

SEAGATE TECHNOLOGY

Form 8-K

August 29, 2007

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

**FORM 8-K
CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (date of earliest event reported): August 23, 2007

SEAGATE TECHNOLOGY

(Exact Name of Registrant as Specified in its Charter)

Cayman Islands
(State or Other Jurisdiction
of Incorporation)

001-31560
(Commission
File Number)

98-0355609
(IRS Employer
Identification Number)

**P.O. Box 309GT, Uglund House, South Church Street,
George Town, Grand Cayman, Cayman Islands**
(Address of Principal Executive Office)

NA
(Zip Code)

Registrant's telephone number, including area code: **(345) 949-8066**

NA

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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EXHIBIT 99.1

Table of Contents**Item 1.01. Entry Into a Material Definitive Agreement***FY 2007 Annual Incentive Bonus Plan Determination*

On August 23, 2007, the Compensation Committee of Seagate Technology's Board of Directors (the "Compensation Committee") determined that the company did not achieve the threshold level of adjusted non-GAAP earnings per share required to fund bonus payments, which the Compensation Committee previously established under the company's Annual Incentive Bonus Plan ("Plan") for the fiscal year ended June 29, 2007 ("FY 2007"). As a result, no annual bonuses were approved for payment to the company's executive officers for FY 2007.

FY 2008 Annual Incentive Bonus Plan Funding & Performance Metrics

On August 23, 2007, the Compensation Committee also authorized the performance metrics and funding targets to be used for calculating annual bonus awards to each of the company's executive officers for the fiscal year ending June 27, 2008 ("FY 2008") under the Plan. The maximum funding level under this Plan for FY 2008 is 200% of the target funding level. The funding of the Plan is determined based on the company's performance with respect to an adjusted non-GAAP earnings per share goal and certain corporate quality goals relating to minimizing defective parts and product returns. The funded amount is allocated among eligible participants in the Plan based upon their base salary and their target bonus expressed as a percentage of base salary. For FY 2008, the Compensation Committee decided to retain the same target bonus levels, expressed as a percentage of base salary, for our senior executive officers (William D. Watkins, David A. Wickersham, Charles C. Pope, Brian S. Dexheimer, and Jaroslaw S. Glembocki), who will be included as the Named Executive Officers in the company's FY 2007 proxy statement, as were in effect for FY 2007.

The target bonus levels for FY2008 for the company's senior executive officers are as follow:

| NAME AND POSITION | Target Bonus (% of FY 2008 Base Salary) |
|--|--|
| William D. Watkins, Chief Executive Officer | 150 |
| David A. Wickersham, President and Chief Operating Officer | 125 |
| Charles C. Pope, Executive Vice President and Chief Financial Officer | 125 |
| Brian S. Dexheimer, Executive Vice President and Chief Sales & Marketing Officer | 125 |
| Jaroslaw S. Glembocki, Senior Vice President, Global Disc Storage Operations | 80 |

Each individual would receive his or her target bonus in the event that this Plan is funded at the target funding level. In addition to the target bonus expressed as a percentage of base salary approved for each individual, a fixed amount of \$2 million will be set aside for distribution to the company's executive officers in proportion to the amount of their target bonus in the event that the minimum level of adjusted non-GAAP earnings per share is achieved. This amount may be reduced by the Compensation Committee in its discretion. Separately, the Compensation Committee has the discretion to award a supplemental bonus outside of the Plan based on outstanding individual performance.

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Item 2.02. Results of Operations and Financial Condition

On August 28, 2007, the company issued a press release to update its outlook for the fiscal quarter ended September 28, 2007. A copy of the press release is furnished as Exhibit 99.1 to this Current Report and is incorporated herein by reference.

The information in this Current Report, including the exhibit hereto, shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended. The information contained herein and in the accompanying exhibit shall not be incorporated by reference into any registration statement or other document filed with the Securities and Exchange Commission by the company, whether made before or after the date hereof, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit Number Exhibit Title or Description

99.1 Press release issued by Seagate Technology, dated August 28, 2007

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SIGNATURE

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 hereunto duly authorized.

SEAGATE TECHNOLOGY

Date: August 28, 2007

By: /s/ WILLIAM L. HUDSON
Name: William L. Hudson
Title: Executive Vice President, General
Counsel and Secretary

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| Exhibit Number | Exhibit Title or Description |
|-----------------------|---|
| 99.1 | Press release issued by Seagate Technology, dated August 28, 2007 |