

SYMANTEC CORP

FORM 10-Q (Quarterly Report)

Filed 02/03/14 for the Period Ending 12/27/13

Address	350 ELLIS STREET MOUNTAIN VIEW, CA 94043
Telephone	650-527-2900
CIK	0000849399
Symbol	SYMC
SIC Code	7372 - Prepackaged Software
Industry	Software & Programming
Sector	Technology
Fiscal Year	04/02

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

Form 10-Q

(Mark One)

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

For the Quarterly Period Ended December 27, 2013

or

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 000-17781

Symantec Corporation

(Exact name of the registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

**350 Ellis Street,
Mountain View, California**
(Address of principal executive offices)

77-0181864
(I.R.S. employer
Identification no.)

94043
(Zip Code)

Registrant's telephone number, including area code: (650) 527-8000

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

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

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

Shares of Symantec common stock, \$0.01 par value per share, outstanding as of January 30, 2014: 691,554,385 shares.

Table of Contents

SYMANTEC CORPORATION
FORM 10-Q
Quarterly Period Ended December 27, 2013
TABLE OF CONTENTS

	<u>Page</u>
PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements	3
Condensed Consolidated Balance Sheets as of December 27, 2013 and March 29, 2013	3
Condensed Consolidated Statements of Income for the three and nine months ended December 27, 2013 and December 28, 2012	4
Condensed Consolidated Statements of Comprehensive Income for the three and nine months ended December 27, 2013 and December 28, 2012	5
Condensed Consolidated Statements of Cash Flows for the nine months ended December 27, 2013 and December 28, 2012	6
Notes to Condensed Consolidated Financial Statements	7
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	19
Item 3. Quantitative and Qualitative Disclosures about Market Risk	31
Item 4. Controls and Procedures	31
PART II. OTHER INFORMATION	
Item 1. Legal Proceedings	32
Item 1A. Risk Factors	32
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	32
Item 6. Exhibits	32
Signatures	33

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

SYMANTEC CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

	December 27, 2013	March 29, 2013 *
	(Unaudited)	
	(Dollars in millions)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,813	\$ 4,685
Short-term investments	77	62
Trade accounts receivable, net	892	1,031
Inventories, net	13	24
Deferred income taxes	170	169
Deferred commissions	106	130
Other current assets	245	315
Total current assets	5,316	6,416
Property and equipment, net	1,110	1,122
Intangible assets, net	809	977
Goodwill	5,856	5,841
Long-term deferred commissions	29	29
Other long-term assets	138	123
Total assets	<u>\$ 13,258</u>	<u>\$ 14,508</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 306	\$ 334
Accrued compensation and benefits	338	422
Deferred revenue	3,087	3,496
Current portion of long-term debt	—	997
Other current liabilities	418	318
Total current liabilities	4,149	5,567
Long-term debt	2,094	2,094
Long-term deferred revenue	501	521
Long-term deferred tax liabilities	440	426
Long-term income taxes payable	242	318
Other long-term obligations	74	60
Total liabilities	7,500	8,986
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Common stock	7	7
Additional paid-in capital	6,885	7,313
Accumulated other comprehensive income	182	199
Accumulated deficit	(1,316)	(1,997)
Total stockholders' equity	5,758	5,522
Total liabilities and stockholders' equity	<u>\$ 13,258</u>	<u>\$ 14,508</u>

* Derived from audited financial statements.

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

SYMANTEC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		Nine Months Ended	
	December 27, 2013	December 28, 2012	December 27, 2013	December 28, 2012
	(Unaudited)			
	(In millions, except per share data)			
Net revenue:				
Content, subscription, and maintenance	\$ 1,508	\$ 1,521	\$ 4,527	\$ 4,494
License	197	270	524	664
Total net revenue	1,705	1,791	5,051	5,158
Cost of revenue:				
Content, subscription, and maintenance	244	256	759	752
License	26	27	67	62
Amortization of intangible assets	13	16	41	53
Total cost of revenue	283	299	867	867
Gross profit	1,422	1,492	4,184	4,291
Operating expenses:				
Sales and marketing	608	724	1,851	2,059
Research and development	252	249	761	745
General and administrative	97	117	330	336
Amortization of intangible assets	28	71	128	215
Restructuring and transition	32	27	237	85
Total operating expenses	1,017	1,188	3,307	3,440
Operating income	405	304	877	851
Interest income	3	4	9	9
Interest expense	(20)	(38)	(65)	(102)
Other (expense) income, net	(1)	20	37	15
Income before income taxes	387	290	858	773
Provision for income taxes	104	74	177	208
Net income	\$ 283	\$ 216	\$ 681	\$ 565
Less: Income (loss) attributable to noncontrolling interest	—	—	—	—
Net income attributable to Symantec Corporation stockholders	\$ 283	\$ 216	\$ 681	\$ 565
Net income per share attributable to Symantec Corporation stockholders — basic	\$ 0.41	\$ 0.31	\$ 0.98	\$ 0.80
Net income per share attributable to Symantec Corporation stockholders — diluted	\$ 0.40	\$ 0.31	\$ 0.96	\$ 0.80
Weighted-average shares outstanding attributable to Symantec Corporation stockholders — basic	696	693	697	704
Weighted-average shares outstanding attributable to Symantec Corporation stockholders — diluted	702	702	706	710
Cash dividends declared per common share	\$ 0.15	\$ —	\$ 0.45	\$ —

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

SYMANTEC CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended		Nine Months Ended	
	December 27, 2013	December 28, 2012	December 27, 2013	December 28, 2012
	(Unaudited) (Dollars in millions)			
Net income	\$ 283	\$ 216	\$ 681	\$ 565
Other comprehensive income (loss), net of taxes:				
Foreign currency translation adjustments:				
Translation adjustments	(1)	(1)	(3)	15
Reclassification adjustments for (gain) loss included in net income	—	(1)	—	(1)
Net foreign currency translation adjustments	(1)	(2)	(3)	14
Available-for-sale securities:				
Unrealized gain on available-for-sale securities, net of taxes of \$0 million and \$0 million for the three months ended December 27, 2013 and December 28, 2012, respectively and \$0 million and \$0 million for the nine months ended December 27, 2013 and December 28, 2012, respectively	—	14	—	15
Reclassification adjustments for realized gain included in net income, net of taxes of \$0 million and \$0 million for the three months ended December 27, 2013 and December 28, 2012, respectively and \$10 million and \$0 million for the nine months ended December 27, 2013 and December 28, 2012, respectively	—	—	(14)	—
Net change in unrealized (loss) gain on available-for-sale securities	—	14	(14)	15
Other comprehensive (loss) income, net of taxes	(1)	12	(17)	29
Comprehensive income	282	228	664	594
Less: Comprehensive income attributable to noncontrolling interest	—	1	—	2
Comprehensive income attributable to Symantec Corporation stockholders	<u>\$ 282</u>	<u>\$ 227</u>	<u>\$ 664</u>	<u>\$ 592</u>

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

SYMANTEC CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended	
	December 27, 2013	December 28, 2012
	(Unaudited)	
	(Dollars in millions)	
OPERATING ACTIVITIES:		
Net income	\$ 681	\$ 565
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	207	213
Amortization of intangible assets	170	268
Amortization of debt issuance costs and discounts	6	44
Stock-based compensation expense	111	125
Deferred income taxes	9	17
Excess income tax benefit from the exercise of stock options	(13)	(2)
Net gain from sale of short-term investments	(32)	—
Other	8	(3)
Net change in assets and liabilities, excluding effects of acquisitions:		
Trade accounts receivable, net	145	(144)
Inventories, net	11	9
Deferred commissions	27	21
Accounts payable	(54)	(8)
Accrued compensation and benefits	(83)	40
Deferred revenue	(470)	(150)
Income taxes payable	30	39
Other assets	30	(45)
Other liabilities	49	(8)
Net cash provided by operating activities	832	981
INVESTING ACTIVITIES:		
Purchases of property and equipment	(183)	(245)
Cash payments for acquisitions, net of cash acquired	(17)	(28)
Purchases of short-term investments	(174)	—
Proceeds from maturity and sales of short-term investments	166	46
Other	—	3
Net cash used in investing activities	(208)	(224)
FINANCING ACTIVITIES:		
Repayments of debt and other obligations	(1,189)	—
Proceeds from convertible note hedge	189	—
Net proceeds from sales of common stock under employee stock benefit plans	183	100
Excess income tax benefit from the exercise of stock options	13	2
Tax payments related to restricted stock units	(32)	(14)
Dividends paid, net	(314)	—
Repurchases of common stock	(375)	(701)
Purchase of additional equity interest in subsidiary	—	(92)
Proceeds from debt issuance, net of discount	—	996
Debt issuance costs	—	(7)
Net cash (used in) provided by financing activities	(1,525)	284
Effect of exchange rate fluctuations on cash and cash equivalents	29	(3)
Change in cash and cash equivalents	(872)	1,038
Beginning cash and cash equivalents	4,685	3,162
Ending cash and cash equivalents	\$ 3,813	\$ 4,200

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.

SYMANTEC CORPORATION

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)**

Note 1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of Symantec Corporation (“Symantec,” “we,” “us,” “our,” and “the Company” refer to Symantec Corporation and all of its subsidiaries) as of December 27, 2013 and March 29, 2013, and for the three and nine months ended December 27, 2013 and December 28, 2012, have been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S.”) for interim financial information and with the instructions on Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). In accordance with those rules and regulations, we have omitted certain information and notes normally provided in our annual Consolidated Financial Statements. In the opinion of management, the unaudited Condensed Consolidated Financial Statements contain all adjustments, consisting only of normal recurring items, except as otherwise noted, necessary for the fair presentation of our financial position, results of operations, and cash flows for the interim periods. These unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and Notes thereto included in our Annual Report on Form 10-K for the fiscal year ended March 29, 2013. The results of operations for the three and nine months ended December 27, 2013 are not necessarily indicative of the results expected for the entire fiscal year.

Segment reporting change

We modified our segment reporting structure to match our new operating structure and how our Chief Operating Decision Maker (“CODM”) views the business and allocates resources, beginning from the first quarter of fiscal 2014. The CODM function is comprised of our Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and President of Products and Services. Reclassifications of prior period financial information have been made to conform to the current period presentation. This change does not impact previously reported Condensed Consolidated Financial Statements of the Company. See Note 9 for additional information on our segment reporting change.

Significant Accounting Policies

Contingencies

We evaluate contingent liabilities including threatened or pending litigation and government investigations in accordance with the authoritative guidance on contingencies. We assess the likelihood of any adverse judgments or outcomes from potential claims or proceedings, as well as potential ranges of probable losses, when the outcomes of the claims or proceedings are probable and reasonably estimable. A determination of the amount of accrued liabilities required, if any, for these contingencies is made after the analysis of each separate matter. Because of uncertainties related to these matters, we base our estimates on the information available at the time of our assessment. As additional information becomes available, we reassess the potential liability related to our pending claims, litigation and government investigations, and may revise our estimates. Any revisions in the estimates of potential liabilities could have a material impact on our operating results and financial position.

Change in Accounting Policy for Sales Commissions

Effective March 30, 2013, we changed our accounting policy for sales commissions that are incremental and directly related to customer sales contracts in which revenue is deferred. These commission costs are accrued and capitalized upon execution of a non-cancelable customer contract, and subsequently expensed over the term of such contract in proportion to the related future revenue streams. For commission costs where revenue is recognized, the related commission costs are recorded in the period of revenue recognition. Prior to this change in accounting policy, commission costs were expensed in the period in which they were incurred. The adoption of this accounting policy change has been applied retrospectively to all periods presented in this Quarterly Report on Form 10-Q, in which the cumulative effect of the change has been reflected as of the beginning of the first period presented. Deferred commissions as of December 27, 2013 and March 29, 2013 were \$135 million and \$159 million, respectively. During the three and nine months ended December 27, 2013, we capitalized \$42 million and \$126 million of commission costs and amortized \$49 million and \$153 million to sales expense, respectively. During the three and nine months ended December 28, 2012, we deferred \$57 million and \$134 million of commission costs and amortized \$51 million and \$157 million to sales expense, respectively.

Table of Contents

We believe this change in accounting policy is preferable as the direct and incremental commission costs are closely related to the revenue, and therefore they should be recorded as an asset and recognized as an expense over the same period that the related revenue is recognized.

The cumulative effect of the change on accumulated deficit and accumulated other comprehensive income was \$109 million and \$3 million, respectively, as of March 30, 2012. The following tables present the changes to financial statement line items as a result of the accounting change for the periods presented in the accompanying unaudited Condensed Consolidated Financial Statements:

Condensed Consolidated Balance Sheet

	March 29, 2013		
	As Reported	Adjustment (Dollars in millions)	As Adjusted
Deferred income taxes	\$ 198	\$ (29)	\$ 169
Deferred commissions	\$ —	\$ 130	\$ 130
Long-term deferred commissions	\$ —	\$ 29	\$ 29
Other long-term assets	\$ 124	\$ (1)	\$ 123
Other current liabilities	\$ 313	\$ 5	\$ 318
Long-term deferred tax liabilities	\$ 403	\$ 23	\$ 426
Accumulated other comprehensive income	\$ 197	\$ 2	\$ 199
Accumulated deficit	\$ (2,096)	\$ 99	\$ (1,997)

Condensed Consolidated Statement of Income

	Three Months Ended December 28, 2012			Nine Months Ended December 28, 2012		
	As Reported	Adjustment	As Adjusted	As Reported	Adjustment	As Adjusted
	(In millions, except per share data)					
Operating expenses: Sales and marketing	\$ 730	\$ (6)	\$ 724	\$ 2,038	\$ 21	\$ 2,059
Provision for income taxes	\$ 72	\$ 2	\$ 74	\$ 217	\$ (9)	\$ 208
Net income attributable to Symantec Corporation stockholders	\$ 212	\$ 4	\$ 216	\$ 577	\$ (12)	\$ 565
Net income per share attributable to Symantec Corporation stockholders — basic	\$ 0.31	\$ —	\$ 0.31	\$ 0.82	\$ (0.02)	\$ 0.80
Net income per share attributable to Symantec Corporation stockholders — diluted	\$ 0.30	\$ 0.01	\$ 0.31	\$ 0.81	\$ (0.01)	\$ 0.80
Weighted-average shares outstanding attributable to Symantec Corporation stockholders — basic	693	—	693	704	—	704
Weighted-average shares outstanding attributable to Symantec Corporation stockholders — diluted	702	—	702	710	—	710

Condensed Consolidated Statement of Comprehensive Income

	Three Months Ended December 28, 2012			Nine Months Ended December 28, 2012		
	As Reported	Adjustment	As Adjusted	As Reported	Adjustment	As Adjusted
	(Dollars in millions)					
Net income	\$ 212	\$ 4	\$ 216	\$ 577	\$ (12)	\$ 565
Net foreign currency translation adjustments	\$ (2)	\$ —	\$ (2)	\$ 14	\$ —	\$ 14
Comprehensive income	\$ 223	\$ 5	\$ 228	\$ 604	\$ (10)	\$ 594

The change in accounting policy does not affect our balance of cash and cash equivalents and as a result did not change net cash flows from operating, investing, or financing activities in our Condensed Consolidated Statement of Cash Flows for the nine months ended December 28, 2012.

Table of Contents

There have been no other material changes in our significant accounting policies for the three and nine months ended December 27, 2013, as compared to the significant accounting policies described in our Annual Report on Form 10-K for the fiscal year ended March 29, 2013, other than as discussed above.

Recently Issued Authoritative Guidance

There was no recently issued authoritative guidance that has material impact to our Condensed Consolidated Financial Statements through the reporting date.

Note 2. Fair Value Measurements

For assets and liabilities measured at fair value, such amounts are based on an expected exit price representing the amount that would be received on the sale of an asset or paid to transfer a liability, as the case may be, in an orderly transaction between market participants. As such, fair value may be based on assumptions that market participants would use in pricing an asset or liability. The authoritative guidance on fair value measurements establishes a consistent framework for measuring fair value on either a recurring or nonrecurring basis whereby inputs, used in valuation techniques, are assigned a hierarchical level. The following are the hierarchical levels of inputs to measure fair value:

- *Level 1:* Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
- *Level 2:* Observable inputs that reflect quoted prices for identical assets or liabilities in markets that are not active; quoted prices for similar assets or liabilities in active markets; inputs other than quoted prices that are observable for the assets or liabilities; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- *Level 3:* Unobservable inputs reflecting our own assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

Assets measured and recorded at fair value on a recurring basis

There have been no transfers between fair value measurement levels during the three and nine months ended December 27, 2013. The following table summarizes our assets measured at fair value on a recurring basis, by level, within the fair value hierarchy:

	December 27, 2013			March 29, 2013		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Cash equivalents ⁽¹⁾	\$ 2,390	\$ 10	\$ 2,400	\$ 3,469	\$ —	\$ 3,469
Other short-term investments	44	29	73	—	—	—
Marketable equity securities	4	—	4	62	—	62

⁽¹⁾ Cash equivalents consist of investments with remaining maturities of three months or less at the date of purchase.

Table of Contents

Note 3. Goodwill and Intangible Assets

Goodwill

The changes in the carrying amount of goodwill were as follows:

	User Productivity & Protection	Information Security	Information Management	Total
	(Dollars in millions)			
Net balance as of March 29, 2013	\$ 1,649	\$ 1,486	\$ 2,706	\$ 5,841
Additions ⁽¹⁾	—	16	—	16
Adjustments ⁽²⁾	—	(1)	—	(1)
Net balance as of December 27, 2013	<u>\$ 1,649</u>	<u>\$ 1,501</u>	<u>\$ 2,706</u>	<u>\$ 5,856</u>

⁽¹⁾ Additions due to an acquired business.

⁽²⁾ Adjustments made to goodwill reflect foreign currency exchange rate fluctuations.

Effective in the first quarter of fiscal 2014, we evaluated our segment reporting structure and modified the reporting to match our new operating structure. Our reporting units for goodwill are the same as our reportable operating segments, and the net goodwill balance has been allocated to the reporting units based on their relative fair value. See Note 9 of these Condensed Consolidated Financial Statements for information regarding the changes related to segment information.

As a result of the change in our segments, we assessed goodwill for impairment immediately prior to the changes to the new reporting units and determined that the estimated fair value of our reporting units exceeded their respective carrying amount including goodwill. Based on the results of our impairment analysis, we do not believe that impairment existed as of the date of the change in our segments.

Intangible assets, net

	December 27, 2013				March 29, 2013			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted- Average Remaining Useful Life	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted- Average Remaining Useful Life
	(Dollars in millions)							
Customer relationships	\$ 2,203	\$ (1,882)	\$ 321	3 years	\$ 2,205	\$ (1,766)	\$ 439	2 years
Developed technology	1,918	(1,760)	158	4 years	1,917	(1,720)	197	4 years
Finite-lived tradenames	146	(120)	26	2 years	146	(110)	36	2 years
Patents	21	(14)	7	4 years	26	(18)	8	5 years
Indefinite-lived tradenames	297	—	297	Indefinite	297	—	297	Indefinite
Total	<u>\$ 4,585</u>	<u>\$ (3,776)</u>	<u>\$ 809</u>	3 years	<u>\$ 4,591</u>	<u>\$ (3,614)</u>	<u>\$ 977</u>	2 years

Table of Contents

Total future amortization expense for intangible assets that have finite lives is as follows:

	December 27, 2013
	(Dollars in millions)
Remainder of fiscal 2014	\$ 41
2015	157
2016	106
2017	87
2018	66
Thereafter	55
Total	<u>\$ 512</u>

Note 4. Supplemental Financial Information

Property and equipment, net

	December 27, 2013	March 29, 2013
	(Dollars in millions)	
Computer hardware and software	\$ 1,764	\$ 1,820
Office furniture and equipment	138	172
Buildings	532	530
Leasehold improvements	338	310
	<u>2,772</u>	<u>2,832</u>
Accumulated depreciation	(1,772)	(1,853)
	<u>1,000</u>	<u>979</u>
Construction in progress	31	64
Land	79	79
Total	<u>\$ 1,110</u>	<u>\$ 1,122</u>

Dividends and dividend equivalents

During the quarter ended December 27, 2013, we declared and paid a common stock cash dividend of \$104 million or \$0.15 per common share. During the nine months ended December 27, 2013, we declared and paid common stock cash dividends of \$314 million, with each quarterly dividend being \$0.15 per common share. Each quarterly dividend was recorded as a reduction to additional paid-in capital. In addition, our Board of Directors approved dividend equivalent rights entitling holders of restricted stock and performance-based stock to dividend equivalents to be paid in the form of cash upon vesting, for each share of the underlying units. No dividends and dividend equivalents were paid in any periods prior to fiscal 2014. All future dividends and dividend equivalents are subject to the approval of our Board of Directors.

Table of Contents

Changes in Accumulated Other Comprehensive Income by Component

Components of Accumulated Other Comprehensive Income, on a net of tax basis, were as follows:

	Foreign Currency Translation Adjustments	Unrealized Gain On Available-For-Sale Securities (Dollars in millions)	Total
Balance as of March 29, 2013	\$ 183	\$ 16	\$ 199
Other comprehensive income before reclassifications	(3)	—	(3)
Amounts reclassified from accumulated other comprehensive income	—	(14)	(14)
Balance as of December 27, 2013	<u>\$ 180</u>	<u>\$ 2</u>	<u>\$ 182</u>

The effects on net income of amounts reclassified from Accumulated Other Comprehensive Income were as follows:

	Amount Reclassified from Accumulated Other Comprehensive Income		Affected Line Item in the Condensed Consolidated Statement of Income
	Three Months Ended December 27, 2013	Nine Months Ended December 27, 2013	
	(Dollars in millions)		
Details about Accumulated Other Comprehensive Income Components			
Unrealized gain on available-for-sale securities	\$ —	\$ (24)	Other (expense) income, net
Tax effects	—	10	Provision for income taxes
Total amount reclassified, net of taxes	<u>\$ —</u>	<u>\$ (14)</u>	

Note 5. Debt

In the first quarter of fiscal 2007, we issued \$1.0 billion in principal amount of 1.00% Convertible Senior Notes (“1.00% notes”), due in June 2013. On June 15, 2013, the principal balance on those notes matured and was settled by a cash payment of \$1.0 billion, along with the \$5 million semi-annual interest payment. In addition, we elected to pay the conversion value above par value in cash in the amount of \$189 million. Concurrently with the payment of the conversion value we received \$189 million from our note hedge, which we had entered into at the time of the issuance of the 1.00% notes.

At the time of issuance of the 1.00% notes, we granted warrants to affiliates of certain initial purchasers of the notes whereby they had the option to purchase up to 52.7 million shares of our common stock at a price of \$27.1330 per share. All the warrants expired unexercised on various dates during the quarter ended September 27, 2013, there was no dilutive impact from the warrants on the Company’s earnings per share.

Table of Contents

Note 6. Restructuring and Transition

Our restructuring and transition costs and liabilities consist primarily of severance, facilities costs, and transition and other related costs. Severance generally includes severance payments, outplacement services, health insurance coverage, and legal costs. Facilities costs generally include rent expense and lease termination costs, less estimated sublease income. Transition and other related costs primarily consist of severance costs associated with acquisition integrations in efforts to streamline our business operations, and costs associated with the planning, design, testing, and data conversion phases of a new enterprise resource planning (“ERP”) system. Restructuring and transition costs are managed at the corporate level and are not allocated to our reportable segments. See Note 9 of these Condensed Consolidated Financial Statements for information regarding the reconciliation of total segment operating income to total consolidated operating income.

Restructuring plan

In the fourth quarter of fiscal 2013, we announced our strategy focusing on three priority areas, developing innovative products and services, changing our go-to-market plans and investing in people, process and technology infrastructure to make it easier to do business with us and improve our execution. We also initiated a restructuring plan in the fourth quarter of fiscal 2013 to reduce management and redundant personnel resulting in headcount reductions across the Company. The remaining costs associated with these actions are expected to be incurred throughout the remainder of fiscal 2014. As of December 27, 2013, total costs related to these plans incurred were \$200 million, primarily related to severance and related employee benefits, and the remaining costs for severance and benefits are anticipated to be less than \$50 million.

Other exit and disposal costs

Our other exit and disposal costs consist primarily of costs associated with closing or consolidating certain facilities. Largely as a result of business acquisitions, management may deem certain leased facilities to be in excess and plan to exit them either at the time of acquisition or after the acquisition in conjunction with our efforts to integrate and streamline our operations. As of December 27, 2013, liabilities for these excess facility obligations at several locations around the world are expected to be paid over the respective lease terms, the longest of which extends through fiscal 2018.

Restructuring and transition summary

	<u>March 29, 2013</u>	<u>Costs, Net of Adjustments (1)</u>	<u>Cash Payments (Dollars in millions)</u>	<u>December 27, 2013</u>	<u>Cumulative Incurred to Date</u>
Restructuring liabilities:					
Restructuring plan —					
severance	\$ 10	\$ 192	\$ (146)	\$ 56	\$ 200
Other exit and disposal costs	<u>3</u>	<u>1</u>	<u>(3)</u>	<u>1</u>	
Total restructuring liabilities	<u>\$ 13</u>	<u>\$ 193</u>	<u>\$ (149)</u>	<u>\$ 57</u>	
Transition and other related costs		<u>44</u>			
Total restructuring and transition		<u>\$ 237</u>			
Balance Sheet:					
Other current liabilities	\$ 11			\$ 56	
Other long-term obligations	<u>2</u>			<u>1</u>	
Total restructuring liabilities	<u>\$ 13</u>			<u>\$ 57</u>	

(1) Adjustments which have not been significant primarily relate to foreign currency exchange rate fluctuations.

Table of Contents

Note 7. Commitments and Contingencies

Indemnification

In the ordinary course of business, we may provide indemnifications of varying scope and terms to customers, vendors, lessors, business partners, subsidiaries and other parties with respect to certain matters, including, but not limited to, losses arising out of our breach of agreements or representations and warranties made by us. In addition, our bylaws contain indemnification obligations to our directors, officers, employees and agents, and we have entered into indemnification agreements with our directors and certain of our officers to give such directors and officers additional contractual assurances regarding the scope of the indemnification set forth in our bylaws and to provide additional procedural protections. We maintain director and officer insurance, which may cover certain liabilities arising from our obligation to indemnify our directors and officers. It is not possible to determine the aggregate maximum potential loss under these indemnification agreements due to the limited history of prior indemnification claims and the unique facts and circumstances involved in each particular agreement. Such indemnification agreements might not be subject to maximum loss clauses. Historically, we have not incurred material costs as a result of obligations under these agreements and we have not accrued any liabilities related to such indemnification obligations in our Condensed Consolidated Financial Statements.

We provide limited product warranties and the majority of our software license agreements contain provisions that indemnify licensees of our software from damages and costs resulting from claims alleging that our software infringes on the intellectual property rights of a third party. Historically, payments made under these provisions have been immaterial. We monitor the conditions that are subject to indemnification to identify if a loss has occurred.

Litigation contingencies

During the first quarter of fiscal 2013, we were advised by the Commercial Litigation Branch of the Department of Justice's Civil Division and the Civil Division of the U.S. Attorney's Office for the District of Columbia that the government is investigating our compliance with certain provisions of our U.S. General Services Administration ("GSA") Multiple Award Schedule Contract No. GS-35F-0240T effective January 24, 2007, including provisions relating to pricing, country of origin, accessibility, and the disclosure of commercial sales practices. As reported on the GSA's publicly-available database, our total sales under the GSA Schedule contract were approximately \$210 million from the period beginning January 2007 and ending December 2011. We are fully cooperating with the investigation and in January 2014 met with representatives of the government who presented us with an initial analysis of our actual damages exposure in the amount of approximately \$145 million. We are currently in the process of evaluating the government's initial analysis. It is possible that the investigation could lead to claims or findings of violations of the False Claims Act, and could be material to our results of operations and cash flows for any period. Resolution of False Claims Act investigations can ultimately result in the payment of somewhere between one and three times the actual damages proven by the government, plus civil penalties in some cases, depending upon a number of factors. As a result of these developments, we considered the need for an accrual for a potential loss. Considering the preliminary stage of the negotiated resolution process with the government, we are currently unable to determine a precise range of estimated losses resulting from this matter. However, we determined that the amount subject to accrual (representing our best estimate of the low end of such range) was not material to the company's Condensed Consolidated Financial Statements.

We are also involved in a number of other judicial and administrative proceedings that are incidental to our business. Although adverse decisions (or settlements) may occur in one or more of the cases, it is not possible to estimate the possible loss or losses from each of these cases. The final resolution of these lawsuits, individually or in the aggregate, is not expected to have a material adverse effect on our business, results of operations, financial condition or cash flow.

Note 8. Stock Repurchases

The following table summarizes our stock repurchase activity:

	Three Months Ended December 27, 2013		Nine Months Ended December 27, 2013	
	(In millions, except per share data)			
Total number of shares repurchased		5		15
Dollar amount of shares repurchased		\$ 125		\$ 375
Average price paid per share		\$ 23.76		\$ 24.22
Range of price paid per share	\$ 20.90	- \$ 25.58	\$ 20.90	- \$ 27.09

Through our stock repurchase programs we have repurchased shares on a quarterly basis since the fourth quarter of fiscal 2004. During the fourth quarter of fiscal 2013, our Board of Directors authorized a new \$1.0 billion stock repurchase program which commenced in fiscal 2014. Our active stock repurchase programs have \$783 million remaining authorized for future repurchase as of December 27, 2013, and neither program has an expiration date.

Table of Contents

Note 9. Segment Information

In the fourth quarter of fiscal 2013, we announced a new strategy and created three new business segments which provide customers with integrated solutions that solve their important problems. We also made changes in our organizational structure. As of the first quarter of fiscal 2014, we modified our segment reporting structure to more readily match the new operating structure based on information reviewed by our CODM. The three reporting segments, which are the same as our operating segments, are as follows:

- *User Productivity & Protection:* Our User Productivity & Protection segment focuses on making it simple for customers to be productive and protected at home and at work. These products include our endpoint security and management, encryption, and mobile offerings.
- *Information Security:* Our Information Security segment focuses on keeping businesses safe and compliant, regardless of the size, location, or complexity of their infrastructure. These products include our next generation security capabilities, such as mail and web security, authentication services, data center security, managed security services, hosted security services, and data loss prevention.
- *Information Management:* Our Information Management segment is comprised of offerings related to backup and recovery, information intelligence, which includes archiving and e-discovery, and information availability, which we previously referred to as storage management.

There were no intersegment sales during the three and nine months ended December 27, 2013 or December 28, 2012. The historical information presented has been retrospectively adjusted to reflect the new segment reporting. The following table summarizes the operating results of our reporting segments:

	<u>User Productivity & Protection</u>	<u>Information Security</u>	<u>Information Management</u>	<u>Total Segments</u>
	(Dollars in millions)			
Three Months Ended December 27, 2013				
Net revenue	\$ 718	\$ 327	\$ 660	\$ 1,705
<i>Percentage of total net revenue</i>	42 %	19 %	39 %	100 %
Operating income	269	65	179	513
<i>Operating margin</i>	37 %	20 %	27 %	
Three Months Ended December 28, 2012				
Net revenue	\$ 750	\$ 336	\$ 705	\$ 1,791
<i>Percentage of total net revenue</i>	42 %	19 %	39 %	100 %
Operating income	235	26	203	464
<i>Operating margin</i>	31 %	8 %	29 %	
Nine Months Ended December 27, 2013				
Net revenue	\$ 2,169	\$ 979	\$ 1,903	\$ 5,051
<i>Percentage of total net revenue</i>	43 %	19 %	38 %	100 %
Operating income	783	140	473	1,396
<i>Operating margin</i>	36 %	14 %	25 %	
Nine Months Ended December 28, 2012				
Net revenue	\$ 2,232	\$ 972	\$ 1,954	\$ 5,158
<i>Percentage of total net revenue</i>	43 %	19 %	38 %	100 %
Operating income	762	30	547	1,339
<i>Operating margin</i>	34 %	3 %	28 %	

From time to time, our management makes minor modifications to our segment reporting structure to more readily match our operating structure. All historical periods have been adjusted to reflect any modifications to the segment reporting structure.

Table of Contents

Operating segments are based upon the nature of the business and how the business is managed. Our CODM uses financial information to evaluate the performance of, and to assign resources to, each of the operating segments. We do not allocate to the operating segments certain operating expenses, which we manage separately at the corporate level. These unallocated costs primarily include amortization of intangible assets, restructuring and transition charges, stock-based compensation expense, impairment charges, and acquisition-related charges.

The reconciliation of total segment operating income to total consolidated operating income is as follows:

	Three Months Ended		Nine Months Ended	
	December 27,	December 28,	December 27,	December 28,
	2013	2012	2013	2012
	(Dollars in millions)			
Total segment operating income	\$ 513	\$ 464	\$ 1,396	\$ 1,339
Reconciling items:				
Amortization of intangibles	41	87	169	268
Restructuring & transition	32	27	237	85
Stock-based compensation	34	42	111	125
Acquisition-related expenses	1	4	2	10
Total consolidated operating income	<u>\$ 405</u>	<u>\$ 304</u>	<u>\$ 877</u>	<u>\$ 851</u>

Note 10. Stock-Based Compensation

The following table sets forth the total stock-based compensation expense recognized in our Condensed Consolidated Statements of Income:

	Three Months Ended		Nine Months Ended	
	December 27,	December 28,	December 27,	December 28,
	2013	2012	2013	2012
	(Dollars in millions, except per share data)			
Cost of revenue	\$ 5	\$ 4	\$ 13	\$ 12
Sales and marketing	15	18	44	51
Research and development	9	13	34	37
General and administrative	5	7	20	25
Total stock-based compensation expense	34	42	111	125
Tax benefit associated with stock-based compensation expense	(7)	(12)	(28)	(36)
Net stock-based compensation expense	<u>\$ 27</u>	<u>\$ 30</u>	<u>\$ 83</u>	<u>\$ 89</u>
Net stock-based compensation expense per share attributable to Symantec Corporation stockholders — basic	\$ 0.04	\$ 0.04	\$ 0.12	\$ 0.13
Net stock-based compensation expense per share attributable to Symantec Corporation stockholders — diluted	\$ 0.04	\$ 0.04	\$ 0.12	\$ 0.13

Table of Contents

The following table summarizes additional information pertaining to our stock-based compensation:

	Nine Months Ended	
	December 27, 2013	December 28, 2012
(Dollars in millions, except per grant data)		
Restricted stock		
Weighted - average fair value per grant	\$ 24.46	\$ 15.41
Fair value of awards granted	\$ 231	\$ 169
Total fair value of awards vested	\$ 97	\$ 47
Total unrecognized compensation expense	\$ 273	\$ 248
Weighted-average remaining vesting period	3 years	3 years
Performance-based restricted stock		
Weighted - average fair value per grant	\$ 19.04	\$ 16.15
Fair value of awards granted	\$ 33	\$ 29
Total fair value of awards vested	\$ 12	\$ 4
Total unrecognized compensation expense	\$ 13	\$ 18
Weighted-average remaining vesting period	2 years	2 years
Stock options		
Weighted - average fair value per grant	\$ —	\$ 4.07
Total intrinsic value of stock options exercised	\$ 54	\$ 20
Total unrecognized compensation expense	\$ 6	\$ 17
Weighted-average remaining vesting period	1 year	2 years

During the first quarter of fiscal 2014, we granted 67,550 Restricted Stock Awards to members of our Board of Directors, each award had a fair value of \$24.35, and vested immediately upon grant. As a result, we recorded \$2 million of stock-based compensation expense for these awards during the first quarter of fiscal 2014.

The Company's 2013 Equity Incentive Plan ("2013 Plan") and an amendment to the Company's 2008 Employee Stock Purchase Plan ("2008 ESPP") were approved by the Board of Directors and stockholders of the Company and became effective on October 22, 2013. The number of authorized shares of the Company's common stock issuable under the 2013 Plan is 45 million shares. All outstanding stock awards granted under the Company's 2004 Equity Incentive Plan ("2004 Plan") will continue to be subject to the terms and conditions as set forth in the agreements evidencing such stock awards and the terms of the applicable 2004 Plan, but no additional awards will be granted under the 2004 Plan. In addition, the amendment to the 2008 ESPP increased the number of authorized shares of the Company's common stock issuable thereunder by 30 million shares.

Note 11. Income Taxes

The effective tax rate was approximately 27% and 21% for the three and nine months ended December 27, 2013, and 26% and 27% for the three and nine months ended December 28, 2012, respectively.

For the three and nine months ended December 27, 2013, the tax provision was reduced by a net tax benefit of \$7 million related to certain foreign operations. The tax provision was also reduced by tax benefits of \$2 million and \$13 million for the three and nine months ended December 27, 2013, respectively, resulting from individually insignificant tax settlements, lapses of statutes of limitations, and prior year items. For the nine months ended December 27, 2013, the tax provision was further reduced by \$33 million for the resolution of a tax matter related to the sale of our 49% ownership interest in the joint venture with Huawei during the fourth quarter of fiscal 2012 as well as by \$24 million for tax benefits related to the settlement of the Symantec 2005 through 2008 Internal Revenue Service ("IRS") audit. These tax benefits were partially offset by \$12 million in tax expense, in the nine months ended December 27, 2013, resulting from the sale of short-term investments.

For the three and nine months ended December 28, 2012, the tax expense was reduced by \$7 million and \$18 million, respectively, in tax benefits resulting from tax settlements, lapses of statutes of limitations and prior year items. These tax benefits were offset by a \$9 million tax expense from an increase in valuation allowance on state research tax credits for the nine months ended December 28, 2012.

Table of Contents

The provision for the nine months ended December 27, 2013 and December 28, 2012 otherwise reflects a forecasted tax rate of 29%. The forecasted tax rates for all periods presented reflect the benefits of lower-taxed international earnings, domestic manufacturing incentives, and research and development credits (the U.S. federal Research and Development tax credit expired on December 31, 2013), partially offset by state income taxes. We are a U.S.-based multinational company subject to tax in multiple U.S. and international tax jurisdictions. A substantial portion of our international earnings were generated from subsidiaries organized in Ireland and Singapore. Our results of operations would be adversely affected to the extent that our geographical mix of income becomes more weighted toward jurisdictions with higher tax rates and would be favorably affected to the extent the relative geographic mix shifts to lower tax jurisdictions. Any change in our mix of earnings is dependent upon many factors and is therefore difficult to predict.

The timing of the resolution of income tax examinations is highly uncertain, and the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially from the amounts accrued for each year. Although potential resolution of uncertain tax positions involve multiple tax periods and jurisdictions, it is reasonably possible that the gross unrecognized tax benefits related to these audits could decrease (whether by payment, release, or a combination of both) in the next 12 months by \$160 million. This amount includes approximately \$116 million paid in the settlement of the Symantec 2005 through 2008 IRS audit. Depending on the nature of the settlement or expiration of statutes of limitations, we estimate at least \$20 million could affect our income tax provision and therefore benefit the resulting effective tax rate.

We continue to monitor the progress of ongoing tax controversies and the impact, if any, of the expected expiration of the statute of limitations in various taxing jurisdictions.

Note 12. Earnings Per Share

The components of earnings per share attributable to Symantec Corporation stockholders are as follows:

	Three Months Ended		Nine Months Ended	
	December 27, 2013	December 28, 2012	December 27, 2013	December 28, 2012
	(In millions, except per share data)			
Net income	\$ 283	\$ 216	\$ 681	\$ 565
Net income per share — basic	\$ 0.41	\$ 0.31	\$ 0.98	\$ 0.80
Net income per share — diluted	\$ 0.40	\$ 0.31	\$ 0.96	\$ 0.80
Weighted-average outstanding common shares — basic	696	693	697	704
Dilutive potential shares issuable from assumed exercise of stock options	1	2	2	2
Dilutive potential shares related to stock award plans	5	7	7	4
Weighted-average shares outstanding — diluted	<u>702</u>	<u>702</u>	<u>706</u>	<u>710</u>
Anti-dilutive weighted-average stock options	3	16	3	19
Anti-dilutive weighted-average restricted stock	1	—	2	—

Note 13. Subsequent Event

On January 29, 2014, we announced a quarterly dividend in the amount of \$0.15 per share of common stock to be paid on March 19, 2014 to stockholders of record as of February 24, 2014. All shares of common stock issued and outstanding, and unvested restricted stock and performance-based stock as of the record date will be entitled to the dividend and dividend equivalents, respectively. Any future dividends and dividend equivalents will be subject to the approval of our Board of Directors.

Table of Contents

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-looking statements and factors that may affect future results

The discussion below contains forward-looking statements, which are subject to safe harbors under the Securities Act of 1933, as amended (the "Securities Act"), or the Securities Act, and the Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements include references to our ability to utilize our deferred tax assets, as well as statements including words such as "expects," "plans," "anticipates," "believes," "estimates," "predicts," "projects," and similar expressions. In addition, statements that refer to projections of our future financial performance, anticipated growth and trends in our businesses and in our industries, the anticipated impacts of acquisitions, our intent to pay quarterly cash dividends in the future, the actions we intend to take as part of our new strategy, the expected impact of our new strategy and other characterizations of future events or circumstances are forward-looking statements. These statements are only predictions, based on our current expectations about future events and may not prove to be accurate. We do not undertake any obligation to update these forward-looking statements to reflect events occurring or circumstances arising after the date of this report. These forward-looking statements involve risks and uncertainties, and our actual results, performance, or achievements could differ materially from those expressed or implied by the forward-looking statements on the basis of several factors, including those that we discuss in Risk Factors, set forth in Part I, Item 1A, of our annual report on Form 10-K for the fiscal year ended March 29, 2013. We encourage you to read that section carefully.

Fiscal calendar

We have a 52/53-week fiscal accounting year ending on the Friday closest to March 31. The three and nine months ended December 27, 2013 and December 28, 2012 each consisted of 13 weeks and 39 weeks, respectively.

OVERVIEW

Our business

Symantec is a global leader in security, backup and availability solutions. Our innovative products and services protect people and information in any digital environment – from the smallest mobile device, to the enterprise data center, to cloud-based systems. Our software and services protect against advanced threats independent of the device and environment in which information is used or stored.

Strategy

Our strategy is to establish leadership in this evolving information-centric world by identifying and delivering solutions that solve large unmet or underserved customer needs, while building competitive advantage and creating sustainable financial performance. To successfully implement our strategy we are focusing on three priority areas, developing innovative products and services, changing our go-to-market plans, and investing in people, process and technology infrastructure to make it easier to do business with us and improve our execution.

Since announcing our new strategy we have reallocated resources to develop new integrated offerings, restructured the sales organization into new and renewals business teams, redesigned our channel strategy, and simplified our management structure. These critical changes are designed to build a strong foundation for long-term growth.

Financial Implications of New Strategy

In fiscal 2014 we are making changes to our offerings, go-to-market plans and our organizational structure as we strive to create sustainable growth. We have developed a three-pronged approach to our offering strategy which includes managing our portfolio of point solutions and reallocating resources to the offerings we estimate have the greatest growth potential, expanding our total addressable market by delivering innovative new offerings that integrate our technologies to solve our customers' most significant problems, and focusing on developing relationships with other industry leaders that will begin the process of building ecosystems that delivers more value to our customers.

Table of Contents

We believe that sales and marketing of our innovative and differentiated products are enhanced by knowledgeable salespeople who can convey the strong value of our technology. As such, we restructured the sales organization into new and renewals business teams. We also reorganized our direct sales force into functional areas of information security and information management. The focus of these specialized teams is to generate new business through new customer acquisition or through broadening existing customer relationships. We expect that by separating our direct sales force into specialized teams and focusing on new business, we will improve the efficiency and effectiveness of our sales process. Concurrently, we created a dedicated renewals team that is focused on extending existing customer relationships and renewing contracts.

We are also investing in our indirect sales channels to build stronger, more strategic relationships that enable us to better serve consumers, small business and mid-market customers. Through our channel partner program we are seeking to align our offerings with the optimal route to market, leveraging our channel partner capabilities. We also plan to align the economics and incentives under these relationships based on the value created by the partner and their commitment to Symantec and our customers. We believe these changes will help us provide our end customer with high-quality sales and post-sales support experiences while expanding our business.

As part of our enhanced capital allocation strategy, in fiscal 2014 we initiated a quarterly cash dividend in addition to our on-going share repurchases activity. Our Board of Directors approved a quarterly dividend of \$0.15 per share of common stock, which was paid on December 18, 2013 to all stockholders of record as of November 25, 2013.

Our income and cash flows are being impacted by severance, other charges, and capital expenditures as we execute our organic growth strategy.

New enterprise resource planning system

During the third quarter of fiscal 2014, following our final testing and data conversion stages, we implemented the critical financial reporting module of a new ERP system. The costs, other than capital expenditures, associated with this first phase of implementation of the core operating systems have been recorded in our financial statements in operating expenses as restructuring and transition expenses.

Change in management

On December 20, 2013, we announced the departure of our Senior Vice President, acting Chief Financial Officer, and Chief Accounting Officer, Andrew H. Del Matto. Until a new Chief Financial Officer and Chief Accounting Officer have been appointed, Donald J. Rath will serve as our interim Chief Financial Officer and interim Chief Accounting Officer. Mr. Rath also serves as our Vice President of Tax.

Our operating segments

Our operating segments are significant strategic business units that offer different products and services, distinguished by customer needs. As of the first quarter of fiscal 2014, we modified our segment reporting structure to match our new operating structure. The three reporting segments, which are the same as our operating segments, are as follows:

- *User Productivity & Protection:* Our User Productivity & Protection segment focuses on making it simple for customers to be productive and protected at home and at work. These products include our endpoint security and management, encryption, and mobile offerings.
- *Information Security:* Our Information Security segment focuses on keeping businesses safe and compliant, regardless of the size, location, or complexity of their infrastructure. These products include our next generation security capabilities, such as mail and web security, authentication services, data center security, managed security services, hosted security services, and data loss prevention.
- *Information Management:* Our Information Management segment is comprised of offerings related to backup and recovery, information intelligence, which includes archiving and e-discovery, and information availability, which we previously referred to as storage management.

Table of Contents

Financial results and trends

Revenue declined following the transition of our sales force into new and renewals business teams during the three and nine months ended December 27, 2013. Our content, subscription and maintenance revenue declined by \$13 million for the three months ended December 27, 2013, while we experienced \$33 million of growth during the nine months ended December 27, 2013, as compared to the same periods last year.

We also experienced lower license revenue domestically and internationally with a decline of \$73 million and \$140 million during the three and nine months ended December 27, 2013, respectively, compared to the same periods in the prior year. Our total net revenue declined \$86 million and \$107 million for the three and nine months ended December 27, 2013, respectively, as compared to the same periods last year, primarily due to lower sales activity. The Asia Pacific and Japan region experienced the largest net revenue decrease followed by Americas, while the EMEA region experienced net revenue growth during the nine months ended December 27, 2013, as compared to the same period last year. The Asia Pacific and Japan region revenue declined primarily due to foreign currency translation adjustments resulting from the weakening of the Japanese yen compared to the U.S. dollar.

Deferred revenue was \$3.6 billion as of December 27, 2013, compared to \$4.0 billion at March 29, 2013, and \$3.8 billion at December 28, 2012. The decline in the deferred revenue balance is primarily related to the decrease in sales activity during the second and third quarters of fiscal 2014. The lower deferred revenue balance as of December 27, 2013 will adversely affect our revenues in future quarters.

Gross margins remained constant at 83% during the three and nine months ended December 27, 2013 when compared to the same periods in the prior year. Our cost of revenue decreased \$16 million for three months ended December 27, 2013, but remained flat for the nine months ended December 27, 2013, as compared to the same periods in the prior year. The three month decrease in cost of revenue is in line with our lower maintenance revenue driven by weaker new business as we continue to see the effect of last quarter's transition into new and renewals business teams. Additionally, our gross margins and cost of revenue were favorably impacted from lower intangible assets amortization expense during fiscal 2013.

Operating expenses declined for the three months ended December 27, 2013, as compared to the same period in the prior year primarily from lower sales and marketing expenses, which decreased by \$116 million, and benefits from organization simplification combined with slower than expected hiring. The decline was also due to lower amortization expense for intangible assets of \$43 million and lower general and administrative expenses of \$20 million.

Operating expenses declined for the nine months ended December 27, 2013, as compared to the same period in the prior year primarily due to lower sales and marketing expenses, which decreased \$208 million, and lower amortization of intangible assets of \$87 million, partially offset by higher restructuring expenses of \$152 million.

Critical accounting estimates

Deferred commissions

Effective March 30, 2013, we changed our accounting policy for sales commissions that are incremental and directly related to customer sales contracts in which revenue is deferred. These commission costs are accrued and capitalized upon execution of a non-cancelable customer contract, and subsequently expensed over the term of such contract in proportion to the related future revenue streams. For commission costs where revenue is recognized, the related commission costs are recorded in the period of revenue recognition. Prior to this change in accounting policy, commission costs were expensed in the period in which they were incurred. The adoption of this accounting policy change has been applied retrospectively to all periods and the cumulative effect of the change has been reflected as of the beginning of the first period presented.

We believe this change in accounting policy is preferable as the direct and incremental commission costs are closely related to the revenue, and therefore they should be recorded as an asset and recognized as an expense over the same period that the related revenue is recognized.

For further information on deferred commissions, refer to Note 1 of the Notes to Condensed Consolidated Financial Statements in this Form 10-Q.

There have been no other material changes in the matters for which we make critical accounting estimates in the preparation of our Condensed Consolidated Financial Statements during the three and nine months ended December 27, 2013 as compared to those disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the fiscal year ended March 29, 2013.

RESULTS OF OPERATIONS

Total net revenue

	Three Months Ended				Nine Months Ended			
	December 27, 2013	December 28, 2012	Change in		December 27, 2013	December 28, 2012	Change in	
			\$	%			\$	%
	(Dollars in millions)							
Content, subscription, and maintenance revenue	\$ 1,508	\$ 1,521	\$(13)	(1)%	\$ 4,527	\$ 4,494	\$ 33	1 %
<i>Percentage of total net revenue</i>	88 %	85 %			90 %	87 %		
License revenue	197	270	(73)	(27)%	524	664	(140)	(21)%
<i>Percentage of total net revenue</i>	12 %	15 %			10 %	13 %		
Total	\$ 1,705	\$ 1,791	\$(86)	(5)%	\$ 5,051	\$ 5,158	\$(107)	(2)%

Content, subscription and maintenance revenue represented 88% and 90% of total net revenue for the three and nine months ended December 27, 2013, respectively. Our content, subscription and maintenance revenue declined by \$13 million for the three months ended December 27, 2013, while we experienced \$33 million of growth during the nine months ended December 27, 2013, as compared to the same period last year, primarily due to continued growth in our NetBackup appliance business.

Our license revenue, which includes sales from software licenses, appliances, and certain revenue-sharing arrangements, declined by \$73 million and \$140 million during the three and nine months ended December 27, 2013, respectively, compared to the same periods in the prior year. These license revenue declines were due to lower sales activity resulting from the transition of our sales force into new and renewals business teams.

Net revenue and operating income by segment

User Productivity & Protection segment

	Three Months Ended				Nine Months Ended			
	December 27, 2013	December 28, 2012	Change in		December 27, 2013	December 28, 2012	Change in	
			\$	%			\$	%
	(Dollars in millions)							
User Productivity & Protection revenue	\$ 718	\$ 750	\$(32)	(4)%	\$ 2,169	\$ 2,232	\$(63)	(3)%
<i>Percentage of total net revenue</i>	42 %	42 %			43 %	43 %		
User Productivity & Protection operating income	\$ 269	\$ 235	\$ 34	14 %	\$ 783	\$ 762	\$ 21	3 %
<i>User Productivity & Protection operating margin</i>	37 %	31 %			36 %	34 %		

User Productivity & Protection revenue declined \$32 million and \$63 million for the three and nine months ended December 27, 2013, respectively, as compared to the same periods last year. The revenue decline was primarily due to weakness in endpoint management sales. User Productivity & Protection operating income increased for the three and nine months ended December 27, 2013, as compared to the same periods last year, due to lower advertising and promotional expenses, as well as a decline in salaries and wages.

Table of Contents

Information Security segment

	Three Months Ended				Nine Months Ended			
	December 27, 2013	December 28, 2012	Change in		December 27, 2013	December 28, 2012	Change in	
			\$	%			\$	%
Information Security revenue	\$ 327	\$ 336	\$ (9)	(3)%	\$ 979	\$ 972	\$ 7	1 %
<i>Percentage of total net revenue</i>	19 %	19 %			19 %	19 %		
Information Security operating income	\$ 65	\$ 26	\$ 39	150 %	\$ 140	\$ 30	\$ 110	367 %
<i>Information Security operating margin</i>	20 %	8 %			14 %	3 %		

Information Security revenue declined \$9 million for the three months ended December 27, 2013, as compared to the same period last year, from decreased revenue in our data center security and mail and web security businesses, partially offset by increased revenue in our data loss prevention business. Revenue for the nine months ended December 27, 2013 increased \$7 million from increased revenue in our trust services and managed security services, partially offset by decreased revenue in data center security and mail and web security, as compared to the same period last year.

Information Security operating income increased \$39 million and \$110 million for the three and nine months ended December 27, 2013, respectively, as compared to the same period last year primarily from lower salaries and wages, as well as, from lower outside services expenses.

Information Management segment

	Three Months Ended				Nine Months Ended			
	December 27, 2013	December 28, 2012	Change in		December 27, 2013	December 28, 2012	Change in	
			\$	%			\$	%
Information Management revenue	\$ 660	\$ 705	\$ (45)	(6)%	\$ 1,903	\$ 1,954	\$ (51)	(3)%
<i>Percentage of total net revenue</i>	39 %	39 %			38 %	38 %		
Information Management operating income	\$ 179	\$ 203	\$ (24)	(12)%	\$ 473	\$ 547	\$ (74)	(14)%
<i>Information Management operating margin</i>	27 %	29 %			25 %	28 %		

Information Management revenue declined \$45 million and \$51 million for the three and nine months ended December 27, 2013, when compared to the same periods last year, primarily from weakness in our information availability offerings and Backup Exec products, partially offset by an increase in revenue from our NetBackup appliance business. Information Management operating income decreased \$24 million and \$74 million for the three and nine months ended December 27, 2013, respectively, when compared to the same periods last year, due to lower revenue and higher materials costs related to the growth in our appliances business, coupled with higher costs associated with the growth in our services business.

Table of Contents

Net revenue by geography

	Three Months Ended				Nine Months Ended			
	December 27, 2013	December 28, 2012	Change in		December 27, 2013	December 28, 2012	Change in	
			\$	%			\$	%
(Dollars in millions)								
Americas (U.S., Canada and Latin America)								
User Productivity & Protection segment	\$ 409	\$ 427	\$(18)	(4)%	\$ 1,241	\$ 1,271	\$ (30)	(2)%
Information Security segment	172	178	(6)	(3)%	515	513	2	0%
Information Management segment	333	351	(18)	(5)%	981	1,003	(22)	(2)%
Total Americas	\$ 914	\$ 956	\$(42)	(4)%	\$ 2,737	\$ 2,787	\$ (50)	(2)%
<i>Percentage of total net revenue</i>	<i>54 %</i>	<i>53 %</i>			<i>54 %</i>	<i>54 %</i>		
EMEA (Europe, Middle East, Africa)								
User Productivity & Protection segment	\$ 193	\$ 189	\$ 4	2%	\$ 577	\$ 556	\$ 21	4%
Information Security segment	88	83	5	6%	260	242	18	7%
Information Management segment	213	226	(13)	(6)%	584	577	7	1%
Total EMEA	\$ 494	\$ 498	\$ (4)	(1)%	\$ 1,421	\$ 1,375	\$ 46	3%
<i>Percentage of total net revenue</i>	<i>29 %</i>	<i>28 %</i>			<i>28 %</i>	<i>27 %</i>		
Asia Pacific/Japan								
User Productivity & Protection segment	\$ 116	\$ 134	\$(18)	(13)%	\$ 351	\$ 405	\$ (54)	(13)%
Information Security segment	67	75	(8)	(11)%	204	217	(13)	(6)%
Information Management segment	114	128	(14)	(11)%	338	374	(36)	(10)%
Total Asia Pacific/Japan	\$ 297	\$ 337	\$(40)	(12)%	\$ 893	\$ 996	\$(103)	(10)%
<i>Percentage of total net revenue</i>	<i>17 %</i>	<i>19 %</i>			<i>18 %</i>	<i>19 %</i>		
Total	\$ 1,705	\$ 1,791	\$(86)	(5)%	\$ 5,051	\$ 5,158	\$(107)	(2)%
U.S.	\$ 801	\$ 851	\$(50)	(6)%	\$ 2,420	\$ 2,486	\$ (66)	(3)%
<i>U.S. percentage of total net revenue</i>	<i>47 %</i>	<i>48 %</i>			<i>48 %</i>	<i>48 %</i>		
International	904	940	(36)	(4)%	2,631	2,672	(41)	(2)%
<i>International percentage of total net revenue</i>	<i>53 %</i>	<i>52 %</i>			<i>52 %</i>	<i>52 %</i>		
Total	\$ 1,705	\$ 1,791	\$(86)	(5)%	\$ 5,051	\$ 5,158	\$(107)	(2)%

Revenue declined domestically and internationally during the three months ended December 27, 2013, when compared to the same period last year. For the nine months ended December 27, 2013, the Asia Pacific and Japan region experienced the largest net revenue decrease followed by Americas, while the EMEA region experienced net revenue growth when compared to the same period last year. The Asia Pacific and Japan region revenue declined primarily due to foreign currency translation adjustments resulting from the weakening of the Japanese yen against the U.S. dollar for the three and nine months ended December 27, 2013.

Our international sales are and are expected to continue to be a significant portion of our revenue. As a result, revenue is expected to continue to be affected by foreign currency exchange rates as compared to the U.S. dollar. We are unable to predict the extent to which revenue in future periods will be impacted by changes in foreign currency exchange rates. If international sales become a greater portion of our total sales in the future, changes in foreign currency exchange rates may have a potentially greater impact on our revenue and operating results.

Table of Contents

Cost of revenue

	Three Months Ended				Nine Months Ended			
	December 27, 2013	December 28, 2012	Change in		December 27, 2013	December 28, 2012	Change in	
			\$	%			\$	%
	(Dollars in millions)							
Cost of content, subscription, and maintenance	\$ 244	\$ 256	\$(12)	(5)%	\$ 759	\$ 752	\$ 7	1%
<i>As a percentage of related revenue</i>	16%	17%			17%	17%		
Cost of license	\$ 26	\$ 27	\$(1)	(4)%	\$ 67	\$ 62	\$ 5	8%
<i>As a percentage of related revenue</i>	13%	10%			13%	9%		
Amortization of intangible assets	\$ 13	\$ 16	\$(3)	(19)%	\$ 41	\$ 53	\$(12)	(23)%
<i>As a percentage of total net revenue</i>	1%	1%			1%	1%		
Total	\$ 283	\$ 299	\$(16)	(5)%	\$ 867	\$ 867	\$—	0%
<i>Gross margin</i>	83%	83%			83%	83%		

Cost of content, subscription, and maintenance consists primarily of technical support costs, costs of billable services, and fees to original equipment manufacturers under revenue-sharing agreements. Cost of revenues for content, subscription, and maintenance decreased for the three months ended December 27, 2013, primarily due to lower technology support expenses and a decrease in royalty fees.

Intangible assets are comprised of developed technologies and patents from acquired companies. Amortization decreased for the three and nine months ended December 27, 2013, as compared with same periods last year, as certain developed technologies became fully amortized early in fiscal 2014.

Operating expenses

	Three Months Ended				Nine Months Ended			
	December 27, 2013	December 28, 2012	Change in		December 27, 2013	December 28, 2012	Change in	
			\$	%			\$	%
	(Dollars in millions)							
Sales and marketing expense	\$ 608	\$ 724	\$(116)	(16)%	\$ 1,851	\$ 2,059	\$(208)	(10)%
<i>Percentage of total net revenue</i>	36%	40%			37%	40%		
Research and development expense	\$ 252	\$ 249	\$ 3	1%	\$ 761	\$ 745	\$ 16	2%
<i>Percentage of total net revenue</i>	15%	14%			15%	14%		
General and administrative expense	\$ 97	\$ 117	\$(20)	(17)%	\$ 330	\$ 336	\$(6)	(2)%
<i>Percentage of total net revenue</i>	6%	7%			7%	7%		
Amortization of intangible assets	\$ 28	\$ 71	\$(43)	(61)%	\$ 128	\$ 215	\$(87)	(40)%
<i>Percentage of total net revenue</i>	2%	4%			3%	4%		
Restructuring and transition	\$ 32	\$ 27	\$ 5	19%	\$ 237	\$ 85	\$ 152	179%
<i>Percentage of total net revenue</i>	2%	2%			5%	2%		
Total	\$ 1,017	\$ 1,188	\$(171)	(14)%	\$ 3,307	\$ 3,440	\$(133)	(4)%

Sales and marketing expense decreased for the three and nine months ended December 27, 2013, as compared to the same periods last year, primarily due to lower salaries and wages of \$66 million and \$98 million, respectively, and lower advertising and promotion expenses of \$42 million and \$86 million, respectively.

Research and development expense increased for the nine months ended December 27, 2013, as compared to the same period last year, primarily due to higher equipment cost of \$19 million, partially offset by lower salaries and wages of \$5 million.

General and administrative expense decreased for the three months ended December 27, 2013, as compared to the same period last year, primarily due to reduced usage of outside services of \$7 million and lower salaries and wages of \$6 million.

Amortization of intangible assets decreased by \$43 million and \$87 million for the three and nine months ended December 27, 2013, respectively, as compared to the same periods last year, as a result of various customer relationship intangibles becoming fully amortized at the

end of the June 28, 2013 quarter.

Table of Contents

Restructuring and transition costs consist of severance, facilities, transition and other related costs. Transition and other related costs consist of severance costs associated with acquisition integrations and other charges associated with the implementation of a new ERP system. For the three and nine months ended December 27, 2013, we recognized \$32 million and \$237 million of restructuring and transition costs. For the three and nine months ended December 28, 2012, we recognized restructuring and transition costs of \$27 million and \$85 million. For further information on restructuring and transition costs, see Note 6 of the Notes to Condensed Consolidated Financial Statements.

We experienced favorable foreign currency effects on our operating expenses of \$10 million and \$36 million in the three and nine months ended December 27, 2013, respectively, as compared to the same periods last year. We expect research and development expenses to continue to increase as we invest to drive organic growth.

Non-operating expense, net

	Three Months Ended			Nine Months Ended				
	December 27, 2013	December 28, 2012	Change in \$ %	December 27, 2013	December 28, 2012	Change in \$ %		
	(Dollars in millions)							
Interest income	\$ 3	\$ 4		\$ 9	\$ 9			
Interest expense	(20)	(38)		(65)	(102)			
Other (expense) income, net	(1)	20		37	15			
Total	<u>\$ (18)</u>	<u>\$ (14)</u>	\$ (4) (29)%	<u>\$ (19)</u>	<u>\$ (78)</u>	\$ 59 76 %		
Percentage of total net revenue	(1)%	(1)%		0%	(2)%			

The decrease in non-operating expense, net, is primarily driven by a realized gain from sale of short-term investments of \$32 million during the nine months ended December 27, 2013, coupled with a decrease in interest expense as we experienced lower amortization of debt issuance costs and discounts of \$38 million following the maturity of our \$1.0 billion 1.00% notes in June 2013, partially offset by a tax incentive received from the China tax bureau in the form of a value-added tax refund of \$27 million for the nine months ended December 28, 2012.

Provision for income taxes

	Three Months Ended			Nine Months Ended				
	December 27, 2013	December 28, 2012	Change in \$ %	December 27, 2013	December 28, 2012	Change in \$ %		
	(Dollars in millions)							
Provision for income taxes	\$ 104	\$ 74	\$30 41%	\$ 177	\$ 208	\$(31) (15)%		
Effective tax rate on earnings	27%	26%		21%	27%			

The effective tax rate was approximately 27% and 21% for the three and nine months ended December 27, 2013, and 26% and 27% for the three and nine months ended December 28, 2012, respectively. For the three and nine months ended December 27, 2013, the tax provision was reduced by a net tax benefit of \$7 million related to certain foreign operations. The tax provision was also reduced by tax benefits of \$2 million and \$13 million for the three and nine months ended December 27, 2013, respectively, resulting from individually insignificant tax settlements, lapses of statutes of limitations, and prior year items. For the nine months ended December 27, 2013, the tax provision was further reduced by \$33 million for the resolution of a tax matter related to the sale of our 49% ownership interest in the joint venture with Huawei during the fourth quarter of fiscal 2012 as well as by \$24 million for tax benefits related to the settlement of the Symantec 2005 through 2008 IRS audit. These tax benefits were partially offset by \$12 million in tax expense, in the nine months ended December 27, 2013, resulting from the sale of short-term investments. For further information on our effective tax rate, see Note 11 of the Notes to the Condensed Consolidated Financial Statements.

We are a U.S.-based multinational company subject to tax in multiple U.S. and international tax jurisdictions. A substantial portion of our international earnings were generated from subsidiaries organized in Ireland and Singapore. Our results of operations would be adversely affected to the extent that our geographical mix of income becomes more weighted toward jurisdictions with higher tax rates and would be favorably affected to the extent the relative geographic mix shifts to lower tax jurisdictions. Any change in our mix of earnings is dependent upon many factors and is therefore difficult to predict.

Table of Contents

The timing of the resolution of income tax examinations is highly uncertain, and the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially from the amounts accrued for each year. Although potential resolution of uncertain tax positions involve multiple tax periods and jurisdictions, it is reasonably possible that the gross unrecognized tax benefits related to these audits could decrease (whether by payment, release, or a combination of both) in the next 12 months by \$160 million. This amount includes approximately \$116 million paid in the settlement of the Symantec 2005 through 2008 IRS audit. Depending on the nature of the settlement or expiration of statutes of limitations, we estimate at least \$20 million could affect our income tax provision and therefore benefit the resulting effective tax rate.

We continue to monitor the progress of ongoing tax controversies and the impact, if any, of the expiration of the statute of limitations in various taxing jurisdictions.

LIQUIDITY AND CAPITAL RESOURCES**Sources of Cash**

We have historically relied on cash flow from operations, borrowings under a credit facility, and issuances of debt and equity securities for our liquidity needs. As of December 27, 2013, we had cash, cash equivalents and short term investments of \$3.9 billion and an unused credit facility of \$1.0 billion resulting in a liquidity position of approximately \$4.9 billion. As of December 27, 2013, \$2.2 billion in cash and cash equivalents were held by our foreign subsidiaries. We have provided U.S. deferred taxes on a portion of our undistributed foreign earnings sufficient to address the incremental U.S. tax that would be due if we needed such portion of these funds to support our operations in the U.S.

Senior Notes: In the first quarter of fiscal 2013, we issued \$600 million in principal amount of 2.75% senior notes due June 15, 2017 and \$400 million in principal amount of 3.95% senior notes due June 15, 2022, for an aggregate principal amount of \$1.0 billion. In the second quarter of fiscal 2011, we issued \$350 million in principal amount of 2.75% senior notes due September 15, 2015 and \$750 million in principal amount of 4.20% senior notes due September 15, 2020, for an aggregate principal amount of \$1.1 billion.

Revolving Credit Facility: In the second quarter of fiscal 2011, we entered into a \$1.0 billion senior unsecured revolving credit facility (“credit facility”), which was amended in the first quarter of 2013 to extend the term to June 7, 2017. Under the terms of this credit facility, we must comply with certain financial and non-financial covenants, including a debt to EBITDA (earnings before interest, taxes, depreciation and amortization) covenant. As of December 27, 2013, we were in compliance with all required covenants, and there was no outstanding balance on the credit facility.

We believe that our existing cash and investment balances, our available revolving credit facility, our ability to issue new debt instruments, and cash generated from operations will be sufficient to meet our working capital and capital expenditure requirements, as well as any cash dividends to be paid under the capital allocation program announced in January 2013 and repurchases of our stock, for at least the next 12 months and foreseeable future. We have implemented a capital allocation strategy pursuant to which we expect to return over time approximately 50% of free cash flow to stockholders through a combination of dividends and share repurchases, while still enabling our company to invest in its future. Our strategy emphasizes organic growth through internal innovation and will be complemented by acquisitions that fit strategically and meet specific internal profitability hurdles.

Uses of Cash

Our principal cash requirements include working capital, capital expenditures, payments of principal and interest on our debt, and payments of taxes. Also, we may, from time to time, engage in the open market purchase of our notes prior to their maturity. Furthermore, our capital allocation strategy includes plans for a quarterly cash dividend. In addition, we regularly evaluate our ability to repurchase stock, pay debts and acquire other businesses.

Convertible Senior Notes: On June 15, 2013, the principal balance on our 1.00% notes matured and was settled by a cash payment of \$1.0 billion, along with the \$5 million semi-annual interest payment. In addition, we elected to pay the conversion value above par value in cash in the amount of \$189 million. Concurrently with the payment of the conversion value, we received \$189 million from the settlement of our note hedge, which we had entered into at the time of the issuance of the 1.00% notes.

Stock Repurchases: For the nine months ended December 27, 2013, we repurchased 15 million shares, or \$375 million, of our common stock. During the nine months ended December 28, 2012, we repurchased 42 million shares, or \$701 million, of our common stock. As of December 27, 2013, we had \$783 million remaining under the plans authorized for future repurchases. Our Board of Directors authorized a new \$1.0 billion stock repurchase program during the fourth quarter of fiscal 2013.

Dividend Program: For the nine months ended December 27, 2013 we declared and paid cash dividends of \$0.15 per share of common stock per quarter for a total of \$314 million, which was recorded as a reduction to additional paid-in capital. In addition, our Board of Directors approved dividend equivalent rights entitling holders of restricted stock and performance-based stock to dividend equivalents to be paid in the form of cash upon vesting, for each share of the underlying units. No dividends and dividend equivalents were paid in any periods prior to fiscal 2014. Our Board of Directors approved a quarterly dividend in the amount of \$0.15 per share to be paid on December 18, 2013 to stockholders of record as of November 25, 2013. Any future dividends and dividend equivalents will be subject to the approval of our Board of Directors.

Restructuring Plan: In the fourth quarter of fiscal 2013, we announced our strategy to develop innovative products and services, change our go-to-market plans and simplify our organizational structure. We initiated a restructuring plan in the fourth quarter of

Table of Contents

fiscal 2013 to reduce management and redundant personnel resulting in headcount reductions across the Company. These actions are expected to be completed in fiscal 2014. As of December 27, 2013, total costs related to these plans incurred to date was \$200 million, primarily related to severance and related employee benefits, and we anticipate our remaining costs for severance and benefits to be less than \$50 million.

Noncontrolling Interest: In July 2012, we completed a tender offer and paid \$92 million to acquire VeriSign Japan common shares and stock rights, which increased our ownership percentage to 92%. In November 2012, we acquired the remaining 8% interest for \$19 million and it became a wholly-owned subsidiary. The payment for the remaining 8% interest was made in the fourth quarter of fiscal 2013.

Cash Flows

The following table summarizes, for the periods indicated, selected items in our Condensed Consolidated Statements of Cash Flows:

	Nine Months Ended	
	December 27,	December 28,
	2013	2012
Net cash provided by (used in):		
Operating activities	\$ 832	\$ 981
Investing activities	(208)	(224)
Financing activities	(1,525)	284

Operating Activities

Net cash provided by operating activities was \$832 million for the nine months ended December 27, 2013, which resulted from net income of \$681 million adjusted for non-cash items, including depreciation and amortization charges of \$383 million, as well as net changes in trade receivables resulting in inflows of \$145 million. These amounts were partially offset by decreases in deferred revenue of \$470 million.

Net cash provided by operating activities was \$981 million for the nine months ended December 28, 2012, which resulted from net income of \$565 million adjusted for non-cash items, which largely included depreciation and amortization charges of \$525 million. These amounts were partially offset by net changes in trade receivables resulting in outflows of \$144 million and decreases in deferred revenue of \$150 million.

Investing Activities

Net cash used in investing activities was \$208 million for the nine months ended December 27, 2013 and was primarily due to payments of \$183 million for capital expenditures, and the purchase of \$174 million of short-term investments, partially offset by \$166 million in net proceeds from maturity and sales of our short-term investments.

Net cash used in investing activities was \$224 million for the nine months ended December 28, 2012 and was primarily due to capital expenditures of \$245 million and payments for acquisitions, net of cash acquired, of \$28 million.

Financing Activities

Net cash used in financing activities was \$1.5 billion for the nine months ended December 27, 2013 and was primarily due to the repayment of our 1.00% notes of \$1.2 billion, repurchases of our common stock of \$375 million and dividend payments of \$314 million, partially offset by proceeds from the exercise of our note hedge of \$189 million and proceeds from sales of common stock under employee stock plans of \$183 million.

Table of Contents

Net cash provided by financing activities was \$284 million for the nine months ended December 28, 2012 and was primarily due to the proceeds from our issuance of \$600 million in principal amount of 2.75% interest-bearing senior notes due June 15, 2017 and \$400 million in principal amount of 3.95% interest-bearing senior notes due June 15, 2022, of \$996 million, net of discount, offset by the repurchases of our common stock of \$701 million.

Contractual Obligations

There have been no significant changes during the nine months ended December 27, 2013 to the contractual obligations disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations, set forth in Part II, Item 7, of our Annual Report on Form 10-K for the fiscal year ended March 29, 2013.

Indemnifications

In the ordinary course of business, we may provide indemnifications of varying scope and terms to customers, vendors, lessors, business partners, subsidiaries and other parties with respect to certain matters, including, but not limited to, losses arising out of our breach of agreements or representations and warranties made by us. In addition, our bylaws contain indemnification obligations to our directors, officers, employees and agents, and we have entered into indemnification agreements with our directors and certain of our officers to give such directors and officers additional contractual assurances regarding the scope of the indemnification set forth in our bylaws and to provide additional procedural protections. We maintain director and officer insurance, which may cover certain liabilities arising from our obligation to indemnify our directors and officers. It is not possible to determine the aggregate maximum potential loss under these indemnification agreements due to the limited history of prior indemnification claims and the unique facts and circumstances involved in each particular agreement. Such indemnification agreements might not be subject to maximum loss clauses. Historically, we have not incurred material costs as a result of obligations under these agreements and we have not accrued any liabilities related to such indemnification obligations in our Condensed Consolidated Financial Statements.

We provide limited product warranties and the majority of our software license agreements contain provisions that indemnify licensees of our software from damages and costs resulting from claims alleging that our software infringes on the intellectual property rights of a third party. Historically, payments made under these provisions have been immaterial. We monitor the conditions that are subject to indemnification to identify if a loss has occurred.

Table of Contents

Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

There have been no significant changes in our market risk exposures during the nine months ended December 27, 2013 as compared to the market risk exposures disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations, set forth in Part II, Item 7A, of our Annual Report on Form 10-K for the fiscal year ended March 29, 2013.

Item 4. *Controls and Procedures*

(a) Evaluation of Disclosure Controls and Procedures

The SEC defines the term "disclosure controls and procedures" to mean a company's controls and other procedures that are designed to ensure that information required to be disclosed in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in the SEC's rules and forms. "Disclosure controls and procedures" include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Our disclosure controls and procedures are designed to provide reasonable assurance that such information is accumulated and communicated to our management. Our management (with the participation of our Chief Executive Officer and interim Chief Financial Officer) has conducted an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act). Based on such evaluation, our Chief Executive Officer and our interim Chief Financial Officer have concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of the end of the period covered by this report.

(b) Changes in Internal Controls over Financial Reporting

During the three months ended December 27, 2013, we completed the first phase of conversion to a new enterprise resource planning (ERP) system and, accordingly, modified certain existing control processes as well as implemented new control processes to adapt to changes for our new ERP system. This first phase of implementation related primarily to core financial reporting systems. We believe that the new ERP system and related changes to processes and internal controls will enhance our internal control over financial reporting while providing us with the ability to scale our business. We have taken the necessary steps to monitor and maintain appropriate internal control over financial reporting during fiscal 2014 and will continue to evaluate the operating effectiveness of related key controls during subsequent periods. Other than these new control procedures, there was no other material change in our internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) during the three months ended December 27, 2013 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

(c) Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and interim Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected.

Table of Contents

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

Information with respect to this Item may be found in Note 7 of Notes to Condensed Consolidated Financial Statements in this Form 10-Q, which information is incorporated herein by reference.

Item 1A. *Risk Factors*

A description of the risks associated with our business, financial condition, and results of operations is set forth in Part I, Item 1A, of our Annual Report on Form 10-K for the fiscal year ended March 29, 2013. There have been no material changes in our risks from such description.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

Stock repurchases during the three months ended December 27, 2013 were as follows:

ISSUER PURCHASES OF EQUITY SECURITIES

	Total Number of Shares Purchased	Average Price Paid per Share (In millions, except per share data)	Total Number of Shares Purchased Under Publicly Announced Plans or Programs	Maximum Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs
September 28, 2013 to October 25, 2013	3	\$ 24.29	3	\$ 818
October 26, 2013 to November 22, 2013	2	\$ 22.49	2	\$ 783
November 23, 2013 to December 27, 2013	—	\$ —	—	\$ 783
Total	<u>5</u>	\$ 23.76	<u>5</u>	

For information regarding our stock repurchase programs, see Note 8 of Notes to Condensed Consolidated Financial Statements, which information is incorporated herein by reference.

Item 6. *Exhibits*

The information required by this Item is set forth in the Exhibit Index that follows the signature page of this Report.

SIGNATURES

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

SYMANTEC CORPORATION
(Registrant)

By: /s/ STEPHEN M. BENNETT

Stephen M. Bennett

President, Chief Executive Officer and Director

By: /s/ DONALD J. RATH

Donald J. Rath

*Vice President, Tax, interim Chief Financial Officer
and interim Chief Accounting Officer*

Date: February 3, 2014

Table of Contents

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed with this 10-Q
		Form	File Number	Exhibit	File Date	
10.01*	Symantec Corporation 2013 Equity Incentive Plan, including form of Stock Option Grant – Terms and Conditions and form of RSU Awards Agreement					X
10.02*	Symantec Corporation 2008 Employee Stock Purchase Plan, as amended	S-8	333-191889	99.02	10/24/13	
10.03*	Symantec Corporation Senior Executive Incentive Plan, as amended	8-K	000-17781	10.03	10/25/13	
31.01	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.02	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.01†	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.02†	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.INS	XBRL Instance Document					X
101.SCH	XBRL Taxonomy Schema Linkbase Document					X
101.CAL	XBRL Taxonomy Calculation Linkbase Document					X
101.DEF	XBRL Taxonomy Definition Linkbase Document					X
101.LAB	XBRL Taxonomy Labels Linkbase Document					X
101.PRE	XBRL Taxonomy Presentation Linkbase Document					X

* Indicates a management contract or compensatory plan or arrangement.

† This exhibit is being furnished rather than filed, and shall not be deemed incorporated by reference into any filing, in accordance with Item 601 of Regulation S-K.

**SYMANTEC CORPORATION
2013 EQUITY INCENTIVE PLAN**

As Adopted by the Board on July 25, 2013

1. *Purpose.* The purpose of this Plan is to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company, its Parent, Subsidiaries and Affiliates, by offering them an opportunity to participate in the Company's future performance through awards of Options, Stock Appreciation Rights, Restricted Stock Units, and Restricted Stock Awards. Capitalized terms not defined in the text are defined in Section 28.

2. *Shares Subject to the Plan.*

2.1 *Number of Shares Available.* Subject to Sections 2.2 and 19, the total number of Shares reserved and available for grant and issuance pursuant to this Plan will be forty-five million (45,000,000) Shares.

Subject to Sections 2.2 and 19, Shares that: (a) are subject to issuance upon exercise of an Option but cease to be subject to such Option for any reason other than exercise of such Option; (b) are subject to an Award granted hereunder but are forfeited or are repurchased by the Company at the original issue price; or (c) are subject to an Award that otherwise terminates without Shares being issued will again be available for grant and issuance in connection with future Awards under this Plan. The following Shares may not again be made available for future grant and issuance as Awards under the Plan: (i) Shares that are withheld to pay the Exercise or Purchase Price of an Award or to satisfy any tax withholding obligations in connection with an Award, (ii) Shares not issued or delivered as a result of the net settlement of an outstanding Option or SAR or (iii) shares of the Company's Common Stock repurchased on the open market with the proceeds of an Option Exercise Price. At all times the Company shall reserve and keep available a sufficient number of Shares as shall be required to satisfy the requirements of all outstanding Awards granted under this Plan.

2.2 *Adjustment of Shares.* In the event that the number of outstanding Shares is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of the Company without consideration or there is a change in the corporate structure (including, without limitation, a spin-off), then (a) the number of Shares reserved for issuance and future grant under the Plan set forth in Section 2.1, (b) the Exercise Prices of and number of Shares subject to outstanding Options and SARs, (c) the maximum number of Shares that may be issued as ISOs set forth Section 5.8, (d) the number of Shares that may be granted pursuant to Section 3 below, (e) the Purchase Price and number of Shares subject to other outstanding Awards (other than Options and SARs which are provided for in (b) above), and (f) the number of Shares that are granted as Awards to Non-Employee Directors as set forth in Section 6 will be proportionately adjusted, subject to any required action by the Board or the stockholders of the Company and compliance with applicable securities laws; *provided, however*, that fractions of a Share will not be issued but will be rounded down to the nearest whole Share, and may be replaced by a cash payment equal to the Fair Market Value of such fraction of a Share, as determined by the Committee. For the avoidance of doubt, Shares that otherwise become available for grant and issuance because of the provisions of this Section 2.2 shall not include Shares subject to Awards that initially became available because of the assumption and substitution clause in Section 19.3.

3. *Eligibility.* ISOs (as defined in Section 5 below) may be granted only to employees (including officers and directors who are also employees) of the Company or of a Parent or Subsidiary of the Company. All other Awards may be granted to employees, officers, directors, consultants, independent contractors and advisors (each an "Eligible Individual") of the Company or any Parent, Subsidiary or Affiliate of the Company; *provided* such consultants, contractors and advisors render bona fide services not in connection with the offer and sale of securities in a capital-raising transaction. No Eligible Individual will be eligible to receive more than 2,000,000 Shares in any calendar year under this Plan, pursuant to the grant of Awards hereunder, other than new employees of the Company or of a Parent or Subsidiary of the Company (including new employees who are also officers and directors of the Company or any Parent or Subsidiary of the Company), who are eligible to receive up to a maximum of 3,000,000 Shares in the calendar year in which they commence their employment. For purposes of these limits only, each Restricted Stock Unit settled in Shares (but not those settled in cash), shall be deemed to cover one Share. Subject to the provisions of the Plan, the Committee may from time to time, select among the Eligible Individuals,

those to whom Awards shall be granted and determine the nature and amount of each Award. No Eligible Individual shall have any right, by virtue of this Plan to receive an Award. An Eligible Individual may be granted more than one Award under this Plan.

4. Administration.

4.1 *Committee Authority.* This Plan will be administered by the Committee or by the Board acting as the Committee. Subject to the general purposes, terms and conditions of this Plan, and to the direction of the Board, the Committee will have full power to implement and carry out this Plan. Without limitation, the Committee will have the authority to:

- (a) construe and interpret this Plan, any sub-plan, Award Agreement and any other agreement or document executed pursuant to this Plan;
- (b) prescribe, amend and rescind rules and regulations relating to this Plan or any Award;
- (c) select Eligible Individuals to receive Awards;
- (d) determine the form and terms of Awards;
- (e) grant Awards and determine the number of Shares or other consideration subject to Awards;
- (f) determine whether Awards will be granted singly, in combination with, in tandem with, in replacement of, or as alternatives to, other Awards under this Plan or any other incentive or compensation plan of the Company or any Parent, Subsidiary or Affiliate of the Company;
- (g) grant waivers of Plan or Award conditions;
- (h) determine the vesting, exercisability and payment of Awards;
- (i) correct any defect, supply any omission or reconcile any inconsistency in this Plan, any Award or any Award Agreement;
- (j) amend any Award Agreements executed in connection with this Plan;
- (k) determine whether the performance goals under any performance-based Award have been met and whether a performance-based Award has been earned;
- (l) determine whether, to what extent an Award may be canceled, forfeited, or surrendered;
- (m) adjust Performance Factors to take into account changes in law and accounting or tax rules as the Committee deems necessary or appropriate to reflect the impact of extraordinary or unusual items, events or circumstances to avoid windfalls or hardships provided that such adjustments are consistent with the regulations promulgated under Section 162(m) of the Code with respect to persons whose compensation is subject to Section 162(m) of the Code;
- (n) adopt terms and conditions, rules and/or procedures (including the adoption of any subplan under this Plan) relating to the operation and administration of the Plan to accommodate requirements of local law and procedures outside of the United States;
- (o) make all other determinations necessary or advisable for the administration of this Plan, any sub-plan or Award Agreement;

(p) delegate any of the foregoing as permitted by applicable law to one or more executive officers pursuant to a specific delegation, in which case references to “Committee” in this Section 4.1 will refer to such delegate(s), except with respect to Insiders.

4.2 *Committee Discretion.* Any determination made by the Committee with respect to any Award will be made in its sole discretion at the time of grant of the Award or, unless in contravention of any express term of this Plan or Award, at any later time, and such determination will be final and binding on the Company and on all persons having an interest in any Award under this Plan. To the extent permitted by applicable laws, the Committee may delegate to one or more officers of the Company the authority to grant an Award under this Plan to Participants who are not Insiders of the Company.

4.3 *Section 162(m) and Section 16 of the Exchange Act.* When necessary or desirable for an Award to qualify as “performance-based compensation” under Section 162(m) of the Code the Committee shall include at least two persons who are “outside directors” (as defined under Section 162(m) of the Code) and at least two (or a majority if more than two then serve on the Committee) such “outside directors” shall approve the grant of such Award and timely determine (as applicable) the Performance Period and any Performance Factors upon which vesting or settlement of any portion of such Award is to be subject. When required by Section 162(m) of the Code, prior to settlement of any such Award at least two (or a majority if more than two then serve on the Committee) such “outside directors” then serving on the Committee shall determine and certify in writing the extent to which such Performance Factors have been timely achieved and the extent to which the Shares subject to such Award have thereby been earned. Awards granted to Participants who are subject to Section 16 of the Exchange Act must be approved by two or more “non-employee directors” (as defined in the regulations promulgated under Section 16 of the Exchange Act). With respect to Participants whose compensation is subject to Section 162(m) of the Code, and provided that such adjustments are consistent with the regulations promulgated under Section 162(m) of the Code, the Committee may adjust the performance goals to account for changes in law and accounting and to make such adjustments as the Committee deems necessary or appropriate to reflect the impact of extraordinary or unusual items, events or circumstances to avoid windfalls or hardships, including without limitation (i) restructurings, discontinued operations, extraordinary items, and other unusual or non-recurring charges, (ii) an event either not directly related to the operations of the Company or not within the reasonable control of the Company’s management, or (iii) a change in accounting standards required by generally accepted accounting principles.

5. *Options.* An Option is the granting of a right, but not the obligation, to purchase Shares. The Committee may grant Options to Participants and will determine whether such Options will be Incentive Stock Options within the meaning of the Code (“*ISOs*”) or Nonqualified Stock Options (“*NQSOs*”), the number of Shares subject to the Option, the Exercise Price of the Option (subject to Section 5.4 below), the circumstances upon and the period during which the Option may be exercised, and all other terms and conditions of the Option, subject to the following:

5.1 *Form of Option Grant.* Each Option granted under this Plan will be evidenced by an Award Agreement which will expressly identify the Option as an ISO or an NQSO (“*Stock Option Agreement*”), and will be in such form and contain such provisions (which need not be the same for each Participant) as the Committee may from time to time approve, and which will comply with and be subject to the terms and conditions of this Plan. To the extent that any Option designated as an ISO in the Award Agreement fails to qualify as such under applicable law, it shall be treated instead as a NQSO.

5.2 *Date of Grant.* The date of grant of an Option will be the date on which the Committee makes the determination to grant such Option, unless a later date is otherwise specified by the Committee at the time it acts to approve the grant. The Stock Option Agreement and a copy of this Plan will be delivered to the Participant within a reasonable time after the granting of the Option.

5.3 *Exercise Period.* Options will be exercisable within the times or upon the events determined by the Committee as set forth in the Stock Option Agreement governing such Option; *provided, however,* that no Option will be exercisable after the expiration of ten (10) years from the date the Option is granted; and provided further that no ISO granted to a person who directly or by attribution owns more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any Parent or Subsidiary of the Company (“*Ten Percent Stockholder*”) will be exercisable after the expiration of five (5) years from the date the

ISO is granted. The Committee also may provide for the exercise of Options to become exercisable at one time or from time to time, periodically or otherwise (including, without limitation, the attainment during a Performance Period of performance goals based on Performance Factors), in such number of Shares or percentage of Shares as the Committee determines.

5.4 Exercise Price. The Exercise Price of an Option will be determined by the Committee when the Option is granted and may not be less than 100% of the Fair Market Value of the Shares on the date of grant; *provided* that the Exercise Price of any ISO granted to a Ten Percent Stockholder will not be less than 110% of the Fair Market Value of the Shares on the date of grant. Payment for the Shares purchased may be made in accordance with Section 10 and the Award Agreement and in accordance with any procedures established by the Committee.

5.5 Method of Exercise. Options may be exercised only by delivery to the Company of a written or electronic notice or agreement of stock option exercise (the "*Exercise Agreement*") in a form approved by the Committee (which need not be the same for each Participant), stating the number of Shares being purchased, the restrictions imposed on the Shares purchased under such Exercise Agreement, if any, and such representations and agreements regarding Participant's investment intent and access to information and other matters, if any, as may be required or desirable by the Company to comply with applicable securities laws, together with payment in full of the Exercise Price for the number of Shares being purchased and all applicable Tax-Related Items. Full payment may consist of any consideration and method of payment authorized by the Committee and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 2.2. Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

5.6 Termination of Participant. Notwithstanding the exercise periods set forth in the Stock Option Agreement, exercise of an Option will always be subject to the following:

(a) If the Participant is Terminated for any reason except death or Disability, then the Participant may exercise such Participant's Options only to the extent that such Options are vested and exercisable upon the Termination Date no later than three (3) months after the Termination Date (or such shorter or longer time period not exceeding the original term of the Option as may be determined by the Committee, with any exercise beyond three (3) months after the Termination Date deemed to be an NQSO), but in any event, no later than the expiration date of the Options.

(b) If the Participant is Terminated because of Participant's death or Disability (or the Participant dies within three (3) months after a Termination other than because of Participant's death or disability), then Participant's Options may be exercised only to the extent that such Options are vested and exercisable by Participant on the Termination Date and must be exercised by Participant (or Participant's legal representative or authorized assignee) no later than twelve (12) months after the Termination Date (or such shorter or longer time period not exceeding the original term of the Option as may be determined by the Committee, with any such exercise beyond (a) three (3) months after the Termination Date when the Termination is for any reason other than the Participant's death or Disability, or (b) twelve (12) months after the Termination Date when the Termination is for Participant's death or Disability, deemed to be an NQSO), but in any event no later than the expiration date of the Options.

5.7 Limitations on Exercise. The Committee may specify a reasonable minimum number of Shares that may be purchased on any exercise of an Option, *provided* that such minimum number will not prevent Participant from exercising the Option for the full number of Shares for which it is then exercisable.

5.8 Limitations on ISOs. The aggregate Fair Market Value (determined as of the date of grant) of Shares with respect to which ISOs are exercisable for the first time by a Participant during any calendar

year (under this Plan or under any other incentive stock option plan of the Company or any Affiliate, Parent or Subsidiary of the Company) will not exceed \$100,000. If the Fair Market Value of Shares on the date of grant with respect to which ISOs are exercisable for the first time by a Participant during any calendar year exceeds \$100,000, then the Options for the first \$100,000 worth of Shares to become exercisable in such calendar year will be ISOs and the Options for the amount in excess of \$100,000 that become exercisable in that calendar year will be NQSOs. In the event that the Code or the regulations promulgated thereunder are amended after the Effective Date of this Plan to provide for a different limit on the Fair Market Value of Shares permitted to be subject to ISOs, such different limit will be automatically incorporated herein and will apply to any Options granted after the effective date of such amendment. No more than 100,000,000 Shares will be issued pursuant to the exercise of ISOs under this Plan.

5.9 Modification, Extension or Renewal. The Committee may modify, extend or renew outstanding Options (but not beyond the original term of such Option) and authorize the grant of new Options in substitution therefor, *provided* that (a) any such action may not, without the written consent of a Participant, impair any of such Participant's rights under any Option previously granted unless the Committee determines that such action is necessary or advisable to comply with applicable laws or facilitate the offering and administration of the Plan in view of such laws; (b) any outstanding ISO that is modified, extended, renewed or otherwise altered will be treated in accordance with Section 424(h) of the Code; and (c) notwithstanding anything to the contrary elsewhere in the Plan, the Company is subject to Section 22.2 below with respect to any proposal to reprice outstanding Options.

5.10 No Disqualification. Notwithstanding any other provision in this Plan, no term of this Plan relating to ISOs will be interpreted, amended or altered, nor will any discretion or authority granted under this Plan be exercised, so as to disqualify this Plan under Section 422 of the Code.

6. Non-Employee Director Equity Awards.

6.1 Types of Awards. All Awards other than ISOs may be granted to non-employee directors under this Plan; provided, that no such Award shall exceed 2,000,000 Shares in any one fiscal year. Subject to the foregoing Share limitation, Awards granted pursuant to this Section 6 may be automatically made pursuant to a policy adopted by the Board (as such policy may be amended from time to time by the Board) or made from time to time as determined in the discretion of the Board, or, if the authority to grant Awards to non-employee directors has been delegated by the Board, the Committee.

6.2 Eligibility. Awards granted pursuant to this Section 6 shall be granted only to non-employee directors. Any non-employee director, including without limitation any non-employee director who is appointed as a member to the Board, will be eligible to receive an Award under this Section 6.

6.3 Vesting, Exercisability and Settlement. Except as set forth in Section 19, Awards granted pursuant to Section 6 shall vest, become exercisable and be settled as determined by the Board or, if the authority to make such determinations has been delegated by the Board, the Committee. With respect to Options and SARs, the Exercise Price of such Award granted to non-employee directors shall not be less than the Fair Market Value of the Shares at the time such Award is granted.

7. Restricted Stock Awards. A Restricted Stock Award is an offer by the Company to issue Shares that are subject to restrictions. The Committee will determine to whom an offer will be made, the number of Shares the person may be issued or purchase, the Purchase Price (if any), the restrictions to which the Shares will be subject, and all other terms and conditions of the Restricted Stock Award, subject to the following:

7.1 Restricted Stock Agreement. All purchases under a Restricted Stock Award will be evidenced by an Award Agreement (the "*Restricted Stock Agreement*"), which will be in such form and contain such provisions (which need not be the same for each Participant) as the Committee may from time to time approve, and which will comply with and be subject to the terms and conditions of this Plan. A Participant can accept a Restricted Stock Award by signing and delivering to the Company the Restricted Stock Agreement, and full payment of the Purchase Price (if any) and all applicable withholding taxes, at such time and on such terms as required by the Committee. If the Participant does not accept the Restricted Stock Award at such time and on such terms as required by the Committee, then the offer of the Restricted Stock Award will terminate, unless the Committee determines otherwise.

7.2 Purchase Price. The Purchase Price (if any) for a Restricted Stock Award will be determined by the Committee, and may be less than Fair Market Value on the date the Restricted Stock Award is granted. Payment of the Purchase Price must be made in accordance with Section 10 of this Plan and as permitted in the Restricted Stock Agreement, and in accordance with any procedures established by the Company.

7.3 Terms of Restricted Stock Awards. Restricted Stock Awards will be subject to all restrictions, if any, that the Committee may impose. These restrictions may be based on completion of a specified period of service with the Company and/or upon completion of performance goals as may be set forth in the Restricted Stock Agreement, which shall be in such form and contain such provisions (which need not be the same for each Participant) as the Committee shall from time to time approve, and which will comply with and be subject to the terms and conditions of this Plan. Prior to the grant of a Restricted Stock Award, the Committee shall: (a) determine the nature, length and starting date of any Performance Period for the Restricted Stock Award; (b) select performance criteria, including if the Award is intended to qualify as “performance-based compensation” under Code Section 162(m) from among the Performance Factors, to be used to measure performance goals, if any; and (c) determine the number of Shares that may be awarded to the Participant. For Restricted Stock Awards intended to comply with the requirements of Section 162(m) of the Code, the performance goals will be determined at a time when the achievement of the performance goals remains substantially uncertain and shall otherwise be administered in a manner that complies with the requirements under that statute. Performance Periods may overlap and a Participant may participate simultaneously with respect to Restricted Stock Awards that are subject to different Performance Periods and having different performance goals and other criteria.

7.4 Termination of Participant. Except as may be set forth in the Participant’s Award Agreement, Restricted Stock Awards shall cease to vest immediately if a Participant is Terminated during the vesting period or Performance Period applicable to the Award for any reason, unless the Committee determines otherwise, and any unvested Shares subject to such Restricted Stock Awards shall be subject to the Company’s right to repurchase such Shares or otherwise to any forfeiture condition applicable to the Award, as described in Section 14 of this Plan, if and as set forth in the applicable Restricted Stock Agreement.

8. Restricted Stock Units. A Restricted Stock Unit (or RSU) is an award covering a number of Shares that may be settled in cash, or by issuance of those Shares (which may consist of Restricted Stock). The Committee will determine to whom an RSU grant will be made, the number of Shares subject to the RSU, the restrictions to which the Shares subject to the RSU will be subject, and all other terms and conditions of the RSU, subject to the following:

8.1 Terms of RSUs. RSUs may vary from Participant to Participant and between groups of Participants, and may be based upon the achievement of the Company, Affiliate, Parent or Subsidiary and/or individual performance goals or upon such other criteria as the Committee may determine. All RSUs will be evidenced by an Award Agreement (the “*RSU Agreement*”), which will be in such form and contain such provisions (which need not be the same for each Participant) as the Committee may from time to time approve, and which will comply with and be subject to the terms and conditions of this Plan. A RSU may be awarded upon satisfaction of such performance goals as are set out in advance in the Award Agreement (the “*Performance RSU Agreement*”) that will be in such form (which need not be the same for each Participant) as the Committee may from time to time approve, and will comply with and be subject to the terms and conditions of this Plan. If the RSU is being earned upon the satisfaction of performance goals pursuant to a Performance RSU Agreement, then the Committee will: (a) determine the nature, length and starting date of any Performance Period for each RSU; (b) select performance criteria, including if the Award is intended to qualify as “performance-based compensation” under Code Section 162(m) from among the Performance Factors, to be used to measure performance goals, if any; and (c) determine the number of Shares subject to the RSU. For RSUs intended to comply with the requirements of Section 162(m) of the Code, the performance goals will be determined at a time when the achievement of the performance goals remains substantially uncertain and shall otherwise be administered in a manner that complies with the requirements under that statute. Prior to settlement of any RSU earned upon the satisfaction of performance goals pursuant to a Performance RSU Agreement, the Committee shall determine the extent to which such RSU has been earned. Performance Periods may overlap and Participants may participate simultaneously with respect to RSUs that are subject to different Performance Periods and different performance goals and other criteria. The number of Shares may be fixed or may vary in accordance with such performance goals and criteria as may be determined by the Committee. The Committee may adjust the performance goals applicable to the RSUs to take into account changes in law and accounting or tax rules and to make such adjustments as the Committee deems necessary or appropriate to reflect the impact of extraordinary or unusual items, events or circumstances to avoid windfalls or hardships.

8.2 *Settlement.* The portion of a RSU being settled may be paid currently or on a deferred basis with such interest or dividend equivalent, if any, as the Committee may determine. Payment may be made in the form of cash or whole Shares or a combination thereof, either in a lump sum payment or in installments, all as the Committee will determine.

8.3 *Termination of Participant.* Except as may be set forth in the Participant's Award Agreement, vesting ceases on such Participant's Termination Date (unless determined otherwise by the Committee).

9. *Stock Appreciation Rights.* A Stock Appreciation Right (or SAR) is an award that may be exercised for cash or Shares (which may consist of Restricted Stock), having a value equal to the value determined by multiplying the difference between the Fair Market Value on the date of settlement over the Exercise Price and the number of Shares with respect to which the SAR is being settled. The Committee will determine to whom to grant a SAR, the number of Shares subject to the SAR, the restrictions to which the SAR will be subject, and all other terms and conditions of the SAR, subject to the following:

9.1 *Terms of SARs.* SARs may vary from Participant to Participant and between groups of Participants, and may be based upon the achievement of the Company, Parent or Subsidiary and/or individual performance goals or upon such other criteria as the Committee may determine. The Committee will determine all terms of each SAR including, without limitation: the number of Shares deemed subject to each SAR, the time or times during which each SAR may be settled, the consideration to be distributed on settlement, and the effect on each SAR of its holder's Termination. All SARs will be evidenced by an Award Agreement (the "*SAR Agreement*"), which will be in such form and contain such provisions (which need not be the same for each Participant) as the Committee may from time to time approve, and which will comply with and be subject to the terms and conditions of this Plan. The Exercise Price of a SAR will be determined by the Committee when the SAR is granted and may not be less than 100% of the Fair Market Value of the Shares on the date of grant. A SAR may be awarded upon satisfaction of such performance goals as are set out in advance in the Participant's individual Award Agreement (the "*Performance SAR Agreement*") that will be in such form (which need not be the same for each Participant) as the Committee may from time to time approve, and which will comply with and be subject to the terms and conditions of this Plan. If the SAR is being earned upon the satisfaction of performance goals pursuant to a Performance SAR Agreement, then the Committee will: (a) determine the nature, length and starting date of any Performance Period for each SAR; (b) select performance criteria, including if the Award is intended to qualify as "performance-based compensation" under Code Section 162(m) from among the Performance Factors, to be used to measure performance goals, if any; and (c) determine the number of Shares deemed subject to the SAR. Prior to exercise of any SAR earned upon the satisfaction of performance goals pursuant to a Performance SAR Agreement, the Committee shall determine the extent to which such SAR has been earned. Performance Periods may overlap and Participants may participate simultaneously with respect to SARs that are subject to different Performance Periods and different performance goals and other criteria. The number of Shares may be fixed or may vary in accordance with such performance goals and criteria as may be determined by the Committee. The Committee may adjust the performance goals applicable to the SARs to take into account changes in law and accounting or tax rules and to make such adjustments as the Committee deems necessary or appropriate to reflect the impact of extraordinary or unusual items, events or circumstances to avoid windfalls or hardships. Notwithstanding anything to the contrary elsewhere in the Plan, the Company is subject to Section 22.2 below with respect to any proposal to reprice outstanding SARs. The term of a SAR shall be ten (10) years from the date the SAR is awarded or such shorter term as may be provided in the Award Agreement.

9.2 *Settlement.* Upon exercise of a SAR, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying (i) the difference between the Fair Market Value of a Share on the date of exercise over the Exercise Price; times (ii) the number of Shares with respect to which the SAR is exercised. At the discretion of the Committee, the payment from the Company for the SAR exercise may be in cash, in Shares of equivalent value, or in some combination thereof. The portion of a SAR being settled may be paid currently or on a deferred basis with such interest or dividend equivalent, if any, as the Committee determines, provided that the terms of the SAR and any deferral satisfy the requirements of Section 409A of the Code to the extent applicable.

9.3 *Termination of Participant.* Except as may be set forth in the Participant's Award Agreement, vesting ceases on such Participant's Termination Date (unless determined otherwise by the Committee).

10. *Payment for Share Purchases.* Payment for Shares purchased pursuant to this Plan may be made in cash, by check or by wire transfer or, where expressly approved for the Participant by the Committee and where permitted by law:

(a) by cancellation of indebtedness of the Company to the Participant;

(b) by surrender of shares of the Company held by the Participant that have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which said Award will be exercised or settled;

(c) cashless "net exercise" arrangement pursuant to which the Company will reduce the number of Shares issued upon exercise by the largest whole number of Shares having an aggregate Fair Market Value that does not exceed the aggregate Exercise Price plus any Tax-Related Items; provided that the Company shall accept a cash or other payment from the Participant to the extent of any remaining balance of the Exercise Price not satisfied by such reduction in the number of whole Shares to be issued;

(d) by waiver of compensation due or accrued to the Participant for services rendered;

(e) with respect only to purchases upon exercise of an Option, and provided that a public market for the Company's stock exists, through a "same day sale" commitment from the Participant and a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "FINRA Dealer") whereby the Participant irrevocably elects to exercise the Option and to sell all or a portion of the Shares so purchased to pay for the Exercise Price and any applicable Tax-Related Items, and whereby the FINRA Dealer irrevocably commits upon receipt of such Shares to forward the Exercise Price directly to the Company;

(f) by such other consideration and method of payment as permitted by the Committee and applicable law; or

(g) by any combination of the foregoing.

11. *Withholding Taxes.*

11.1 *Withholding Generally.* The Company, its Parent, Subsidiaries and Affiliates, as appropriate, shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, its Parent, Subsidiaries and Affiliates, an amount sufficient to satisfy any Tax-Related Items with respect to any taxable event concerning a Participant arising as a result of this Plan or to take such other action as may be necessary in the opinion of the Company or its Parent, Subsidiaries or Affiliates, as appropriate, to satisfy withholding obligations for the payment of Tax-Related Items, including but not limited to (i) withholding from the Participant's wages or other cash compensation; (ii) withholding from the proceeds for the sale of Shares underlying the Award either through a voluntary sale or a mandatory sale arranged by the Company on the Participant's behalf; (iii) through withholding in Shares as set forth in Section 11.2 below; (iv) where payments in satisfaction of the Awards are to be made in cash, through withholding all or part of the cash payment in an amount sufficient to satisfy the Tax-Related Items; or (v) any other method of withholding deemed acceptable by the Committee. No Shares (or their cash equivalent) shall be delivered hereunder to any Participant or other person until the Participant or such other person has made arrangements acceptable to the Committee for the satisfaction of these tax obligations with respect to any taxable event concerning the Participant or such other person arising as a result of Awards made under this Plan.

11.2 *Stock Withholding.* When, under applicable tax laws, a Participant incurs tax liability in connection with the grant, exercise or vesting of any Award that is subject to tax withholding and the Participant is obligated to pay the Company the amount required to be withheld, the Committee may allow the Participant to

satisfy the minimum withholding tax obligation by electing to have the Company withhold from the Shares to be issued that number of Shares having a Fair Market Value equal to the minimum amount required to be withheld, determined on the date that the amount of tax to be withheld is to be determined. All elections by a Participant to have Shares withheld for this purpose will be made in writing in a form and during a period acceptable to the Committee.

12. *Privileges of Stock Ownership; Voting and Dividends.* Except to the extent that the Committee grants an RSU that entitles the Participant to credit for dividends paid on Award Shares prior to the date such Shares are issued to the Participant (as reflected in the RSU Agreement), no Participant will have any of the rights of a stockholder with respect to any Shares until the Shares are issued to the Participant. For the avoidance of doubt, in the event the Committee grants an RSU that entitles a Participant to credit for dividends on Award Shares prior to the date such Shares are issued, dividends shall not be paid to a Participant until Shares are issued with respect to such RSU. After Shares are issued to the Participant, the Participant will be a stockholder and have all the rights of a stockholder with respect to such Shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares; *provided*, that if such Shares are restricted stock, then any new, additional or different securities the Participant may become entitled to receive with respect to such Shares by virtue of a stock dividend, stock split or any other change in the corporate or capital structure of the Company will be subject to the same restrictions as the restricted stock; *provided, further*, that the Participant will have no right to retain such stock dividends or stock distributions with respect to Shares that are repurchased at the Participant's original Purchase Price or otherwise forfeited to the Company.

13. *Transferability.* Unless determined otherwise by the Committee or its delegate(s) or pursuant to this Section 13, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner, other than by (i) a will or (ii) by the laws of descent or distribution. If the Committee makes an Award transferable, including, without limitation, by instrument to an inter vivos or testamentary trust in which the Awards are to be passed to beneficiaries upon the death of the trustor (settlor) or by gift or domestic relations order to a Permitted Transferee, such Award may contain such additional terms and conditions as the Committee or its delegate(s) deems appropriate. All Awards will be exercisable: (A) during the Participant's lifetime only by (x) the Participant, or (y) the Participant's guardian or legal representative; (B) after the Participant's death, by the legal representative of the Participant's heirs or legatees; and (C) in the case of all awards except ISOs, by a Permitted Transferee (for awards made transferable by the Committee) or such person's guardian or legal representative. "*Permitted Transferee*" means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (including adoptive relationships) of the Participant, any person sharing the Participant's household (other than a tenant or employee), a trust in which these persons (or the Participant) have more than 50% of the beneficial interest, a foundation in which these persons (or the Participant) control the management of assets, and any other entity in which these persons (or the Participant) own more than 50% of the voting interests.

14. *Restrictions on Shares.* At the discretion of the Committee, the Company may reserve to itself and/or its assignee(s) in the Award Agreement a right to repurchase a portion of or all Shares that are not vested held by a Participant following such Participant's Termination at any time specified after the Participant's Termination Date, for cash and/or cancellation of purchase money indebtedness, at the Participant's original Exercise Price or Purchase Price, as the case may be. Alternatively, at the discretion of the Committee, Award Shares issued to the Participant for which the Participant did not pay any Exercise or Purchase Price may be forfeited to the Company on such terms and conditions as may be specified in the Award Agreement. All certificates for Shares or other securities delivered under this Plan will be subject to such stock transfer orders, legends and other restrictions as the Committee may deem necessary or advisable, including restrictions under any applicable federal, state or foreign securities law, or any rules, regulations and other requirements of the SEC or any stock exchange or automated quotation system upon which the Shares may be listed or quoted.

15. *Escrow; Pledge of Shares.* To enforce any restrictions on a Participant's Shares, the Committee may require the Participant to deposit all certificates representing Shares, together with stock powers or other instruments of transfer approved by the Committee, appropriately endorsed in blank, with the Company or an agent designated by the Company to hold in escrow until such restrictions have lapsed or terminated, and the Committee may cause a legend or legends referencing such restrictions to be placed on the certificates.

16. *Exchange and Buyout of Awards.* The Committee may, at any time or from time to time, authorize the Company, with the consent of the respective Participants, to issue new Awards in exchange for the surrender and cancellation of any or all outstanding Awards. This Section shall not be construed to defeat the requirements of Section 22.2.

17. *Securities Law and Other Regulatory Compliance.* An Award will not be effective unless such Award is in compliance with all applicable federal, state, and foreign securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system upon which the Shares may then be listed or quoted, as they are in effect on the date of grant of the Award and also on the date of exercise or other issuance. Notwithstanding any other provision in this Plan, the Company will have no obligation, and no liability for failure, to issue Shares or deliver certificates for Shares under this Plan prior to: (a) obtaining any approvals from governmental agencies, including governmental agencies outside the United States, that the Company determines are necessary or advisable; and/or (b) completion of any registration or other qualification of such Shares under any local, state, federal, or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable. Furthermore, the inability or impracticability of the Company to obtain or maintain approval from any governmental agencies or to complete any registration or other qualification of the Shares under any applicable law or ruling as set forth herein shall relieve the Company of any liability with respect to the failure to issue or sell such Shares and shall constitute circumstances in which the Committee may determine to amend or cancel Awards pertaining to such Shares, with or without consideration to the affected Participants. Finally, the Company will be under no obligation to register the Shares with the SEC or to effect compliance with the registration, qualification or listing requirements of any state, local or foreign securities laws, stock exchange or automated quotation system, and the Company will have no liability for any inability or failure to do so.

18. Foreign Awards and Rights

Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in countries in which the Company operates or has Eligible Individuals, the Committee, in its sole discretion, shall have the power and authority to (i) modify the terms and conditions of any Award granted to Eligible Individuals to comply with applicable laws of jurisdictions where Eligible Individuals reside; (ii) establish sub-plans and determine the Exercise or Purchase Price, methods of exercise and other terms and procedures and rules, to the extent such actions may be necessary or advisable, including adoption of rules, procedures or sub-plans applicable to its Parent, Subsidiaries, Affiliates or Participants residing in particular locations; *provided, however*, that no such sub-plans and/or modifications shall increase the share limitations contained in Section 2 hereof or otherwise require shareholder approval; and (iii) take any action, before or after an Award is made, that it deems advisable to obtain approval or comply with any necessary local governmental regulatory exemptions or approvals. Without limiting the generality of the foregoing, the Committee is specifically authorized to adopt rules, procedures and sub-plans with provisions that limit or modify rights on eligibility to receive an Award under the Plan or on Termination, available methods of exercise or settlement of an Award, payment of Tax-Related Items, the shifting of employer tax liability to the Participant, the withholding procedures and handling of any Share certificates or other indicia of ownership which may vary with local requirements. The Committee may also adopt sub-plans to the Plan intended to allow the Company to grant tax-qualified Awards in a particular jurisdiction. Notwithstanding the foregoing, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate the Securities Act, Exchange Act, the Code, or any federal, state, local or foreign securities law.

19. Corporate Transactions.

19.1 *Assumption or Replacement of Awards by Successor.* In the event of (a) a dissolution or liquidation of the Company, (b) the consummation of a merger or consolidation in which the Company is not the surviving corporation (*other than* a merger or consolidation with a wholly-owned subsidiary, a reincorporation of the Company in a different jurisdiction, or other transaction in which there is no substantial change in the stockholders of the Company or their relative stock holdings and the Awards granted under this Plan are assumed, converted or replaced by the successor corporation, which assumption will be binding on all Participants), (c) the consummation of a merger in which the Company is the surviving corporation but after which the stockholders of the Company (other than any stockholder which merges (or which owns or controls another corporation which merges) with the Company in such merger) cease to own their shares or other equity interests in the Company, (d) the sale of substantially all of the assets of the Company, or (e) the consummation of any other transaction which

qualifies as a “corporate transaction” under Section 424(a) of the Code wherein the stockholders of the Company give up all of their equity interest in the Company (*except* for the acquisition, sale or transfer of all or substantially all of the outstanding shares of the Company from or by the stockholders of the Company), any or all outstanding Awards may be assumed, converted or replaced by the successor corporation (if any), which assumption, conversion or replacement will be binding on all Participants, or the successor corporation may substitute equivalent awards or provide substantially similar consideration to Participants as was provided to stockholders (after taking into account the existing provisions of the Awards); provided that, unless otherwise determined by the Board, all Awards granted pursuant to Section 6 shall accelerate and be fully vested upon such merger, consolidation or corporate transaction. In the event such successor corporation (if any) fails to assume or substitute Awards pursuant to a transaction described in this Subsection 19.1, all such Awards will expire on such transaction at such time and on such conditions as the Board shall determine. Notwithstanding the foregoing, a transaction described in (a) through (e) above must also qualify as a change in the ownership or effective control of a corporation or a change in the ownership of a substantial portion of a corporation’s assets, as the case may be, within the meaning of Code Section 409A and the regulations thereunder.

19.2 *Other Treatment of Awards.* Subject to any greater rights granted to Participants under the foregoing provisions of this Section 19, in the event of the occurrence of any transaction described in Section 19.1, any outstanding Awards will be treated as provided in the applicable agreement or plan of merger, consolidation, dissolution, liquidation, sale of assets or other “corporate transaction.”

19.3 *Assumption or Substitution of Awards by the Company.* The Company, from time to time, also may substitute or assume outstanding awards granted by another company, whether in connection with an acquisition of such other company or otherwise, by either; (a) granting an Award under this Plan in substitution of such other company’s award; or (b) assuming such award as if it had been granted under this Plan if the terms of such assumed award could be applied to an Award granted under this Plan. Such substitution or assumption will be permissible if the holder of the substituted or assumed award would have been eligible to be granted an Award under this Plan if the other company had applied the rules of this Plan to such grant. In the event the Company assumes an award granted by another company, the terms and conditions of such award will remain unchanged (*except* that the exercise price and the number and nature of Shares issuable upon exercise of any such option will be adjusted appropriately pursuant to Section 424(a) of the Code). In the event the Company elects to grant a new Option rather than assuming an existing option, such new Option may be granted with a similarly adjusted Exercise Price.

20. *No Obligation to Employ; Accelerated Expiration of Award for Harmful Act.* Nothing in this Plan or any Award granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Parent, Subsidiary or Affiliate of the Company or limit in any way the right of the Company or any Parent, Subsidiary or Affiliate of the Company to terminate Participant’s employment or other relationship at any time, with or without cause. Notwithstanding anything to the contrary herein, if a Participant is Terminated because of such Participant’s actual or alleged commitment of a criminal act or an intentional tort and the Company (or an employee of the Company) is the victim or object of such criminal act or intentional tort or such criminal act or intentional tort results, in the reasonable opinion of the Committee, in liability, loss, damage or injury to the Company, then, at the Committee’s election, Participant’s Awards shall not be exercisable or settleable and shall terminate and expire upon the Participant’s Termination Date. Termination by the Company based on a Participant’s alleged commitment of a criminal act or an intentional tort shall be based on a reasonable investigation of the facts and a determination by the Company that a preponderance of the evidence discovered in such investigation indicates that such Participant is guilty of such criminal act or intentional tort.

21. *Compliance with Section 409A.* Notwithstanding anything to the contrary contained herein, to the extent that the Committee determines that any Award granted under the Plan is subject to Code Section 409A and unless otherwise specified in the applicable Award Agreement, the Award Agreement evidencing such Award shall incorporate the terms and conditions necessary for such Award to avoid the consequences described in Code Section 409A(a)(1), and to the maximum extent permitted under applicable law (and unless otherwise stated in the applicable Award Agreement), the Plan and the Award Agreements shall be interpreted in a manner that results in their conforming to the requirements of Code Section 409A(a)(2), (3) and (4) and any Department of Treasury or Internal Revenue Service regulations or other interpretive guidance issued under Section 409A (whenever issued, the “Guidance”).

22. *Certain Stockholder Approval Matters.*

22.1 *Plan Effectiveness; Increasing Plan Shares.* This Plan became effective on October 22, 2013 (the “Effective Date”). Any amendment to this Plan increasing the number of Shares available for issuance hereunder shall be approved by the stockholders of the Company, consistent with applicable laws, within twelve (12) months before or after the effective date of such amendment (“Amendment Effective Date”). Upon the Amendment Effective Date, the Board may grant Awards covering such additional Shares pursuant to this Plan; provided, however, that: (a) no Option granted pursuant to such increase in the number of Shares subject to this Plan approved by the Board may be exercised prior to the time such increase has been approved by the stockholders of the Company; and (b) in the event that stockholder approval of any such amendment increasing the number of Shares subject to this Plan is not obtained, all Awards covering such additional Shares granted hereunder will be canceled, any Shares issued pursuant to any Award will be canceled, and any purchase of Shares hereunder will be rescinded.

22.2 *Repricing Matters.* Except in connection with a corporate transaction involving the Company (including without limitation any stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification, reorganization, merger, consolidation, split-up, spin-off or exchange of shares), the terms of outstanding Awards may not without stockholder approval be amended to reduce the Exercise Price of outstanding Options or SARs, or to cancel outstanding Options or SARs in exchange either for (a) cash, or (b) new Options, SARs or other Awards with an exercise price that is less than the Exercise Price of the original (cancelled) Options or SARs.

23. *Term of Plan.* Unless earlier terminated as provided herein, this Plan will terminate on October 22, 2023.

24. *Amendment or Termination of Plan.* The Board may at any time terminate or amend this Plan in any respect, including without limitation amendment of Section 6 of this Plan; *provided, however*, that the Board will not, without the approval of the stockholders of the Company, amend this Plan to increase the number of shares that may be issued under this Plan, change the designation of employees or class of employees eligible for participation in this Plan, take any action in conflict with Section 22.2 above, or otherwise materially modify a provision of the Plan if such modification requires stockholder approval under the applicable rules and regulations of the Nasdaq Market.

25. *Nonexclusivity of the Plan.* Neither the adoption of this Plan by the Board, the submission of this Plan to the stockholders of the Company for approval, nor any provision of this Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock options and bonuses otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

26. *Governing Law.* The Plan shall be governed by the laws of the state of Delaware, without regard to its conflict of laws.

27. *No Guarantee of Tax Consequences.* Although the Company may endeavor to qualify an Award for favorable tax treatment under the laws of the United States or jurisdictions outside of the United States or to avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment, notwithstanding anything to the contrary in this Plan, including without limitation Section 5.10, and the Company will have no liability to a Participant or any other party if an Award that is intended to benefit from favorable tax treatment or avoid adverse tax treatment does not receive or maintain such favorable treatment or does not avoid such unfavorable treatment or for any action taken by the Committee with respect to the Award. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Awards under the Plan.

28. *Definitions.* As used in this Plan, the following terms will have the following meanings:

“*Affiliate*” means any corporation that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, another corporation, where “control” (including the terms “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to cause the direction of the management and policies of the corporation, whether through the ownership of voting securities, by contract or otherwise.

“*Award*” means any award under this Plan, including any Option, Stock Appreciation Right, Restricted Stock Unit, or Restricted Stock Award.

“*Award Agreement*” means, with respect to each Award, the signed written agreement between the Company and the Participant setting forth the terms and conditions of the Award.

“*Board*” means the Board of Directors of the Company.

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

“*Committee*” means the committee appointed by the Board to administer this Plan, or if no such committee is appointed, the Board.

“*Company*” means Symantec Corporation, a corporation organized under the laws of the State of Delaware, or any successor corporation.

“*Disability*” means a disability, whether temporary or permanent, partial or total, within the meaning of Section 22(e)(3) of the Code, as determined by the Committee.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Exercise Price*” means the price at which a holder of an Option may purchase the Shares issuable upon exercise of the Option, and in the case of a Stock Appreciation Right the value specified on the date of grant that is subtracted from the Fair Market Value when such Stock Appreciation Right is settled.

“*Fair Market Value*” means, as of any date, the value of a share of the Company’s Common Stock determined as follows:

(a) if such Common Stock is then quoted on the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market (collectively, the “*Nasdaq Market*”), its closing price on the Nasdaq Market on the date of determination as reported in *The Wall Street Journal* or such other source as the Board or the Committee deems reliable ;

(b) if such Common Stock is publicly traded and is then listed on a national securities exchange, its closing price on the date of determination on the principal national securities exchange on which the Common Stock is listed or admitted to trading as reported in *The Wall Street Journal* or such other source as the Board or the Committee deems reliable ;

(c) if such Common Stock is publicly traded but is not quoted on the Nasdaq Market nor listed or admitted to trading on a national securities exchange, the average of the closing bid and asked prices on the date of determination as reported in *The Wall Street Journal* or such other source as the Board or the Committee deems reliable ; or

(d) if none of the foregoing is applicable, by the Board or the Committee in good faith.

“*Insider*” means an officer or director of the Company or any other person whose transactions in the Company’s Common Stock are subject to Section 16 of the Exchange Act.

“*Outside Director*” shall mean a person who satisfies the requirements of an “outside director” as set forth in regulations promulgated under Section 162(m) of the Code.

“*Option*” means an award of an option to purchase Shares pursuant to Section 5.

“*Parent*” means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if at the time of the granting of an Award under this Plan, each of such corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

“*Participant*” means a person who receives an Award under this Plan.

“*Performance Factors*” means any of the factors selected by the Committee and specified in an Award Agreement, from among the following objective measures, either individually, alternatively or in any combination, applied to the Company as a whole or any business unit or Subsidiary, either individually, alternatively, or in any combination, on a GAAP or non-GAAP basis, and measured, to the extent applicable on an absolute basis or relative to a pre-established target, to determine whether the performance goals established by the Committee with respect to applicable Awards have been satisfied:

1. Profit Before Tax;
2. Billings;
3. Revenue;
4. Net revenue;
5. Earnings (which may include earnings before interest and taxes, earnings before taxes, and net earnings);
6. Operating income;
7. Operating margin;
8. Operating profit;
9. Controllable operating profit, or net operating profit;
10. Net Profit;
11. Gross margin;
12. Operating expenses or operating expenses as a percentage of revenue;
13. Net income;
14. Earnings per share;
15. Total stockholder return;
16. Market share;
17. Return on assets or net assets;
18. The Company’s stock price;
19. Growth in stockholder value relative to a pre-determined index;
20. Return on equity;
21. Return on invested capital;
22. Cash Flow (including free cash flow or operating cash flows)

-
23. Cash conversion cycle;
 24. Economic value added;
 25. Individual confidential business objectives;
 26. Contract awards or backlog;
 27. Overhead or other expense reduction;
 28. Credit rating;
 29. Strategic plan development and implementation;
 30. Succession plan development and implementation;
 31. Improvement in workforce diversity;
 32. Customer indicators;
 33. New product invention or innovation;
 34. Attainment of research and development milestones;
 35. Improvements in productivity;
 36. Bookings;
 37. Attainment of objective operating goals and employee metrics; and
 38. Any other metric that is capable of measurement as determined by the Committee.

The Committee may, in recognition of unusual or non-recurring items such as acquisition-related activities or changes in applicable accounting rules, provide for one or more equitable adjustments (based on objective standards) to the Performance Factors to preserve the Committee's original intent regarding the Performance Factors at the time of the initial award grant. It is within the sole discretion of the Committee to make or not make any such equitable adjustments.

"Performance Period" means the period of service determined by the Committee during which years of service or performance is to be measured for an Award.

"Plan" means this Symantec Corporation 2013 Equity Incentive Plan, as amended from time to time.

"Purchase Price" means the price to be paid for Shares acquired under this Plan pursuant to an Award other than an Option.

"Restricted Stock Award" means an award of Shares pursuant to Section 7.

"Restricted Stock Unit" or *"RSU"* means an award of Shares pursuant to Section 8.

"Securities Act" means the Securities Act of 1933, as amended.

"Shares" means shares of the Company's Common Stock reserved for issuance under this Plan, as adjusted pursuant to Sections 2 and 19, and any successor security.

"Stock Appreciation Right" or *"SAR"* means an Award, granted pursuant to Section 9.

"Subsidiary" means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, at the time of granting of the Award, each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

“Tax-Related Items” means federal, state, or local taxes and any taxes imposed by jurisdictions outside of the United States (including but not limited to income tax, social insurance contributions, fringe benefits tax, payment on account, employment tax obligations, and stamp taxes) required by law to be withheld and any employer liability shifted to a Participant.

“Termination” or *“Terminated”* means, for purposes of this Plan with respect to a Participant, that the Participant has for any reason ceased to provide services as an Eligible Individual to the Company or a Parent, Subsidiary or Affiliate of the Company. A Participant will not be deemed to have ceased to provide services in the case of (i) sick leave, (ii) vacation leave (iii) military leave, (iv) transfers of employment between the Company and its Parent, Subsidiaries or Affiliates; or (v) any other leave of absence approved by the Committee, provided, that such leave is for a period of not more than three months, unless reemployment upon the expiration of such leave is guaranteed by contract or statute or unless provided otherwise pursuant to formal policy adopted from time to time by the Company. In the case of any Participant on an approved leave of absence, the Committee may make such provisions respecting suspension of vesting of the Award while on leave from the employ of the Company or its Parent, Subsidiaries or Affiliates as it may deem appropriate, except that in no event may an Award be exercised after the expiration of the term, if any, set forth in the applicable Award Agreement. The Committee will have sole discretion to determine whether a Participant has ceased to provide services and the effective date on which the Participant ceased to provide services (the *“Termination Date”*).

SYMANTEC CORPORATION
STOCK OPTION GRANT - TERMS AND CONDITIONS

1. Grant of Option. Symantec Corporation, a Delaware corporation, (the “Company”), hereby grants to the optionee (“Optionee”) named in the Notice of Stock Option Grant (the “Grant Notice”) an option (this “Option”) to purchase the total number of shares subject to the Option set forth in the Grant Notice (the “Shares”) at the exercise price per Share set forth in the Grant Notice (the “Exercise Price”), subject to all of the terms and conditions set forth in this Terms and Conditions of Stock Option Grant, any appendices attached hereto and the Grant Notice (collectively, the “Grant”) and in the Company’s 2013 Equity Incentive Plan (the “Plan”). The Company and Optionee agree that Optionee granted under and governed by the Grant Notice, this Terms and Conditions of Stock Option Grant and the provisions of the Plan. Optionee: (a) acknowledges receipt of a copy of the Plan prospectus, (b) represent that the Participant has carefully read and are familiar with their provisions, and (c) hereby accepts the Option subject to all of the terms and conditions set forth herein, in the Plan and in the Grant Notice.

For U.S. taxpayers, if designated as an incentive stock option in the Grant Notice, this Option is intended to qualify as an “incentive stock option” (“ISO”) within the meaning of Section 422 of the Internal Revenue Code of 1986 (the “Code”). If not so designated, this Option shall be a nonqualified stock option (“NQSO”).

2. Exercise Period of Option. Subject to the terms and conditions set forth in this Grant and in the Plan, Optionee may exercise this Option in whole or in part for any Vested Shares, as determined in accordance with Section 8 hereof; provided, however, that this Option shall expire and terminate on the expiration date set forth in the Grant Notice (the “Expiration Date”), or earlier, as provided in Section 4 hereof, and must be exercised, if at all, on or before the Expiration Date.

3. Restrictions on Exercise. Exercise of this Option is subject to the following limitations:

(a) This Option may not be exercised unless such exercise is in compliance with the Securities Act of 1933, as amended, and all applicable U.S. state and local securities laws, as they are in effect on the date of exercise.

(b) This Option may not be exercised until the Plan, or any required increase in the number of shares authorized under the Plan, is approved by the stockholders of the Company.

(c) The exercise of this option may be subject to additional conditions and/or restrictions as set forth in the Company’s Insider Trading Policy, as in effect from time to time.

4. Termination of Option. Except as provided below in this Section, this Option shall terminate and may not be exercised if Optionee ceases to provide services as an Eligible Individual to the Company or a Parent, Subsidiary or Affiliate of the Company (each as defined in the Plan), *except* in the case of sick leave, military leave, or any other leave of absence approved by the committee appointed by the Company’s Board of Directors (the “Board”) to administer the Plan (the “Committee”) or by any person designated by the Committee, provided that such leave is for a period of not more than ninety days, or reinstatement upon the expiration of such leave is guaranteed by contract or statute. By accepting this Grant, Optionee acknowledges that the Vesting Schedule set forth in the Grant Notice may change prospectively in the event that Optionee’s service status changes between full and part-time status in accordance with Company policies relating to work schedules and vesting of awards. A transfer of employment between the Company and any Subsidiary and/or Affiliate shall not constitute a termination of service for purposes of this Grant. The Committee or its designee will have sole discretion to determine whether an Optionee has ceased to provide services and the effective date on which Optionee ceased to provide services (the “Termination Date”).

(a) If Optionee ceases to provide services as an Eligible Individual to the Company or any Parent, Subsidiary or Affiliate of the Company for any reason except death or disability, Optionee may exercise this Option to the extent (and only to the extent) that it would have been exercisable upon the Termination Date, within three months after the Termination Date, but in any event no later than the Expiration Date.

(b) If Optionee ceases to provide services as an Eligible Individual to the Company or any Parent, Subsidiary or Affiliate of the Company because of the death or disability of Optionee, within the meaning of Section 22(e) (3) of the Code, (or Optionee dies within three months after Optionee ceases to provide services other than because of such Optionee's death or disability) the Option may be exercised to the extent (and only to the extent) that it would have been exercisable by Optionee on the Termination Date, by Optionee (or Optionee's legal representative) within twelve months after the Termination Date, but in any event no later than the Expiration Date.

(c) Notwithstanding anything to the contrary herein, if Optionee ceases to provide services as an Eligible Individual to the Company or any Parent, Subsidiary or Affiliate of the Company because of Optionee's actual or alleged commitment of a criminal act or an intentional tort and the Company (or an employee of the Company) is the victim or object of such criminal act or intentional tort or such criminal act or intentional tort results, in the reasonable opinion of the Company, in liability, loss, damage or injury to the Company, then, at the Company's election, this Option shall not be exercisable and shall terminate upon Optionee's Termination Date. Termination by the Company based on Optionee's alleged commitment of a criminal act or an intentional tort shall be based on a reasonable investigation of the facts and a determination by the Company that a preponderance of the evidence discovered in such investigation indicates that Optionee is guilty of such criminal act or intentional tort.

Nothing in this Grant or in the Plan shall confer on Optionee any right to continue in the employ of, or to continue any other relationship with, the Company or any Parent, Subsidiary or Affiliate of the Company, or limit in any way the right of the Company or any Parent, Subsidiary or Affiliate of the Company to terminate Optionee's employment or other relationship at any time, with or without cause.

5. Manner of Exercise.

(a) This Option shall be exercisable by delivery to the Company of an executed written Notice of Intent to Exercise Stock Option in such form or forms as may be approved by the Company (the "Exercise Agreement"), which shall set forth Optionee's election to exercise this Option, the number of Shares being purchased, any restrictions imposed on the Shares and such other representations and agreements regarding Optionee's investment intent and access to information as may be required by the Company to comply with applicable securities laws.

(b) Such Exercise Agreement shall be accompanied by full payment of the Exercise Price for the Shares being purchased (i) in cash (by check or by wire transfer); (ii) provided that a public market for the Company's stock exists, through a "same day sale" commitment from Optionee and a broker-dealer approved by the Company that is a member of the National Association of Securities Dealers (an "NASD Dealer") whereby Optionee irrevocably elects to exercise the Option and to sell a portion of the Shares so purchased to pay for the Exercise Price and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the Exercise Price directly to the Company; or (iii) by any combination of the foregoing.

(c) Withholding Taxes. Regardless of any action the Company or Optionee's actual employer (the "Employer") takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), Optionee acknowledges that the ultimate liability for all Tax-Related Items legally due by Optionee is and remains Optionee's responsibility and that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option grant, including the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (ii) do not commit to structure the terms of the grant or any aspect of the Option to reduce or eliminate your liability for Tax-Related Items.

Prior to exercise of the Option, Optionee shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding and payment on account obligations of the Company and/or the Employer. In this regard, Optionee authorizes the Company and/or the Employer to withhold all applicable Tax-Related

Items legally payable by you from your wages or other cash compensation paid to Optionee by the Company and/or the Employer. With the Company's consent, these arrangements may also include, if permissible under local law, (i) withholding Shares that otherwise would be issued to Optionee when you exercise this Option, provided that the Company only withholds the amount of Shares necessary to satisfy the minimum statutory withholding amount, (ii) having the Company withhold taxes from the proceeds of the sale of the Shares, either through a voluntary sale or through a mandatory sale arranged by the Company (on Optionee's behalf pursuant to this authorization), or (iii) any other arrangement approved by the Company. The Fair Market Value of these Shares, determined as of the effective date of the Option exercise, will be applied as a credit against the withholding taxes. Finally, Optionee shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of Optionee's participation in the Plan or Optionee's purchase of Shares that cannot be satisfied by the means previously described. The Company may refuse to honor the exercise and refuse to deliver the Shares if Optionee fails to comply with Optionee's obligations in connection with the Tax-Related Items as described in this Section.

(d) Issuance of Shares. Provided that such notice and payment are in form and substance satisfactory to counsel for the Company, the Company shall cause the Shares to be issued in the name of Optionee or Optionee's legal representative or assignee.

6. Notice of Disqualifying Disposition of ISO Shares. If the Option granted to Optionee pursuant to this Grant is an ISO, and if Optionee sells or otherwise disposes of any of the Shares acquired pursuant to the ISO on or before the later of (1) the date which is two years after the Grant Date, or (2) the date one year after exercise of the ISO with respect to which the Shares are to be sold or disposed, Optionee shall immediately notify the Company in writing of such disposition. Optionee acknowledges and agrees that Optionee may be subject to income tax withholding by the Company on the compensation income recognized by Optionee from any such early disposition by payment in cash or out of the current wages or other earnings payable to Optionee.

7. Nontransferability of Option. This Option may not be transferred in any manner other than by will or by the law of descent and distribution and may be exercised during the lifetime of Optionee only by Optionee. The terms of this Option shall be binding upon the executors, administrators, successors and assigns of Optionee.

8. Vesting Schedule. Until the Termination Date, the shares subject to this option shall vest in accordance with the vesting schedule set forth in the Grant Notice. Shares that are vested pursuant to the vesting schedule set forth in the Grant Notice are "Vested Shares" and are exercisable hereunder.

9. Compliance with Laws and Regulations. The exercise of this Option and the issuance of Shares shall be subject to compliance by the Company and Optionee with all applicable requirements of U.S. federal and state, local, and foreign securities laws and with all applicable requirements of any stock exchange or national market system on which the Company's Common Stock may be listed at the time of such issuance. Optionee understands that the Company is under no obligation to register or qualify the Shares with the Securities and Exchange Commission, any U.S. state or local securities commission, any foreign securities commission or other governmental authority or any stock exchange or national market system on which the Company's Common Stock may be listed at the time of such issuance or transfer.

10. Adjustments. The number of Shares subject to this Option and the Exercise Price per share are subject to adjustment pursuant to Section 2.2 of the Plan. In the event of a transaction described in Section 19.1 of the Plan, this Option may be assumed, converted or replaced by the successor corporation (if any), which assumption, conversion or replacement will be binding on Optionee, or the successor corporation may substitute an equivalent award or provide substantially similar consideration to Optionee as was provided to stockholders (after taking into account the existing provisions of the Option). In the event such successor corporation (if any) fails to assume this Option or substitute an equivalent award pursuant to a corporate transaction, this Option will expire on such transaction at such time and on such conditions as the Board shall determine.

11. Interpretation. Any dispute regarding the interpretation hereof or of the Plan shall be submitted by Optionee or the Company forthwith to the Committee, which shall review such dispute at its next regular meeting. The resolution of such a dispute by the Committee shall be final and binding on the Company and on Optionee.

12. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan, options granted under the Plan or future options that may be granted under the Plan (including, without limitation, disclosures that may be required by the Securities and Exchange Commission) by electronic means or to request Optionee's consent to participate in the Plan by electronic means. Optionee hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

13. Governing Law. The interpretation, performance and enforcement of this Grant shall be governed by the laws of the State of Delaware without resort to that State's conflict-of-laws rules. For purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this Grant, the parties hereby submit to and consent to the exclusive jurisdiction of the State of California and agree that such litigation shall be conducted only in the courts of Santa Clara County, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this Grant is made and/or to be performed.

14. Notices. Any notice required to be given or delivered to the Company under the terms of this Grant shall be in writing and addressed to the Corporate Secretary of the Company at its principal corporate offices. Any notice required to be given or delivered to Optionee shall be in writing and addressed to Optionee at the address indicated in the Grant Notice or to such other address as such party may designate in writing from time to time to the Company. All notices shall be deemed to have been given or delivered upon: personal delivery; three days after deposit in the United States mail by certified or registered mail (return receipt requested); one business day after deposit with any return receipt express courier (prepaid); or one business day after transmission by facsimile, rapifax or telecopier.

15. Entire Agreement. The Plan, the Exercise Agreement, and the appendices are incorporated in this Grant by reference. In the event of any conflict between the terms of this Grant and the Plan, the terms of the Plan shall apply. This Grant constitutes the entire agreement of the parties and supersedes all prior undertakings and agreements with respect to the subject matter hereof.

16. Appendices. Notwithstanding any provisions in this Terms and Conditions of Stock Option Grant, the Option shall be subject to the terms and conditions set forth in the appendices attached hereto. Moreover, if Optionee relocates to one of the countries included in Appendix B, the special terms and conditions for such country will apply to Optionee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The appendices constitute part of this Grant.

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

18. Waiver. Optionee acknowledges that a waiver by the Company of breach of any provision of this Grant shall not operate or be construed as a waiver of any other provision of this Grant, or of any subsequent breach by Optionee or any other Optionee.

19. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Option and the Shares purchased upon exercise of the Option, to the extent the Company determines it is necessary or advisable for legal or administrative reasons and to require Optionee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

20. Award Subject to Company Clawback or Recoupment. The Option shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or required by law during the term of your employment or other service with the Company that is applicable to executive officers, employees, directors or other service providers of the Company, and in addition to any other remedies available under such policy and applicable law may require the cancellation of your Option (whether vested or unvested) and the recoupment of any gains realized with respect to your Option.

APPENDIX A

SYMANTEC CORPORATION
STOCK OPTION GRANT - TERMS AND CONDITIONS

FOR NON-U.S. EMPLOYEES

1. Withholding Taxes. The following provision supplements Section 5(c) of the Terms and Conditions of the Stock Option Grant:

(a) Optionee acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Option, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate Optionee's liability for Tax Obligations or achieve any particular tax result. Further, if Optionee is subject to Tax Obligations in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, Optionee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax Obligations in more than one jurisdiction.

2. Nature of Grant. In accepting the Option, Optionee acknowledges, understands and agrees that:

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

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

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

(d) Optionee is voluntarily participating in the Plan;

(e) the Option and any Shares acquired under the Plan are not intended to replace any pension rights or compensation;

(f) the Option and any Shares acquired under the Plan and the income and the value of same are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

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

(h) if the underlying Shares do not increase in value, the Option will have no value;

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

(j) no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from Optionee's Termination (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Optionee is employed or the terms of Optionee's employment agreement, if any) and in consideration of the grant of the Option to which Optionee is otherwise not entitled, Optionee irrevocably agrees never to institute any claim against the Company, any of its Subsidiaries or Affiliates or

the Employer, waives his or her ability, if any, to bring any such claim, and releases the Company, its Subsidiaries or Affiliates, and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Optionee shall be deemed irrevocably to have agreed not to pursue such claim and to have agreed to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(k) in the event of a termination of Optionee's employment or service relationship (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Optionee is employed or the terms of Optionee's employment agreement, if any), unless otherwise expressly provided in this Grant or determined by the Company, (i) Optionee's right to vest in the Option under the Plan, if any, will terminate as of the date that Optionee is no longer actively providing services to the Company or one of its Subsidiaries or Affiliates and will not be extended by any notice period (e.g ., Optionee's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Optionee is employed or the terms of Optionee's employment agreement, if any); and (ii) the period (if any) during which Optionee may exercise the Option after such Termination will commence on the date Optionee ceases to actively provide services and will not be extended by any notice period mandated under employment laws in the jurisdiction where Optionee is employed or the terms of Optionee employment agreement, if any; the Committee or its designee will have sole discretion to determine the Termination Date pursuant to Section 4 of this Grant and Section 28 of the Plan;

(l) unless otherwise provided in the Plan or by the Company in its discretion, the Option and the benefits evidenced by this Grant do not create any entitlement to have the Option or any such benefits transferred to, or assumed by, another company, nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares of the Company;

(m) Optionee acknowledges and agrees that neither the Company, the Employer nor any Subsidiary or Affiliate of the Company shall be liable for any foreign exchange rate fluctuation between Optionee's local currency and the United States Dollar that may affect the value of the Option or of any amounts due to Optionee pursuant to the exercise of the Option or the subsequent sale of any Shares acquired upon exercise;

(n) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Optionee's participation in the Plan or Optionee's purchase or sale of Shares; and

(o) Optionee is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the Plan.

3. ***Data Privacy Notice and Consent***. *Optionee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Optionee's personal data as described in this Grant (" Personal Data ") by and among, as applicable, the Employer, the Company and any Subsidiary or Affiliate for the exclusive purpose of implementing, administering and managing Optionee's participation in the Plan.*

Optionee understands that the Company and the Employer may hold certain personal information about Optionee, including, but not limited to, Optionee's name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any shares or directorships held in the Company or any Subsidiary or Affiliate, details of all options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Optionee's favor, for the exclusive purpose of implementing, administering and managing the Plan.

*Optionee understands that Personal Data will be transferred to E*Trade Financial Services, Inc., or such other stock plan service provider as may be selected by the Company in the future, which is assisting in the implementation, administration and management of the Plan. Optionee understands that the recipients of the Personal Data may be located in the United States or elsewhere, and that the recipient's country may have different data privacy laws and protections than Optionee's country. Optionee understands that he or she may request a list with the names and addresses of any potential recipients of Personal Data by contacting Optionee's local human resources representative. Optionee authorizes the Company, E*Trade Financial Services, Inc.,*

Charles Schwab, and any other recipients of Personal Data which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Personal Data, in electronic or other form, for the purposes of implementing, administering and managing Optionee's participation in the Plan, including any requisite transfer of Personal Data as may be required to a broker or other third party with whom Optionee may elect to deposit any Shares purchased upon exercise of the Option. Optionee understands that Personal Data will be held only as long as is necessary to implement, administer and manage Optionee's participation in the Plan. Optionee understands that he or she may, at any time, view Personal Data, request additional information about the storage and processing of Personal Data, require any necessary amendments to Personal Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Optionee's local human resources representative. Further, Optionee understands that he or she is providing the consents herein on a purely voluntary basis. If Optionee does not consent, or if Optionee later seeks to revoke Optionee's consent, Optionee's employment or service status and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing Optionee's consent is that the Company would not be able to grant Optionee an Option or other equity awards or administer or maintain such awards. Therefore, Optionee understands that refusing or withdrawing Optionee's consent may affect Optionee's ability to participate in the Plan. For more information on the consequences of Optionee's refusal to consent or withdrawal of consent, Optionee understands that he or she may contact Optionee's human resources representative.

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

SYMANTEC CORPORATION

2013 EQUITY INCENTIVE PLAN

RSU AWARD AGREEMENT

RECITALS

A. The Board has adopted the Plan for the purpose of providing incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of Symantec Corporation (the “Company”) and its Subsidiaries and Affiliates.

B. The Participant is to render valuable services to the Company and/or its Subsidiaries and Affiliates, and this RSU Award Agreement (the “Agreement”) is executed pursuant to, and is intended to carry out the purposes of, the Plan in connection with the Company’s issuance of rights in respect of the Company’s Common Stock in the form of Restricted Stock Units (each, a “RSU”).

C. All capitalized terms in this Agreement shall have the meaning assigned to them herein, including Appendix A. All undefined terms shall have the meaning assigned to them in the Plan.

NOW, THEREFORE , it is hereby agreed as follows:

1. **Grant of Restricted Stock Units** . The Company hereby awards to the Participant RSUs under the Plan. Each RSU represents the right to receive one share of the Company’s Common Stock on the vesting date of that RSU (each, a “Share”), subject to the provisions of this Agreement (including any appendices hereto). The number of shares of the Company’s Common Stock subject to this Award, the applicable vesting schedule for the RSUs and the Shares, the dates on which those vested Shares shall be issued to the Participant and the remaining terms and conditions governing this Award shall be as set forth in this Agreement.

2. **Grant Acceptance ; Acknowledgement** . The Company and the Participant agree that the RSUs are granted under and governed by the Grant Notice, this Agreement and the provisions of the Plan. The Participant: (i) acknowledges receipt of a copy of the Plan prospectus, (ii) represents that the Participant has carefully read and is familiar with their provisions, and (iii) hereby accepts the RSUs subject to all of the terms and conditions set forth herein, in the Plan and in the Grant Notice. If the Participant does not wish to receive the RSUs and/or does not consent and agree to the terms and conditions on which the RSUs are offered, as set forth in this Agreement (including the appendices hereto) and the Plan, then the Participant must reject this Award via the website of the Company’s designated broker, no later than 30 days following the Award Date set forth in the Grant Notice. If the Participant rejects this Award, this Award will immediately be forfeited and cancelled. The Participant’s failure to reject this Award within this 30 day period will constitute the Participant’s acceptance of this Award and all terms and conditions of this Award, as set forth in this Agreement (including any appendices hereto) and the Plan.

AWARD SUMMARY

Award Date and Number of Shares Subject to Award: As set forth in the Grant Notice

Vesting Schedule: The Shares shall vest pursuant to the schedule set forth in the Grant Notice. Notwithstanding the foregoing, if any such dates falls on a weekend or U.S. trading holiday, the Fair Market Value of the Shares underlying the RSUs will be the closing price of the Company’s Common Stock on the Nasdaq Global Select Market on the last trading day prior to the vesting date.

The RSUs allocated to each applicable vesting date shall vest on that date only if the employment of the Participant has not Terminated as of such date, and no additional RSUs shall vest following the Participant's Termination.

The Participant acknowledges and agrees that the Vesting Schedule may change prospectively in the event that the Participant's service status changes between full and part-time status in accordance with Company policies relating to work schedules and vesting of awards.

Issuance Schedule The Shares in which the Participant vests in accordance with the foregoing Vesting Schedule shall be issuable as set forth in Section 7. However, the actual number of vested Shares to be issued will be subject to the provisions of Section 8 pursuant to which the applicable withholding taxes are to be collected.

3. **Limited Transferability** . This Award, and any interest therein, shall not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner by the Participant, otherwise than by will or by the laws of descent and distribution unless otherwise determined by the Committee or its delegate(s) in accordance with the terms of the Plan on a case-by-case basis.

4. **Cessation of Service** . Should the Participant's service as an Eligible Individual to the Company or a Parent, Subsidiary or an Affiliate of the Company be Terminated for any reason (whether or not in breach of local labor laws) prior to vesting in one or more Shares subject to this Award, then the RSUs covering such unvested Shares will be immediately thereafter cancelled, the Participant shall cease to have any right or entitlement to receive any Shares under those cancelled RSUs and the Participant's right to receive Shares pursuant to the RSUs and vest in such RSUs under the Plan will terminate effective as of the date of the Participant's Termination; in no event will the Participant's service be extended by any notice period mandated under local law (*e.g.* , active service would not include a period of "garden leave" or similar period pursuant to local law). For purposes of this Award, a transfer of employment between the Company and any Subsidiary and/or Affiliate shall not constitute a Termination. The Committee shall have the exclusive discretion to determine when the Participant is no longer actively providing service for purposes of the Plan and the effective date on which the Participant ceased to provide services (the "Termination Date").

5. **Corporate Transaction** .

a. In the event of a transaction set forth in Section 19.1 of the Plan, any or all outstanding RSUs subject to this Agreement may be assumed, converted or replaced by the successor corporation (if any), which assumption, conversion or replacement will be binding on the Participant, or the successor corporation may substitute an equivalent award or provide substantially similar consideration to the Participant as was provided to stockholders (after taking into account the existing provisions of the RSUs).

b. In the event such successor corporation (if any) fails to assume this Award or substitute an equivalent award (as provided in Section 5(a) above) pursuant to a transaction set forth in Section 19.1 of the Plan, this Award will expire on such transaction at such time and on such conditions as the Board shall determine.

c. Any action taken pursuant to clauses (a) or (b) above must either (i) preserve the exemption of these RSUs from Section 409A of the Code or (ii) comply with Section 409A of the Code.

d. This Agreement shall not in any way affect the right of the Company to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

6. **Adjustment in Shares**. Should any change be made to the Company's Common Stock by reason of any stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of the Company without consideration or if there is a change in the corporate structure, then appropriate adjustments shall be made to the total number and/or class of securities and any Dividend Equivalent Rights (as defined below) issuable pursuant to this Award in order to reflect such change and thereby preclude a dilution or enlargement of benefits hereunder.

7. **Issuance of Shares of the Company's Common Stock**.

a. As soon as practicable following the applicable vesting date of any portion of the RSU (including the date (if any) on which vesting of any portion of this RSU accelerates), the Company shall issue to or on behalf of the Participant a certificate (which may be in electronic form) for the applicable number of underlying Shares that so vested, subject, however, to the provisions of Section 8 pursuant to which the applicable Tax-Related Items (as defined below) are to be collected. In no event shall the date of settlement (meaning the date that Shares are issued) be later than two and one half (2 1/2) months after the later of (i) the end of the Company's fiscal year in which the applicable vesting date occurs or (ii) the end of the calendar year in which the applicable vesting date occurs. Notwithstanding the foregoing, RSUs granted to non-employee directors pursuant to Section 6 of the Plan shall be settled within 30 days after vesting.

b. If the Company determines that the Participant is a "specified employee," as defined in the regulations under Section 409A of the Code, at the time of the Participant's "separation from service," as defined in those regulations, then any units subject to the RSUs that are subject to Section 409A of the Code that otherwise would have been settled during the first six months following the Participant's separation from service will instead be settled on the earliest of (i) the seventh month following the Participant's separation from service or (ii) the date of Participant's death following the Participant's separation from service, unless the settlement of those units is exempt from Section 409A of the Code.

c. In no event shall fractional Shares be issued.

d. Except as set forth in clause (e) below, the holder of this Award shall not have any stockholder rights, including voting rights, with respect to the Shares subject to the RSUs until the Participant becomes the record holder of those Shares following their actual issuance and after the satisfaction of the Tax-Related Items (as defined below).

e. As of any date that the Company pays an ordinary cash dividend on its Common Stock, the Company shall credit the Participant with a dollar amount equal to (i) the per share cash dividend paid by the Company on its Common Stock on such date, multiplied by (ii) the total number of

RSUs (with such total number adjusted pursuant to Section 6 of this Agreement and Section 2.2 of the Plan) subject to this Award that are outstanding immediately prior to the record date for that dividend (a “Dividend Equivalent Right”). Any Dividend Equivalent Rights credited pursuant to the foregoing provisions of this Section 7(e) shall be subject to the same vesting, payment and other terms, conditions and restrictions as the original RSUs to which they relate; provided, however, that the amount of any vested Dividend Equivalent Rights shall be paid in cash. No crediting of Dividend Equivalent Rights shall be made pursuant to this Section 7(e) with respect to any RSUs which, immediately prior to the record date for that dividend, have either been paid pursuant to Section 7 or terminated pursuant to Section 4.

8. **Tax-Related Items**. Regardless of any action the Company or the Participant’s actual employer (the “Employer”) takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related withholding (“Tax-Related Items”), the Participant acknowledges that the ultimate liability for all Tax-Related Items legally due by the Participant is and remains the Participant’s responsibility and that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the award, including the settlement of the RSUs, accrual or payment of Dividend Equivalent Rights, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends; and (2) do not commit to structure the terms of the award or any aspect of the RSUs to reduce or eliminate the Participant’s liability for Tax-Related Items. The Participant acknowledges that if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Company and/or the Employer may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the settlement of the Participant’s RSUs, the Participant shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding and payment on account obligations of the Company and/or the Employer. In this regard, the Participant authorizes the Company and/or the Employer to withhold all applicable Tax-Related Items legally payable by the Participant from the Participant’s wages or other cash compensation paid to the Participant by the Company and/or the Employer. With the Company’s consent, these arrangements may also include, if permissible under local law, (a) withholding Shares that otherwise would be issued to the Participant when the Participant’s RSUs are settled, provided that the Company only withholds the amount of Shares necessary to satisfy the minimum statutory withholding amount, (b) having the Company withhold taxes from the proceeds of the sale of the Shares, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant’s behalf and the Participant hereby authorizes such sales by this authorization), (c) the Participant’s payment of a cash amount, or (d) any other arrangement approved by the Company; all under such rules as may be established by the Committee and in compliance with the Company’s Insider Trading Policy and 10b5-1 Trading Plan Policy, if applicable; provided however, that if the Participant is a Section 16 officer of the Company under the Exchange Act, then the Committee (as constituted in accordance with Rule 16b-3 under the Exchange Act) shall establish the method of withholding from alternatives (a)-(d) above, and the Committee shall establish the method prior to the Tax-Related Items withholding event. The Fair Market Value of these Shares, determined as of the effective date when taxes otherwise would have been withheld in cash, will be applied as a credit against the withholding taxes. The Participant shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of the Participant’s participation in the Plan or the Participant’s purchase of Shares that cannot be satisfied by the means previously described. Finally, the Participant acknowledges that the Company has no obligation to deliver Shares to the Participant until the Participant has satisfied the obligations in connection with the Tax-Related Items as described in this Section.

Unless determined otherwise by the Committee in advance of a Tax-Related Items withholding event, the method of withholding for this RSU will be (a) above.

9. **Compliance with Laws and Regulations**.

- a. The issuance of shares of the Company's Common Stock pursuant to the RSU shall be subject to compliance by the Company and the Participant with all applicable requirements of law relating thereto and with all applicable regulations of any stock exchange (or an established market, if applicable) on which the Company's Common Stock may be listed for trading at the time of such issuance.
- b. The inability of the Company to obtain approval from any regulatory body having authority deemed by the Company to be necessary to the lawful issuance of any Company Common Stock hereby shall relieve the Company of any liability with respect to the non-issuance of the Company's Common Stock as to which such approval shall not have been obtained.

10. **Successors and Assigns**. Except to the extent otherwise provided in this Agreement, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and the Participant, the Participant's assigns, the legal representatives, heirs and legatees of the Participant's estate and any beneficiaries designated by the Participant.

11. **Notices**. Any notice required to be given or delivered to the Company under the terms of this Agreement shall be in writing and addressed to the Company at its principal corporate offices. Any notice required to be given or delivered to the Participant shall be in writing and addressed to the Participant at the address on file with the Company. All notices shall be deemed effective upon personal delivery or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

12. **Construction**. This Agreement and the Award evidenced hereby are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan. In the event of any conflict between the terms of this Agreement and the Plan, the terms of the Plan shall apply. All decisions of the Committee with respect to any question or issue arising under the Plan or this Agreement shall be conclusive and binding on all persons having an interest in the RSU.

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

14. **Excess Shares**. If the Shares covered by this Agreement exceed, as of the date the RSU is granted, the number of shares of the Company's Common Stock which may without stockholder approval be issued under the Plan, then the Award shall be void with respect to those excess Shares, unless stockholder approval of an amendment sufficiently increasing the number of shares of the Company's Common Stock issuable under the Plan is obtained in accordance with the provisions of the Plan.

15. **Employment at Will**. Nothing in this Agreement or in the Plan shall confer upon the Participant any right to continue in the employment of the Company (or any Parent or Subsidiary employing or retaining

the Participant) for any period of specific duration, or be interpreted as forming an employment or service contract with the Company (or any Parent or Subsidiary employing or retaining the Participant), or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining the Participant) or of the Participant, which rights are hereby expressly reserved by each, to terminate the Participant's service with the Company at any time for any reason, with or without cause.

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

17. **Electronic Delivery and Acceptance**. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan, RSUs granted under the Plan or future RSUs that may be granted under the Plan (including, without limitation, disclosures that may be required by the Securities and Exchange Commission) by electronic means or to request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

18. **Appendices** . Notwithstanding any provisions in this Agreement, this Award shall be subject to the terms and conditions set forth in the appendices to this Agreement. Moreover, if the Participant relocates to one of the countries included in the appendices, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The appendices constitute part of this Agreement.

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

20. **Imposition of Other Requirements** . The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on this Award and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

21. **Award Subject to Company Clawback or Recoupment** . The RSUs shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or required by law during the term of the Participant's employment or other service with the Company that is applicable to executive officers, employees, directors or other service providers of the Company, and in addition to any other remedies available under such policy and applicable law may require the cancellation of the Participant's RSUs (whether vested or unvested) and the recoupment of any gains realized with respect to the Participant's RSUs.

**

I F THE P ARTICIPANT DOES NOT AGREE WITH THE TERMS OF THIS A GREEMENT AND THE P LAN , THE P ARTICIPANT MUST REJECT THE RSU S VIA THE E*TRADE WEBSITE NO LATER THAN 30 DAYS FOLLOWING THE A WARD D ATE ; NON - REJECTION OF THE RSU S WILL CONSTITUTE THE P ARTICIPANT ' S A CCEPTANCE OF THE RSU S ON THE TERMS ON WHICH THEY ARE OFFERED , AS SET FORTH IN THIS A GREEMENT (INCLUDING THE APPENDICES HERETO) AND THE P LAN .

APPENDIX A

ADDITIONAL PROVISIONS FOR PARTICIPANTS LOCATED OUTSIDE OF THE UNITED STATES

1. **Nature of the Grant**. In accepting the RSU Agreement, the Participant acknowledges that:

a. the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan or this Agreement;

b. the grant of RSUs is voluntary and occasional and does not create any contractual or other right to receive future awards of RSUs, or benefits in lieu of RSUs even if RSUs have been awarded repeatedly in the past;

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

d. the Participant's participation in the Plan is voluntary;

e. the RSUs and the Shares subject to the RSUs are not intended to replace any pension rights or compensation;

f. the RSUs and the Shares subject to the RSUs and the income and value of same are not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

g. the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

h. if the Participant receives Shares upon vesting, the value of such Shares acquired on vesting of RSUs may increase or decrease;

i. no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from the Participant's Termination (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), and in consideration of this Award to which the Participant is otherwise not entitled, the Participant irrevocably agrees never to institute any claim against the Company, or any Parent, Subsidiaries or Affiliates or the Employer, waives the Participant's ability, if any, to bring any such claim, and releases the Company, any Parent, Subsidiaries or Affiliates, and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and to have agreed to execute any and all documents necessary to request dismissal or withdrawal of such claim;

j. in the event of Termination of the Participant's employment or service relationship (regardless of the reason for such Termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), unless otherwise expressly provided in the Agreement or determined by the Company, the Participant's right to vest in the RSUs under the Plan, if any, will terminate as of the date the Participant is no longer actively providing services to the Company, the Employer or any Subsidiary or Affiliate and will not be

extended by any notice period (e.g. , the Participant’s period of service would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where the Participant is employed or the terms of the Participant’s employment agreement, if any); the Committee or its designee will have sole discretion to determine the Termination Date pursuant to Section 4 of the Agreement and Section 28 of the Plan);

k. the Participant acknowledges and agrees that neither the Company, the Employer nor any Parent, Subsidiary or Affiliate of the Company shall be liable for any foreign exchange rate fluctuation between the Participant’s local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to the Participant pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon settlement;

l. the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant’s participation in the Plan; and

m. the Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the Plan.

2. Data Privacy Notice and Consent .

a. The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her personal data as described in this Agreement by and among, as applicable, the Employer, the Company, its Parent, its Subsidiaries and its Affiliates for the exclusive purpose of implementing, administering and managing the Participant’s participation in the Plan.

b. The Participant understands that the Company and the Employer may hold certain personal information about the Participant, including, but not limited to, the Participant’s name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all RSUs or any other entitlement to shares of the Company’s Common Stock awarded, canceled, vested, unvested or outstanding in the Participant’s favor, for the purpose of implementing, administering and managing the Plan (“Data”).

*c. The Participant understands that Data may be transferred to E*Trade Financial Services, Inc., or such other stock plan service provider as may be selected by the Company in the future, which is assisting in the implementation, administration and management of the Plan. The Participant understands that these recipients may be located in the United States or elsewhere, and that the recipient’s country may have different data privacy laws and protections than the Participant’s country. The Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting the Participant’s local human resources representative. The Participant authorizes the Company, E*Trade Financial Services, Inc., Charles Schwab, and any other recipients of Data which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant’s participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom the Shares received upon settlement of the RSUs may be deposited. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage his or*

her participation in the Plan. The Participant understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, the Participant's employment or service status and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant the Participant RSUs or other equity awards or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of his or her refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

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

C E R T I F I C A T I O N

I, Stephen M. Bennett, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Symantec Corporation;
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(s) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 3, 2014

/s/ STEPHEN M. BENNETT

Stephen M. Bennett

*President, Chief Executive Officer and Director
(principal executive officer)*

C E R T I F I C A T I O N

I, Donald J. Rath, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Symantec Corporation;
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(s) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 3, 2014

/s/ DONALD J. RATH

Donald J. Rath

*Vice President, Tax, interim Chief Financial Officer and
interim Chief Accounting Officer
(principal financial officer)*

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Stephen M. Bennett, President, Chief Executive Officer and Director of Symantec Corporation (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge: (i) the Company's quarterly report on Form 10-Q for the period ended December 27, 2013, to which this Certification is attached (the "Form 10-Q"), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended, and (ii) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 3, 2014

/s/ STEPHEN M. BENNETT

Stephen M. Bennett

President, Chief Executive Officer and Director

(principal executive officer)

This Certification which accompanies the Form 10-Q is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company 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 the Form 10-Q), irrespective of any general incorporation language contained in such filing.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Donald J. Rath, Vice President, Tax, interim Chief Financial Officer and interim Chief Accounting Officer of Symantec Corporation (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge: (i) the Company's quarterly report on Form 10-Q for the period ended December 27, 2013, to which this Certification is attached (the "Form 10-Q"), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended, and (ii) the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 3, 2014

/s/ DONALD J. RATH

Donald J. Rath

*Vice President, Tax, interim Chief Financial Officer and
interim Chief Accounting Officer
(principal financial officer)*

This Certification which accompanies the Form 10-Q is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company 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 the Form 10-Q), irrespective of any general incorporation language contained in such filing.