closing, use commercially reasonable efforts to prepare, obtain and file all documents with the U.S. Patent and Trademark Office ("USPTO") as reasonably required to correct the name of the applicable Seller currently recorded as owner of record, in order to reflect that the applicable Seller is the sole legal and record owner of the Seller Intellectual Property Rights set forth on Section 6.7(f) of the Sellers Disclosure Schedules.

(g) Sellers shall, promptly after Closing, use commercially reasonable efforts to record with the USPTO assignments from the respective inventors to the applicable Seller in respect of U.S. Patent Nos. 11,011,189 and 10,665,254 (both titled Readback waveform oversampling method and apparatus) and U.S. Patent No. 9,473,266 (Scheduling strategies for iterative decoders).

(h) Within five (5) days after the Closing, the Sellers shall, at Sellers' sole expense, use reasonable best efforts to obtain a release, in a form reasonably approved by Buyer, with respect to the security interests currently on record against each item of the Seller Intellectual Property Rights (including as set forth on Section 1.1(e) of the Sellers Disclosure Schedules), and file such releases with the USPTO.

(i) Any rights not specifically granted by a Party in this Agreement are reserved by such Party. Neither Party shall have any obligation under this Agreement to provide any improvements, modifications or derivatives of any of its Intellectual Property Rights or to provide any support, training or deliverables in respect of its Intellectual Property Rights. Neither Party shall have any obligation under this Agreement to prosecute, enforce or maintain any Intellectual Property Rights owned by such Party.

(j) Sellers shall, within ten (10) days after Closing, provide Buyer with a schedule of patent counsel engaged in connection with the prosecution of Patents that are part of the Seller Intellectual Property Rights and make introductions between Buyer and such patent counsel to facilitate the continuing prosecution of such Patents.

**6.8 Effect of Investigation.** Any due diligence, review, audit or other investigation or inquiry undertaken or performed by or on behalf of a Party shall not limit, qualify, modify or

amend the representations and warranties (except pursuant to the Sellers Disclosure Schedules) or covenants of the other Parties, or indemnities of the other Parties, made or undertaken pursuant to this Agreement or any Transaction Documents, irrespective of the knowledge and information received (or which should have been received) therefrom.

#### **6.9 Employees.**

(a) Section 1.1(c) of the Sellers Disclosure Schedules sets forth a list of those Product Operations Employees, as of April 21, 2024, identified as follows: (i) such schedule identifies the names of such Product Operations Employees and the country in which they currently provide services; (ii) such schedule identifies those Product Operations Employees who, based on the facts and circumstances made known to Sellers as of

such date, are on an approved leave of absence (each such employee, a "Leave Employee"); and (iii) such schedule identifies those Product Operations Employees who, based on the facts and circumstances made known to Sellers as of such date, are working under a work visa (each such employee, a "Visa Employee").

(b) Transferred Employees.

(i) Employment Offers. Buyer or one of its Affiliates shall offer employment, consistent with the terms set forth in this Agreement, to (A) all Product Operations Employees who are Key Employees (the "Key Offered Employees") and (B) all Product Operations Employees who are not Key Employees (the "General Offered Employees" and, together with the Key Offered Employees, the "Offered Employees"), in each case, pursuant to offer letters with respect to employment that are effective (x) with respect to Key Offered Employees, as set forth in the applicable Key Employee Agreements and (y) with respect to all General Offered Employees, on the Offer Deadline, and, in all cases, in which the Offered Employees tender and acknowledge their resignation from employment from the applicable Seller or Affiliate thereof immediately prior to the applicable employment effective date or such other date as set forth herein (each such offer, an "Employment Offer"). Those Offered Employees who accept an Employment Offer and commence employment with Buyer or one of its Affiliates following the Closing shall be defined as the "Transferred Employees."

(ii) Key Offered Employees. Buyer shall make Employment Offers to the Key Offered Employees prior to the Closing Date.

(iii) General Offered Employees. Buyer shall make Employment Offers to (A) all General Offered Employees who are currently designated as "interns" (each referred to herein as an "Intern") within thirty (30) days following the Closing Date and (B) all General Offered Employees who are not Interns on or within two (2) Business Days following the Closing Date. Unless otherwise required by applicable Law, (x) Interns shall have six (6) days following the receipt of his or her respective Employment Offer and (y) all General Offered Employees who are not Interns shall have until April 29, 2024, in each case, to accept or reject such offer of employment (the end of such applicable period the "Offer Deadline"), and Buyer shall, and shall cause its Affiliates to keep open and capable of acceptance each such Employment Offer until the first to occur of (1) the acceptance of such offer of employment by such General Offered Employee, or (2) the Offer Deadline.

(iv) Effectiveness of Offers. Offered Employees (including the Key Employees, but excluding Interns, Leave Employees and Visa Employees) who accept an Employment Offer by the date set forth in the Key Employee Agreement or Offer Deadline (as applicable) will be deemed to resign from employment with Seller on May 3, 2024 (or May 5, 2024 for those applicable Offered Employees located at the Pune India site) and commence employment with Buyer or one of its Affiliates on May 6, 2024. The date on which any Offered Employee commences employment with Buyer or one of its Affiliates shall be the "Employment Start Date."

(v) Effectiveness of Offers for Interns, Leave Employees and Visa Employees. With respect to any Intern who accepts an Employment Offer by the Offer Deadline, such Intern's Employment Start Date shall be the start date set forth in such Employment Offer and such Intern will be deemed to resign from employment with Seller on the last business day immediately prior to such Employment Start Date. With respect to any Leave Employee or Visa Employee who accepts an Employment Offer by the Offer Deadline, such Leave Employee's or Visa Employee's Employment Start Date shall be (A) for Leave Employees, the date on which such Leave Employee returns to work and (B) for Visa Employees, the date on which such Visa Employees secure their visa.

(vi) Notifications. Each applicable Seller covenants and agrees that, unless otherwise required by applicable Law, (A) it will promptly, and in any event within ten (10) days following Buyer notifying Sellers that any Offered Employee has not become a Transferred Employee due to non-acceptance of the applicable Qualifying Offer (a "Declining Employee"), terminate (and shall cause its applicable Affiliates within such period to terminate) the employment of such Offered Employee, and (B) other than severance payments under severance arrangements existing as of the date hereof and set forth on Section 3.11(c) of the Sellers Disclosure Schedules, payout of accrued but unused vacation time and gratuity payments, in each case, due to Offered Employees located within India and other than as required by Law, it will not provide (and shall cause its applicable Affiliates to not provide) severance benefits to any Offered Employee who does not become a Transferred Employee due to non-acceptance of the applicable Qualifying Offer; provided, however, that Buyer, in its sole discretion, may require that a Declining Employee be retained (and not terminated) by Sellers for a period not to exceed ninety (90) days following the applicable Offer Deadline and to cause such Declining Employee to provide services to Buyer (including knowledge transfer) pursuant to the Transition Services Agreement and Buyer shall reimburse Sellers for the reasonable compensation costs of such Declining Employee (it being understood and agreed that any such Declining Employee's voluntary resignation of employment with Sellers shall not result in a breach by Sellers of this obligation). To the extent (x) an Offered Employee is not provided with a Qualifying Offer and (y) such Offered Employee is subsequently terminated by a Seller within forty-five (45) days following the consummation of this Agreement (in any case, each, a "Terminated Employee"), Buyer shall reimburse such Seller for any severance required to be paid to such Terminated Employee(s) pursuant to a Plan set forth on Section 3.11(c) of the Sellers Disclosure Schedules or pursuant to applicable Law, in each case within thirty (30) days of receipt of documentation from such Seller specifying (1) the applicable requirement to pay such severance and (2) the name of such Terminated Employee(s) and the amounts paid thereto.

(c) Subject to any more favorable requirements under applicable Laws, each Employment Offer shall provide an offer of a Comparable Position for such Transferred Employee (each such Employment Offer, a "Qualifying Offer").

(d) As of and after the date any United States-based Product Operations Employee commences employment with Buyer or one of its Affiliates, Buyer shall provide such United States-based Product Operations Employee with credit for such Transferred Employee's service with Seller prior to the Employment Start Date to the same extent such service is recognized by Seller immediately prior to the Employment Start Date for purposes of future severance opportunity and vacation accrual under each employee benefit plan, policy or arrangement maintained or made available for the benefit of such Transferred Employee as of and after the Employment Start Date by Buyer or any of its Affiliates that is a severance or vacation benefit plan. As of and after the date any India-based Product Operations Employee commences employment with Buyer or one of its Affiliates, Buyer shall provide such India-based Product Operations Employee with credit for such Transferred Employee's service with Seller prior to the Employment Start Date to the same extent such service is recognized by Seller immediately prior to the Employment Start Date for purposes of future non-statutory severance opportunities only under each employee benefit plan, policy or arrangement maintained or made available for the benefit of such Transferred Employee as of and after the Employment Start Date by Buyer or any of its Affiliates that is a non-statutory severance plan. For the avoidance of doubt, other than as expressly set forth herein, Buyer will not take any past years of service with Sellers into account for any other purposes with respect to India-based Product Operations Employees, including, without limitation, for purposes of determining statutory tenure-based benefits (including gratuity, severance, or earned leave).

(e) Notwithstanding anything else contained in this Agreement, the Parties do not intend for this Agreement to amend any employee benefit plans, programs or arrangements or create any rights or Liabilities except between the Parties. No current or former employee of Sellers (or any other person referred to in this Section 6.9, besides the Parties) including any beneficiary or dependent thereof, shall be entitled to assert any claim hereunder. Without limiting the generality of this Section 6.9, nothing in this Agreement, express or implied, is intended to or shall confer upon any person (other than the Parties), including without limitation any current or former employee, officer, director or consultant of Sellers or any of their Subsidiaries or Affiliates, any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

(f) In the event that the transfer of employment of the Transferred Employees in connection with the transactions contemplated by this Agreement constitutes a "separation from service" (as such term is defined under Section 409A of the Code) for purposes of the 2015 Seagate Technology Holdings PLC Compensation Plan (the "Deferred Compensation Plan") for any Transferred Employee who is a Participant (as such term is defined in the Deferred Compensation Plan) in the Deferred Compensation Plan (each such employee being a "DCP Employee") for whom such separation from service constitutes or causes a Distribution Event (as such term is defined in the Deferred Compensation Plan) under the Deferred Compensation Plan, Sellers will be responsible for distributing any Distributable Amounts (as such term is defined in the Deferred Compensation Plan) to such DCP Employee in accordance with the terms of the Deferred Compensation Plan. For the avoidance of doubt, Seller shall retain all Liabilities under the Deferred Compensation Plan following the Closing Date.

#### **6.10 Risk of Loss; Insurance.**

(a) Sellers shall retain the risk of loss with respect to the tangible Purchased Assets in India (the "Covered Purchased Assets"), subject to any Local Transfer Agreement, until the Additional Closing and shall use reasonable best efforts to maintain coverage for such Purchased Assets under Sellers' or their Subsidiaries' occurrence-based third-party liability insurance policies through the Additional Closing Date.

(b) Solely with respect to losses or damages to the Purchased Assets, each of which occurred or existed prior to the Closing, or the Covered Purchased Assets and, in each case, to the extent covered by Sellers' or their Subsidiaries' occurrence-based third-party liability insurance policies that constitute Excluded Assets ("Available Insurance Policies") subject in all cases to the terms and limitations of such policies ("Valid Pre-Closing Claims"), (x) Buyer may promptly notify Sellers of any matter that is reasonably expected to give rise to a claim under any such policy (provided that the failure to promptly notify Sellers shall not relieve Sellers from their obligations under clause (y)), and (y) Sellers shall, and shall cause their Subsidiaries to, at Buyer's sole expense (A) make Valid Pre-Closing Claims and use commercially reasonable efforts to pursue and seek to recover on such claims and (B) promptly deliver to Buyer any insurance proceeds received with respect thereto (calculated net of reasonable expenses incurred in procuring such recovery and any increase in premiums or retroactive premium adjustments or chargebacks paid by or on behalf of Sellers or their Subsidiaries to the extent as a result of such claims, and taking into account the available coverage under each relevant insurance policy, it being understood that such coverage shall first be available to satisfy other claims of Sellers or their Subsidiaries that are pending under such policy at the time the claim for the benefit of Buyer is made); provided that, unless otherwise deducted from the proceeds received by Buyer, Buyer shall pay (or reimburse Sellers for), without duplication, any deductibles or retention amounts or other costs in each case to the extent resulting from any claim made by Sellers or their Subsidiaries on behalf of any of Buyer or its Subsidiaries under such policies for Valid Pre-Closing Claims. It is understood and agreed that claims for benefits or coverage under any insurance policies of Sellers or their Subsidiaries or by any of their respective self-insurance programs for Excluded Liabilities or to the extent relating to the Excluded Assets shall not constitute Valid Pre-Closing Claims. Buyer and Sellers shall cooperate in connection with making any Valid Pre-Closing Claims and each Party shall provide the other with all reasonably requested information necessary to make such claim. Sellers shall reasonably promptly forward to Buyer any communication from an insurer in respect of such claims. Notwithstanding anything to the contrary herein, neither Sellers nor any of their respective Affiliates shall have any obligation to bring any Proceedings to obtain any insurance coverage for any Valid Pre-Closing Claim.

(c) Neither Sellers nor any of their respective Subsidiaries shall terminate, amend, modify or waive any rights under any Available Insurance Policies in a manner that would reduce in any material respect the insurance coverage for Losses as to which the Product Operations has made, or could in the future make, a claim for coverage pursuant to Section 6.10(b) for Valid Pre-Closing Claims.

## **6.11 Litigation and Investigation Support.**

(a) For up to five (5) years following the date hereof, Buyer and its Subsidiaries, on the one hand, and Sellers and their Subsidiaries on the other hand, shall

reasonably cooperate with each other (and at the requesting Party's cost and expense with respect to reasonable out-of-pocket costs and expenses of the other Party and its Subsidiaries) in the defense or settlement of any Proceedings (whether pending or threatened) by a third party (other than any Proceeding in which Buyer and Sellers, or their respective Subsidiaries, are adversarial parties) involving the Purchased Assets, Assumed Liabilities, Excluded Assets or Excluded Liabilities, including by providing the other Party and such other Party's legal counsel reasonable access to employees (as designated by the Party providing such access), records and documents as such other Party may reasonably request, to the extent maintained or under the possession or control of such Party and its Affiliates; provided that either Party may restrict the foregoing access or the provision of such information to the extent that (i) applicable Law requires such Party or any of its Affiliates, as applicable, to restrict or prohibit such access or the provision of such information (provided that such Party shall use its reasonable best efforts to make appropriate substitute arrangements to permit disclosure not in violation of such Law); and (ii) providing such access or disclosure of any such information would reasonably be expected to result in the loss or waiver of the attorney-client or other applicable privilege or protection (provided that such Party and its Affiliates shall enter into such customary joint defense agreements or other arrangements, as appropriate, so as to allow for such disclosure in a manner that does not result in the loss of such privilege or protection). The requesting Party shall reimburse the other Party for its reasonable out-of-pocket costs and expenses in performing its obligations under this Section 6.11(a). In connection with the foregoing cooperation, the Designated Attorneys shall discuss in good faith ways to allow the Parties to comply with this Section 6.11 in a cost-effective manner. The Parties agree that, with respect to any matters that are the subject of this Section 6.11(a) and Section 6.1(c), the provisions of Section 6.1(c) (and not this Section 6.11(a)) shall control.

(b) In furtherance of the foregoing, for up to five (5) years following the date hereof, Sellers and Buyer shall and shall cause their respective Subsidiaries to use reasonable efforts to make available to each other, upon written reasonable request, their employees (in each case, as the Parties shall reasonably agree), to the extent reasonably necessary for fact finding, consultation and interviews and as witnesses in connection with any Proceeding or investigation in which the requesting Party may from time to time be involved arising from, or relating to, the conduct of the Product Operations or with respect to any Purchased Asset, Excluded Asset, Assumed Liability or Excluded Liability, in each case subject to Section 6.11(a). Sellers and Buyer agree to reimburse each other for reasonable out-of-pocket costs and expenses incurred by the other or their respective Subsidiaries in connection with providing individuals and witnesses in connection with the foregoing. In furtherance of the foregoing, each Party shall appoint one or more in-house attorney or outside counsel to act as the main point or points of contact with responsibility for obtaining and providing requested records and witnesses in connection with the foregoing (such attorneys, the "Designated Attorneys"). Each Party, through its Designated Attorneys, will work in good faith in any particular legal matter, including by making all reasonable efforts to expedite any matter for which the status of the legal action so requires. Where substantial document collections are required, Sellers and Buyer shall reasonably cooperate together to jointly instruct an electronic discovery provider (who shall be paid solely by the Party requesting such document collection hereunder) to facilitate the collection information under this Section 6.11(b), subject to appropriate confidentiality, procedural and security agreements. Either Party may advise the other of the need to preserve Books and Records in connection with a claim, litigation or investigation and the reasons for preservation,

and the other Party shall in good faith consider implementing a legal hold to preserve such records to the extent reasonably requested within the scope mutually agreed; provided that the Party requesting the legal hold shall indemnify and hold harmless the other Party and its Representatives for all costs, expenses and other Liabilities to the extent arising from or related to such legal hold or preservation.

**6.12 Nonsolicitation.** During the period from and after the date hereof until two (2) years following the date hereof, Sellers shall not (and shall cause their respective current and future Affiliates not to), directly or indirectly, on Sellers' own behalf, or on behalf of any other Person hire, engage, retain, solicit or recruit any Product Operations Employee (other than an Offered Employee that is not provided a Qualifying Offer).

## **ARTICLE VII** **MISCELLANEOUS**

**7.1 Amendment and Waiver.** This Agreement may not be amended or modified except by written agreement executed by each of the Parties. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the Party granting such waiver in any other respect or at any other time. Neither the waiver by any of the Parties of a breach of or a default under any of the provisions of this Agreement, nor the failure by any of the Parties, on one (1) or more occasions, to enforce any of the provisions of this Agreement or to exercise any right or privilege hereunder, shall be construed as a waiver of any other breach or default of a similar nature, or as a waiver of any of such provisions, rights or privileges hereunder.

**7.2 Notices.** All notices, demands and other communications given or delivered under this Agreement shall be in writing and shall be deemed to have been given when personally delivered, delivered by reliable overnight delivery service (with proof of service) or email (with hard copy to follow). Notices, demands and communications to the Parties shall, unless another address is specified in writing, be sent to the address or facsimile number indicated below:

Notice to Buyer:

Broadcom Inc.  
3421 Hillview Avenue,  
Palo Alto, CA 94304  
Email: [\*]  
Attention: [\*]

with a copy (which shall not constitute notice) to:

Cleary Gottlieb Steen & Hamilton LLP  
One Liberty Plaza  
New York, NY 10006  
Email: [\*]  
[\*]  
[\*]  
Attention: [\*]  
[\*]  
[\*]

Notices to Sellers:

Seagate Technology LLC  
Address: 47488 Kato Rd.  
Fremont, CA 94539  
Attention: Chief Legal Officer with Copy to Deputy General Counsel, Commercial & Strategic Transactions  
Email: [\*]  
Email copy to [\*]

with a copy (which shall not constitute notice) to:

Wilson Sonsini Goodrich & Rosati, P.C.  
650 Page Mill Road  
Palo Alto, CA 94304  
Email: [\*]  
[\*]  
[\*]  
[\*]  
Attention: [\*]  
[\*]  
[\*]  
[\*]

**7.3 Binding Agreement; Assignment.** This Agreement and all of the provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided that neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by any Party without the prior written consent of the other Parties, and any such assignment without such prior written consent shall be null and void, except that after the Closing, Buyer shall have the right to assign its rights and obligations under this Agreement, without consent, to one of its Affiliates, so long as Buyer will remain liable to Sellers for the performance of Buyer's obligations hereunder.

**7.4 Severability.** In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable, the same shall not affect any other provision of this Agreement, but this Agreement shall be construed in a manner which, as nearly as possible, reflects the original intent of the Parties.

**7.5 Construction.**

(a) The language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party. If any Party has breached any representation, warranty or covenant contained in this Agreement in any respect, the fact that there exists another representation, warranty or covenant relating to the same subject matter (regardless

of the relative levels of specificity) that the Party has not breached shall not detract from or mitigate the fact that the Party is in breach of the first representation, warranty or covenant.

(b) For the purposes of this Agreement, (i) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (ii) the terms "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all Schedules to this Agreement) and not to any particular provision of this Agreement, (iii) Article, Section, paragraph and Schedule references are to the Articles, Sections, paragraphs in and Schedules to this Agreement unless otherwise specified, (iv) the word "including" and words of similar import when used in this Agreement shall mean "including without limitation" unless the context otherwise requires or unless otherwise specified, (v) the word "or" shall not be exclusive, (vi) provisions shall apply, when appropriate, to successive events and transactions, (vii) all pronouns and any variations thereof refer to the masculine, feminine or neuter, single or plural, as the context may require, (viii) all references to any period of days shall be deemed to be to the relevant number of calendar days unless otherwise specified, (ix) references to "\$" shall mean U.S. dollars, (x) references to "written" or "in writing" include in electronic form, and (xi) a reference to any Person includes such Person's successors and permitted assigns.

**7.6 Headings.** The headings used in this Agreement are for convenience of reference only and do not constitute a part of this Agreement and shall not be deemed to limit, characterize or in any way affect any provision of this Agreement, and all provisions of this Agreement shall be enforced and construed as if no heading had been used in this Agreement.

**7.7 Entire Agreement.** The Sellers Disclosure Schedules identified in this Agreement are incorporated in this Agreement by reference. This Agreement and the other Transaction Documents and any agreement entered into by the Parties or their Affiliates contemporaneously herewith in connection with the foregoing contain the entire agreement between the Parties and supersede any prior and contemporaneous understandings, agreements or representations by or between the Parties, written or oral, which may have related to the subject matter of this Agreement in any way; provided that, to the extent there is any conflict between this Agreement and the Local Transfer Agreements, this Agreement shall govern.

**7.8 Governing Law.** This Agreement, and all claims, causes of action (whether in contract, tort or statute) or other matter that may directly or indirectly result from, arise out of, be in connection with or relating to this Agreement or the other Transaction Documents delivered in connection herewith, or the execution or performance of this Agreement or the other Transaction Documents shall be governed by, and construed in accordance with, the Laws of the State of Delaware, without giving effect to conflicts of laws principles that would result in the application of the Law of any other state.

**7.9 Consent to Jurisdiction.** EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE COURT OF CHANCERY OF THE STATE OF DELAWARE, OR, IF (AND ONLY IF) SUCH COURT FINDS IT LACKS JURISDICTION, THE FEDERAL COURT OF THE UNITED STATES OF AMERICA SITTING IN DELAWARE, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE OTHER TRANSACTION DOCUMENTS OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT RELATING THERETO, AND EACH OF THE PARTIES HEREBY IRREVOCABLY

AND UNCONDITIONALLY (I) AGREES NOT TO COMMENCE ANY SUCH ACTION OR PROCEEDING EXCEPT IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE, OR, IF (AND ONLY IF) SUCH COURT FINDS IT LACKS JURISDICTION, THE FEDERAL COURT OF THE UNITED STATES OF AMERICA SITTING IN DELAWARE, AND ANY APPELLATE COURT FROM ANY THEREOF; (II) AGREES THAT ANY CLAIM IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE, OR, IF (AND ONLY IF) SUCH COURT FINDS IT LACKS JURISDICTION, THE FEDERAL COURT OF THE UNITED STATES OF AMERICA SITTING IN DELAWARE, AND ANY APPELLATE COURT FROM ANY THEREOF; (III) WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH ACTION OR PROCEEDING IN SUCH COURTS; AND (IV) WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN SUCH COURTS. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY APPLICABLE LAW. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS INSIDE OR OUTSIDE THE TERRITORIAL JURISDICTION OF THE COURTS REFERRED TO IN THIS SECTION 7.9 IN THE MANNER PROVIDED FOR NOTICES IN SECTION 7.2. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

**7.10 Counterparts; Delivery by Facsimile.** This Agreement may be executed and delivered (including by e-mail (PDF) or facsimile transmission) in counterparts, and by the different Parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

**7.11 Waiver of Jury Trial.** EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE, HEREBY IRREVOCABLY AND

UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (B) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (C) IT MAKES SUCH WAIVERS VOLUNTARILY AND (D) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7.11.

**7.12 No Third-Party Beneficiaries.** Except as expressly provided in Article V, this Agreement is for the sole benefit of the Parties, their heirs, legal guardians and their successors and

permitted assigns, and nothing in this Agreement expressed or implied shall give or be construed to give to any Person, other than the Parties, their heirs, legal guardians, successors and permitted assigns, any legal or equitable rights hereunder.

\* \* \* \*

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered as of the date first above written.

AVAGO TECHNOLOGIES INTERNATIONAL SALES PTE. LIMITED

By: \_\_\_\_\_

Name:

Title:

SEAGATE TECHNOLOGY LLC

By: \_\_\_\_\_

Name:

Title:

SEAGATE SINGAPORE INTERNATIONAL HEADQUARTERS PTE. LTD.

By: \_\_\_\_\_

Name:

Title:

and, solely for purposes of Section 6.3 and Section 6.7 of the Agreement:

SEAGATE TECHNOLOGY HOLDINGS PLC

By: \_\_\_\_\_

Name:

Title:

EXHIBIT 31.1

CERTIFICATION

REFINITIV CORPORATE DISCLOSURES | [www.refinitiv.com](http://www.refinitiv.com) | Contact Us

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REFINITIV 

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

1. I have reviewed this quarterly report on Form 10-Q of Seagate Technology Holdings 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: January April 26, 2024

/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 Holdings 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: **January** **April** 26, 2024

/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 Holdings plc (the "Company") on Form 10-Q for the fiscal quarter ended **December 29, 2023** **March 29, 2024**, 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: **January** **April** 26, 2024

*/s/* Dr. William D. Mosley

Name:

Dr. William D. Mosley

Title:

Chief Executive Officer and Director  
(Principal Executive Officer)

Date: **January** **April** 26, 2024

*/s/* Gianluca Romano

Name:

Gianluca Romano

Title:

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

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