2020 Annual Report

Proxy Statement and Form 10-K

FORWARD-LOOKING STATEMENT: This Annual Report contains forward-looking statements that are subject to safe harbors under the Securities Act of 1933, as amended and the Securities Exchange Act of 1934, as amended. Statements that refer to projections of our future financial performance, anticipated growth and trends in our businesses and in our industries, the actions we intend to take as part of our new strategy and the expected impact thereof, the anticipated impacts of our acquisitions and restructurings, our intent to pay quarterly cash dividends in the future, 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 the ''Risk Factors'' section and throughout our 2020 Form 10-K, which is included in this Annual Report. We encourage you to read that section carefully.

60 E. Rio Salado Parkway, Suite 1000
Tempe, Arizona 85281

NOTICE OF 2020 ANNUAL MEETING OF STOCKHOLDERS
to be held on:
September 8, 2020
9:00 a.m. Pacific Time

Dear Stockholder:

You are cordially invited to attend our 2020 Annual Meeting of Stockholders (the ''Annual Meeting''), which will be held at 9:00 a.m. (Pacific Time) on Tuesday, September 8, 2020. This year's meeting will again be completely virtual and conducted via live webcast. You will be able to attend the Annual Meeting online and submit your questions prior to or during the meeting by visiting www.virtualshareholdermeeting.com/NLOK2020. You will also be able to vote your shares electronically at the Annual Meeting. We are excited to embrace the latest technology to provide expanded access, improved communication and cost savings for our stockholders and stockholders will have the same rights and opportunities to participate as they would have at an in-person meeting. Hosting a virtual meeting enables increased stockholder attendance and participation since stockholders can participate from any location around the world. In addition, the online format will allow us to communicate more effectively with you via a pre-meeting forum that you can enter by visiting www.virtualshareholdermeeting.com/NLOK2020 and submit questions in advance of the Annual Meeting.

For your convenience, we are also pleased to offer a re-playable webcast of the Annual Meeting at *investor.nortonlifelock.com*.

We are holding the Annual Meeting for the following purposes, which are more fully described in the proxy statement:

1. To elect the eight nominees named in the proxy statement to NortonLifeLock's Board of Directors;
2. To ratify the appointment of KPMG LLP as NortonLifeLock's independent registered public accounting firm for the 2021 fiscal year;
3. To hold an advisory vote to approve executive compensation;
4. To consider and vote upon a stockholder proposal, if properly presented at the meeting; and
5. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

We are furnishing proxy materials to our stockholders primarily via the internet to expedite stockholders' receipt of proxy materials, lower the cost of the Annual Meeting and help conserve natural resources. On or about July 22, 2020, we expect to send to our stockholders (other than those who previously requested electronic or paper delivery) a Notice of Internet Availability of Proxy Materials containing instructions on how to access our proxy materials, including our proxy statement and our annual report, and how to vote through the internet or by telephone.

Only stockholders of record as of the close of business on July 13, 2020 are entitled to notice of, and vote at, the Annual Meeting or any postponement or adjournment thereof. A list of stockholders entitled to vote will be available for inspection at our offices for ten days prior to the Annual Meeting. If you would like to view this stockholder list, please contact Investor Relations at (650) 527-8000.

Your vote is very important. Whether or not you plan to virtually attend the Annual Meeting, please vote at your earliest convenience by following the instructions in the Notice of Internet Availability of Proxy Materials or in the proxy card you received in the mail. You may revoke your proxy at any time before it is voted. Please refer to the ''2020 Annual Meeting of Stockholders Meeting Information'' section of the proxy statement for additional information.

BY ORDER OF THE BOARD OF DIRECTORS

BRYAN KO
Chief Legal Officer, Secretary and
Head of Corporate Affairs

Tempe, Arizona
July 22, 2020

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON SEPTEMBER 8, 2020. The proxy statement and NortonLifeLock's Form 10-K for the 2020 fiscal year are available at http://investor.nortonlifelock.com/About/Investors/financial-information/Annual-Reports/default.aspx.

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PROXY SUMMARY

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.

2020 Annual Meeting of Stockholders Information

Date and Time:	Tuesday, September 8, 2020 at 9:00 a.m. Pacific Time
Location:	Meeting live via the internet by visiting www.virtualshareholdermeeting.com/NLOK2020
Record Date:	July 13, 2020
Admission:	To participate in the Annual Meeting, visit www.virtualshareholdermeeting.com/NLOK2020. You will need the 16-digit control number included on your Notice of Internet Availability of Proxy Materials, on your proxy card or on the instructions that accompanied your proxy materials.

Voting Matters

Proposals	Board Recommendation	Page Number for Additional Information
1. Election of Directors	FOR	18
2. Ratification of Independent Registered Public Accounting Firm	FOR	30
3. Advisory Vote to Approve Executive Compensation	FOR	31
4. Stockholder Proposal regarding Political Spending Disclosure	AGAINST	32

Our Director Nominees

Name	Age	Director Since	Principal Occupation	Independent	Committee Memberships* AC	CC	NGC	Other Current Public Boards
Sue Barsamian	61	2019	Director	Yes		■	C	1
Eric K. Brandt	58	2020	Director	Yes	C**			3
Frank E. Dangeard	62	2007	Managing Partner, Harcourt	Yes	■		■	2
Nora M. Denzel	57	2019	Director	Yes	■	■		3
Peter A. Feld	41	2018	Managing Member and Head of Research, Starboard Value LP	Yes		C	■	2
Kenneth Y. Hao	51	2016	Chairman and Managing Partner, Silver Lake Partners	Yes				2
David W. Humphrey	43	2016	Managing Director, Bain Capital	Yes				0
Vincent Pilette	48	2019	Chief Executive Officer	No				0

AC = Audit Committee CC = Compensation and Leadership Development Committee NGC = Nominating and Governance Committee

■ = Member C = Chair

* Reflects our Board and committee composition following the Annual Meeting.

** At the conclusion of our 2020 Annual Meeting, Mr. Brandt will become the chair of the Audit Committee, succeeding Mr. Unruh.

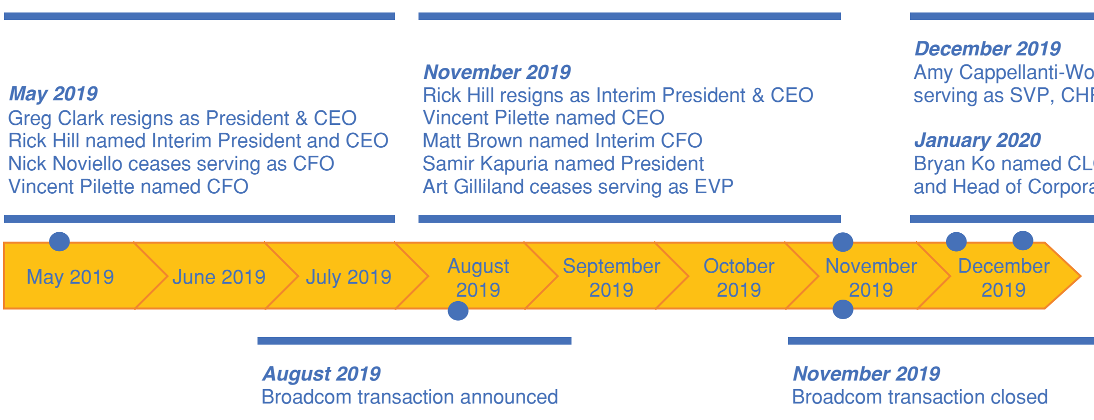
8	88%	38%	7	4.1 Years
Director Nominees	*Independent (all but CEO)*	*Diverse*	*New Directors Since 2016*	*Average Director Tenure*

Sound Corporate Governance Practices

- ✓ Separate Independent Chairman and CEO
- ✓ Board Committees Consist Entirely of Independent Directors
- ✓ All Current Directors Attended at least 75% of Meetings Held
- ✓ Independent Directors Meet Regularly in Executive Session
- ✓ Director Age Limit of 72
- ✓ Annual Board and Committee Self-Evaluations
- ✓ Risk Oversight by Full Board and Committees
- ✓ Annual Election of All Directors
- ✓ Majority Voting for Directors
- ✓ Stockholder Ability to Call Special Meetings (15% threshold)
- ✓ Stockholder Ability to Act by Written Consent
- ✓ Proxy Access Subject to Standard Eligibility Requirements
- ✓ Insider Trading Policy Prohibits Short-selling, Hedging and Pledging NortonLifeLock Securities
- ✓ Robust Stock Ownership Requirements for Directors and Executive Officers

A Year of Transformation

The following timeline outlines the series of transformational events we experienced in fiscal 2020 (''FY20''), a fiscal year in which there were significant changes to both key management and our business and operations:



Executive Compensation Philosophy and Practices

As outlined below, we are committed to return to our prior pay philosophy and practices in fiscal year 2021. The overriding principle driving our compensation programs continues to be our belief that it benefits our employees, customers, partners and stockholders to have management's compensation tied to our near- and long-term performance. In general, these pay programs reward achievement of challenging performance goals that align with our business strategy.

Drive Business Success

Our executive compensation program is designed to drive our success as a market leader in cybersecurity.

Pay for Performance

We believe that executive compensation should be tied to our short- and our long-term performance, although we aim to closely align the majority of our executive officers' overall target total compensation via long-term performance-based incentives. Our focus is to reward for both outstanding company and individual performance, team success, and quantitative results that drive our short- and long-term company objectives.

Attract and Retain

We focus on corporate and individual performance objectives and aim to attract and retain high performing and talented executive officers while maximizing long-term stockholder value.

Balancing and Aligning Interests with Stockholders

Equity awards with multi-year vesting and performance requirements help align our executive officers' pay with the creation of long-term shareholder return. In addition, we are sensitive to how equity investments will impact our cost structure and stockholder dilution.

The sale price of the Company's Enterprise business in the transaction with Broadcom represented 61% of our total market capitalization. Given that the sale represented over half of our Company's value, coupled with the necessary right-sizing of our workforce to achieve the final transformation to a pure-play consumer cyber safety business, many executives experienced the same impact as if a change in control of the Company had occurred, since the sale resulted or would result in the elimination of their roles at the Company. The Company's Board acknowledged this outcome and recognized the need to implement an effective incentive program to motivate executives to complete the transaction and assist in the transition. This included special severance agreements that resulted in cash severance payments and the acceleration of existing equity awards, which was similar to what these executives would have received if the transaction with Broadcom were a traditional ''change in control'' under the Company's existing severance and retention policies. Furthermore, we also awarded certain one-time new-hire equity awards and signing bonuses to induce certain new executives to join our pure-play consumer Company and drive our new strategy.

With the transaction with Broadcom closed and the Enterprise divestiture completed, our Compensation Committee is wholly focused on designing and implementing a pay philosophy and practices that are best-in-class and closely aligned with shareholder outcomes, as described below.

The following factors demonstrate our continued and heightened commitment to pay-for-performance and to corporate governance best practices:

Sound Compensation Policies and Practices

What We Do:

- ✔ The majority of pay for our CEO and other NEOs is at risk, except for our interim CFO who did not receive any equity in connection with his interim CFO role.
- ✔ Our short-term incentive compensation is linked directly to our financial results and is modified by individual performance.
- ✔ We reward performance that meets our predetermined goals.
- ✔ We cap payouts under our incentive plans to discourage excessive or inappropriate risk taking by our NEOs.
- ✔ We have a relevant peer group and reevaluate the peer group annually.
- ✔ We have robust stock ownership guidelines for our executive officers and directors.
- ✔ We have adopted a comprehensive ‘‘clawback’’ policy, applicable to all performance-based compensation granted to our executive officers.
- ✔ We only provide for ‘‘double-trigger’’ change in control payments and benefits.
- ✔ We limit any potential cash severance payments to not more than 1x our executive officers’ target total cash compensation and 2x our CEO’s total base salary.
- ✔ Our Compensation Committee retains an independent compensation consultant.
- ✔ We hold an annual advisory vote on named executive officer compensation.
- ✔ We seek feedback on executive compensation through stockholder engagement.
- ✔ We require one-year minimum vesting on all stock award grants to employees, with very limited exceptions.

What We Do Not Do:

- ✘ We do not pay performance-based cash or equity awards for unsatisfied performance goals.
- ✘ Our compensation plans do not have minimum guaranteed payout levels.
- ✘ We do not provide for automatic salary increases or equity awards grants in offer letters or employment agreements.
- ✘ With very limited exceptions, we do not permit short-sales, hedging or pledging of our stock.
- ✘ We do not provide ‘‘golden parachute’’ excise tax gross-ups.
- ✘ We do not provide excessive severance payments.
- ✘ We do not provide executive pension plans or SERPs.
- ✘ We do not provide excessive perquisites.
- ✘ We do not permit the repricing or cash-out of stock options or stock appreciation rights without stockholder approval.
- ✘ We do not permit the payment of dividend or dividend equivalents on unvested equity awards.

Effectively Aligning Pay For Performance

FY20 Executive Compensation

Component	Metric[1]	Achievement (as a percent of target)	Funding
FY20 Executive Annual Incentive Plan (EAIP)	FY20 Non-GAAP operating income	114%	114%
	FY20 Non-GAAP revenue	75%	75%
FY20 EAIP Total (reduced)[2]			**85%**
FY20 Performance-based Restricted Stock Units	3-year total shareholder return (''TSR'') relative to the S&P 500	NA	**NA**
FY18 Performance-based Restricted Stock Units	3-year total TSR relative to Nasdaq 100	61%	**61%**

[1] Please see discussion in the CD&A section of this proxy statement below for more detail regarding how these metrics are calculated.
[2] Actual achievement and funding of 95% was reduced to 85% at management's request.

Meeting Information

We provide information about NortonLifeLock's 2020 Annual Meeting of Stockholders (the ''Annual Meeting''), voting and additional information starting on page 78.

CORPORATE GOVERNANCE

NortonLifeLock is strongly committed to good corporate governance practices. These practices provide an important framework within which our Board of Directors (the ‘‘Board’’) and management can pursue our strategic objectives for the benefit of our stockholders.

Corporate Governance Guidelines

Our Corporate Governance Guidelines generally specify the rights and responsibilities of NortonLifeLock’s Board, management and stockholders, and detail the rules and procedures for making decisions on corporate affairs. In general, the stockholders elect the Board and vote on certain extraordinary matters; the Board is responsible for the general governance of our Company, including selection and oversight of key management; and management is responsible for running our day-to-day operations.

Our Corporate Governance Guidelines are available on the Investor Relations section of our website, which is located at *investor.nortonlifelock.com*, by clicking on ‘‘Company Charters’’ under ‘‘Corporate Governance.’’ The Corporate Governance Guidelines are reviewed at least annually by our Nominating and Governance Committee, and changes are recommended to our Board for approval as appropriate. Our Board represents the interests of the stockholders in perpetuating a successful business and optimizing sustainable long-term stockholder value. The Board is responsible for ensuring that the Company is managed in a manner that is designed to serve those interests.

Code of Conduct and Code of Ethics

We have adopted a code of conduct that applies to all of our Board members, officers and employees. We have also adopted a code of ethics for our Chief Executive Officer and senior financial officers, including our principal financial officer and principal accounting officer. Our *Code of Conduct* and *Financial Code of Ethics* are posted on the Investor Relations section of our website located at *investor.nortonlifelock.com*, by clicking on ‘‘Company Charters’’ under ‘‘Corporate Governance.’’ Any amendments or waivers of our *Code of Conduct* and *Financial Code of Ethics* pertaining to a member of our Board or one of our executive officers will be disclosed on our website at the above-referenced address.

Insider Trading, Hedging and Pledging Policies

With limited exceptions for pre-existing arrangements, our Insider Trading Policy prohibits all directors and employees, including executive officers, from short-selling NortonLifeLock stock or engaging in transactions involving NortonLifeLock-based derivative securities, including, but not limited to, trading in NortonLifeLock-based option contracts or engaging in other hedging transactions (for example, buying and/or writing puts and calls, equity swaps, collars, exchange funds, transacting in straddles and the like). (However, holding and exercising options or other derivative securities granted under the Company’s stock option or equity incentive plans is not prohibited by this policy.) It also prohibits pledging NortonLifeLock stock as collateral for a loan or holding company securities in a margin account. Waivers may be granted with respect to arrangements that were in existence before becoming a director or employee. Since our settlement with Starboard Value LP in September 2018, we have agreed to waive these requirements with respect to certain forward contracts held by Starboard on a limited basis.

In addition, our Insider Trading Policy prohibits our directors, officers, employees and contractors from purchasing or selling NortonLifeLock securities while in possession of material, non-public information. It also requires that our Chief Executive Officer, our President and our Chief Financial Officer conduct any open market sales of our securities only through the use of stock trading plans adopted pursuant to Rule 10b5-1 of the Exchange Act. Rule 10b5-1 allows insiders to sell and diversify their holdings in our stock over a designated period by adopting pre-arranged stock trading plans at a time when they are not aware of material nonpublic information about us, and thereafter sell shares of our common stock in accordance with the terms of their stock trading plans without regard to whether or not they are in possession of material nonpublic information about the Company at the time of the sale. All other executives and our non-employee directors are strongly encouraged to trade using Exchange Act Rule 10b5-1 plans.

Stock Ownership Guidelines

Our Board adopted stock ownership guidelines to better align our directors’ and officers’ interests with those of our stockholders. Details of our directors’ stock ownership guidelines are disclosed under ‘‘Summary of Director Qualifications and Experience’’ on page 27, and details of our executive officers’ stock ownership guidelines are disclosed under ‘‘Stock Ownership Requirements’’ in the ‘‘Compensation Discussion & Analysis’’ section on page 38. The Compensation Committee determines the stock ownership guidelines and the Nominating and Governance Committee monitors compliance under such guidelines.

Stockholder Engagement

We are committed to ongoing engagement with our stockholders to gain valuable insight into the issues that matter most to them and to enable our Company to address them effectively. During fiscal 2020 we engaged in discussions with stockholders representing a majority of our outstanding shares to discuss among other things, our strategy, and focus on delivering financial results that create significant stockholder value, as well as corporate governance and executive compensation. A significant portion of these discussions involved clarifying the Company's unique circumstances in light of the transaction with Broadcom and the interim executives brought on to lead both strategic and operational execution during this time of change. The insights and feedback obtained from these discussions were shared with the full Board for its review and consideration.

Majority Vote Standard and Director Resignation Policy

Our Bylaws and Corporate Governance Guidelines provide for a majority voting standard for the election of directors. Under the majority vote standard, each nominee must be elected by a majority of the votes cast with respect to such nominee at any meeting for the election of directors at which a quorum is present. A ''majority of the votes cast'' means the votes cast ''for'' a nominee's election must exceed the votes cast ''against'' that nominee's election. A plurality voting standard will apply instead of the majority voting standard if: (i) a stockholder has provided us with notice of a nominee for director in accordance with our Bylaws; and (ii) that nomination has not been withdrawn as of 10 days before we first deliver proxy materials to stockholders.

To effectuate this policy with regard to incumbent directors, the Board will not nominate an incumbent director for re-election unless prior to such nomination the director has agreed to promptly tender a resignation if such director fails to receive a sufficient number of votes for re-election at the stockholder meeting with respect to which such nomination is made. Such resignation will be effective upon the earlier of (i) the Board's acceptance of such resignation or (ii) the 90th day after certification of the election results of the meeting; provided, however, that prior to the effectiveness of such resignation, the Board may reject such resignation and permit the director to withdraw such resignation.

If an incumbent director fails to receive the required vote for re-election, the Nominating and Governance Committee shall act on an expedited basis to determine whether to recommend acceptance or rejection of the director's resignation and will submit such recommendation for prompt consideration by the Board. The Board intends to act promptly on the Committee's recommendation and will decide to accept or reject such resignation and publicly disclose its decision within 90 days from the date of certification of the election results. The Nominating and Governance Committee and the Board may consider such factors they deem relevant in deciding whether to accept or reject a resignation tendered in accordance with this policy. The Board expects a director whose resignation is under consideration to abstain from participating in any decision regarding the resignation.

Proxy Access

Our Bylaws contain ''proxy access'' provisions which permit a stockholder, or a group of up to 50 stockholders, owning continuously for at least three years a number of shares of our common stock that constitutes at least 3% of our outstanding shares of common stock, to nominate and include in our proxy materials director nominees constituting up to the greater of two individuals or 20% of the Board, provided that the stockholder(s) and the nominee(s) satisfy the requirements specified in the Bylaws. Our Bylaws specifically allow funds under common management to be treated as a single stockholder, and permit share lending with a five-day recall. They do not contain any post-meeting holding requirements, do not have any limits on resubmission of failed nominees, and do not contain restrictions on third-party compensation.

Board Leadership Structure

Our Board does not have a policy on whether the roles of Chief Executive Officer and Chairman should be separate. Instead, it retains the flexibility to determine on a case-by-case basis whether the Chief Executive Officer, or an independent director, should serve as Chairman. During those periods in which the positions of Chairman and Chief Executive Officer are combined, the independent directors appoint an independent director as a Lead Independent Director. Currently, the roles of Chief Executive Officer and Chairman are separate. Frank Dangeard, one of our independent directors, currently serves as Chairman of the Board.

The Board believes that separating the roles of Chief Executive Officer and Chairman is the appropriate leadership structure for our Company at this time because it results in an effective balancing of responsibilities, experience and perspectives that meets the current corporate governance needs and oversight responsibilities of the Board. The Board also believes that this structure allows our Chief Executive Officer to focus on executing our Company's strategic plan and managing our Company's operations and performance, while allowing the Chairman of the Board to focus on the effectiveness of the Board and independent oversight of our senior management team.

The duties of the Chairman of the Board and Chief Executive Officer are set forth in the table below:

Chairman of the Board	CEO
• Sets the agenda of Board meetings	• Sets strategic direction for the Company
• Presides over meetings of the full Board	• Creates and implements the Company's vision and mission
• Contributes to Board governance and Board processes	• Leads the affairs of the Company, subject to the overall direction and supervision of the Board and its committees and subject to such powers as reserved by the Board and its committees
• Communicates with all directors on key issues and concerns outside of Board meetings	
• Presides over meetings of stockholders	
• Leads executive sessions of independent directors	

Board Independence

It is the policy of the Board and The Nasdaq Stock Market LLC's (''Nasdaq'') rules require that listed companies have a board of directors with at least a majority of independent directors, as defined under Nasdaq's Marketplace Rules. Currently, each member of our Board, other than any person serving on our Board who also serves as our CEO, is an independent director, and all standing committees of the Board are composed entirely of independent directors. The Nasdaq independence definition includes a series of objective tests, such as that the director is not an employee of the company and has not engaged in various types of business dealings with the company. In addition, the Board has made a subjective determination as to each independent director that no relationship exists which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, the directors reviewed and discussed information provided by the directors and our Company with regard to each director's business and other activities as they may relate to NortonLifeLock and our management. Based on this review and consistent with our independence criteria, the Board has affirmatively determined that the following current and former directors and director nominees are independent: Sue Barsamian, Eric K. Brandt, Frank E. Dangeard, Nora M. Denzel, Peter A. Feld, Kenneth Y. Hao, David W. Humphrey, V. Paul Unruh, Dale L. Fuller, Richard S. Hill (except during the period that he served as interim CEO), David L. Mahoney, Anita M. Sands and Daniel H. Schulman.

Change in Director Occupation

Our Corporate Governance Guidelines include a policy that our Board should consider whether a change in any director's professional responsibilities directly or indirectly impacts that person's ability to fulfill his or her directorship obligations. To facilitate the Board's consideration, all directors shall submit a resignation as a matter of course upon retirement, a change in employer, or other significant change in their professional roles and responsibilities. Such resignation may be accepted or rejected in the discretion of the Board.

Board and Committee Effectiveness

It is important to NortonLifeLock that our Board and its committees are performing effectively and in the best interests of our Company and its stockholders. The Nominating and Governance Committee reviews the size, composition and needs of the Board with established criteria to ensure the Board has the appropriate skills and expertise to effectively carry out its duties and responsibilities. In addition, an evaluation of the Board's and its committees' operations and performance is conducted annually by the Nominating and Governance Committee. Changes are recommended by the Nominating and Governance Committee for approval by the full Board as appropriate.

Board's Role in Risk Oversight

The Board executes its risk management responsibility directly and through its committees.

Board of Directors	
Audit Committee	• Primarily responsible for overseeing our Company's enterprise risk management. • Receives updates and discusses individual and overall risk areas during its meetings, including our Company's financial risk assessments, risk management policies and major financial risk exposures and the steps management has taken to monitor and control such exposures, which exposures span a variety of areas, including litigation, reputational and policy matters, financial reporting, data privacy and cybersecurity.
Compensation Committee	• Oversees risks associated with our compensation policies and practice with respect to both executive compensation and employee compensation generally. • Receives reports and reviews whether NortonLifeLock's compensation policies and practices to confirm that they are not reasonably likely to have a material adverse effect on our Company or encourage unnecessary risk taking.
Nominating and Governance Committee	• Oversees the management of risks that may arise in connection with our Company's governance structures and processes.

The Board is kept abreast of its committees' risk oversight and other activities via reports of the committee chairs to the full Board during the Board meetings. In addition, the Board participates in regular discussions with our senior management on many core subjects, including strategy, operations and finance, in which risk oversight is an inherent element. The Board believes that its leadership structure, as described above under ''Board Leadership Structure,'' facilitates the Board's oversight of risk management because it allows the Board, with leadership from the independent, non-executive Chairman and each independent committee chair, to participate actively in the oversight of management's actions.

Additionally, in connection with the recent COVID-19 pandemic, the Board, together with the Audit Committee, the Compensation Committee, and management, has overseen our efforts to mitigate financial and human capital management risk exposures associated with the pandemic.

Board's Role in Oversight of Company Strategy

One of the Board's most important responsibilities is collaborating with management to establish the Company's long-term strategy and then overseeing and providing guidance to management in the execution of the articulated strategy. Various elements of our strategy are discussed in depth at every quarterly Board meeting, with management providing the Board with an update on performance with an update on execution against short and longer-term elements of strategy. The Board also meets annually for a multi-day session where long-term strategy is the primary topic. While the full Board, with leadership of the Chairman, has responsibility for overseeing overall Company strategy, each of our key Committees provides input to the full Board on strategic and execution-oriented issues related to their respective areas of focus. The Board receives regular updates from the management team (including those below the executive level) regarding the Company's strategy and performance to inform its perspective on progress and ensure that it is able to effectively perform its oversight responsibilities.

Board's Role in Oversight of Human Capital Management

The Board has long recognized that our employees are one of our most important assets and is engaged with management on ensuring that our Company is an employer of choice for the most talented employees in our industry. While the full Board discusses human capital management with regards to its role in overseeing our overall long-term strategy, our Compensation Committee has responsibility for overseeing human capital management. The Compensation Committee, together with our Nominating and Governance Committee, are tasked with overseeing specific initiatives on a regular basis.

Our Compensation Committee is responsible for, among other tasks:

- Monitoring employee turnover on a quarterly basis; and
- Overseeing compensation philosophies and incentive plans across our workforce.

Our Nominating and Governance Committee has regular touchpoints with management on the following topics:

- Employee engagement and work-life integration initiatives;
- Monitoring our workforce planning, including required capabilities and skills development;
- Understanding our workforce demographics and diversity, equity and inclusion strategies; and
- Monitoring our corporate culture.

Outside Advisors

The Board and its committees are free to engage independent outside financial, legal and other advisors as they deem necessary to provide advice and counsel on various topics or issues, at NortonLifeLock's expense, and are provided full access to our officers and employees.

Board Structure and Meetings

The Board and its committees meet throughout the year on a set schedule, and also hold special meetings and act by written consent from time to time. Agendas and topics for board and committee meetings are developed through discussions between management and members of the Board and its committees. Information and data that are important to the issues to be considered are distributed in advance of each meeting. Board meetings and background materials focus on key strategic, operational, financial, governance and compliance matters applicable to us, including the following:

- Reviewing annual and longer-term strategic and business plans;
- Reviewing key product, industry and competitive issues;
- Reviewing and determining the independence of our directors;
- Reviewing and determining the qualifications of directors to serve as members of committees, including the financial expertise of members of the Audit Committee;
- Selecting and approving director nominees;
- Selecting, evaluating and compensating the Chief Executive Officer;
- Reviewing and discussing succession planning for the senior management team, and for lower management levels to the extent appropriate;
- Reviewing and approving material investments or divestitures, strategic transactions and other significant transactions that are not in the ordinary course of business;
- Evaluating the performance of the Board;
- Overseeing our compliance with legal requirements and ethical standards; and
- Overseeing our financial results.

Executive Sessions

After each regularly scheduled Board meeting, the independent members of our Board hold a separate closed meeting, referred to as an ''executive session.'' These executive sessions are used to discuss such topics as the independent directors deem necessary or appropriate. At least annually, the independent directors hold an executive session to evaluate the Chief Executive Officer's performance and compensation. Executive sessions of the Board are led by the independent, non-executive Chairman.

Succession Planning

Our Board recognizes the importance of effective executive leadership to NortonLifeLock's success, and meets to discuss executive succession planning at least annually. Our Board develops and reviews emergency and long-term succession plans and evaluates succession candidates for the CEO and other senior leadership positions under both. The Board also oversees management's senior executive talent development plans, including ensuring that our succession candidates have regular interactions with the Board.

Attendance of Board Members at Annual Meetings

We encourage our directors to attend our annual meetings of stockholders. All eight directors who were elected to the Board at our 2019 Annual Meeting attended that meeting.

THE BOARD AND ITS COMMITTEES

There are three primary committees of the Board: the Audit Committee, the Compensation and Leadership Development Committee and the Nominating and Governance Committee. The Board has delegated various responsibilities and authorities to these different committees, as described below and in the committee charters. The Board committees regularly report on their activities and actions to the full Board. Each member of the Audit Committee, Compensation Committee and Nominating and Governance Committee was appointed by the Board. Each of the Board committees has a written charter approved by the Board and available on our website at *investor.nortonlifelock.com*, by clicking on ‘‘Company Charters,’’ under ‘‘Corporate Governance.’’

The following table shows the proposed composition of the Board of Directors and its committees, and other information, following the Annual Meeting. Current committee composition is provided in the text below the table.

					Committee Memberships*			
Name	**Age**	**Director Since**	**Principal Occupation**	**Independent**	**AC**	**CC**	**NGC**	**Other Current Public Boards**
Sue Barsamian	61	2019	Director	Yes		■	[C]	1
Eric K. Brandt	58	2020	Director	Yes	[C]**			3
Frank E. Dangeard	62	2007	Managing Partner, Harcourt	Yes	■		■	2
Nora M. Denzel	57	2019	Director	Yes	■	■		3
Peter A. Feld	41	2018	Managing Member and Head of Research, Starboard Value LP	Yes		[C]	■	2
Kenneth Y. Hao	51	2016	Chairman and Managing Partner, Silver Lake Partners	Yes				2
David W. Humphrey	43	2016	Managing Director, Bain Capital	Yes				0
Vincent Pilette	48	2019	Chief Executive Officer	No				0

AC = Audit Committee   CC = Compensation and Leadership Development Committee   NGC = Nominating and Governance Committee

■ = Member   [C] = Chair

* Reflects our Board and committee composition following the Annual Meeting.

** At the conclusion of our 2020 Annual Meeting, Mr. Brandt will become the chair of the Audit Committee, succeeding Mr. Unruh.

During fiscal 2020, our Board of Directors held 41 meetings, the Audit Committee held 12 meetings, the Compensation Committee held 11 meetings and the Nominating and Governance Committee held 5 meetings. During this time, no current directors attended fewer than 75% of the aggregate of the total number of meetings held by the Board and the total number of meetings held by all committees of the Board on which such director served (during the period which such director served).

Audit Committee

Our Audit Committee is currently comprised of Mr. Unruh, who is the chair of the Audit Committee, Messrs. Brandt and Dangeard, and Ms. Denzel. At the conclusion of our 2020 Annual Meeting, Mr. Brandt will become the chair of the Audit Committee, succeeding Mr. Unruh. Our Audit Committee oversees our Company's accounting and financial reporting processes and the audits of our financial statements, including oversight of our systems of internal control over financial reporting and disclosure controls and procedures, compliance with legal and regulatory requirements, internal audit function and the appointment, retention and compensation of our independent auditors. Its duties and responsibilities include, among other things:

- Reviewing and discussing with management our Company's quarterly and annual financial statements.

- Reviewing the adequacy and effectiveness of our Company's accounting and financial reporting processes.
- Appointing and, if necessary, terminating any registered public accounting firm engaged to render an audit report or to perform other audit, review or attest services for our Company.
- Reviewing and approving processes and procedures to ensure the continuing independence of our Company's independent auditors.
- Reviewing the internal audit function of our Company, including the independence and authority of its reporting obligations and the coordination of our Company's internal audit function with the independent auditors.
- Reviewing our Company's practices with respect to risk assessment and risk management and meet with management and members of internal audit to discuss our Company's significant risk exposures and the steps management has taken to monitor, control and mitigate such exposures.
- Reviewing our Company's ethics compliance program, including policies and procedures for monitoring compliance, and the implementation and effectiveness of our Company's ethics and compliance program.
- Directing and supervising investigations into any matters within the scope of its duties, and authority and funding to retain such outside counsel, experts and other advisors as it determines to be necessary to carry out its responsibilities.

Our Board has unanimously determined that all Audit Committee members are independent as defined by current Nasdaq listing standards for Audit Committee membership and financially literate under current Nasdaq listing standards, and at least one member has financial sophistication as required pursuant to the Nasdaq listing standards. In addition, our Board has unanimously determined that Mr. Brandt qualifies as an ''audit committee financial expert'' under the SEC rules and regulations. Designation as an ''audit committee financial expert'' is an SEC disclosure requirement and does not impose any additional duties, obligations or liability on any person so designated.

Compensation and Leadership Development Committee

Our Compensation Committee is currently comprised of Mr. Feld, who is the chair of the Compensation Committee, and Mmes. Barsamian and Denzel. Our Compensation Committee oversees our compensation policies and practices so that they align with the interests of our stockholders; encourage a focus on our Company's long-term success and performance; and incorporate sound corporate governance principles. It also oversees our programs to attract, retain and develop our executive officers. Its duties and responsibilities include, among other things:

- Reviewing executive and leadership development practices that support our Company's ability to retain and develop the executive and leadership talent required to deliver against our Company's short term and long-term business strategies, including succession planning for the executive officers.
- Reviewing our Company's compensation policies, plans and programs to confirm they: (i) are designed to attract, motivate and retain talented executive officers; (ii) compensate the executive officers effectively in a manner consistent with the strategy of our Company and the interests of stockholders; (iii) are consistent with a competitive framework; and (iv) support the achievement of our Company's overall financial results and individual contributions.
- Reviewing and recommending to the independent directors of our Board all compensation arrangements for our Chief Executive Officer.
- Determining stock ownership guidelines for our Board and executive officers.
- Reviewing our Company's overall compensation and benefits programs.
- Administering our equity incentive and stock purchase plans.
- Reviewing and recommending to the Board compensation for non-employee members of the Board.
- Reviewing and approving policies and procedures relating to perquisites of our executive officers.
- Reviewing our Company's compensation policies and practices to confirm that such policies and practices are not likely to have a material adverse effect on our Company and do not encourage excessive or inappropriate risk taking by our executives.
- Reviewing and making recommendations regarding Company policies on recoupment of incentive-based compensation.

- Reviewing and making recommendations to the Board with respect to stockholder proposals and stockholder advisory votes related to executive compensation matters.

Each member of the Compensation Committee is a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the ''Exchange Act'').

Nominating and Governance Committee

Our Nominating and Governance Committee is currently comprised of Ms. Barsamian, who is the chair of the Nominating and Governance Committee, and Messrs. Dangeard and Feld. Our Nominating and Governance Committee oversees our Company's corporate governance procedures and policies, and ensures that they represent best practices and are in the best interests of our Company and its stockholders, which includes establishing appropriate criteria for nominating qualified candidates to the Board. Its duties and responsibilities include, among other things:

- Establishing the criteria and determining the desired qualifications, expertise and characteristics of the Board, with the goal of developing a diversity of perspectives, backgrounds, experiences, knowledge and skills on the Board.
- Considering the size, composition and needs of the Board and evaluate and recommending qualified candidates for election to the Board consistent with the established criteria to ensure the Board has the appropriate skills and expertise.
- Advising the Board on corporate governance matters and recommend to the Board appropriate or necessary actions to be taken by our Company, the Board and the Board's committees.
- Identifying best corporate governance practices and develop and recommend to the Board a set of corporate governance guidelines applicable to our Company.
- Reviewing and assessing the adequacy of our Company's corporate governance policies, including our Company's Corporate Governance Guidelines and Code of Conduct, and recommend modifications to the Board as appropriate.
- Overseeing and reviewing our Company's policies and programs concerning: (i) corporate social responsibility; (ii) public policy; (iii) philanthropy; (iv) political activities and expenditures; (v) our Company's participation and visibility as a global corporate citizen; and (vi) our Company's sustainability performance, including impacts to our business of environmental, social and governance issues.
- Monitoring compliance under the stock ownership guidelines as set by the Compensation Committee for the Board and executive officers.
- Implementing and overseeing the processes for evaluating the Board, its committees and the CEO on an annual basis.
- Overseeing the management of risks that may arise in connection with our Company's governance structures and processes.

DIRECTOR NOMINATIONS AND COMMUNICATION WITH DIRECTORS

Criteria for Nomination to the Board

The Nominating and Governance Committee will consider candidates submitted by NortonLifeLock stockholders, as well as candidates recommended by directors and management, for nomination to the Board. The Nominating and Governance Committee has generally identified nominees based upon recommendations by outside directors, management and executive recruiting firms. The goal of the Nominating and Governance Committee is to assemble a Board that offers a diverse portfolio of perspectives, backgrounds, experiences, knowledge and skills derived from high-quality business and professional experience. The Nominating and Governance Committee annually reviews the appropriate skills and characteristics required of directors in the context of the current composition of the Board, our operating requirements and the long-term interests of our stockholders.

The key attributes, experience and skills we consider important for our directors in light of our current business and structure are:

- *Cyber Safety, Technology Expertise.* As a cyber safety and technology company, having experience in cyber safety (including identity threat protection) and related technologies or understanding new technologies and emerging industry trends is useful in understanding our business and the market segments in which we compete, our research and development efforts, competing technologies, the various products and processes that we develop, and evolving customer requirements.
- *Leadership Experience.* Directors who have served in a senior leadership position, as a general manager of a business, or as the functional leader of a large-scale sales, marketing or product development organization, including global operating expertise, are important to us, because they bring experience and perspective in analyzing, shaping, and overseeing the execution of important strategic, operational and policy issues at a senior level.
- *Public Company Board Experience.* Directors who have served on other public company boards can offer advice and insights with regard to the dynamics and operation of a board of directors, the relations of a board to the company's chief executive officer and other senior management personnel, the importance of public-company corporate governance, including oversight matters, strategic decisions and operational and compliance-related matters.
- *Business Combinations and Partnerships Experience.* Directors who have a background in mergers and acquisitions and strategic partnership transactions can provide insight into developing and implementing strategies for growing our business through combining and/or partnering with other organizations and helping to evaluate operational integration plans.
- *Financial Expertise.* Knowledge of financial markets, financing operations, complex financial management and accounting and financial reporting processes is important because it assists our directors in understanding, advising, and overseeing NortonLifeLock's capital structure, financing and investing activities, financial reporting, and internal control of such activities.
- *Sales, Marketing and Brand Management.* Extensive career experience in consumer-focused sales management, marketing campaign management, marketing/advertising or public relations.
- *Diversity.* In addition to a diverse portfolio of professional background, experiences, knowledge and skills, the composition of the Board should reflect the benefits of diversity as to gender, race, ethnic, cultural and geographic backgrounds that reflect the composition of our global investors, customers, employees and partners.

The information provided under Proposal No. 1, ''Election of Directors — Nominees for Director'' below includes the key attributes, experience and skills of each of our director nominees that led to the conclusion that each director nominee should serve as a member of the Board of Directors at this time.

Process for Identifying and Evaluating Nominees

The Nominating and Governance Committee typically considers candidates by first evaluating the current members of the Board who intend to continue in service, balancing the value of continuity of service with that of obtaining new perspectives, skills and experience. If the Nominating and Governance Committee determines that an opening exists, it identifies the desired skills and experience of a new nominee, including the need to satisfy rules of the SEC and Nasdaq.

The Nominating and Governance Committee generally will evaluate each candidate based on the extent to which the candidate contributes to the range of talent, skill and expertise appropriate for the Board generally, as well as the candidate's integrity, business acumen, diversity, availability, independence of thought, and overall ability to represent the interests of

NortonLifeLock's stockholders. The Nominating and Governance Committee does not assign specific weights to particular criteria, and no particular criterion is necessarily applicable to all prospective nominees. Although the Nominating and Governance Committee uses these and other criteria as appropriate to evaluate potential nominees, it has no stated minimum criteria for nominees. In addition, we do not have a formal written policy with regard to the consideration of diversity in identifying candidates; however, as discussed above, diversity is one of the numerous criteria the Nominating and Governance Committee reviews before recommending a candidate. We have from time to time engaged, for a fee, a third-party independent search firm to identify and assist the Nominating and Governance Committee with identifying, evaluating and screening Board candidates for NortonLifeLock and may do so in the future.

Stockholder Proposals for Nominees

The Nominating and Governance Committee will consider potential nominees properly submitted by stockholders. Stockholders seeking to do so should provide the information set forth in our corporate Bylaws regarding director nominations. The Nominating and Governance Committee will apply the same criteria for candidates proposed by stockholders as it does for candidates proposed by management or other directors.

To be considered for nomination by the Nominating and Governance Committee at next year's annual meeting of stockholders, submissions by stockholders must be submitted by mail and must be received by the Corporate Secretary no later than March 24, 2021 to ensure adequate time for meaningful consideration by the Nominating and Governance Committee. Each submission must include the following information:

- the full name and address of the candidate;
- the number of shares of NortonLifeLock common stock beneficially owned by the candidate;
- a certification that the candidate consents to being named in the proxy statement and intends to serve on the Board if elected; and
- biographical information, including work experience during the past five years, other board positions, and educational background, such as is provided with respect to nominees in this proxy statement.

Information regarding requirements that must be followed by a stockholder who wishes to make a stockholder nomination for election to the Board for next year's annual meeting is described in this proxy statement under ''Additional Information — Stockholder Proposals for the 2021 Annual Meeting.''

Pursuant to the proxy access provisions of our Bylaws, an eligible stockholder or group of stockholders may nominate one or more director candidates to be included in our proxy materials. The nomination notice and other materials required by these provisions must be delivered or mailed to and received by our Corporate Secretary in writing between February 22, 2021 and March 24, 2021 (or, if the 2021 annual meeting is called for a date that is not within 30 calendar days of the anniversary of the date of the 2020 Annual Meeting, by the later of the close of business on the date that is 180 days prior to the date of the 2020 annual meeting or within 10 calendar days after our public announcement of the date of the 2021 annual meeting) to the Corporate Secretary at the address listed below. When submitting nominees for inclusion in our proxy materials pursuant to the proxy access provisions of our Bylaws, stockholders must follow the notice procedures and provide the information required therein.

Contacting the Board of Directors

Any stockholder who wishes to contact members of our Board may do so by mailing written communications to:

NortonLifeLock Inc.
60 E. Rio Salado Parkway, Suite 1000
Tempe, Arizona 85281
Attn: Corporate Secretary

The Corporate Secretary will review all such correspondence and provide regular summaries to the Board or to individual directors, as relevant, will retain copies of such correspondence for at least six months, and make copies of such correspondence available to the Board or individual directors upon request. Any correspondence relating to accounting, internal controls or auditing matters will be handled in accordance with our policy regarding accounting complaints and concerns.

Corporate Responsibility

At NortonLifeLock, we are dedicated to each other, our customers, our business and society, and work each day to create a safe and sustainable future. We bring together our people, passions and powerful technology to support social and environmental priorities and make the world a better, safer place. NortonLifeLock is committed to prioritizing corporate responsibility and appropriately positioning it within the company.

We invite you to learn more about our corporate responsibility efforts and initiatives at *www.nortonlifelock.com/us/en/corporate-responsibility*.

PROPOSAL NO. 1

ELECTION OF DIRECTORS

At the recommendation of the Nominating and Governance Committee, the Board has nominated the following eight persons to serve as directors for the term beginning at the Annual Meeting on September 8, 2020: Sue Barsamian, Eric K. Brandt, Frank E. Dangeard, Nora M. Denzel, Peter A. Feld, Kenneth Y. Hao, David W. Humphrey and Vincent Pilette. Each director will be elected on an annual basis.

Eric K. Brandt, a director who was appointed in February 2020, was recommended by the Nominating and Governance Committee after an extensive and careful search was conducted by the Committee and numerous candidates were considered. Mr. V. Paul Unruh, a member of our Board of Directors since 2005, is not standing for re-election at the Annual Meeting. The Board thanks Mr. Unruh for his leadership and years of service to NortonLifeLock.

Unless proxy cards are otherwise marked, the persons named as proxies will vote all proxies **FOR** the election of each nominee named in this section. Proxies submitted to NortonLifeLock cannot be voted at the Annual Meeting for nominees other than those nominees named in this proxy statement. However, if any director nominee is unable or unwilling to serve at the time of the Annual Meeting, the persons named as proxies may vote for a substitute nominee designated by the Board. Alternatively, the Board may reduce the size of the Board. Each nominee has consented to serve as a director if elected, and the Board does not believe that any nominee will be unwilling or unable to serve if elected as a director. Each director will hold office until the next annual meeting of stockholders and until his or her successor has been duly elected and qualified or until his or her earlier resignation or removal.

Nominees for Director

The names of each nominee for director, their ages as of July 1, 2020, and other information about each nominee is shown below.

Name	Age	Principal Occupation	Director Since
Sue Barsamian	61	Director	2019
Eric K. Brandt	58	Director	2020
Frank E. Dangeard	62	Managing Partner, Harcourt	2007
Nora M. Denzel	57	Director	2019
Peter A. Feld	41	Managing Member and Head of Research, Starboard Value LP	2018
Kenneth Y. Hao	51	Chairman and Managing Partner, Silver Lake Partners	2016
David W. Humphrey	43	Managing Director, Bain Capital	2016
Vincent Pilette	48	CEO	2019

Sue Barsamian

Director

Age: *61*

Director Since: *2019*

Committee Memberships:

- *Compensation*
- *Nominating & Governance* (Chair)

Other Current Public Boards:

- *Box, Inc.*

Sue Barsamian previously served as the Executive Vice President, Chief Sales and Marketing Officer of Hewlett Packard Enterprise Software, successfully spinning the division out from Hewlett Packard Enterprise Software and merging with Micro Focus International. From 2006 to 2016, Ms. Barsamian served in various executive roles at Hewlett Packard including SVP and GM of Enterprise Security Products, the company's cybersecurity portfolio and SVP of Worldwide Indirect Sales. Prior to joining Hewlett Packard, Ms. Barsamian was Vice President, Global Go-to-Market at Mercury Interactive Corporation and held various leadership positions at Critical Path, Inc. and Verity, Inc. Ms. Barsamian serves on the Board of Directors of Box, Inc. She received a Bachelor of Science degree in Electrical Engineering from Kansas State University and completed her post-graduate studies at the Swiss Federal Institute of Technology.

Director Qualifications:

- *Cyber Safety, Technology Expertise*
- *Leadership Experience*
- *Public Company Board Experience*
- *Business Combination and Partnership Experience*
- *Financial Experience*
- *Sales, Marketing and Brand Management Experience*

Eric K. Brandt

Director

Age: *58*

Director Since:
2020

Committee Memberships:

- *Audit**

Other Current Public Boards:

- *Dentsply Sirona Inc.*
- *LAM Research Corporation*
- *The Macerich Company*

** To become Chairman of the Audit Committee following the Annual Meeting*

Eric K. Brandt served as the Executive Vice President and CFO of Broadcom Corporation, a global supplier of semiconductor devices, from February 2010 until February 2016, and he served as its Senior Vice President and CFO from March 2007 until February 2010. From September 2005 until March 2007, Mr. Brandt served as CEO & President, member of the Board of Avanir Pharmaceuticals, Inc. Beginning in 1999, he held various positions at Allergan, Inc., a global specialty pharmaceutical company, including Executive Vice President of Finance and Technical Operations and CFO. Prior to joining Allergan, Mr. Brandt spent ten years with The Boston Consulting Group, a privately-held global business consulting firm, most recently serving as Vice President and Partner.

Mr. Brandt serves as the Chairman of the Board of Directors of Dentsply Sirona Inc., a dental product solutions company, and as a member of the Board of Directors of LAM Research Corporation, a semiconductor equipment company and The Macerich Company, a real estate investment trust. Mr. Brandt also previously served on the Board of Directors of Altaba Inc. (formerly Yahoo! Inc.) from 2016 to 2017. Mr. Brandt also currently serves as a member of the Georgia Tech President's Advisory Board. Mr. Brandt earned an M.B.A. degree from the Harvard Graduate School of Business and a B.S. degree in chemical engineering from the Massachusetts Institute of Technology.

Director Qualifications:

- *Cyber Safety, Technology Expertise*
- *Leadership Experience*
- *Public Company Board Experience*
- *Business Combinations and Partnerships Experience*
- *Financial Experience*
- *Sales, Marketing and Brand Management Experience*

Frank E. Dangeard
Chairman of the Board

Managing Partner, Harcourt

Age: 62

Director Since: *2007*

Committee Memberships:

- *Audit*
- *Nominating & Governance*

Other Current Public Boards:

- *NatWest Group (U.K.)*
- *Arqiva (U.K.)*

Frank E. Dangeard joined NortonLifeLock's Board of Directors in January 2007. He was appointed Chairman of the Board of Directors of NortonLifeLock in December 2019. He is Managing Partner of Harcourt. From September 2004 to February 2008 he was Chairman and CEO of Thomson (France). From 2002 to September 2004, he was Deputy CEO of France Telecom (France). He joined Thomson Multimedia (France) in 1997 as Deputy CEO and was appointed Vice Chairman in 2000. Prior to joining Thomson Multimedia, Mr. Dangeard was Managing Director of SG Warburg & Co. Ltd. (U.K.) and Chairman of SG Warburg France. Before joining SG Warburg, Dangeard was a lawyer with Sullivan & Cromwell LLP in New York and London.

Mr. Dangeard also serves on the Board of Directors of the NatWest Group (ex. RBS Group, U.K.) and Arqiva (U.K). He is Chairman of NatWest Markets (U.K.). He graduated from the Ecole des Hautes Etudes Commerciales, the Paris Institut d'Etudes Politiques and from Harvard Law School. Mr. Dangeard splits his time between Europe and the United States.

Director Qualifications:

- *Cyber Safety, Technology Expertise*
- *Leadership Experience*
- *Public Company Board Experience*
- *Business Combinations and Partnerships Experience*
- *Financial Experience*
- *Sales, Marketing and Brand Management Experience*

Nora M. Denzel

Director

Age: *57*

Director Since: *2019*

Committee Memberships:

- *Audit*
- *Compensation*

Other Current Public Boards:

- *Advanced Micro Devices, Inc.*
- *Ericsson*
- *Talend S.A.*

Nora M. Denzel previously served as interim CEO of Outerwall Inc, an automated retail solutions provider, from January to August 2015. Prior to Outerwall, Ms. Denzel held senior executive management positions from February 2008 through August 2012 at Intuit Inc., a consumer/SMB cloud financial management software company, including Senior Vice President of Big Data, Social Design and Marketing and Senior Vice President and General Manager of the QuickBooks Employee Management business unit. From 2000 to 2006, Ms. Denzel held several executive level positions at HP Enterprise (formerly Hewlett-Packard Company), including Senior Vice President and General Manager, Software Global Business Unit from May 2002 to February 2006 and Vice President of Storage Organization from August 2000 to May 2002. Prior to that, Ms. Denzel held executive positions at Legato Systems Inc. and IBM Corporation. Ms. Denzel serves on the Board of Directors of Advanced Micro Devices, Inc., Telefonaktiebolaget LM Ericsson (Sweden) and Talend S.A. She serves on the non-profit board of the Northern California Chapter of the National Association of Corporate Directors. She holds a Master of Business Administration degree from Santa Clara University and a Bachelor of Science degree in Computer Science from the State University of New York.

Director Qualifications:

- *Cyber Safety, Technology Expertise*
- *Leadership Experience*
- *Public Company Board Experience*
- *Business Combinations and Partnerships Experience*
- *Financial Experience*
- *Sales, Marketing and Brand Management Expertise*

Peter A. Feld

Managing Member and Head of Research, Starboard Value LP

Age: *41*

Director Since: *2018*

Committee Memberships:

- *Compensation (Chair)*
- *Nominating & Governance*

Other Current Public Boards:

- *Magellan Health, Inc.*
- *AECOM*

Peter A. Feld has served as a Managing Member and Head of Research of Starboard since April 2011. Mr. Feld has served on the Boards of Directors of Magellan Health, Inc., a healthcare company, since March 2019 and AECOM, a multinational infrastructure firm, since November 2019. Mr. Feld previously served on the Boards of Directors of several technology companies, including Marvell Technology Group Ltd. from May 2016 to June 2018, The Brink's Company from January 2016 to November 2017, Insperity, Inc. from March 2015 to June 2017, Darden Restaurants, Inc. from October 2014 to September 2015, Tessera Technologies, Inc. (n/k/a Xperi Corporation) from June 2013 to April 2014, and Integrated Device Technology, Inc. from June 2012 to February 2014. Mr. Feld received a Bachelor of Arts degree in Economics from Tufts University.

Director Qualifications:

- *Cyber Safety, Technology Expertise*
- *Leadership Experience*
- *Public Company Board Experience*
- *Business Combinations and Partnerships Experience*
- *Financial Experience*
- *Sales, Marketing and Brand Management Experience*

Kenneth Y. Hao

Chairman and Managing Partner, Silver Lake Partners

Age: *51*

Director Since: *2016*

Committee Memberships:

- *None*

Other Current Public Boards:

- *SMART Global Holdings, Inc.*
- *SolarWinds Corporation*

Kenneth Hao joined NortonLifeLock's Board of Directors in March 2016. He is Chairman and Managing Partner of Silver Lake. Prior to joining Silver Lake in 2000, Mr. Hao was with Hambrecht & Quist, where he served as a Managing Director. Mr. Hao serves as a director on the Boards of Directors of Silver Lake's portfolio companies including ServiceMax, SMART Global Holdings, and SolarWinds. He also serves on the Executive Council for UCSF Health. Mr. Hao graduated from Harvard College with an A.B. in Economics.

Director Qualifications:

- *Cyber Safety, Technology Expertise*
- *Leadership Experience*
- *Public Company Board Experience*
- *Business Combinations and Partnerships Experience*
- *Financial Experience*
- *Sales, Marketing and Brand Management Experience*

David W. Humphrey

Managing Director, Bain Capital

Age: *43*

Director Since: *2016*

Committee Memberships:

- *None*

Other Current Public Boards:

- *None*

David Humphrey has served as a member of the NortonLifeLock Board of Directors since August 2016 upon the closing of the Blue Coat Acquisition, prior to which he had served on Blue Coat's Board of Directors since May 2015. Mr. Humphrey joined Bain Capital in 2001 and has been a Managing Director of Bain Capital since 2013. Prior to joining Bain Capital, Mr. Humphrey was an investment banker in the mergers and acquisitions group at Lehman Brothers from 1999 to 2001. Mr. Humphrey serves on the Board of Directors of private companies Rocket Software, Inc. and Blue Nile, Inc. Mr. Humphrey previously served on the Boards of Directors of Genpact Ltd., Bright Horizons Family Solutions Inc., Burlington Stores, Inc., BMC Software, Viewpoint Construction Software, Skillsoft plc. and Bloomin' Brands, Inc. Mr. Humphrey received a master's of business administration from Harvard Business School and a bachelor's degree from Harvard University.

Director Qualifications:

- *Financial Experience*
- *Sales, Marketing and Brand Management Experience*
- *Cyber Safety, Technology Expertise*
- *Leadership Experience*
- *Public Company Board Experience*
- *Business Combinations and Partnerships Experience*

Vincent Pilette

Chief Executive Officer

Age: *48*

Director Since: *2019*

Committee Memberships:

- *None*

Other Current Public Boards:

- *None*

Vincent Pilette has substantial expertise at technology companies, with over 20 years of financial management experience in the U.S. and EMEA. As Chief Financial Officer, Mr. Pilette played a key role in the sale of the Enterprise Security assets to Broadcom and led key restructuring initiatives at the Company. Upon the closing the Broadcom transaction, Mr. Pilette was named Chief Executive Officer of the Company by the Board. Prior to joining NortonLifeLock in May 2019, Mr. Pilette served as CFO of Logitech International S.A. (Switzerland), a consumer electronics company listed on the Nasdaq Global Market and the SIX Swiss Exchange. From September 2013 to May 2019 he was responsible for the company's financial strategies and worldwide finance organization, managing consolidated revenues of almost three billion dollars. In addition, Mr. Pilette was a key partner to Logitech's CEO to shape and direct the implementation of all aspects of the company's business strategies. Prior to Logitech, Mr. Pilette served as Chief Financial Officer of Electronics for Imaging (EFI), a global technology imaging company, and as Vice President of Finance for Hewlett Packard Enterprise's multi-billion-dollar server, storage and networking business.

Mr. Pilette holds an M.S. in engineering and business from Université Catholique de Louvain in Belgium and an M.B.A. from Kellogg School of Management at Northwestern University in Chicago.

Director Qualifications:

- *Cyber Safety, Technology Expertise*
- *Leadership Experience*
- *Public Company Board Experience*
- *Business Combinations and Partnerships Experience*
- *Financial Experience*
- *Cyber Safety, Technology Expertise*

Summary of Director Qualifications and Experience

Our Board is comprised of directors with complementary skills and qualifications needed to effectively oversee our business strategy. The Nominating and Governance Committee annually reviews the skills and characteristics required of members of the Board in the context of the composition of the Board and the stage of the business of the Company.

Director Compensation

The policy of the Board is that compensation for independent directors should be a mix of cash and equity-based compensation. NortonLifeLock does not pay employee directors for Board service in addition to their regular employee compensation. Independent directors may not receive consulting, advisory or other compensatory fees from the Company. The Compensation Committee, which consists solely of independent directors, has the primary responsibility to review and consider any revisions to director compensation.

Director Stock Ownership Guidelines: The Compensation Committee adopted the following stock ownership guidelines for our non-employee directors to better align our directors' interests with those of our stockholders:

- Directors must maintain a minimum holding of Company stock with a fair market value equal to ten times (10x) such director's total annual cash retainer;
- In the event the annual retainer (or any portion thereof) is paid to a non-employee director in equity instead of cash, the value of such annual retainer for purposes of calculating the minimum holding requirement means the grant date fair value of the annual equity award (or applicable portion thereof);
- New directors will have three years to reach the minimum holding level; and
- Notwithstanding the foregoing, directors may sell enough shares to cover their income tax liability on vested grants.

NortonLifeLock stock ownership information for each of our directors is shown under the heading ''Security Ownership of Certain Beneficial Owners and Management'' on page 36 of this proxy statement. As of July 1, 2020, all our directors had either met their stock ownership requirement or had remaining time to do so.

Annual Fees: In accordance with the recommendation of the Compensation Committee, the Board determined the non-employee directors' compensation for fiscal 2020 as follows. Also, in connection with the Broadcom transaction and the reduced Company size, the Board, upon recommendation of the Compensation Committee, approved certain reductions to these fees for fiscal 2021, as noted below.

- $50,000 annual cash retainer;
- $20,000 annual fee for Audit Committee membership (to be reduced to $15,000 for fiscal 2021); $15,000 for Compensation Committee membership (to be reduced to $10,000 for fiscal 2021); $15,000 for Nominating and Governance Committee membership (to be reduced to $5,000 for fiscal 2021);
- $45,000 annual fee for Audit Committee Chair (to be reduced to $30,000 for fiscal 2021); $40,000 for Compensation Committee chair (to be reduced to $25,000 for fiscal 2021); $30,000 for Nominating and Governance Committee chair (to be reduced to $15,000 for fiscal 2021); and
- $75,000 annual fee for the Lead Independent Director/Independent Chairman.

The payment of the annual cash retainer is subject to the terms of the 2000 Director Equity Incentive Plan, as amended, which allows directors to choose to receive common stock in lieu of cash for all or a portion of the retainer payable to each director for serving as a member. We pay the annual retainer fee and any additional annual fees to each director at the beginning of the fiscal year. Directors who join the Company after the beginning of the fiscal year receive a prorated cash payment in respect of their annual retainer fee and fees. These payments are considered earned when paid. Accordingly, we do not require them to be repaid in the event a director ceases serving in the capacity for which he or she was compensated.

Annual Equity Awards. Pursuant to a Non-Employee Director Grant Policy adopted by our Board, each non-employee member of the Board receives an annual award of fully-vested restricted stock units (''RSUs'') under the 2013 Plan, having a fair market value on the grant date equal to a pre-determined dollar value, which was $275,000 for fiscal 2020 (to be reduced to $260,000 for fiscal 2021).

The following table provides information for fiscal year 2020 compensation for all of our current and former non-employee directors:

Fiscal 2020 Director Compensation

Name	Fees Earned or Paid in Cash ($)(1)(2)	Stock Awards ($)(3)(4)	Total ($)
Susan P. Barsamian(5)(6)	119,659	324,993	444,652
Eric K. Brandt(7)	2,120	34,147	36,267
Frank E. Dangeard(8)	121,636	274,994	396,630
Nora Denzel(9)	22,618	79,309	101,927
Peter A. Feld(5)	55,007	324,993	380,000
Dale Fuller*	85,006	274,994	360,000
Kenneth Y. Hao(5)	7	324,993	325,000
Richard S. Hill(10)	2,243	35,883	38,126
David W. Humphrey(5)	7	324,993	325,000
David L. Mahoney*	95,006	274,994	370,000
Anita Sands*	70,006	274,994	345,000
Daniel H. Schulman*	140,006	274,994	415,000
V. Paul Unruh*	95,006	274,994	370,000
Suzanne M. Vautrinot*	70,006	274,994	345,000

* Former Director

(1) For FY20, non-employee directors received an annual retainer fee of $50,000 plus an additional annual fee of $15,000 (Compensation Committee and Nominating and Governance Committee) or $20,000 (Audit Committee) for membership on each committee. The chair of each committee received an additional annual fee of $15,000 (Nominating and Governance Committee) or $25,000 (Audit Committee and Compensation Committee). The Independent Chairman received an annual fee of $75,000.

(2) Includes payments for fractional shares from stock awards granted and annual retainer fees paid in stock.

(3) The aggregate full grant date fair value for each director's annual stock award and retainer fee elected to be paid in stock was calculated in accordance with the Financial Accounting Standards Board (''FASB'') Accounting Standards Codification (''ASC'') Topic 718 for awards granted during FY20.

(4) Each non-employee director, other than Ms. Denzel and Messrs. Brandt and Hill, was granted 14,124 RSUs on May 14, 2019, with a per-share fair value of $19.47 and an aggregate grant date fair value of $274,994. Each such director's fees were paid in cash as reported in the ''Fees Earned or Paid in Cash'' column in the table above. No non-employee director had any outstanding stock awards as of April 3, 2020.

(5) In lieu of cash, Ms. Barsamian and Messrs. Feld, Hao and Humphrey elected to receive 100% of their annual retainer fee of $50,000 in the form of our common stock. Accordingly, pursuant to the terms of the 2000 Director Equity Incentive Plan, each was granted 2,568 shares at a per share fair value of $19.47 and an aggregate grant date fair value of $ 49,999. The balance of fees were paid in cash as reported in the ''Fees Earned or Paid in Cash'' column in the table above.

(6) Ms. Barsamian received $96,000 in additional fees in connection with her additional Board work during the leadership transition, as approved by the Board of Directors June 6, 2019. Ms. Barsamian's fees have also been prorated to reflect her additional services as the Nominating & Governance Committee chairman and member for the remainder of FY20 from December 19, 2019 to April 3, 2020 and an aggregate grant date fair value of $8,652.

(7) Mr. Brandt's fees have been prorated to reflect his service as an independent director and audit committee member beginning February 25, 2020 to April 3, 2020. Mr. Brandt was granted 1,151 shares with a per share fair value of $19.71 and an aggregate fair price value of $29,782. In lieu of cash, Mr. Brandt elected to receive the pro-rated portion of his annual retainer fee of $50,000 in the form of our common stock. Accordingly, pursuant to the terms of the 2000 Director Equity Incentive Plan, Mr. Brant was awarded 274 shares at a per share fair value of $19.13 and an aggregate grant date fair value of $5,242.

(8) Mr. Dangeard's fees have been prorated to reflect his additional services as Chairman of the Board for the remainder of FY20 from December 19, 2019 to April 3, 2020 and an aggregate grant fair value of $21,640.

(9) Ms. Denzel's fees have been pro-rated to reflect her services as a member of the Board of Directors and Audit Committee beginning December 19, 2019 to April 3, 2020. In lieu of cash, Ms. Denzel elected to receive 80% of the pro-rated portion of her annual retainer fee in the form of our common stock. Accordingly, pursuant to the terms of the 2000 Director Equity Incentive Plan, Ms. Denzel was granted 3,048 shares at a per share fair value of $26.02 and an aggregate grant date fair value of $79,308. Ms. Denzel, in accordance with her annual retainer fee, also received $20,192 cash. Ms. Denzel's fees also include her services as a member of the Compensation and Leadership Development Committee from February 4, 2020 to April 3, 2020.

(10) Mr. Hill's fees have been pro-rated to reflect his service as an independent director in FY20 from March 30, 2019 to May 9, 2019. Mr. Hill was awarded 1,560 shares at a per share fair value of $19.47 per share and an aggregate grant date fair value of $30,373. Mr. Hill also elected to

receive his pro-rated annual cash retainer in the form of our common stock. Accordingly, pursuant to the terms of the 2000 Director Equity Incentive Plan, Mr. Hill was granted 283 shares at a per-share fair value of $19.47 and an aggregate grant date fair value of $5,510. On May 9, 2019, Mr. Hill became our interim President and CEO and received additional employee compensation in the form of cash and stock awards that are described in the Summary Compensation Table, below.

THE BOARD RECOMMENDS A VOTE ''*FOR*'' THE ELECTION OF EACH OF THE EIGHT NOMINATED DIRECTORS.

PROPOSAL NO. 2

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has appointed KPMG LLP (''KPMG'') as our principal independent registered public accounting firm to perform the audit of our consolidated financial statements for fiscal 2021. As a matter of good corporate governance, the Audit Committee has decided to submit its selection of independent audit firm to stockholders for ratification. In the event that this appointment of KPMG is not ratified by a majority of the shares of common stock present or represented at the Annual Meeting and entitled to vote on the matter, the Audit Committee will review its future selection of KPMG as our independent registered public accounting firm.

The Audit Committee first approved KPMG as our independent auditors in September 2002, and KPMG audited our financial statements for fiscal 2020. Representatives of KPMG are expected to attend the meeting with the opportunity to make a statement and respond to appropriate questions from stockholders present at the meeting with respect to this proposal.

Principal Accountant Fees and Services

We regularly review the services and fees from our independent registered public accounting firm, KPMG. These services and fees are also reviewed with the Audit Committee annually. In accordance with standard policy, KPMG periodically rotates the individuals who are responsible for our audit. Our Audit Committee has determined that the providing of certain non-audit services, as described below, is compatible with maintaining the independence of KPMG.

In addition to performing the audit of our consolidated financial statements, KPMG provided various other services during fiscal years 2020 and 2019. Our Audit Committee has determined that KPMG's provisioning of these services, which are described below, does not impair KPMG's independence from NortonLifeLock. The aggregate fees billed for fiscal years 2020 and 2019 for each of the following categories of services are as follows:

Fees Billed to NortonLifeLock	FY20	FY19
Audit fees(1)	$11,256,727	$12,464,329
Audit related fees(2)	67,366	1,142,383
Tax fees(3)	45,059	161,685
All other fees(4)	—	—
Total fees	$11,369,152	$13,768,398

The categories in the above table have the definitions assigned under Item 9 of Schedule 14A promulgated under the Exchange Act, and these categories include in particular the following components:

(1) *''Audit fees''* include fees for audit services principally related to the year-end examination and the quarterly reviews of our consolidated financial statements, consultation on matters that arise during a review or audit, review of SEC filings, audit services performed in connection with our acquisitions and divestitures and statutory audit fees.

(2) *''Audit related fees''* include fees which are for assurance and related services other than those included in Audit fees.

(3) *''Tax fees''* include fees for tax compliance and advice.

(4) *''All other fees''* include fees for all other non-audit services, principally for services in relation to certain information technology audits.

An accounting firm other than KPMG performs supplemental internal audit services for NortonLifeLock. Another accounting firm provides the majority of NortonLifeLock's outside tax services.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm

The Audit Committee's policy is to pre-approve all audit and permissible non-audit services provided by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. Pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. The independent registered public accounting firm and management are required to periodically report to the Audit Committee regarding the extent of services provided by the independent registered public accounting firm in accordance with this pre-approval, and the fees for the services performed to date. The Audit Committee may also pre-approve particular services on a case-by-case basis.

All of the services relating to the fees described in the table above were approved by the Audit Committee.

THE BOARD RECOMMENDS A VOTE *''FOR''* APPROVAL OF PROPOSAL NO. 2

PROPOSAL NO. 3

ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

In accordance with Section 14A of the Exchange Act, stockholders are entitled to cast an advisory vote to approve the compensation of our named executive officers, as disclosed in this proxy statement. Accordingly, you are being asked to vote on the following resolution at the Annual Meeting:

''RESOLVED, that the compensation paid to NortonLifeLock Inc.'s named executive officers, as disclosed in this proxy statement pursuant to the SEC's compensation disclosure rules, including the Compensation Discussion & Analysis, compensation tables and narrative discussion, is hereby approved.''

As described more fully in the Compensation Discussion & Analysis section of this proxy statement, our named executive officers are compensated in a manner consistent with our pay-for-performance philosophy and corporate governance best practices. Our executive compensation programs for fiscal 2020 reflect these significant changes to our management team and to our business while promoting our pay-for-performance philosophy and corporate governance best practices. A few highlights, which are discussed further in the Compensation Discussion & Analysis, are:

FY20 Executive Compensation

Component	Metric[1]	Achievement (as a percent of target)	Funding
FY20 Executive Annual Incentive Plan (EAIP)	FY20 Non-GAAP operating income	114%	114%
	FY20 Non-GAAP revenue	75%	75%
FY20 EAIP Total (reduced)[2]			**85%**
FY20 Performance-based Restricted Stock Units	3-year total shareholder return (''TSR'') relative to the S&P 500	NA	**NA**
FY18 Performance-based Restricted Stock Units	3-year total TSR relative to Nasdaq 100	61%	**61%**

[1] Please see discussion in the CD&A section of this proxy statement below for more detail regarding how these metrics are calculated.
[2] Actual achievement and funding of 95% was reduced to 85% at management's request.

We believe that our compensation program balances the interests of all of our constituencies — our stockholders, our executive officers, the remainder of our employee base, our business partners and our community — by, among other things, focusing on achievement of corporate objectives, attracting and retaining highly-qualified executive management and maximizing long-term stockholder value. We encourage you to read the Compensation Discussion & Analysis, compensation tables and narrative discussion related to executive compensation in this proxy statement.

The vote to approve the compensation of our named executive officers is advisory and, therefore, not binding. Although the vote is non-binding, the Compensation Committee and the Board value your opinion and will consider the outcome of the vote in establishing its compensation philosophy and making future compensation decisions. Our current policy is to hold such an advisory vote each year, and we expect to hold another advisory vote with respect to approve to executive compensation at the 2021 annual meeting of stockholders.

THE BOARD RECOMMENDS A VOTE *''FOR''* APPROVAL OF PROPOSAL NO. 3

PROPOSAL NO. 4

STOCKHOLDER PROPOSAL REGARDING POLITICAL SPENDING DISCLOSURE

Proposal 4 is a stockholder proposal. If the stockholder proponent, or representative who is qualified under state law, is present at the Annual Meeting and submits the proposal for a vote, then the proposal will be voted upon. The stockholder proposal is included in this proxy statement exactly as submitted by the stockholder proponent. The Board's recommendation on the proposal is presented immediately following the proposal. We will promptly provide you with the name, address and, to NortonLifeLock's knowledge, the number of voting securities held by the proponent of the stockholder proposal, upon receiving a written or oral request directed to: NortonLifeLock Inc., Attn: Bryan Ko, Corporate Secretary, 60 E. Rio Salado Parkway, Suite 1000, Tempe, Arizona 85281, telephone: (650) 527-8000.

Proposal 4 — Political Spending Disclosure

Resolved, that the shareholders request that the Company provide a report, updated semiannually, disclosing the Company's:

1. Policies and procedures for making, with corporate funds or assets, contributions and expenditures (direct or indirect) to (a) participate or intervene in any campaign on behalf of (or in opposition to) any candidate for public office, or (b) influence the general public, or any segment thereof, with respect to an election or referendum.
2. Monetary and non-monetary contributions and expenditures (direct and indirect)used in the manner described in section 1 above,including:
   a. The identity of the recipient as well as the amount paid to each;and
   b. The title(s) of the person(s) in the Company responsible for decision-making.

The report shall be presented to the board of directors or relevant board committee and posted on the Company's website within 12 months from the date of the annual meeting. This proposal does not encompass lobbying spending.

Supporting Statement

As a long-term NortonLifeLock shareholder, I support transparency and accountability in corporate electoral spending. Disclosure is in the best interest of the Company and its shareholders. This includes any activity considered intervention in a political campaign under the Internal Revenue Code, such as direct and indirect contributions to political candidates, parties, or organizations, and independent expenditures or electioneering communications on behalf of federal, state, or local candidates.

Disclosure is in the best interest of the company and its shareholders. The Supreme Court recognized this in its 2010 Citizens United decision, which said, ''[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages.''

Although NortonLifeLock discloses a brief policy on corporate political spending, this is deficient because the Company does not disclose any of its corporate political expenditures and falls far short of the policies previously in place when the Company was operating as Symantec.

Relying on publicly available data does not provide a complete picture of the Company's electoral spending. For example, the Company's payments to trade associations that may be used for election-related activities are undisclosed and unknown. This proposal asks the Company to disclose all of its electoral spending, including payments to trade associations and other tax- exempt organizations, which may be used for electoral purposes. This would bring our Company in line with a growing number of leading companies, including Microsoft Corp., Intuit Inc., and Salesforce.com Inc., which present this information on their websites.

The Company's Board and shareholders need comprehensive disclosure to be able to fully evaluate the use of corporate assets in elections.

Please vote yes:
Political Spending Disclosure — Proposal 4

Our Board of Directors' Statement in Opposition to Proposal No. 4

NortonLifeLock's Board of Directors unanimously recommends a vote ''AGAINST'' the stockholder proposal.

The Board has considered the stockholder proposal and, for the reasons described below, believes that the proposal is not in the best interests of NortonLifeLock and its stockholders.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE AGAINST PROPOSAL NO. 4 FOR THE FOLLOWING REASONS:

The Board of Directors has considered this proposal, as well as the views of its long-term stockholders, and believes this proposal does not serve the best interests of the Company or its stockholders and recommends a vote AGAINST it because:

- Most of the information sought by the proposal is already publicly available pursuant to existing laws and regulations, including in the form of public disclosures made by the Company to relevant regulatory bodies.
- Since 2001, NortonLifeLock has maintained the Global Political Contributions Policy, a formal policy regarding political activities, political disclosure and accountability, a description of which is available at *investor.nortonlifelock.com* under ''Corporate Governance'' and ''Political Disclosure and Accountability.'' The Board's Nominating and Governance Committee monitors compliance with this policy.
- Following its divestiture of its Enterprise business and transition to a pure-play consumer cyber safety company, NortonLifeLock no longer maintains a political action committee or makes any political contributions. Any future political contributions would require the formation of a new political action committee and we commit to disclosing any such contributions on *investor.nortonlifelock.com*.
- The portion of NortonLifeLock's membership dues or payments to technology trade organizations, which is used for political lobbying can be found at opensecrets.org and NortonLifeLock will make such information available on its Government Affairs webpage at *www.nortonlifelock.com/us/en/government/*.
- The additional disclosure required by this proposal would be duplicative and potentially misleading and would not be in the best interests of stockholders.

While transparency and accountability in public spending is consistent with the Company's values, the Board believes that the Company's current practices are appropriately disclosed, consistent with applicable laws and regulations, as well as similar to the practices of other peer companies.

NortonLifeLock currently does not make any contributions to political candidates and significant disclosure regarding the Company's prior political contributions and related activities is already publicly available

NortonLifeLock is subject to extensive regulation at the federal, state and local levels, and is committed to complying with applicable campaign finance laws and other laws related to political contributions. Consistent with federal campaign finance laws, NortonLifeLock does not allow use of corporate contributions in federal elections and does not use corporate treasury funds for direct independent political expenditures.

Following its divestiture of its Enterprise business and transition to a pure-play consumer cyber safety company, as of April 2020, NortonLifeLock no longer maintains the NortonLifeLock Political Action Committee (''SymPAC''), a non-partisan, independent entity through which voluntary individual contributions from employees, directors and others acting on behalf of the Company, including its subsidiaries, were used to support federal candidates and their campaigns. Following the termination of SymPAC, NortonLifeLock is no longer making any political contributions to candidates.

However, historical information about SymPAC's activities, including a complete list of candidates that received SymPAC contributions, remains available at the Center for Responsive Politics at www.opensecrets.org. Additionally, historical information of all contributions to and expenditures by SymPAC are available on publicly accessible and easily searchable databases maintained by appropriate regulatory bodies, such as the Federal Election Commission (FEC) (http://fec.gov), U.S. Senate (http://www.senate.gov/lobby) and U.S. House of Representatives (http://lobbyingdisclosure.house.gov/). NortonLifeLock's lobbyists are also required to file reports regarding their personal political contributions that are not affiliated with NortonLifeLock, with the FEC, U.S. Senate and U.S. House of Representatives. Such reports can be found at the websites listed above.

Furthermore, NortonLifeLock does not contribute to state and local candidates. Should that change, any contributions made directly by NortonLifeLock to state and local candidates would generally need be disclosed by the recipient or, in some cases, by NortonLifeLock, and such disclosures would be publicly accessible and searchable via online databases.

Additionally, any future political contributions to federal, state or local candidates would require the formation of a new political action committee and we commit to disclosing any such contributions on *investor.nortonlifelock.com*.

The Company has procedures in place to promote transparency and accountability and to effectively oversee decisions regarding political contributions and participation in the U.S. political process

As noted above, the Board has adopted a formal policy regarding political activities, political disclosure and accountability, a description of which is available at *investor.nortonlifelock.com* under Corporate Governance and Political Disclosure and Accountability. The policy includes standards for participating in the political process for both the Company and its employees, as well as for appropriate disclosure and reporting of political contributions and political activities.

Our Chief Legal Officer and the Government Affairs team are responsible for overseeing all of the Company's political engagements, and monitors compliance with the Company's policy on political contributions. For example, prior to the termination of SymPAC, the Committee received a report at least annually from Company management concerning any political contributions made by or on behalf of the Company, including the purpose and benefit of the contributions as well as the Company's policy and practices for determining that a particular contribution would be in the best interests of the Company and its stockholders.

NortonLifeLock also belongs to various technology trade organizations that focus on matters concerning the Company's interests and interact with government officials. Such matters include public policy around cybersecurity, online safety, privacy, intellectual property, and other issues integral to NortonLifeLock's business. Participation as a member of these organizations comes with the understanding that NortonLifeLock may not always agree with all of their positions, but believes that such organizations take positions and address issues in a meaningful and influential manner on behalf of the collective industry and in a way that will continue to provide strong financial returns for the Company. Management reports the Company's membership and participation in these organizations and other political activities to the Board's Nominating & Governance Committee annually.

The portion of NortonLifeLock's membership dues or payments to technology trade organizations, which is used for political lobbying can be found at opensecrets.org and NortonLifeLock will make such information available on its Government Affairs webpage at *www.nortonlifelock.com/us/en/government/*.

Additional disclosures are not necessary and would not be in the best interests of the Company or its stockholders

The Board believes that the Company is engaging in or has committed to engage in practices and disclosures that are appropriate to provide stockholders with transparency regarding our governance and risk management with respect to political activities.

For the reasons stated above, the Board recommends a vote AGAINST the proposal.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE AGAINST PROPOSAL NO. 4 WITH RESPECT TO THE POLITICAL SPENDING DISCLOSURE SHAREHOLDER RESOLUTION.

Vote Required

This Proposal No. 4 is advisory in nature and would constitute a recommendation to our Board if it is approved by stockholders. The affirmative vote of a majority of the stock having voting power present in person or represented by proxy and entitled to vote is required to approve this Proposal No. 4. Unless you indicate otherwise, your proxy will be voted ''AGAINST'' this proposal.

For the foregoing reasons, the Board unanimously believes that this proposal is not in the best interests of NortonLifeLock or our stockholders, and recommends that you vote ''AGAINST'' Proposal No. 4.

THE BOARD RECOMMENDS A VOTE ''*AGAINST*'' PROPOSAL NO. 4.

PROXIES RECEIVED BY THE COMPANY WILL BE VOTED ''*AGAINST*'' THIS PROPOSAL UNLESS OTHERWISE INSTRUCTED.

OUR EXECUTIVE OFFICERS

The names of our executive officers at July 1, 2020, their ages as of July 1, 2020 and their positions, after giving effect to the appointment of Natalie Derse as our Chief Financial Officer on July 8, 2020, are shown below.

Name	Age	Position
Vincent Pilette	48	Chief Executive Officer
Natalie M. Derse	42	Chief Financial Officer
Matthew C. Brown	40	Chief Accounting Officer
Samir Kapuria	47	President
Bryan S. Ko	49	Chief Legal Officer, Secretary and Head of Corporate Affairs

The Board chooses executive officers, who then serve at the Board's discretion. There is no family relationship between any of the directors or executive officers and any other director or executive officer of NortonLifeLock.

For information regarding Mr. Pilette, please refer to Proposal No. 1, ''*Election of Directors*'' above.

Ms. Derse has served as our Chief Financial Officer since July 2020. Ms. Derse previously served in numerous financial capacities with eBay, Inc., a global commerce marketplace, from July 2011 through July 2020, most recently as its Vice President and Chief Financial Officer, Global Product, Platform, Payments, Risk and Trust. Prior to joining eBay, Ms. Derse served in a variety of capacities at Stanley Black & Decker, Inc., a manufacturer of hand and power tools, from February 2008 through July 2011. Before that, Ms. Derse spent over ten years in numerous financial roles with General Electric Company, a global digital industrial company. Ms. Derse holds a Bachelor of Science degree in finance from the University of Dayton, Ohio.

Mr. Brown has served as our Vice President of Finance and Chief Accounting Officer since January 2019, and served as our Interim Chief Financial Officer from November 2019 to July 2020. Prior to that, he served as our Vice President, Finance from August 2016 to January 2019 and as Vice President, Corporate Controller of Blue Coat, Inc. from October 2015 until we acquired that company in August 2016. Previously, he served in various positions at NETGEAR, Inc., a computer networking hardware company, from 2010 to October 2015, most recently as Senior Director, Assistant Controller. Mr. Brown holds a Bachelor of Science degree in business administration from the Walter A. Haas School of Business at U.C. Berkeley.

Mr. Kapuria was appointed to serve as our President, effective November 8, 2019. From May 2018 to November 2019, he served as our Executive Vice President, Consumer Business Unit and Cyber Security Services. Prior to that, he served as our Senior Vice President and General Manager, Cyber Security Services from November 2014 to May 2018, as our Vice President, Products and Services from July 2012 to November 2014, and as our Vice President, Business Strategy and Security Intelligence from April 2011 to July 2012. From October 2004 to April 2011, Mr. Kapuria held numerous other director-level management positions with NortonLifeLock. Mr. Kapuria holds a Bachelor's degree in finance from the University of Massachusetts.

Mr. Ko was appointed Chief Legal Officer, Secretary and Head of Corporate Affairs effective January 21, 2020. Before joining NortonLifeLock, Mr. Ko served as Logitech International's general counsel, corporate secretary and head of corporate development. Prior to joining Logitech, he was general counsel and corporate secretary for Fuhu, Inc., a late stage startup. From 2000 to 2014, he served in a variety of legal roles at Electronics For Imaging, Inc., including the last six years as general counsel and vice president of strategic relations. Prior to joining EFI, Bryan was an associate at Shearman & Sterling in the firm's Mergers & Acquisitions and Real Property groups. He received his MBA and BA degrees from UC Berkeley and his J.D. from Rutgers University School of Law.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information, as of July 1, 2020, after giving effect to the appointment of Natalie Derse as our Chief Financial Officer on July 8, 2020, with respect to the beneficial ownership of NortonLifeLock common stock by (i) each stockholder known by NortonLifeLock to be the beneficial owner of more than 5% of NortonLifeLock common stock, (ii) each current member of the Board or director nominee, (iii) the named executive officers of NortonLifeLock included in the Summary Compensation Table appearing on page 64 of this Proxy Statement and (iv) all current executive officers and directors of NortonLifeLock as a group.

Beneficial ownership is determined under the rules of the SEC and generally includes voting or investment power with respect to securities. Unless otherwise indicated below, the persons and entities named in the table have sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable. Percentage ownership is based on 590,936,042 shares of NortonLifeLock common stock outstanding as of July 1, 2020. Shares of common stock subject to stock options and restricted stock units vesting on or before August 30, 2020 (within 60 days of July 1, 2020) are deemed to be outstanding and beneficially owned for purposes of computing the percentage ownership of such person but are not treated as outstanding for purposes of computing the percentage ownership of others.

Unless otherwise indicated, the address of each of the individuals and entities named below is c/o NortonLifeLock Inc., 60 E. Rio Salado Parkway, Suite 1000, Tempe, Arizona 85281.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
5% Beneficial Owners		
Capital World Investors[1]	65,370,857	11.1%
Vanguard Group Inc.[2]	64,285,634	10.9%
BlackRock, Inc.[3]	41,798,012	7.1%
Starboard Value LP[4]	32,700,601	5.5%
Directors and Named Executive Officers		
Gregory S. Clark*[5]	5,964,117	1.0%
Nicholas R. Noviello*[6]	1,255,035	**
Vincent Pilette[7]	785,906	**
Richard S. Hill*[8]	696,921	**
Amy L. Cappellanti-Wolf*[9]	290,190	**
Samir Kapuria[10]	140.246	**
Frank E. Dangeard	129,259	**
V. Paul Unruh[11]	108,361	**
Kenneth Y. Hao[12]	75,993	**
David W. Humphrey	65,205	**
Matthew C. Brown[13]	46,598	**
Peter A. Feld[14]	40,008	**
Susan P. Barsamian[15]	35,226	**
Bryan S. Ko	23,000	**
Eric K. Brandt[16]	17,108	**
Nora M. Denzel	15,900	**
Current Directors and Executive Officers		
As a group (12 people)[17]	1,482,810	**

* Former officer.

** Less than 1%.

(1) Based solely on a Schedule 13G/A filing made by Capital World Investors on February 14, 2020, Capital World Investors has sole voting and sole dispositive power over 65,370,857 shares. This stockholder's address is 333 South Hope Street, Los Angeles, CA 90071.

(2) Based solely on a Schedule 13G/A filing made by The Vanguard Group on February 12, 2020, The Vanguard Group has sole voting power over 864,482 shares, shared voting power over 169,742 shares, sole dispositive power over 63,305,248 shares and shared dispositive power over 980,386 shares. This stockholder's address is PO Box 2600, V26, Valley Forge, PA 19482-2600.

(3) Based solely on a Schedule 13G filing made by the BlackRock, Inc. on February 5, 2020, BlackRock, Inc. has sole voting power over 35,714,156 and sole dispositive power over 41,798,012 shares. This stockholder's address is 55 East 52nd Street, New York, NY 10055.

(4) Based solely on a Schedule 13D/A filing made by Starboard Value LP on June 9, 2020, Starboard Value LP has sole voting and sole dispositive power over 32,700,601 shares. This stockholder's address is 777 Third Avenue, New York, New York 10017. Mr. Feld is a Managing Member of Starboard Value LP and may be deemed to share voting and dispositive power over these shares.

(5) Beneficial ownership data is current through Mr. Clark's departure date of May 9, 2019 and includes 1,122,938 shares held by the Gregory S. Clark Living Trust, for which Mr. Clark exercises voting and dispositive power, and 3,604,101 shares issued as settlement of options that were exercised after his departure date.

(6) Beneficial ownership data is current through Mr. Noviello's departure date of May 24, 2019 and includes 775,028 shares issued as settlement of options and 93,778 shares issued as settlement of PRU and RSUs after his departure date.

(7) Includes 620,477 shares held by the VPJW Revocable Trust for which Mr. Pilette exercises voting and dispositive power.

(8) Beneficial ownership data is current through Mr. Hill's departure date of December 19, 2019 and includes 600,000 shares issued as settlement of stock options and 19,765 shares issued as settlement of RSUs after his departure date. Also included are 50,000 shares subject to fully exercisable options.

(9) Beneficial ownership data is current through Ms. Cappellanti-Wolf's departure date of February 14, 2020 and includes 71,939 shares issued as settlement of RSUs after her departure date.

(10) Includes 97,838 shares issuable upon the settlement of RSUs vested on June 1, 2020.

(11) Shares held by the Unruh Family Living Trust for which Mr. Unruh exercises voting and dispositive power.

(12) These securities are held by Mr. Hao for the benefit of Silver Lake Technology Management LLC, certain of its affiliates and certain of the funds they manage (''Silver Lake'') and pursuant to Mr. Hao's arrangement with Silver Lake, upon the sale of these securities, the proceeds are expected to be remitted to Silver Lake.

(13) Includes 15,000 shares subject to fully exercisable options.

(14) Excludes 32,700,601 shares of common stock beneficially owned by Starboard Value LP and its affiliates. Mr. Feld is a Managing Member of Starboard Value LP and may be deemed to share voting and dispositive power over these shares.

(15) Shares held by the S. Barsamian and W. Romans Revocable Trust for which Ms. Barsamian exercises voting and dispositive power.

(16) Shares held by The Brandt Family Trust for which Mr. Brandt exercises voting and dispositive power.

(17) Includes 15,000 shares subject to fully exercisable options and 97,838 shares issuable upon the settlement of RSUs vested on June 1, 2020.

NortonLifeLock has adopted a policy that executive officers and members of the Board hold an equity stake in the Company. The policy requires each executive officer to hold a minimum number of shares of NortonLifeLock common stock. Newly appointed executive officers are not required to immediately establish their position but are expected to make regular progress to achieve it. The Nominating and Governance Committee reviews the minimum number of shares held by the executive officers and directors from time to time. The purpose of the policy is to more directly align the interests of our executive officers and directors with our stockholders. See ''Stock Ownership Requirements'' under the Compensation Discussion & Analysis section for a description of the stock ownership requirements applicable to our executive officers.

EXECUTIVE COMPENSATION AND RELATED INFORMATION

COMPENSATION DISCUSSION & ANALYSIS (CD&A)

This compensation discussion and analysis (''CD&A'') summarizes our executive compensation philosophy, our fiscal 2020 (''FY20'') executive compensation program and the FY20 compensation decisions made by the Compensation Leadership and Development Committee (the ''Compensation Committee'') with respect to the executive officers who are identified in the ''Summary Compensation Table'' below (''NEOs''), including the following continuing executive officers (''Continuing NEOs''):

- **Vincent Pilette**, Chief Executive Officer (''CEO'');
- **Matthew C. Brown**, Former Interim Chief Financial Officer (''CFO'') and current Chief Accounting Officer (''CAO'');
- **Samir Kapuria**, President; and
- **Bryan S. Ko**, Chief Legal Officer, Secretary and Head of Corporate Affairs.

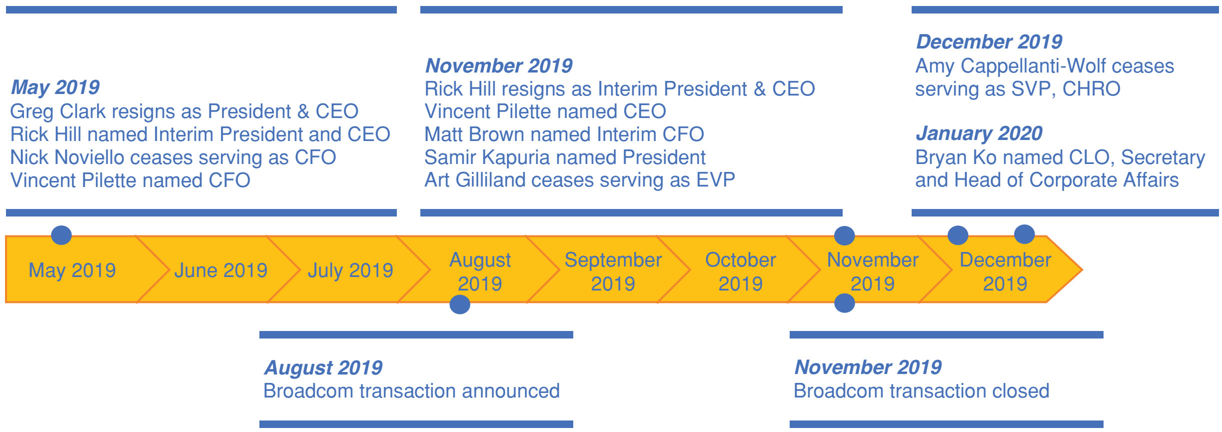
Our NEOs also include, pursuant to applicable SEC rules, the following former executive officers (''Transitioned NEOs''):

- **Gregory S. Clark**, Former President and CEO;
- **Richard S. Hill**, Former Interim President and CEO;
- **Nicholas R. Noviello**, Former Executive Vice President and Chief Financial Officer;
- **Amy L. Cappellanti-Wolf**, Former Senior Vice President and Chief Human Resources Officer; and
- **Arthur W. Gilliland**, Former Executive Vice President and General Manager, Enterprise Business Unit.

Fiscal 2020 — A Transformative Year for NortonLifeLock

Our FY20 executive compensation program reflects the significant transformation our Company has undergone. During the course of FY20, we announced the sale of certain of our Enterprise Security assets to Broadcom Inc. for a purchase price of $10.7 billion (the ''transaction with Broadcom'') which represented 61% of our total market capitalization at that time. The Enterprise Security assets were included in our Enterprise Security segment, which represented 49% of our fiscal 2019 (''FY19'') revenues and 19% of our FY19 total segment operating income reported in Note 15 to the Consolidated Financial Statements in our FY19 Annual Report on Form 10-K. In connection with announcing the sale agreement terms, we then successfully closed the transaction within a ten-week window and subsequently managed both the removal of stranded costs and the provision of Enterprise Security transition service agreements to Broadcom. Concurrently, we sold our ID Analytics business and investment in DigiCert to position NortonLifeLock as a pure-play consumer cyber safety business. Since the announcement of the sale of the Enterprise Security assets, our dividend-adjusted stock price has appreciated 38% through the end of FY20. Coinciding with and related to these significant changes to our business, our executive team also changed significantly, with the departure of our President and CEO (Greg Clark), the transition and departure of our CFO (Nicholas Noviello) together with the appointment of a new CFO (Vincent Pilette). Additional executive team changes during FY20 included the appointment and subsequent planned departure of our Interim President and CEO (Rick Hill), the appointment of Vincent Pilette, his successor, as our current CEO, the appointment of Samir Kapuria as our current President, the appointment of Matthew Brown as our Interim CFO and the addition of Bryan Ko as our Chief Legal Officer, Secretary and Head of Corporate Affairs. None of the Continuing NEOs (Messrs. Pilette, Brown, Kapuria and Ko) were in their current roles prior to the close of the transaction with Broadcom on November 4, 2019. Furthermore, the composition of our Compensation Committee also changed following our FY19 Annual Meeting of Stockholders.

The following timeline outlines the series of transformational events we experienced in FY20, a fiscal year in which there were several changes to both key management and our business and operations:



Given that the purchase price for the sale of our Enterprise Security assets represented over half of our Company's value at the time of announcement, coupled with the necessary right-sizing of our workforce to complete our transformation to a pure-play consumer cyber safety business, many of our executives experienced an impact similar to a change in control of the Company because the asset sale resulted or would result in the elimination of their roles at the Company. Our Board acknowledged this impact and recognized the need to implement an effective incentive program to motivate executives to complete the transaction and assist in the transition. The program they adopted included special severance agreements that resulted in cash severance payments and the vesting of existing equity awards, which was similar to what these executives would have received if the transaction with Broadcom were a traditional ''change in control'' under the Company's existing severance and retention policies. We also awarded certain one-time new-hire equity awards and signing bonuses to induce certain new executives to join our pure-play consumer cyber safety company and drive our new strategy.

With the transaction with Broadcom closed and the Enterprise Security divestiture completed, our Compensation Committee is wholly focused on designing and implementing a pay philosophy and practices that are best-in-class and closely aligned with shareholder outcomes, as described below.

FY20 Business Highlights and Executive Compensation Summary

FY20 Business Highlights

- In November 2019, we completed the transaction with Broadcom under which Broadcom purchased certain of our Enterprise Security assets and assumed certain liabilities for a purchase price of $10.7 billion.
- The Enterprise Security assets divestiture allowed us to shift our operational focus to our consumer business and represented a strategic shift in our operations.
- In connection with the Enterprise Security assets divestiture, in January 2020, we paid our stockholders a special dividend of $12 per share of common stock, which amounted to $7.2 billion in total dividend payments and represented the total after tax proceeds of the transaction with Broadcom.
- In October 2019, we sold our equity interest in DigiCert Parent Inc. for $380 million.
- In November 2019, we entered into a new credit facility and drew down $500 million of a 5-year term loan to repay an existing term loan of $500 million. The credit facility also provides a revolving line of credit of $1.0 billion and a delayed draw 5-year term loan commitment of $750 million through September 15, 2020.
- In November 2019, our Board of Directors approved a restructuring plan in connection with the strategic decision to divest our Enterprise Security assets. We incurred costs of $423 million under this plan in fiscal 2020, primarily related to workforce reduction, contract termination, and asset write-offs and impairment charges.
- In January 2020, we completed the sale of our ID Analytics solutions for $375 million in net cash proceeds further transforming us into a pure-play consumer cyber safety company.
- In March 2020, we settled $250 million of our 2.5% Convertible Notes for $566 million, which included a cash settlement of the equity conversion feature.

FY20 Executive Compensation

Component	Metric[1]	Achievement (as a percent of target)	Funding
FY20 Executive Annual Incentive Plan (''EAIP'')	FY20 Non-GAAP operating income	114%	114%
	FY20 Non-GAAP revenue	75%	75%
FY20 EAIP Total (reduced)[2]			**85%**
FY20 Performance-based Restricted Stock Units	3-year total shareholder return (''TSR'') relative to the S&P 500	NA	**NA**
FY18 Performance-based Restricted Stock Units	3-year total TSR relative to Nasdaq 100	61%	**61%**

[1] Please see discussion below for more detail regarding how these metrics are calculated.
[2] Actual achievement and funding of 95% was reduced to 85% at management's request.

- FY20 EAIP metric targets were revised as a result of the transaction with Broadcom with the first half based on Symantec (pre-Enterprise Security divestiture) targets and the second half based on NortonLifeLock (post-Enterprise Security divestiture) targets.
- FY20 EAIP performance achievement resulted in a 95% payout, however at the executive team's request, the Compensation Committee adjusted the amount down to 85% to align with the payout of the Company's general employee Annual Incentive Plan.
- FY20 PRUs are based on 3-year TSR relative to the S&P 500; assessment as to achievement will be made by our Compensation Committee at the end of the performance period (fiscal 2022).

SAY-ON-PAY AND STOCKHOLDER ENGAGEMENT

At our 2019 Annual Meeting of Stockholders, we requested that our stockholders cast a non-binding advisory vote on the compensation of our fiscal 2019 NEOs, also known as a ''say-on-pay'' vote. This proposal passed with approximately 74% of the votes cast (excluding abstentions). In response to this lower than desired level of support, we conducted an extensive engagement effort in FY20 with our stockholders representing a majority of our outstanding shares. A significant portion of the discussions with our stockholders involved clarifying the Company's unique circumstances in light of the transaction with Broadcom, the benefits the Board anticipated as a result of becoming a pure-play consumer cyber safety company by virtue of the transaction with Broadcom, the positive impact the transaction with Broadcom has had on stockholder value to date, and a discussion regarding the compensation for the interim executives brought on to lead both strategic and operational execution during this time of change. We intend to continue engaging in the relationship with our stockholder community moving forward.

Following the feedback we received from our institutional stockholders and proxy advisory firms, the completion of our transition to a pure-play consumer cyber safety company, and the buildout of our new executive team, our Compensation Committee is fully committed to implementing compensation programs that are aligned with best practices, are market competitive, and primarily reward our executives for performance achievements that drive long-term shareholder value. Our Compensation Committee does not intend to make future special one-time awards to NEOs or provide for additional vesting of equity awards outside of our standard practices.

Compensation Policies and Practices

What We Do:	What We Do Not Do:
✔ The majority of pay for our CEO and other NEOs is at risk, except for our interim CFO who did not receive any equity in connection with his interim CFO role.	✘ We do not pay performance-based cash or equity awards for unsatisfied performance goals.
✔ Our short-term incentive compensation is linked directly to our financial results and is modified by individual performance.	✘ Our compensation plans do not have minimum guaranteed payout levels.
✔ We reward performance that meets our predetermined goals.	✘ We do not provide for automatic salary increases or equity awards grants in offer letters or employment agreements.
✔ We cap payouts under our incentive plans to discourage excessive or inappropriate risk taking by our NEOs.	✘ With very limited exceptions, we do not permit short-sales, hedging or pledging of our stock.
✔ We have a relevant peer group and reevaluate the peer group annually.	✘ We do not provide "golden parachute" excise tax gross-ups.
✔ We have robust stock ownership guidelines for our executive officers and directors.	✘ We do not provide excessive severance payments.
✔ We have adopted a comprehensive "clawback" policy, applicable to all performance-based compensation granted to our executive officers.	✘ We do not provide executive pension plans or SERPs.
✔ We only provide for "double-trigger" change in control payments and benefits.	✘ We do not provide excessive perquisites.
✔ We limit any potential cash severance payments to not more than 1x our executive officers' target total cash compensation and 2x our CEO's total base salary.	✘ We do not permit the repricing or cash-out of stock options or stock appreciation rights without stockholder approval.
✔ Our Compensation Committee retains an independent compensation consultant.	✘ We do not permit the payment of dividend or dividend equivalents on unvested equity awards.
✔ We hold an annual advisory vote on named executive officer compensation.	
✔ We seek feedback on executive compensation through stockholder engagement.	
✔ We require one-year minimum vesting on all stock award grants to employees, with very limited exceptions.	

FY20 EXECUTIVE COMPENSATION ACTIONS

Our FY20 executive compensation program reflects the incentives needed to motivate our executives to complete the significant transformation of our business and operations leading up to the Enterprise Security divestiture to Broadcom and through the removal of the stranded costs following the sale. During this time, our Board and Compensation Committee oversaw the transition and compensation of three CEOs and three CFOs, as well as the appointment and compensation of a President separate from our CEO. These leadership changes were necessary to ensure the successful completion of the highly complex transaction with Broadcom and to support the shift in our strategic direction to transform into a pure-play consumer cyber safety company during FY20. Accordingly, several special compensation arrangements were approved for these executives during FY20, including special interim short-term equity awards, vesting of existing equity awards, and bonus arrangements to retain certain executives, which was similar to what these executives would have received if the transaction with Broadcom were a traditional ''change in control'' under the Company's retention and severance policies. The effectiveness of these executives in executing on these goals can be demonstrated in the value created for our stockholders, which includes dividend-adjusted stock price appreciation of 38% through the end of FY20.

Our Interim CEO Compensation for Fiscal 2020

In May 2019, we appointed and entered into an at-will employment agreement with Richard S. ''Rick'' Hill as our Interim President and CEO, who succeeded Gregory Clark who resigned as our President and CEO in the same month. Mr. Hill had served on our Board since January 2019 and had significant prior experience in delivering necessary strategic and transformational support to companies through complex transitions. Mr. Hill served as our Interim President and CEO until November 2019, overseeing and playing an integral role in, among other things, the negotiation and closing of the transaction with Broadcom.

In determining the appropriate compensation for Mr. Hill for FY20, our Board considered, among other things, the fact that Mr. Hill's role as Interim President and CEO commenced after the start of FY20, and would be of limited duration, thereby reducing the efficacy and the applicability of long-term equity awards. Mr. Hill's role involved a considerable amount of work to oversee the Company's anticipated transformation plan, which ultimately included the transaction with Broadcom.

Accordingly, in addition to providing Mr. Hill with a $1,000,000 annual base salary and an opportunity to participate in the FY20 Executive Annual Incentive Plan (the ''FY20 EAIP''), the Board granted Mr. Hill time-based RSUs with an original value of $1,200,000 representing 50,501 shares and a performance-based stock option (''PSO'') to purchase a number of shares equal to $9,000,000 for target level performance at the time of the option grant date and $18,000,000 for maximum performance, with both awards vesting over a twelve-month period to coincide with the interim nature of his appointment, incent timely achievement of strategic imperatives and to avoid creating incentive conflict issues in the event he returned to his prior role on the Board.

Under the initial terms of Mr. Hill's performance-based stock option, the option would vest and become exercisable upon satisfaction of both time-based and performance-based components. The time-based component would vest on the one-year anniversary of Mr. Hill's start date. The performance component of the option originally tracked the Company's FY20 EAIP metrics.

In August 2019, we entered into a transition services agreement with Mr. Hill to address his transition from the Company following the closing of the transaction with Broadcom (the ''Hill Transition Services Agreement''). Some of the key contributions made by Mr. Hill during his tenure as Interim President and CEO included the following:

- Leading the Company through protracted negotiations with Broadcom.
- Outlining our strategic direction towards a pure-play consumer cyber safety company.
- Navigating our business through the closing of the transaction with Broadcom.
- Spearheading the identification of key Company talent within the Company.

Under the Hill Transition Services Agreement, Mr. Hill and the Company agreed to amend the exercisability and vesting provisions of the PSO, given that the original performance metrics were no longer applicable following the anticipated closing of the transaction with Broadcom and to reflect both his efforts to effect the transaction with Broadcom as well as the impact of such efforts on our stock price following the closing of the sale of the Enterprise Security assets. Under this agreement, the total number of shares subject to the PSO was adjusted from 1,623,599 to 1,650,000 and 650,000 shares subject to the option became exercisable upon the transaction closing. Up to 975,000 additional shares subject to Mr. Hill's PSO are eligible to vest if our average closing stock price reaches predetermined levels based 50% on each of (a) a 20 consecutive business day measurement from August 20, 2019 and December 31, 2020 and (b) a 20 consecutive business day measurement from July 1, 2020 through December 31, 2020 in all cases subject to a release of claims and compliance with certain restrictive covenants. The predetermined closing stock price levels for the vesting of up to 975,000 additional shares are as follows during the time period noted above: (i) 487,500 shares will vest if our stock price is at least $13 per share; (ii) an additional 162,500 will vest if our stock price is at least $16 per share; (iii) an additional 162,500 will vest if our stock price is at least $19 per share; and (iv) an additional 162,500 will vest if our stock price is at least $23 per share (in each case, as adjusted for the Company's special $12 dividend paid in February 2020). Our dividend-adjusted closing stock price on the date of the Hill Transition Services Agreement was $11.25 per share. Any portion of the PSO that does not vest or become exercisable or is not otherwise exercisable as set forth above shall terminate and be forfeited.

In addition, Mr. Hill's participation in the FY20 EAIP was terminated but he was eligible to receive his annual bonus for FY20 at a target level of $1,500,000, pro-rated through December 31, 2019. See, Executive Annual Incentive Plan, below for more information. For further information on Mr. Hill's compensation for his role as Interim President and CEO and the Hill Transition Services Agreement, please see the description under our Summary Compensation Table for Fiscal 2020 on page 64 and under — Potential Payments Upon Termination or Change-In-Control on page 69.

Our May 2019 CFO Compensation for Fiscal 2020

We announced in late FY19 that our former CFO had decided to step down from his position. In May 2019, we appointed Vincent Pilette as our new CFO. Pursuant to Mr. Pilette's initial offer letter, in addition to receiving an initial base salary of $650,000 and an opportunity to participate in the FY20 EAIP, he received a $9.0 million new-hire equity award and a $5.0 million annual long-term incentive award, with 70 percent of the value of both awards allocated to PRUs and 30 percent to RSUs. Originally, each award had a standard three-year vesting schedule. Additionally, pursuant to his offer letter, Mr. Pilette purchased $10 million in shares of our common stock in the open market and, as result, received a corresponding restricted share grant (''RSA'') of 155,429 shares of our common stock in May 2019. These 155,429 RSAs originally vested over three years to encourage his investment in the Company and further align his interests with those of our stockholders. Following the announcement of the then proposed transaction with Broadcom, our Board removed the vesting conditions on these 155,429 restricted shares to further incentivize Mr. Pilette, who was not named CEO at the time and then considered a ''transition'' executive, to complete the transaction with Broadcom and to manage the complexity associated with the anticipated Company transition into a pure-play consumer cyber safety business.

Our November 2019 New CEO Compensation for Fiscal 2020

After the closing of the transaction with Broadcom, and upon recognition of Mr. Pilette's leadership in leading the transaction, in November 2019, our Board promoted Mr. Pilette to be our CEO to lead the Company through the transition of becoming a pure-play consumer cyber safety company. In recognition of his additional responsibilities as CEO, the Board granted Mr. Pilette time-based RSUs representing 81,698 shares, which are scheduled to vest in full on December 31, 2020.

Our November 2019 Interim CFO Compensation for Fiscal 2020

Upon the appointment of Mr. Pilette as CEO, in November 2019, the Board appointed Matthew C. Brown, our Vice President and Chief Accounting Officer, to the position of Interim CFO. In recognition of Mr. Brown's additional responsibilities, the Board approved an additional cash award for Mr. Brown of $25,000 for each month that Mr. Brown serves as Interim CFO. The cash award will be payable to Mr. Brown in a lump sum upon the appointment of a permanent CFO. In July 2020, Natalie M. Derse was appointed to serve as the Company's Chief Financial Officer effective July 8, 2020, and Mr. Brown returned to his role as the Company's Vice President of Finance and Chief Accounting Officer and received a payment of $194,048 for his services.

Broadcom Special Retention Plan

In anticipation of the transaction with Broadcom and acknowledging that certain then-serving executive officers would be needed to assist in the post-closing Broadcom transition but would unlikely be retained as officers of the standalone pure-play consumer business, the Board approved an enhanced severance and retention plan (the ''Broadcom Retention Plan'') in August 2019. The Broadcom Retention Plan reflects the fact that the purchase price for the sale of certain of our Enterprise Security assets to Broadcom represented 61% of our total market capitalization at the time of the announcement, which our Board recognized would be viewed as a ''change in control'' for many executives whose positions would be eliminated with the Company as a result.

Mr. Pilette (then CFO) and Ms. Cappellanti-Wolf were subject to the terms of this plan since they were both considered ''transition'' executives at the time. Pursuant to the Broadcom Retention Plan, if an eligible executive is employed with the Company through the closing of the transaction with Broadcom and is employed with the Company through December 31, 2020 (or is terminated by the Company without cause before then), such executive was entitled to receive: (a) a cash payment equal to such executive's annual base salary, (b) a cash payment equal to such executive's target bonus under the FY20 EAIP, (c) vesting as to 50% of such executive's unvested equity as of the transaction closing (to vest at such executive's termination no later than December 31, 2020), and (d) between 75% and 150% vesting of the additional 50% unvested equity if our average closing stock price reaches predetermined levels based 50% on each of (a) a 20 consecutive business day measurement from August 20, 2019 through December 31, 2020 and (b) a 20 consecutive business day measurement from July 1, 2020 through December 31, 2020, subject in each case to the execution of a release of any claims against the Company. The predetermined levels for the vesting of the remaining 50% of unvested equity are as follows: (i) 75% will vest if our stock price is at least $13 per share; (ii) 100% will vest if our stock price is at least $16 per share; (iii) 125% will vest if our stock price is at least $19 per share; and (iv) 150% will vest if our stock price is at least $23 per share (in each case, as adjusted for the Company's special $12 dividend paid in February 2020). Our dividend-adjusted closing stock price on the August 21, 2019, the date the Board approved the Broadcom Retention Plan, was $11.71 per share.

In designing the Broadcom Retention Plan, the Board acknowledged that the unvested PRU awards held by transitioning executive officers would need to be augmented to provide the requisite motivation to successfully close the transaction with Broadcom and expeditiously position the Company to achieve its new, post-closing, performance goals. For many executives, the transaction with Broadcom was the equivalent of a change in control, as noted above. Accordingly, the Board believed vesting 50% of all of the eligible transitioning executive officers' unvested equity awards held at the time of the transaction with Broadcom closing date would incentivize the engagement needed to meet the accelerated time frame for the closing of the transaction with Broadcom. Furthermore, our Board believed that the opportunity to earn the remaining 50% of their unvested equity based on the achievement of ambitious stock price goals by the end of calendar year 2020 would provide appropriate incentives for the transitioning executive officers to drive critical activities including (i) helping to quickly reduce stranded costs, (ii) helping to facilitate executive and employee talent changes, and (iii) facilitating the rapid change to a pure-play consumer cyber safety company. In setting these incentives, our Board took into account the fact that most of the transitioning executives would not be employed by the Company following the completion of such initiatives.

At the closing of the transaction with Broadcom, the terms of all outstanding and unvested RSUs and PRUs held by eligible executive officers were amended to reflect the new terms under the Broadcom Retention Plan. The table below outlines the contributions made by each eligible NEO in connection with the transaction with Broadcom and during the months following the transaction:

Eligible NEO	Contributions
Vincent Pilette	• Developed financial and operating models for us as a pure-play consumer cyber safety company. • Outlined and drove aggressive plans to remove all identified stranded costs. • Monetized underutilized and non-core assets like our ID Analytics business. • Hired and developed a new leadership team. • Developed a consumer-focused organization.
Amy Cappellanti-Wolf	• Assisted in identifying employees needed for transition services following the transaction with Broadcom. • Assisted in identifying and positioning a successor. • Helped transition the human resources organization to meet the needs of the Company following the transaction with Broadcom.

The table below sets forth the numbers of shares held by eligible NEOs that were converted to reflect the new terms under the Broadcom Retention Plan:

Eligible NEO	Total unvested PRUs and RSUs held prior to the Broadcom Transaction closing	50% eligible to vest based on service through 12/31/2020	50% eligible to vest on based on stock performance by 12/31/2020[(1)]
Vincent Pilette[(2)]	687,370	343,685	343,685
Amy Cappellanti-Wolf	284,209	142,105[(3)]	142,104[(4)]

(1) Between 75% and 150% of this 50% unvested equity is eligible to be earned if our average closing stock price reaches predetermined levels based 50% on each of (a) a 20-consecutive business day measurement from August 20, 2019 through December 31, 2020 and (b) a 20-consecutive business day measurement from July 1, 2020 through December 31, 2020. See ''Broadcom Special Retention Plan,'' above, for additional information.

(2) Excludes Mr. Pilette's RSA and additional equity granted after the transaction with Broadcom closing.

(3) These shares vested at Ms. Cappellanti-Wolf's termination date.

(4) As a transitioned employee who left in December 2019, these shares are eligible to be earned on December 31, 2020.

The Board believes that the Company and its stockholders have benefited from the efforts of participating executives under the Broadcom Retention Plan. As noted above, in connection with the transaction with Broadcom, the Company removed stranded costs and sold its ID Analytics business and investment in DigiCert to position NortonLifeLock as a pure-play consumer cyber safety company. Since the announcement of the transaction with Broadcom, our dividend-adjusted stock has appreciated 38% through the end of FY20.

For further details about the Broadcom Retention Plan, please see the description under — Potential Payments upon Termination or Change-In-Control on page 69.

Our President's Special Severance Arrangement

Following the closing of the transaction with Broadcom, our Compensation Committee recognized that Mr. Kapuria would be taking on additional responsibilities as President in helping to support the CEO in transitioning the business to a pure-play consumer cyber safety company. Accordingly, in December 2019 we entered into a severance benefit arrangement with Mr. Kapuria that reflected the structure of the transition programs the other NEOs had been placed on to ensure that an effective and balanced leadership team would at minimum stay in place for the transition. Pursuant to this agreement and taking existing compensation as the baseline, if Mr. Kapuria is terminated without cause or dies before December 31, 2020, he is entitled to receive (a) a cash payment equal to his annual base salary, (b) a cash payment equal to Mr. Kapuria's target bonus, and (c) vesting as to 50% of unvested equity, reduced by any equity that otherwise vests between December 5, 2020 and Mr. Kapuria's termination date.

If Mr. Kapuria is terminated without cause before December 31, 2020, between 75% and 150% of any additional remaining outstanding and unvested equity awards will vest if our average closing stock price reaches predetermined levels based 50% on each of (a) a 20-consecutive business day measurement from August 20, 2019 through December 31, 2020 and (b) a 20-consecutive business day measurement from July 1, 2020 through December 31, 2020. The predetermined stock prices under Mr. Kapuria's special severance agreement are the same as those under the Broadcom Retention Plan, as discussed above.

Following our successful transformation into a pure-play consumer cyber safety company, with the elimination of the stranded costs and the return to growth, we amended the special severance benefit arrangement with Mr. Kapuria on May 28, 2020. Under the amendment, we agreed that the stand-alone role of president would no longer be needed by December 31, 2020, with the onboarding of a chief product officer to focus on the product portfolio and a chief commercial officer to focus on go-to-market. Additionally, we agreed that Mr. Kapuria will be entitled to the benefits set forth in the special severance benefit arrangement upon his termination, which will occur before December 31, 2020. For further details on Mr. Kapuria's special severance benefit arrangement, as amended, please see the description under — Potential Payments upon Termination or Change-In-Control on page 69.

We are committed to providing standard equity grants and benefits in the future

As outlined in the Say-on-Pay and Stockholder Engagement section, we are wholly focused on designing and implementing a pay philosophy and practices that are best-in-class and closely aligned with shareholder outcomes. This includes market competitive cash compensation and granting equity awards that result in long-term vesting and focus on awarding executives for performance-based achievements that align with the creation of shareholder value. We do not currently intend to make future special one-time awards to NEOs or provide for additional vesting of equity awards outside of our standard practices.

ANALYSIS OF COMPENSATION COMPONENTS

The major components of target compensation for our continuing and transitioned NEOs, with the exception of Mr. Hill as noted above, during FY20 were: (i) base salary, (ii) target annual incentive awards and (iii) long-term equity incentive awards. Other components of compensation include severance and corporate transaction protections and certain health and welfare benefits.

I. Base Salary

FY20 Base Salary	
Philosophy	**Considerations**
• Provide fixed compensation to attract and retain key executives.	• Salary reviewed and set annually by the Compensation Committee. • The factors used to determine the salary levels include skill set, experience performance contribution levels, the executive officer's role, positioning relative to peer group and market and our overall salary budget. • For FY20, special consideration was paid to the unique circumstances of the changes in leadership, the transaction with Broadcom and the creation of a consumer-based company. • Recommendations of the CEO for other executive officers based upon his annual review of performance.

The following table presents each NEO's annual base salary for FY20.

NEO	FY19 Annual Salary ($)	Change in Salary (%)	FY20 Annual Salary ($)
Continuing NEOs:			
Vincent Pilette	NA	—	650,000
Matthew C. Brown(1)	330,000	—	330,000
Samir Kapuria	450,000	18	550,000
Bryan S. Ko(2)	NA	—	480,000
Transitioned NEOs:			
Gregory S. Clark(3)	1,000,000	—	1,000,000
Richard S. Hill(4)	NA	—	1,000,000
Nicholas R. Noviello(5)	650,000	—	650,000
Amy L. Cappellanti-Wolf(6)	440,000	—	440,000
Arthur W. Gilliland(7)	700,000	—	700,000

(1) In November 2019, Mr. Brown was appointed Interim CFO. In connection with this appointment, the Compensation Committee approved an additional cash award of $25,000 to Mr. Brown for each month he serves as interim CFO, to be paid once a permanent CFO is named. In July 2020, following the appointment of our permanent CFO, Mr. Brown returned to his role as the Company's Vice President of Finance and Chief Accounting Officer.

(2) Mr. Ko was appointed Chief Legal Officer, Secretary and Head of Corporate Affairs in January 2020.

(3) Mr. Clark resigned from his position as President and CEO in May 2019.

(4) Mr. Hill served as interim President and CEO from May 2019 through November 2019.

(5) Mr. Noviello ceased serving in his position as CFO in May 2019.

(6) Ms. Cappellanti-Wolf ceased serving in her position as Senior Vice President and Chief Human Resources Officer in December 2019.

(7) Mr. Gilliland ceased serving in his position as Executive Vice President and General Manager, Enterprise Security in November 2019.

As presented in the table above, none of the Continuing NEOs received an increase in annual base salary other than for Mr. Kapuria in connection with his promotion. Except for Mr. Kapuria, each of our Continuing NEOs became an executive officer of the Company for the first time in FY20.

II. Executive Annual Incentive Plan

FY20 Annual Cash Incentive Awards			
Philosophy	**Target Amount Considerations**	**Award Design Considerations**	**Performance Conditions**
• Establish appropriate short-term performance measures that the Compensation Committee believes will drive our future growth and profitability. • Reward achievement of short-term performance measures. • Payout tied to Company performance consistent with FY20 financial plan. • Offer market competitive incentive opportunities.	• Factors used to determine target award amounts included: (i) relevant market and peer data; (ii) internal pay equity; and (iii) desired market position for each NEO.	• Non-GAAP Operating Income and Non-GAAP Revenue were the financial metrics selected because we believe: (i) they strongly correlate with stockholder value creation, are transparent to investors and are calculated on the same basis as described in our quarterly earnings releases and supplemental materials, and balance growth and profitability, and (ii) our executive team can have a direct impact on these metrics through skillful management and oversight. • Metrics established based on a range of inputs, including short-term growth objectives for our products, external market economic conditions, the competitive environment, our internal budgets and market expectations. • Performance payout curves set to substantially drive increased revenue and operating income and in accordance with our FY20 financial plan. • CEO award payout is solely based on Company financial performance.	• Non-GAAP Operating Income Metric (50%). Non-GAAP Operating Income is defined as GAAP operating income, adjusted, as applicable, to exclude, among other things, stock-based compensation expense, charges related to the amortization of intangible assets, restructuring, separation, transition and other related expenses and contract liabilities fair value adjustment, calculated under 2020 plan exchange rates • Non-GAAP Revenue Metric (50%). Non-GAAP Revenue is defined as GAAP revenue adjusted to exclude contract liabilities fair value adjustment calculated under 2020 plan exchange rates. • Individual performance assessment modifier (0-150%) except for CEO. • Employment through payout date. • See below for more information.

Executive Annual Incentive Plan Target Opportunities: The following table presents each NEO's target incentive opportunity for FY20 under the FY20 Executive Annual Incentive Plan (the "FY20 EAIP") expressed as a percentage of base salary:

NEO	FY20 Individual Annual Incentive Target (%)	FY20 Target ($)
Continuing NEOs:		
Vincent Pilette	100	650,000
Matthew C. Brown[(1)]	40	132,000
Samir Kapuria	100	550,000
Bryan S. Ko[(2)]	80	384,000
Transitioned NEOs:		
Gregory S. Clark[(3)]	NA	NA
Richard S. Hill[(4)]	150	1,500,000
Nicholas R. Noviello[(5)]	100	650,000
Amy L. Cappellanti-Wolf[(6)]	70	308,000
Arthur W. Gilliland[(7)]	100	700,000

(1) In November 2019, Mr. Brown was appointed Interim CFO. In July 2020, following the appointment of our permanent CFO, Mr. Brown returned to his role as the Company's Vice President of Finance and Chief Accounting Officer.

(2) Mr. Ko was appointed Chief Legal Officer, Secretary and Head of Corporate Affairs in January 2020.

(3) Mr. Clark resigned from his position as President and CEO in May 2019.

(4) Mr. Hill served as interim President and CEO from May 2019 through November 2019.

(5) Mr. Noviello ceased serving in from his position as CFO in May 2019.

(6) Ms. Cappellanti-Wolf ceased serving in her position as Senior Vice President and Chief Human Resources Officer in December 2019.

(7) Mr. Gilliland ceased serving in his position as Executive Vice President and General Manager, Enterprise Security in November 2019.

FY20 EAIP Payout Formula: The determination of each NEO's payout amount under the FY20 EAIP is generally based on the following formula. The Compensation Committee has discretion to adjust individual awards downward as appropriate by up to 25% of the amount of the incentive award that would otherwise be earned.

Base Salary $ × Annual Incentive Target % × Weighted Average of Revenue and Operating Income Funding % × Individual Performance Factor % = Individual Payout Amount $

The payout curves for each of our metrics for FY20 are set forth in the table below. The non-GAAP operating income and non-GAAP revenue metrics are funded independently of each other and are weighted equally. Except for our CEO, the actual individual payouts could be further modified based on an individual performance factor generally in the range of 0% to 150% based on performance achievement against pre-established individual goals for FY20.

Following the closing of the transaction with Broadcom, the complete divestiture of the Enterprise business and our transition to a pure-play consumer cyber safety company, the Compensation Committee revised the FY20 EAIP metric targets, recognizing that incentives for the first half of FY20 should be based on Symantec (prior to the transaction with

Broadcom) targets, with incentives for the second half of FY20 based on NortonLifeLock (post the transaction with Broadcom), consumer only business and targets, as set forth below:

Symantec (1H FY20)

	Non-GAAP Revenue Metric(1)		Non-GAAP Operating Margin Metric(1)			
	Non-GAAP Revenue ($ millions)	Funding (%)	Non-GAAP Operating Margin (%)	Funding (%)	Individual Performance Modifier (%)	Total Payout as a Percentage of Target (%)
Threshold	$4,810	0%	30.4%	0%	NA	0%
Target	$4,905	100%	34.0%	100%	NA	100%
Maximum	$5,000	200%	36.0%	200%	NA	200%
Projected FY SYMC Performance	$4,953	150%	34.9%	144%	NA	147%

NortonLifeLock (2H FY20)

	Non-GAAP Revenue Metric(1)		Non-GAAP Operating Income Metric(1)			
	Non-GAAP Revenue ($ millions)	Funding (%)	Non-GAAP Operating Income ($ millions)	Funding (%)	Individual Performance Modifier (%)	Total Payout as a Percentage of Target (%)
Threshold	$1,245	0%	$ 568	0%	NA	0%
Target	$1,270	100%	$ 635	100%	NA	100%
Maximum	$1,295	200%	$ 672	200%	NA	200%
2H Performance	$1,213	0%	$ 624	84%	NA	42%

(1) Funding based on linear interpolation for performance between threshold and target and target and maximum performance.

As described in the table below, our performance relative to these first- and second-half goals qualified participants for a 95% payout under the FY20 EAIP. See ''FY20 EAIP Payout Results'' below.

FY20 EAIP Summary Attainment:

	1H	2H	FY20
Revenue	150%	0%	75%
Operating Income / Margin	144%	84%	114%
Weighted	147%	42%	95%

Individual Performance Assessment

Individual performance is evaluated, and taken into account when determining the FY20 EAIP payout for NEOs other than the CEO, and is based on both quantitative and qualitative results in the following key areas:

Individual Performance Assessment Components	
• Financial and operational goals for the executive's area of responsibility and the entire Company. • Leadership qualities as well as functional competencies and knowledge for the executive's area of responsibility.	• Development and management of the executive's team of employees.

Provided the threshold performance levels for both Company performance metrics are achieved, the CEO evaluates the level of each NEO's individual performance against the pre-determined goals at fiscal year-end and makes a recommendation to the Compensation Committee.

Unlike prior years, given the tremendous amount of uncertainty regarding the Company's transformation efforts and the amount of contributions continuing NEOs were expected to provide during the transformation and their individual performance to date, no individual performance factor was applied for FY20. Given the transformative and extraordinary activities of this year, it was determined that individual performance factor would be applied at 100% and although the actual performance of the FY20 EAIP performance achievement resulted in a 95% payout, at the executive team's request, the Compensation Committee adjusted the amount down to 85% to align with the payout of the Company's general employee Annual Incentive Plan.

FY20 EAIP Payout Results

FY20 EAIP Payout Results			
	1H	**2H**	**FY20**
Revenue	150%	0%	75%
Operating Income / Margin	144%	84%	114%
Weighted	147%	42%	95%
Adjustment per Mgmt. Recommendation			(10)%
Funding			85%

FY20 EAIP NEO Payout Amounts

NEO	**Base Salary**	**Annual Incentive Target (%)**	**Company Performance Funding (%)**	**Individual Performance Factor (%)**	**Individual Payout Amount ($)**
Continuing NEOs:					
Vincent Pilette	650,000	100	85	NA	552,500
Matthew C. Brown	330,000	40	85	100	112,200
Samir Kapuria	550,000	100	85	100	439,167
Bryan S. Ko(1)	480,000	80	85	100	82,938
Transitioned NEOs:					
Gregory S. Clark(2)	1,000,000	NA	NA	NA	0
Richard S. Hill(3)	1,000,000	150	NA	NA	1,076,712
Nicholas R. Noviello(4)	650,000	100	NA	NA	487,500
Amy L. Cappellanti-Wolf(5)	440,000	70	NA	100	199,867
Arthur W. Gilliland(6)	700,000	100	NA	NA	311,321

(1) Mr. Ko was appointed Chief Legal Officer, Secretary and Head of Corporate Affairs in January 2020.

(2) Mr. Clark resigned from his position as President and CEO in May 2019.

(3) Mr. Hill's individual payout amount reflects the amount received pursuant to the Hill Transition Services Agreement (see above).

(4) Mr. Noviello ceased serving in his position as CFO in May 2019. See Summary Compensation Table, below, for additional information regarding Mr. Noviello's payments.

(5) Ms. Cappellanti-Wolf ceased serving in her position as Senior Vice President and Chief Human Resources Officer in December 2019, and accordingly under the FY20 EAIP and the Broadcom Retention Plan, was entitled to pro-rated payout.

(6) Mr. Gilliland ceased serving his position as Executive Vice President and General Manager, Enterprise Security in November 2019, and accordingly under the FY20 EAIP and the Company's retention plan, was entitled to pro-rated payout.

III. Equity Incentive Awards

In FY20, we granted our NEOs (other than Messrs. Clark and Noviello who did not receive equity awards in FY20, Mr. Brown who was not an executive officer at the beginning of FY20 and Mr. Hill, who received RSUs and PSOs, as noted above) a mix of RSUs and PRUs (''FY20 RSUs'' and ''FY20 PRUs'', respectively). In FY20, Mr. Kapuria, as a FY19 NEO, and Mr. Pilette, were granted a mix of PRUs and RSUs at 70% and 30%, respectively. All other executive officers, other than Messrs. Clark, Noviello, Brown and Hill, received a mix of PRUs and RSUs at 50% and 50%, respectively. Mr. Brown received only RSUs.

Equity Incentive Awards

Philosophy	Grant Mix	Award Amount Considerations	Award Design Considerations	Vesting Conditions
• Establish appropriate performance measures that the Compensation Committee believes will substantially drive our future growth and profitability.	• Equity awards are a mix of RSUs and PRUs.	• NEOs' responsibilities and anticipated future contributions.	• Long-term payouts should depend on NEOs' ability to drive financial performance, including share price appreciation.	• RSUs granted in FY20 are time-based and vest annually over three years: (30%/ 30% / 40%).
• Meaningful and appropriate incentives for achieving long-term financial goals that the Compensation Committee believes are important for our short- and long-term success.	• For Mr. Kapuria and Mr. Pilette, the mix was 70% PRUs and 30% RSUs.	• NEOs' past award amounts and amount of unvested equity held by each NEO.	• Metrics should align with long-term financial and operational goals a as well as correlate to our short-term strategy and the performance of our peers.	• FY20 revised PRU plan design is measured against relative TSR over a three-year period against the S&P 500 and will vest in full in May of 2022.
• Multi-year vesting and performance requirements that help align our NEOs' pay with the creation of long-term shareholder return.	• For our other NEOs, except Messrs. Clark, Noviello, Brown and Hill, the mix was 50% PRUs and 50% RSUs.	• Competitive market assessment, including practices of peers and similarly situated companies.	• Payout amounts should be designed to promote retention of valuable NEOs.	
• Provide meaningful and appropriate incentives for achieving annual financial goals that the Compensation Committee believes are important for our short- and long-term success.	• Mr. Brown received 100% RSUs. • Messrs. Clark and Noviello did not receive FY20 equity awards.	• Gains recognizable by the NEO from equity awards made in prior years.		
• Equity awards should attract and retain talent in a highly competitive market for talent.				
• Reward NEOs for creating stockholder value over long term.				

Restricted Stock Units (RSUs): RSUs represent the right to receive one share of NortonLifeLock common stock for each vested RSU upon the settlement date, subject to continued employment through each vesting date.

NEO	FY20 RSU Award Amount (#)	Grant Date Fair Value ($)
Continuing NEOs:		
Vincent Pilette[1][2]	287,909	6,108,337
Matthew C. Brown	36,015	697,355
Samir Kapuria	81,317	1,568,542
Bryan S. Ko	68,043	1,802,459
Transitioned NEOs:		
Gregory S. Clark	0	0
Richard S. Hill	51,611	1,023,886
Nicholas R. Noviello	0	0
Amy L. Cappellanti-Wolf[2]	66,900	1,289,792
Arthur W. Gilliland	0	0

(1) Includes RSUs representing 81,698 shares granted in December 2019. Excludes 155,429 restricted shares granted to Mr. Pilette in June 2019. For further information regarding Mr. Pilette's grants and special treatment in connection with the transaction with Broadcom, see ''Our May 2019 CFO Compensation for Fiscal 2020,'' ''Our November 2019 New CEO Compensation for Fiscal 2020'' and ''Broadcom Special Retention Plan,'' above.

(2) The unvested portion of these shares became subject to the Broadcom Retention Plan, as described above.

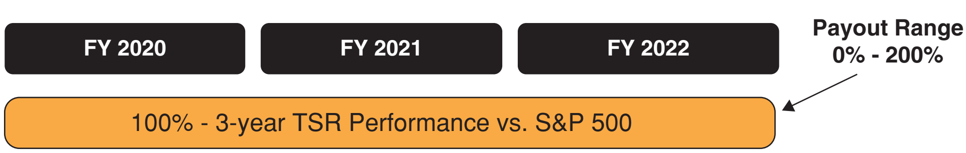
Performance-based Restricted Stock Units (PRUs): At the time the FY20 PRUs were granted, they included three separate performance metrics (i) one-year non-GAAP earnings per share (''EPS''), (ii) one-year reported billings, and (iii) a three-year relative TSR metric. Following the closing of the transaction with Broadcom, our Compensation Committee determined that one-year non-GAAP EPS and one-year reported billings were no longer relevant given the smaller company size and focus; accordingly, our Compensation Committee revised the FY20 PRUs so that 100% would be eligible to be earned on the basis of relative TSR. The Committee retained relative TSR as a performance metric to promote stockholder alignment and to create an unambiguous link between the compensation of our NEOs and our long-term value creation given the payout is directly linked to the Company's long-term total shareholder appreciation relative to the S&P 500 Index, measured over a three-year performance period ending on the last day of FY22. The decision to use the S&P 500 Index as the relative TSR benchmark for the FY20 PRUs replacing the Nasdaq 100 Index used prior years was predicated by consideration of the broad-based nature of the index, the inclusion of the Company in the S&P 500 Index, and because the S&P 500 Index represents a robust, broad representation of the potential opportunity cost of investing in the Company from an investor's perspective.

FY20 PRU Performance Metrics Overview

Metric	Measurement Period	Metric Objectives	Vesting Conditions[1]
3-Year Total Shareholder Return vs. S&P 500	FY20 through the end of fiscal 2022.	Measure our longer-term performance against comparable companies and drive value creation.	Earned portion vests at end of FY22.

(1) In addition to the vesting components, the Compensation Committee has broad negative discretion to reduce the amount of the award earned by up to 50% as it determines reasonable and appropriate.

FY20 PRU Design



Achievement under the FY20 PRUs will not be certified by the Compensation Committee until the end of fiscal 2022. The following table presents threshold, target and maximum performance levels and payouts of the relative TSR metric:

	3-Year TSR Performance	
	TSR Performance vs. S&P 500*	Funding (%)
Below Threshold	Below 25th percentile	0
Threshold	25th percentile	50
Target	50th percentile	100
Maximum	75th percentile	200

* To the extent actual TSR performance falls between two discrete points in the chart above, linear interpolation will be used to determine funding.

FY20 PRU Award Summary: The following table summarizes the number and grant date fair value of FY20 PRUs granted to each NEO, the number of shares underlying awards that were converted to RSUs or PRUs under the Broadcom Retention Plan and the number of shares that remain subject to PRUs under the FY20 PRU Plan.

FY20 PRUs Granted and Outstanding at FY20 End

NEO	Total FY20 PRUs Granted (#)	Total FY20 PRU Fair Value at Grant ($)	Total FY20 PRUs Converted to Broadcom Retention Plan PRUs at Broadcom Close (#)	Total FY20 PRUs Outstanding at FY20 End that Remain Subject to FY20 PRU Plan (#)
Continuing NEOs:				
Vincent Pilette[(1)]	481,159	9,243,064	343,685	343,685
Matthew C. Brown[(2)]	0	0	0	0
Samir Kapuria	171,842	3,301,085	0	171,842
Bryan S. Ko	77,764	2,059,968	0	77,764
Transitioned NEOs:				
Gregory S. Clark[(2)]	NA	NA	NA	NA
Richard S. Hill[(2)]	NA	NA	NA	NA
Nicholas R. Noviello[(2)]	NA	NA	NA	NA
Amy L. Cappellanti-Wolf[(1)]	61,370	1,178,956	61,370	61,370
Arthur W. Gilliland[(3)]	375,598	7,215,238	0	0

(1) Mr. Pilette's and Ms. Cappellanti-Wolf's unvested FY20 PRUs were converted to RSUs or PRUs under the Broadcom Retention Plan. See "Broadcom Special Retention Plan," above for additional information.

(2) Messrs. Brown, Clark, Hill and Noviello did not receive a FY20 PRU award.

(3) Mr. Gilliland ceased serving in his position as Executive Vice President and General Manager, Enterprise Security and left the Company at the close of the transaction with Broadcom.

Additional Equity Awards Granted to Interim CEO and Current CEO

In connection with his appointment as Interim President and CEO, Mr. Hill received a performance-based stock option to purchase 1,625,000 shares, with vesting based on the achievement of non-GAAP operating income margin and non-GAAP revenue goals over a 12-month period. In August 2019, we entered into a transition services agreement with Mr. Hill to address and provision for his transition from the Company following the successful closing of the transaction with Broadcom. For further information on Mr. Hill's compensation for his role as Interim President and CEO and the Hill Transition Services Agreement, please see the description under our Summary Compensation Table for Fiscal 2020 on page 64 and under — Potential Payments Upon Termination or Change-In-Control on page 69.

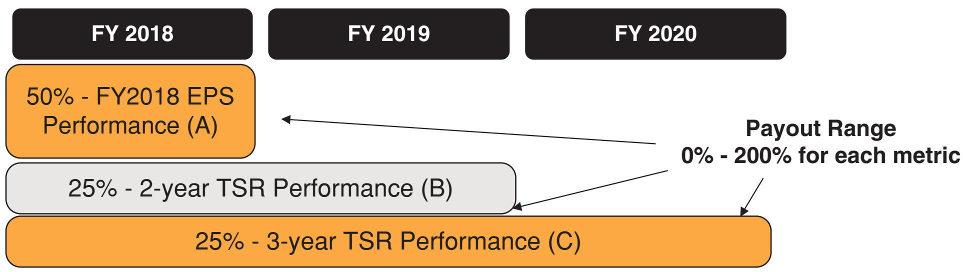
Further, in connection with his appointment as our CFO, Mr. Pilette received a restricted share grant of 155,429 shares of our common stock, the vesting conditions of which were removed in connection with the announcement of the then proposed sale of the Enterprise business to Broadcom. After the successful closing of the transaction with Broadcom, in

November 2019 we promoted Mr. Pilette to be our CEO. In recognition for the additional responsibilities he would assume as CEO in managing and leading the timely reduction of stranded costs and the transformation of the company into a standalone consumer business, the Board granted Mr. Pilette a time-based RSU of 81,698 shares of our common stock, to vest in full by December 31, 2020.

Additional information regarding these equity awards is disclosed in ''FY20 Executive Compensation'' above.

Previously Granted Long-Term Incentive Award Pay Outcomes

FY18 PRU Achievement



A + B + C = Total Number of PRUs Earned

(Subject to continued employment, all of the earned shares are released at the end of FY2020)

The Compensation Committee chose FY18 non-GAAP EPS (weighted at 50%) and 2- and 3-year relative TSR (each weighted at 25%) against the Nasdaq 100 Index as the applicable performance metrics for the FY18 PRUs. The Compensation Committee selected non-GAAP EPS because it believed this metric could be used to evaluate the execution of our short-term strategy. The one-year EPS metric was intended to be balanced by the 2- and 3-year relative TSR metrics, which required us to match or exceed median market results to achieve a payout at target or greater, and provided alignment with stockholders over a longer-term performance period. Relative TSR was calculated using a 60-trading day average stock price at the beginning and end of the applicable performance period plus the value of dividends paid in the respective period. The three-year performance period for the FY18 PRUs concluded on April 3, 2020 and the overall final payout achievement was 55.86%.

Below is the summary of the FY18 non-GAAP EPS performance metric achievement level for the FY18 PRUs as of the end of FY18.

	FY18 Non-GAAP EPS Target	FY18 Non-GAAP EPS Actual[1]	Achievement as a Percentage of Target	Eligible Shares as a % of Target Shares at end of FY18 for the non-GAAP EPS Component
FY18 PRUs	$1.64 per share	$1.56 per share	95.20%	50.5% of the FY18 EPS shares (25.25% of the total FY18 PRUs) became eligible to be earned at the end of FY20.

(1) We define non-GAAP EPS as non-GAAP net income, calculated in the manner consistent with the annual financial plan presented to and approved by our Board, divided by 675 million fully diluted shares. We calculate non-GAAP net income as GAAP profit before tax reflected in the Company's condensed consolidated statements of operations as adjusted for the following items: the impact from business combination accounting entries (such as deferred revenue fair value adjustments, and inventory fair value adjustments), stock-based compensation expense, restructuring, separation, transition and other related charges, integration and acquisition expenses, charges related to the amortization of intangible assets and acquired product rights, impairments of assets, income or loss from discontinued operations, non-cash interest expense and amortization of debt issuance costs and certain other items that are not included in the Company's non-GAAP results, further adjusted to reflect the Company's expected ongoing core tax rate, all calculated based on the applicable fiscal year plan level exchange rates.

Below is the summary of FY18 2-Year relative TSR performance metric achievement level for the FY18 PRUs as of the end of FY19.

	2-Year Relative TSR Threshold/ Target/Maximum vs. Nasdaq 100	2-Year Relative TSR Actual vs. Nasdaq 100	2-Year Achievement as a Percentage of Target	Eligible Shares as a % of Target Shares at end of FY19 for the 2-Year TSR Component[1]
FY18 PRUs	25th Percentile/ 50th Percentile/ 75th Percentile[1][2]	8th Percentile	0% because below threshold goal	0

(1) Under the FY18 PRU plan, any unearned shares below the target level for the 2-Year Relative TSR performance metric were to be added to the shares to be earned under the FY18 3-Year Relative TSR performance metric. See below.

(2) To the extent actual TSR performance falls between two discrete points in the chart above, linear interpolation will be used to determine funding.

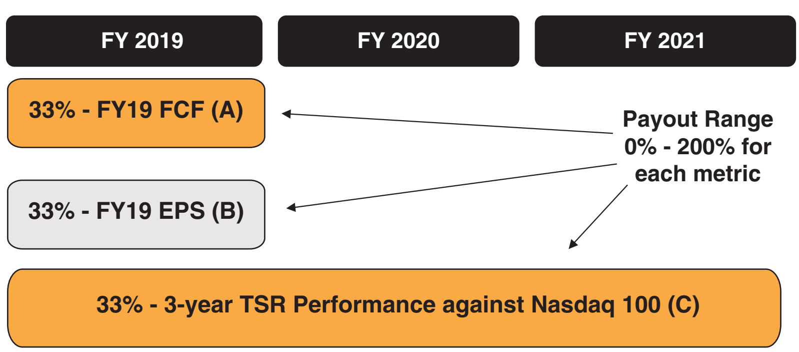
Below is the summary of FY18 3-Year relative TSR performance metric achievement level for the FY18 PRUs as of the end of FY20. Under the terms of the FY18 PRUs, if the 2-Year TSR performance was below target, any unearned shares below the target level were to be added to the shares eligible to be earned under the FY18 3-Year relative TSR performance metric. Accordingly, since none of the FY18 2-Year TSR shares were earned at the end of FY19 because target levels were not met, all of the FY18 2-Year TSR shares were added to the eligible FY18 3-Year TSR shares to become eligible shares. As a result, a final payout achievement of 61.22% was applied to the shares subject to the 2-year and 3-year relative TSR performance metrics.

	3-Year Relative TSR Threshold/ Target/Maximum vs. Nasdaq 100	3-Year Relative TSR Actual vs. Nasdaq 100	3-Year Achievement as a Percentage of Target	2- and 3-Year Achievement as a Percentage of Target[1]	Eligible Shares as a % of Target Shares at end of FY20 for the 3-Year TSR Component[1]
FY18 PRUs	25th Percentile/ 50th Percentile/ 75th Percentile[1][2]	31st Percentile	61.22%	61.22%	61.22% of the FY18 3-year relative TSR shares (15.30% of the total FY18 PRUs) became eligible to be earned at the end of FY20.

(1) Under the FY18 PRU plan, any unearned shares below the target level for the 2-Year Relative TSR performance metric were added to the shares to be earned under the FY18 3-Year Relative TSR performance metric.

(2) To the extent actual TSR performance falls between two discrete points in the chart above, linear interpolation will be used to determine funding.

FY19 PRUs



A + B + C = Total Number of PRUs Earned

The Compensation Committee chose (1) FY19 non-GAAP Free Cash Flow (“FCF”); (2) FY19 non-GAAP EPS; and (3) three-year relative TSR at the end of fiscal 2021 as measured against the Nasdaq 100 as the applicable performance metrics for the FY19 PRUs. FCF, a non-GAAP financial measure, is defined as cash from operating activities less capital expenditures, as reported in the Company’s audited financial statements. Similar to FY18, the Compensation Committee selected EPS to drive increased profit per share and believed adding FCF as an additional metric would align with the Company’s priorities to generate strong free cash flow growth. In addition to the 1-year EPS and FCF metrics, 3-year relative

TSR was chosen as a supplement to drive value-building behaviors and stock price appreciation. No FY19 PRUs were earned in FY20, although a portion vested at the end of FY20.

FY19 PRUs Granted, Earned and Vested

NEO(1)	Total FY19 PRUs Granted (#)	Total FY19 PRU Fair Value at Grant ($)	Total FY19 FCF PRUs Earned (#)	Total FY19 EPS PRUs Earned (#)	Total 3-Year TSR PRUs Earned (#)	Total FY19 PRUs Earned	Total FY19 PRUs vested
Nicholas R. Noviello(2)	222,636	4,825,264	40,608	22,530	0	63,138	63,138
Amy L. Cappellanti-Wolf(3)	78,620	1,668,841	23,899	13,258	0	37,157	22,297
Samir Kapuria(3)	238,242	5,057,084	72,424	40,182	0	112,606	67,566

(1) Only includes NEOs who were granted an FY19 equity award.

(2) Pursuant to the terms of Mr. Noviello's Transition Services Agreement, he was entitled to vesting and settlement of a portion of his FY19 PRUs, subject to the satisfaction of the applicable performance metrics, without having to satisfy any service requirement.

(3) Mr. Kapuria and Ms. Cappellanti-Wolf were not NEOs in FY18. Non-NEOs' awards vested as to 60% of the FCF and EPS component at the end of FY19, and as to 40% of the FCF and EPS component at the end of FY20, subject to providing service through such vesting date. For Ms. Cappellanti-Wolf, the unvested portion of the FY19 PRUs were modified under the Broadcom Retention Plan, as described above.

IV. Benefits

FY20 Benefits

Benefit	Philosophy/Rationale
401(k) plan and matching contributions, health and dental coverage, life insurance, disability insurance, paid time off, and paid holidays.	• Provide our NEOs with competitive broad-based employee benefits on the same terms as are available to all employees generally.
Nonqualified deferred compensation plan.	• Provide a standard package of benefits necessary to attract and retain executives. None of our named executive officers participated in this plan during FY20. The plan is described further under ''Non-Qualified Deferred Compensation in Fiscal 2020,'' on page 69.
Reimbursement for up to $10,000 for financial planning services.	• Provide financial planning assistance given the complexity of executive officer compensation and financial arrangements to allow executives to concentrate on responsibilities and our future success.
Car service for our former CEO (cancelled for current CEO).	• Helped to ensure the security of our former CEO, provided a more efficient means of transportation and allowed him to concentrate on his responsibilities and our future success. Our current CEO does not use a car service.
Aircraft lease agreement with our former CEO for Company use of his aircraft.	• Helped to ensure the security of our former CEO, provided a more efficient means of transportation and allowed him to concentrate on his responsibilities and our future success. We do not maintain an aircraft lease arrangement with our current CEO.

V. Severance and Change in Control Benefits

The following table provides information regarding the severance arrangements that we have or had with certain of our NEOs:

FY20 Severance and Corporate Transaction Protections		
Philosophy	**Considerations**	**Terms**
• *Attract and Retain Executives* Intended to ease an NEO's transition due to an unexpected employment termination or retain an NEO through a significant corporate transaction. • *Align Interests with Stockholders* Mitigate any potential employer liability and avoid future disputes or litigation; retain and encourage our NEOs to remain focused on our business and the interests of our stockholders when considering or implementing strategic alternatives.	• The employment of our NEOs is ''at will,'' meaning we can terminate them at any time and they can terminate their employment with us at any time. • Severance arrangements should be designed to: (i) provide reasonable compensation to executive officers who leave our Company under certain circumstances to facilitate their transition to new employment and (ii) require a departing executive officer to sign a separation and release agreement acceptable to us as a condition to receiving post-employment compensation payments or benefits. • ''Double-trigger'' provisions promote morale and productivity, and encourage executive retention in the event of a corporate transaction. • Transition or retention arrangements should be designed to: (i) retain and incentivize executive officers until a successor is found; (ii) ensure a smooth transition; (iii) be commensurate with the amount of services that need to be provided; and (iv) reward executive officers for a successful transition.	• *Executive Severance Plan* Provides for cash severance and other benefits where the individual's employment is terminated without cause outside of the change in control context, contingent on execution of an acceptable release. • *Executive Retention Plan* Provides for double trigger acceleration of vesting of equity awards and cash severance benefits where the individual's employment is terminated without cause, or is constructively terminated, within 12 months after a change in control, contingent on execution of an acceptable release; no ''golden parachute'' excise tax gross-ups. • *Broadcom Retention Plan and Transition Arrangements with Mr. Hill and Mr. Kapuria* Provides for certain vesting and cash payments in the event the individual is employed through a transition period or experiences a qualifying termination before the end of a transition period.

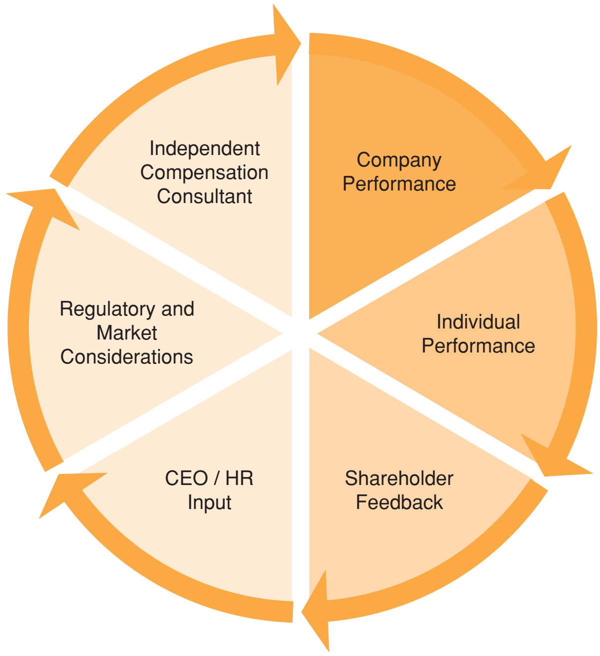
Details of each individual NEO's severance arrangements, including estimates of amounts payable in specified circumstances in effect as of the end of FY20, are disclosed in ''FY20 Executive Compensation,'' above and under ''Potential Payments Upon Termination or Change-in-Control,'' below.

KEY COMPENSATION AND GOVERNANCE POLICIES

Policy	Considerations	Material Features
Stock Ownership Guidelines	• Promote stock ownership in the Company. • More closely align the interests of our executive officers with those of our stockholders.	• 6x base salary for CEO. • CFO and President, 3x base salary. • Executive Vice Presidents, 2x base salary. • 4 years from executive officer designation to comply. • During 4-year transition period, must retain at least 50% of net-settled equity award shares until ownership requirement is met. • Includes shares owned outright, excludes stock options and unvested RSUs and PRUs. • As of July 1, 2020, all continuing NEOs have reached ownership requirements or have remaining time to do so.
Anti-Hedging Policies	• Permitting hedging is viewed as a poor pay program practice, as it insulates executives from stock price movement and reduces alignment with stockholders. • This policy was established in part to avoid potential or apparent conflict of interests resulting from bets against or hedges regarding our performance.	• With limited exceptions for pre-existing arrangements, all directors and employees, including executive officers, are prohibited from short-selling Company stock or engaging in transactions involving Company-based derivative securities. • ''Derivative Securities'' are options, warrants, convertible securities, stock appreciation rights or similar rights whose value is derived from the value of an equity security, such as Company stock. • This prohibition includes, but is not limited to, trading in Company-based option contracts or engaging in other hedging transactions (for example, buying and/or writing puts and calls, equity swaps, collars, exchange funds, transacting in straddles and the like). • Holding and exercising options or other derivative securities granted under the Company's stock option or equity incentive plans is not prohibited by this policy. • Waivers may be granted with respect to arrangements that were in existence before becoming a director or employee
Anti-Pledging Policies	• Pledging raises potential risks to stockholder value, particularly if the pledge is significant.	• Covered persons are prohibited from holding company securities in a margin account or pledging Company securities as collateral for a loan.
Insider Trading Policy	• Prohibit corporate insiders from taking advantage of material non-public information.	• Prohibits the purchase or sale of securities while in possession of material non-public information. • CEO, President and CFO must conduct any open market sales of our securities only through use of Rule 10b5-1 stock trading plans.
Clawback Policy	• Permit us to recoup performance-based cash and equity awards when such awards were not properly earned or when executives have engaged in inappropriate actions	• Applies to all executive officers. • Allows recoupment of performance-based cash and equity awards if (i) we are required to restate our financial statements due to fraud or intentional misconduct or (ii) an executive officer violates certain Company policies, including the Company's code of conduct.

GENERAL APPROACH TO DETERMINING COMPENSATION

We are committed to return to our prior pay philosophy and practices described below.



Our compensation philosophy

Drive Business Success	**Pay for Performance**
Our executive compensation program is designed to drive our success as a market leader in cybersecurity.	We believe that executive compensation should be tied to our short- and our long-term performance, although we aim to closely align the majority of our executive officers' overall target total compensation via long-term performance-based incentives. Our focus is to reward for both outstanding company and individual performance, team success, and quantitative results that drive our short- and long-term company objectives.
Attract and Retain	**Balancing and Aligning Interests with Stockholders**
We focus on corporate and individual performance objectives and aim to attract and retain high performing and talented executive officers while maximizing long-term stockholder value.	Equity awards with multi-year vesting and performance requirements help align our executive officers' pay with the creation of long-term shareholder return. In addition, we are sensitive to how equity investments will impact our cost structure and stockholder dilution.

Compensation Committee Decision Process

The Compensation Committee oversees the compensation of our NEOs and our executive compensation program and initiatives. The Compensation Committee typically reviews executive officer compensation, including base salary, short-term incentives and long-term incentives in the first half of each fiscal year. This is timed to align to the fiscal year start and to enable evaluation and incorporation of competitive market compensation levels and practices based on the most recently completed year. In connection with this review, the Compensation Committee carefully considers any feedback or input it may receive from our CEO and from other sources when evaluating the performance of each executive officer. The committee then sets each executive officer's target total direct compensation for the (current) year as an outcome of this review and the other factors described below.

The Compensation Committee has based most, if not all, of its prior compensation determinations, including those made for FY20, on a variety of factors, including:

- A focus on pay-for-performance
- A total rewards approach
- An appropriate pay mix
- Appropriate market positioning
- Avoidance of compensation arrangements that encourage excessive or inappropriate risk taking by our executive officers
- In the case of equity awards, burn rate and dilution
- Company performance and individual performance
- The Company's financial condition and available resources
- The accounting and cash flow implications of various forms of executive compensation
- Our need for a particular position to be filled
- The recommendations of our CEO (other than with respect to his own compensation)

As discussed under ''Role and Independence of Compensation Consultant'' below, for FY20, the Compensation Committee engaged a compensation consultant and once again conducted a formal benchmarking review. In establishing compensation for our executive officers other than our CEO, the Compensation Committee gives weight to the recommendations of our CEO, but final decisions about the compensation of our NEOs are made by our Compensation Committee.

From time to time, special business conditions may warrant additional compensation, such as sign-on bonuses, or equity awards in connection with promotions, in recognition of significant accomplishments, or to attract, retain or incent our executive officers. In these situations, the Compensation Committee considers and weighs our business need with the potential costs and benefits of special rewards.

Role and Independence of Compensation Consultant

The Compensation Committee retains an independent compensation consultant to help understand competitive compensation levels and incentive designs. The independent compensation consultant is solely hired by, and reports directly to, the Compensation Committee. The Compensation Committee has sole authority to retain and terminate the independent compensation consultant. At the Compensation Committee's discretion, the independent compensation consultant:

- attends Compensation Committee meetings;
- assists the Compensation Committee in determining peer companies and evaluating compensation proposals;
- assists with the design of incentive compensation programs; and
- conducts compensation-related research.

In addition, at the Compensation Committee's direction, Compensia works with our Head of People and Culture and other members of management to obtain information necessary for Compensia to make their own recommendations as to various matters as well as to evaluate management's recommendations.

We paid Compensia approximately $300,000 for executive compensation services in FY20. We also reimbursed Compensia and its affiliates for reasonable travel and business expenses. The Compensation Committee has determined that the work resulting from Compensia's engagement did not raise any conflicts of interest.

Competitive Market Assessments

Market competitiveness is one factor that the Compensation Committee considers each year in determining a NEO's overall compensation package, including pay mix. The Compensation Committee relies on various data sources to evaluate the market competitiveness of each pay element. These sources include publicly-disclosed data from a peer group of companies and published survey data from both the peer group companies and a broader set of information technology companies that the Compensation Committee believes represent our competition in the broader talent market, based on the advice of Compensia, the external compensation consulting firm engaged by the Compensation Committee during FY20. The proxy statements of peer group companies provide detailed pay data for the highest-paid executives. Survey data, which we obtain from the Radford Global Technology Survey, provides compensation information on a broader group of executives, with positions matched based on specific job scope and responsibilities. The Compensation Committee considers data from these sources as a framework for making compensation decisions for each NEO's position.

The Compensation Committee reviews our peer group on an annual basis, with input from its compensation consultant, and the group may be adjusted from time to time based on, among other factors, a comparison of revenues, market capitalization, industry, business model, peer group performance, merger and acquisition activity and stockholder input.

Toward the end of FY19, the Compensation Committee reviewed our peer group for FY20 and made certain changes to our FY19 peer group based on the following criteria:

- Focus on software development, or software and engineering-driven companies
- Are generally comparable in terms of size (~0.3x — 2.0x revenue, greater variability in market capitalization)
- Are generally comparable in terms of complexity and global reach
- Compete with us for talent

The Compensation Committee selected the following companies as our initial FY20 peer group, which was used to set the FY20 executive compensation prior to the transaction with Broadcom:

FY20 Symantec Peer Group (Prior to the transaction with Broadcom)		
Akamai Technologies Inc.	F5 Networks Inc.*	Proofpoint Inc.*
Autodesk, Inc.	FireEye, Inc.	Red Hat Inc.
CA, Inc.	Fortinet, Inc.*	ServiceNow, Inc.*
Cadence Design Systems Inc.*	Intuit Inc.	Splunk Inc.*
Citrix Systems, Inc.	Juniper Networks Inc.*	Synopsys, Inc.
eBay Inc.	NetApp, Inc.*	VMware, Inc.
Electronic Arts Inc.	Palo Alto Networks Inc.	

* Newly added for FY20.

Activision Blizzard, Adobe, PayPal Holdings and salesforce.com were removed from our FY20 peer group to better align our peer group with the then appropriate Company revenue and market capitalization size (prior to the transaction with Broadcom).

In connection with the closing of the transaction with Broadcom, the Compensation Committee reevaluated our FY20 peer group in November 2019 and made certain changes to better align our peers with our smaller, consumer focused, company. The following criteria were used to determine which companies should be included in our revised peer group:

- Business with software development focus including security related businesses where possible;
- Similar breadth, complexity and global reach as us; and
- Annual revenue ~0.5x to 2.0x as a starting point but including companies based on an assessment of overlapping geography, engineering focus and executive talent competition.

Following the closing of the transaction with Broadcom, the Compensation Committee selected the following companies as our revised peer group in November 2019:

FY20 Revised NortonLifeLock Peer Group (After the closing of the transaction with Broadcom)		
Akamai Technologies Inc.	GoDaddy Inc.*	Teradata Corp.*
Citrix Systems, Inc.	j2 Global, Inc.*	TransUnion Corp.*
Dropbox, Inc.*	LogMein, Inc.*	Verint Systems Inc.*
Equifax Inc.*	Juniper Networks Inc.	
F5 Networks Inc.	NetApp, Inc.	
Fair Isaac Corp.*	PTC Inc.*	
Fortinet, Inc.	Splunk Inc.	

* Newly added in November 2019 following the transaction with Broadcom.

Autodesk, Inc., CA, Inc., Cadence Design Systems Inc., eBay Inc., Electronic Arts Inc., FireEye, Inc., Intuit Inc., Palo Alto Networks Inc., Proofpoint Inc., Red Hat, Inc., ServiceNow, Inc., Synopsys, Inc. and VMware, Inc. were removed from our pre-Broadcom transaction FY20 peer group to better align our peer group with our smaller company's market capitalization and consumer-only focus.

Compensation Risk Assessment

The Compensation Committee, in consultation with Compensia, has conducted its annual risk analysis of NortonLifeLock's compensation policies and practices, and does not believe that our compensation programs encourage excessive or inappropriate risk taking by our executives or are reasonably likely to have a material adverse effect on NortonLifeLock.

We believe that the design and objectives of our executive compensation program provide an appropriate balance of incentives for our NEOs, thereby discouraging them from taking inappropriate risks. Among other things, our executive compensation program includes the following design features:

- A balanced mix of cash and equity; as well as appropriately balanced fixed (base salary) and variable compensation (cash incentives and equity-based awards);
- A mix of short-term and long-term incentives, with short-term incentives currently representing a significantly lower proportion of the total mix;
- Cash and equity incentives solely based on achieving Company performance objectives and subject to our ''claw-back'' right under certain circumstances;
- Caps on annual cash incentive and PRU payouts;
- Stock ownership guidelines which align the interests of our executive officers with those of our stockholders; and
- General alignment with prevalent low-risk pay practices.

Burn Rate and Dilution

We closely manage how we use our equity to compensate employees. We think of ''gross burn rate'' as the total number of shares granted under all of our equity incentive plans during a period divided by the weighted average number of shares of common stock outstanding during that period and expressed as a percentage. We think of ''net burn rate'' as the total number of shares granted under all of our equity incentive plans during a period, minus the total number of shares returned to such plans through awards cancelled during that period, divided by the weighted average number of shares of common stock outstanding during that period and expressed as a percentage. ''Overhang'' we think of as the total number of shares underlying options and awards outstanding plus shares available for issuance under all of our equity incentive plans at the end of a period divided by the weighted average number of shares of common stock outstanding during that period and expressed as a percentage. The Compensation Committee determines the percentage of equity to be made available for our equity programs with reference to the companies in our peer group. For fiscal 2020, our gross burn rate was 2.47%, our net burn rate was 0.52% and our overhang was 5.40%.

Tax and Accounting Considerations

Section 162(m) of the Internal Revenue Code of 1986, as amended, places a limit of $1 million on the amount of compensation that we may deduct as a business expense in any year with respect to certain of our most highly paid executive officers. While the Compensation Committee considers the deductibility of compensation as one factor in determining executive compensation, the Compensation Committee retains the discretion to award compensation that is not deductible as it believes that it is in the best interests of our stockholders to maintain flexibility in our approach to executive compensation in order to structure a program that we consider to be the most effective in attracting, motivating and retaining key executives.

Accounting considerations also play a role in the design of our executive compensation program. Accounting rules require us to expense the grant date fair values of our equity awards (that is, the value of our equity awards based on U.S. GAAP), which reduces the amount of our reported profits under U.S. GAAP. Because of this stock-based expensing and the impact of dilution to our stockholders, we closely monitor the number, share amounts and the fair values of the equity awards that are granted each year.

Compensation Committee Interlocks and Insider Participation

The members of the Compensation Committee during FY20 were Sue Barsamian, Frank Dangeard, Nora Denzel, Peter Feld, David L. Mahoney and Daniel H. Schulman. None of the members of the Compensation Committee in FY20 were at any time during FY20 or at any other time an officer or employee of NortonLifeLock or any of its subsidiaries, and none had or have any relationships with NortonLifeLock that are required to be disclosed under Item 404 of Regulation S-K. None of NortonLifeLock's executive officers has served as a member of the board of directors, or as a member of the compensation or similar committee, of any entity that has one or more executive officers who served on our Board or Compensation Committee during FY20.

Compensation Committee Report

The information contained in the following report is not considered to be "soliciting material," "filed" or incorporated by reference in any past or future filing by NortonLifeLock under the Exchange Act or the Securities Act of 1933 unless and only to the extent that NortonLifeLock specifically incorporates it by reference.

The Compensation Committee has reviewed and discussed with management the CD&A contained in this proxy statement. Based on this review and discussion, the Compensation Committee has recommended to the Board that the CD&A be included in this proxy statement and our Annual Report on Form 10-K for the fiscal year ended April 3, 2020.

By: The Compensation and Leadership Development Committee of the Board:
Peter A. Feld (Chair)
Sue Barsamian
Nora Denzel

Summary of Compensation

The following table shows for the fiscal year ended April 3, 2020, compensation awarded to or paid to, or earned by our current CEO, our current CAO who served as interim CFO in FY20 and the two remaining executive officers who were serving as executive officers (other than as our CEO or CFO) at the end of FY20 and five former executive officers, two of whom would have been among our most highly compensated executive officers had they remained an executive officer through the end of the fiscal year, two of whom served as our CEO in FY20 and one of whom served as our CFO in FY20.

Summary Compensation Table for Fiscal 2020

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)	Stock Awards ($)[1]	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)[2]	All Other Compensation ($)[3]	Total ($)
Continuing NEOs:								
Vincent Pilette[4]	2020	568,750	—	19,446,262	—	552,500	28,979	20,596,491
CEO								
Matthew C. Brown[5]	2020	330,000	—	565,907	—	112,200	189,617	1,197,724
Former Interim CFO and Current CAO								
Samir Kapuria[6]	2020	516,667	—	5,685,892	—	439,167	90,643	6,732,369
President	2019	443,864	—	10,311,650	—	—	220,667	10,976,180
Bryan S. Ko[7]	2020	123,333	1,000,000	4,490,760	—	82,938	4,241	5,701,272
Chief Legal Officer, Secretary and Head of Corporate Affairs								
Transitioned NEOs:								
Gregory S. Clark[8][a]	2020	132,925	—	—	—	—	180,816	313,741
Former President and CEO	2019	1,000,000	—	—	—	—	1,921,039	2,921,038
	2018	1,000,000	—	15,982,645	—	—	364,936	17,347,581
Richard S. Hill[9][b]	2020	557,780	—	1,023,885	7,735,000	1,076,712	392,575	10,785,952
Former Interim President and CEO								
Nicholas R. Noviello[10][c]	2020	114,767	2,145,417	2,092,780	—	487,500	779,442	5,619,907
Former Executive Vice President and CFO	2019	650,000	1,000,000	10,706,470	—	—	943,325	13,229,795
	2018	650,000	—	7,458,549	—	—	47,606	8,156,155
Amy L. Cappellanti-Wolf[11][d]	2020	385,000	—	4,152,283	—	199,867	2,640,359	7,377,509
Former Senior Vice President and CHRO	2019	440,000	—	3,462,911	—	—	558,163	4,461,075
Arthur W. Gilliland[12][e]	2020	413,636	—	7,654,685	—	311,321	20,209	8,399,851
Former EVP and GM, Enterprise Security Business								

(a) Mr. Clark resigned from his role as President and CEO in May 2019.

(b) Mr. Hill served as our Interim President and CEO from May 2019 until November 2019.

(c) Mr. Noviello ceased serving from his position as CFO in May 2019.

(d) Ms. Cappellanti-Wolf ceased serving from her position as Senior Vice President and Chief Human Resources Officer in December 2019.

(e) Mr. Gilliland ceased serving from his position as Executive Vice President and General Manager, Enterprise Security in November 2019.

(1) The amounts shown in this column reflect the aggregate grant date fair value of RSUs, RSAs and PRUs and the incremental fair value as of the modification dates for certain modified awards identified in footnotes below, calculated in accordance with Financial Accounting Standards Board (''FASB'') Accounting Standards Codification (''ASC'') Topic 718. The grant date fair value of each award was determined based on the fair value of our common stock on the grant date except that the fair value of each PRU that contains a market condition was estimated using the Monte Carlo simulation model. For a discussion of the valuation methodology and the metrics used for the FY20 PRUs and RSU, see ''Equity Incentive Awards'' under ''Analysis of Compensation Components'' in the Compensation Discussion and Analysis Section, above. For details of the awards granted in FY20, see the table ''Grants of Plan-Based Awards,'' below. See ''Previously Granted Long-Term Incentive Award Pay Outcomes,'' in the CD&A section, above, for descriptions of the FY19 and FY18 equity awards.

The table below sets forth the grant date fair value (prior to any applicable modifications) determined in accordance with ASC Topic 718 principles for the performance-related components of these awards. Also set forth below are the grant date fair values pertaining to the market-related component or the TSR adjustment, determined upon the grant dates for FY20, and which are not subject to probable or maximum outcome assumptions. Additional details of assumptions used in the valuations of the awards are included in Note 15 of our FY20 Annual Report on Form 10-K.

Name	Maximum Outcome of Performance Conditions Fair Value ($)	Market-Related Component Fair Value ($)
Vincent Pilette	9,243,084	5,184,477
Samir Kapuria	3,301,123	1,851,576
Bryan S. Ko	—	2,688,301
Amy L. Cappellanti-Wolf.	1,178,956	661,283
Arthur W. Gilliland	7,215,276	4,047,047

(2) Represents the executive officer's annual bonus under the FY20 Executive Annual Incentive Plan, which was earned in FY20 and paid the earlier of the executive's termination date, if applicable, or in FY21.

(3) The FY20 amounts are comprised of the following:

Name	Dividend Equivalent on Stock Awards ($)	Life & Disability Insurance Premiums ($)	Tax Planning Services ($)	401(k) Employer Match ($)	Company-Sponsored Events ($)	Patent Award ($)	Car, Driver & Personal Use of Aircraft ($)	Stipend ($)	Severance ($)	Fitness Subsidy ($)	Total ($)
Vincent Pilette	23,314	1,875	3,790	—	—	—	—	—	—	—	28,979
Matthew C. Brown	181,329	2,177	—	6,111	—	—	—	—	—	—	189,617
Samir Kapuria	61,275	1,770	3,500	6,875	9,023	8,200	—	—	—	—	90,643
Bryan S. Ko	—	1,841	—	2,400	—	—	—	—	—	—	4,241
Gregory S. Clark	144,394	—	—	—	—	—	36,422	—	—	—	180,816
Richard S. Hill	2,718	6,671	103,186	—	—	—	—	280,000	—	—	392,575
Nicholas R. Noviello	105,295	715	8,120	312	—	—	—	—	665,000	—	779,442
Amy L. Cappellanti-Wolf.	1,834,524	4,461	22,937	4,075	11,056	—	—	—	763,000	306	2,640,359
Arthur W. Gilliland	—	2,044	18,165	—	—	—	—	—	—	—	20,209

(4) For additional information regarding Mr. Pilette's compensation, including information regarding the Broadcom Retention Plan, see CD&A sections ''Our May 2019 CFO Compensation for Fiscal 2020,'' ''Our November 2019 New CEO Compensation for Fiscal 2020,'' ''Broadcom Special Retention Plan,'' and the ''Analysis of Compensation Components'' section of ''Additional Equity Awards Granted to interim CEO and Current CEO,'' above.

On November 4, 2019, Mr. Pilette's stock awards were modified in connection with the Broadcom Retention Plan, resulting in the incremental fair value of $546,117, calculated in accordance with FASB ASC Topic 718.

(5) For additional information regarding Mr. Brown's compensation see the CD&A section ''Our November 2019 Interim CFO Compensation for Fiscal 2020''.

(6) Mr. Kapuria's base salary increased in FY20 from $450,000 to $550,000 in connection with his promotion to President.

On February 3, 2020, PRUs granted to Mr. Kapuria previously in FY20 that were based on the Company's earnings per share metric and reported billings metric were modified to be based on the 3-year TSR. The modification resulted in the incremental fair value of $768,993, calculated in accordance with FASB ASC Topic 718.

Pursuant to the severance benefit agreement we entered into with Mr. Kapuria in December 2019, and amended in May 2020, on or prior to December 31, 2020 pursuant to a qualifying termination, 50% of Mr. Kapuria's unvested equity on his termination date will vest and the remaining 50% will be eligible to vest after December 31, 2020 if the average closing price of the Company's common stock reaches predetermined levels based 50% on each of (a) a 20 consecutive business day measurement from August 20, 2019 through December 31, 2020 and (b) a 20 consecutive business day measurement from July 1, 2020 through December 31, 2020. For additional information regarding Mr. Kapuria's severance benefit arrangement, please see the CD&A section ''Our President's Special Severance Arrangement''.

(7) Mr. Ko joined the Company in December 2019 and received a hiring bonus of $1,000,000.

(8) Mr. Clark did not receive a FY19 or FY20 equity award as part of his regular executive compensation package.

(9) Mr. Hill served as an independent member of the Company's board of directors from March 30, 2019 to May 9, 2019 and received, pursuant to the Company's Board of Directors Compensation Policy, a pro-rata portion of the FY20 annual grant of RSUs for independent directors of the Board. Mr. Hill was awarded 1,560 shares at a per share fair value of $19.47 per share and an aggregate grant date fair value of $30,373. Mr. Hill also elected to receive his pro-rated annual cash retainer in the form of our common stock. Accordingly, pursuant to the terms of the 2000 Director Equity Incentive Plan, Mr. Hill received 283 shares at a per-share fair value of $19.47 and an aggregate grant date fair value of $5,510. Mr. Hill also received $2,243 in cash for committee fees and fractional shares, which is reflected in the ''Salary'' column. On May 9, 2019, Mr. Hill became our interim President and CEO and received additional employee compensation in the form of cash and stock awards fully described in the CD&A section ''Our Interim CEO Compensation for Fiscal 2020'' and ''Additional Equity Awards Granted to Interim CEO and Current CEO''.

(10) Mr. Noviello's January 2019 transition services agreement provided for a total of $2,145,417 and $1,000,000 in bonuses in FY20 and FY19, respectively, and stock award modifications resulting in incremental fair value, as calculated in accordance with FASB ASC Topic 718. The stock award amounts in FY20 include the incremental fair value of $632,040, $605,490, and $855,250 as a result of modifications of Mr. Noviello's stock awards granted in FY19, FY18, and FY17, respectively. The stock award amounts in FY19 include the incremental fair value of $3,119,872 and $654,548 as a result of modifications of his stock awards granted in FY19 and FY18, respectively.

(11) On November 4, 2019, Ms. Cappellanti-Wolf's stock awards were modified in connection with the Broadcom Retention Plan. The stock award amounts in fiscal 2020 include the incremental fair value of $317,302, $1,154,601, and $251,645 as a result of modifications of Ms. Cappellanti-Wolf's stock awards granted in FY20, FY19, and FY18, respectively, calculated in accordance with FASB ASC Topic 718.

(12) Mr. Gilliland ceased serving as an employee with the Company effective November 4, 2019.

The following table shows for the fiscal year ended April 3, 2020, certain information regarding grants of plan-based awards to our named executive officers from our incentive plans:

Grants of Plan-Based Awards in Fiscal 2020

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards[2]			Estimated Future Payouts Under Equity Incentive Plan Awards[3]						
Name	**Award Type**	**Grant Date[1]**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**Threshold (#)**	**Target (#)**	**Maximum (#)**	**All Other Stock Awards: Number of Shares of Stock or Units (#)**	**All Other Option Awards: Number of Securities Underlying Options (#)**	**Exercise or Base Price of Option Awards ($/Sh)**	**Grant Date Fair Value of Stock and Option Awards[4] ($)**
Continuing NEOs:												
Vincent Pilette	FY20 EAIP	N/A	—	650,000	1,300,000	—	—	—	—	—	—	—
	RSU	12/10/2019	—	—	—	—	—	—	81,698[5]	—	—	2,147,023
	PRU	6/10/2019	—	—	—	240,580	481,159[6]	962,318	—	—	—	9,806,019
	RSU	6/10/2019	—	—	—	—	—	—	206,211[7]	—	—	3,961,313
	RSA	6/10/2019	—	—	—	—	—	—	155,429[8]	—	—	2,985,791
	Modified PRU	11/4/2019	—	—	—	171,843	343,685[9]	515,528	—	—	—	273,058
	Modified RSU	11/4/2019	—	—	—	—	—	—	343,685[10]	—	—	273,058
Matthew C. Brown	FY20 EAIP	N/A	—	132,000	264,000	—	—	—	—	—	—	—
	RSU	6/10/2019	—	—	—	—	—	—	29,459[11]	—	—	565,907
Samir Kapuria	FY20 EAIP	N/A	—	550,000	1,100,000	—	—	—	—	—	—	—
	PRU	6/10/2019	—	—	—	85,921	171,842[6]	343,684	—	—	—	3,502,140
	RSU	6/10/2019	—	—	—	—	—	—	73,647[11]	—	—	1,414,759
	Modified PRU	2/3/2020	—	—	—	85,921	171,842[12]	343,684	—	—	—	768,993
Bryan S. Ko	FY20 EAIP	N/A	—	384,000	768,000	—	—	—	—	—	—	—
	PRU	1/10/2020	—	—	—	38,882	77,764[13]	155,528	—	—	—	2,688,301
	RSU	1/10/2020	—	—	—	—	—	—	68,043[14]	—	—	1,802,459
Transitioned NEOs:												
Gregory S. Clark	—	—	—	—	—	—	—	—	—	—	—	—
Richard S. Hill	FY20 EAIP	N/A	—	1,500,000	3,000,000	—	—	—	—	—	—	—
	RSU	5/24/2019	—	—	—	—	—	—	50,051[15]	—	—	993,512
	PSO	5/24/2019	—	—	—	—	1,623,599[16]	3,247,198		—	7.85	7,735,000
	RSU	5/14/2019	—	—	—	—	—	—	1,560[17]	—	—	30,373
Nicholas R. Noviello	FY20 EAIP	N/A	—	650,000	1,300,000	—	—	—	—	—	—	—
	PRU	5/24/2019	—	—	—	—	—	—	184,588[18]	—	—	2,092,780
Amy L. Cappellanti-Wolf	FY20 EAIP	N/A	—	308,000	616,000	—	—	—	—	—	—	—
	PRU	6/10/2019	—	—	—	30,686	61,372[6]	122,744	—	—	—	1,250,761
	RSU	6/10/2019	—	—	—	—	—	—	61,373[7]	—	—	1,178,975
	Modified PRU	11/4/2019	—	—	—	30,685	61,370[9]	122,740	—	—	—	281,358
	Modified RSU	11/4/2019	—	—	—	—	—	—	61,375[19]	—	—	35,943
	Modified PRU	11/4/2019	—	—	—	63,214	126,427[20]	252,854	—	—	—	57,088
	Modified RSU	11/4/2019	—	—	—	—	—	—	60,758[21]	—	—	1,348,158
Arthur W. Gilliland	FY20 EAIP	N/A	—	700,000	1,400,000	—	—	—	—	—	—	—
	PRU	6/10/2019	—	—	—	187,799	375,598[22]	751,196	—	—	—	7,654,685

(1) The dates in this column reflect original grant dates or modification dates, as applicable.

(2) The amounts in these columns reflect the potential cash bonus eligible to be earned under the FY20 Executive Annual Incentive Plan (''FY20 EAIP''). Amounts are calculated at 0%, 100% and 200% of each executive's individual target incentive opportunity (as a percentage of base salary) for threshold, target and maximum, respectively. See ''Compensation Discussion & Analysis (CD&A) — Analysis of Compensation Components — Executive Annual Incentive Plan,'' for additional information regarding the FY20 EAIP.

(3) The amounts in these columns reflect the potential number of PRU and PSO shares eligible to be earned. Levels are calculated to be 50%, 100% and 200% of funding for threshold, target and maximum, respectively, as further described in the CD&A sections ''Equity Incentive Awards — Performance-based Restricted Stock Units (PRUs)'' for the PRUs and ''Our Interim CEO Compensation for Fiscal 2020'' for the PSOs.

(4) The grant date fair value of the equity incentive plan awards is calculated to be the sum of either (i) the target number of PRU shares multiplied by the fair value on grant date, (ii) the number of RSU or Restricted Stock Award (''RSA'') shares multiplied by the fair value on grant date, (iii) the number of shares underlying the PSO multiplied by the fair value on the grant date, or (iv) the number of modified stock units multiplied by the incremental fair value of the stock award computed as of the modification date.

(5) Represents RSUs that vest in full on December 31, 2020, as described in the section ''Our November 2019 New CEO Compensation for Fiscal 2020'' in CD&A, above

(6) The original vesting schedule of the FY20 PRUs is described in the CD&A section ''Equity Incentive Awards — Performance-based Restricted Stock Units (PRUs).''

(7) The original vesting schedule of the FY20 RSUs is described in the CD&A section ''Equity Incentive Awards — Restricted Stock Units (RSUs).''

(8) Represents shares of common stock that vested in full on August 21, 2019. The original vesting schedule of the RSAs is described in the CD&A section ''Our May 2019 CFO Compensation for Fiscal 2020.''

(9) Represents modified PRUs granted on June 10, 2019 and eligible to be earned on December 31, 2020 based on the achievement of certain performance goals as described in the CD&A section ''Broadcom Special Retention Plan'', and does not reflect a new grant.

(10) Represents modified RSUs granted on June 10, 2019 and vests on December 31, 2020 as described in the CD&A section ''Broadcom Special Retention Plan'', and does not reflect a new grant.

(11) These RSUs vested as to 30% on June 1, 2020 and will vest as to 30% on June 1, 2021 and 40% on June 1, 2022.

(12) Represents modified PRUs granted on June 10, 2019 and eligible to be earned based on the achievement of certain performance goals as described in the CD&A section ''Our President's Special Severance Arrangement,'' and does not reflect a new grant.

(13) Represents FY20 PRU target shares eligible to be earned based on the achievement of certain performance goals as described in the CD&A section ''Equity Incentive Awards — Performance-based Restricted Stock Units (PRUs).''

(14) These RSUs vest as to 30% on December 1, 2020; 30% on December 1, 2021; and 40% on December 1, 2022.

(15) These RSUs vested in full on December 19, 2020 under the terms of a transition service agreement with Mr. Hill (the ''Transition Agreement'') as described in the CD&A section ''Our Interim CEO Compensation for Fiscal 2020,'' which includes a description of the original vesting schedule.

(16) Represents FY20 PSO target shares eligible to be earned based on the achievement of certain performance goals as described in the CD&A section ''Our Interim CEO Compensation for Fiscal 2020.'' Following Mr. Hill's entry into the Hill Transition Services Agreement, the total number of shares subject to the PSO was adjusted from 1,623,599 to 1,650,000 and a

total of 650,000 shares issuable upon exercise of the PSOs vested on November 4, 2019 and the remaining 975,000 shares issuable upon exercise of the PSOs are eligible to vest on December 31, 2020 based on the achievement of certain modified performance goals as described in the CD&A section ''Our Interim CEO Compensation for Fiscal 2020'' and does not reflect a new grant. Mr. Hill's exercise price was reduced from $19.85 to $7.85 per share in connection to the payment of the Company's $12 special dividend on January 31, 2020.

(17) These RSUs vested in full upon grant on May 14, 2019. Mr. Hill served as an independent member of the Company's board of directors from March 30, 2019 to May 9, 2019 and received, pursuant to the Company's Board of Directors Compensation Policy, a pro-rata portion of the FY20 annual grant of RSUs for independent directors of the Board.

(18) Represents modified RSUs granted on July 29, 2016, June 9, 2017 and December 10, 2018 under the terms of Mr. Noviello's Transition Service Agreement dated January 31, 2019. Mr. Noviello separated from the Company and these RSUs vested in full on May 24, 2019 pursuant to the modified terms.

(19) Represents modified RSUs granted on June 10, 2019 and vests on December 31, 2020 as described in the CD&A section ''Broadcom Special Retention Plan,'' and does not reflect a new grant. Ms. Cappellanti-Wolf separated from the Company and these RSUs vested in full on February 14, 2020, pursuant to the modified terms.

(20) Represents modified PRUs granted on June 9, 2017 and July 10, 2018 and eligible to be earned on December 31, 2020 based on the achievement of certain performance goals as described in the CD&A section ''Broadcom Special Retention Plan,'' and does not reflect a new grant.

(21) Represents modified RSUs granted on June 9, 2017 and July 10, 2018 and vests on December 31, 2020 as described in the CD&A section ''Broadcom Special Retention Plan,'' and does not reflect a new grant.

(22) Represents FY20 PRU target shares eligible to be earned based on the achievement of certain performance goals as described in the CD&A section ''Equity Incentive Awards — Performance-based Restricted Stock Units (PRUs).'' Mr. Gilliland separated from the Company and these PRUs were cancelled on November 4, 2019.

For a summary of the terms of the FY20 Executive Annual Incentive Plan, see ''Compensation Discussion & Analysis (CD&A) — Compensation Components — Executive Annual Incentive Plans,'' above. For a summary of the circumstances in which the equity awards described above will accelerate, see ''Compensation Discussion & Analysis (CD&A) — Health and Welfare Benefits; Perquisites — Change in Control and Severance Arrangements,'' above, and ''Potential Payments Upon Termination or Change-in-Control,'' below.

The following table shows for the fiscal year ended April 3, 2020, certain information regarding outstanding equity awards at fiscal year-end for our named executive officers.

Outstanding Equity Awards at Fiscal Year-End 2020

		Option Awards					Stock Awards			
Name	Grant Date	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Equity incentive plan awards: number of securities underlying unexercised unearned options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested[1] ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Yet Vested (#)	Equity Incentive Plan Awards: Value of Unearned Shares, Units or Other Rights that Have Not Yet Vested[1] ($)
Continuing NEOs:										
Vincent Pilette	12/10/2019						81,698[2]	1,494,256		
	06/10/2019						343,685[2]	6,285,999	343,685[3]	6,285,999
Matthew C. Brown	06/10/2019						29,459[4]	538,805		
	02/08/2019						17,556[5]	321,099		
	06/08/2018						10,625[6]	194,331		
	12/08/2017						2,799[7]	51,194		
	06/09/2017						4,205[8]	76,909		
	10/20/2015	15,000			0.01[9]	10/20/25				
Samir Kapuria	06/10/2019						73,647[10]	1,347,004	171,842[11]	3,142,990
	07/10/2018						142,945[12]	2,614,464	79,414[13]	1,452,482
	06/09/2017						4,270[8]	78,098		
Bryan S. Ko	01/10/2020						68,043[14]	1,244,506	77,764[11]	1,422,304
Transitioned NEOs:										
Richard S. Hill	05/24/2019	150,000		975,000[15]	7.85	05/24/2022				
Amy L.	06/10/2019								61,370[3]	1,122,457
Cappellanti-	07/10/2018								44,121[16]	806,973
Wolf	06/09/2017								36,613[17]	669,652

(1) The market value of the equity awards that have not vested is calculated by multiplying the number of units that have not vested by the closing price of the Company's stock on April 3, 2020, which was $18.29 per share.

(2) These shares vests in full on December 31, 2020.

(3) These FY20 PRUs are eligible to be earned on December 31, 2020 based on the achievement of certain performance goals as described in the CD&A section ''Broadcom Special Retention Plan,'' above.

(4) 8,838 shares vested on June 1, 2020; 8,838 shares vest on June 1, 2021; and 11,783 shares vest on June 1, 2022.

(5) 7,524 shares vest on March 1, 2021; and 10,032 shares vest on March 1, 2022.

(6) 5,313 shares vested on June 1, 2020 and 5,312 shares vest on June 1, 2021.

(7) These shares vests in full on December 1, 2020.

(8) These shares vests in full on June 1, 2020.

(9) The exercise price was decreased from $6.73 to $0.01 per share in connection to the payment of the Company's $12 special dividend on January 31, 2020. The remaining $5.28 per share was paid in the form of a cash dividend equivalent.

(10) 22,095 shares vested on June 1, 2020; 22,094 shares vest on June 1, 2021; and 29,458 shares vest on June 1, 2022.

(11) Vests on April 1, 2022 based on, and subject to, further adjustment as a result of the achievement of the TSR ranking for our company as compared to the S&P 500. The number of shares and payout value for the FY20 PRUs reflect the target potential payout. Each PRU is subject to the Compensation Committee's certification when approving the settlement thereof.

(12) 71,473 shares vested on June 1, 2020 and 71,472 shares vest on June 1, 2021.

(13) Vests on April 2, 2021 based on, and subject to further adjustment as a result of, the achievement of the TSR ranking for our company as compared to the Nasdaq 100. The number of shares and payout value for the FY19 PRUs reflect the target potential payout. Each PRU is subject to the Compensation Committee's certification when approving the settlement thereof.

(14) 20,413 shares vest on December 1, 2020; 20,413 shares vest on December 1, 2021; and 27,217 shares vest on December 1, 2022.

(15) The remaining 975,000 shares are eligible to vest on December 31, 2020 based on the achievement of certain performance goals as described in the CD&A section ''Our Interim CEO Compensation for Fiscal 2020.''

(16) These FY19 PRUs are eligible to be earned on December 31, 2020 based on the achievement of certain performance goals as described in the CD&A section ''Broadcom Special Retention Plan.''

(17) These FY18 PRUs are eligible to be earned on December 31, 2020 based on the achievement of certain performance goals as described in the CD&A section ''Broadcom Special Retention Plan.''

The following table shows for the fiscal year ended April 3, 2020, certain information regarding option exercises and stock vested during the last fiscal year with respect to our named executive officers:

Option Exercises and Stock Vested in Fiscal 2020

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise[(1)] ($)**	**Number of Shares Acquired on Vesting[(2)] (#)**	**Value Realized on Vesting ($)**
Continuing NEOs:				
Vincent Pilette	—	—	155,429	3,685,222
Matthew C. Brown	—	—	29,885	584,699
Samir Kapuria	—	—	167,624	3,143,545
Bryan S. Ko	—	—	—	—
Transitioned NEOs:				
Gregory S. Clark	3,665,271	47,149,388	—	—
Richard S. Hill	500,000	5,275,828	51,611	1,193,580
Nicholas R. Noviello	775,028	10,981,275	186,003	3,622,380
Amy L. Cappellanti-Wolf	—	—	197,947	3,750,179
Arthur W. Gilliland	—	—	—	—

(1) The value realized upon option exercises is based on the difference between the closing price of our common stock at exercise and the option exercise price.

(2) The number of shares and value realized for stock awards set forth above reflect (i) RSUs and RSAs that vested and settled in fiscal 2020, and (ii) PRUs that vested in fiscal 2020 and subsequently settled in fiscal 2021.

Non-Qualified Deferred Compensation in Fiscal 2020

The table below provides information on the non-qualified deferred compensation of the named executive officers for the fiscal year ended April 3, 2020.

	Non-Qualified Deferred Compensation				
Name	Executive Contributions in Last Fiscal Year ($)(1)	Registrant Contributions in Last Fiscal Year ($)	Aggregate Earnings in Last Fiscal Year ($)(2)	Aggregate Withdrawals/ Distributions ($)(3)	Aggregate Balance at Last Fiscal Year-End ($)
Continuing NEOs:	—	—	—	—	—
Vincent Pilette	—	—	—	—	—
Matthew C. Brown	—	—	—	—	—
Samir Kapuria	—	—	—	—	—
Bryan S. Ko	—	—	—	—	—
Transitioned NEOs:					
Gregory S. Clark	—	—	—	—	—
Richard S. Hill	—	—	—	—	—
Nicholas R. Noviello	19,410	—	6,027	214,158	—
Amy L. Cappellanti-Wolf	—	—	—	—	—
Arthur W. Gilliland	—	—	—	—	—

(1) The amounts reflected include FY20 salary and is included in the amount reported as ''Salary'' in the ''Summary Compensation Table for FY20.

(2) The amounts reflected are not included in the Summary Compensation Table for FY20. These amounts consist of dividends, interest and change in market value attributed to each executive officer's entire account balance during FY20, which balance may include deferred compensation from previous periods. The amounts do not include the deferred compensation themselves. Such earnings were not preferential or above-market.

(3) Pursuant to the terms of the NortonLifeLock Inc. Deferred Compensation Plan and in connection with Mr. Noviello's separation from service, Mr. Noviello's account was liquidated in full and he received a distribution of $214,157.86 on January 1, 2020.

In FY20, certain management employees on our U.S. payroll with a base salary of $180,000 or greater, including each of the named executive officers, were eligible to participate in the NortonLifeLock Inc. Deferred Compensation Plan. The plan provides for the opportunity for participants to defer up to 75% of base salary and 100% of variable pay each year and up to 100% of sales commissions as a separate election. Variable pay included annual incentive plan and commission payments. Deferral elections must be made prior to the beginning of a calendar year and cannot be revoked as of the day immediately prior to commencement of that year. Participants have the opportunity to elect each year whether to receive that year's deferrals upon a specified date or upon termination of employment, and the form of payment elected will be honored regardless of a participant's length of service.

The plan is ''unfunded'' and all deferrals are general assets of NortonLifeLock. Amounts deferred by each participant under the plan are credited to a bookkeeping account maintained on behalf of each participant. The bookkeeping account under the plan will then be adjusted based on the performance of the measurement funds that have been selected by the participant. The measurement funds available under the plan include the investment funds available under our 401(k) plan as well as additional asset classes. Each participant may change their measurement fund selections on a daily basis. The plan requires that benefits accumulated in the bookkeeping accounts for each participant not meeting a 5-year service requirement be distributed to the participant following his or her termination of employment with us for any reason. If a 5-year service requirement is met, accumulated benefits in the participant's account will be distributed according to the participant's designated payment election.

Upon first entering the Deferred Compensation Plan, a participant has the option to make a one-time election, which will apply to all future account balances to determine how they will be paid in the event of a change in control. By making the one-time election a participant will receive all remaining account balances in a lump sum in the month following the month of termination, if termination occurs within two (2) years following a change in control. If a participant's employment ended before the change in control, any remaining balances will be distributed in a lump sum within 90 days of the change in control.

Potential Payments Upon Termination or Change-In-Control

Set forth below is a description of the plans and agreements (other than the Deferred Compensation Plan) that could result in potential payouts to our named executive officers in the case of their termination of employment and/or a change in control of NortonLifeLock. For information regarding potential payouts upon termination under the Deferred Compensation Plan, in which certain of executive officers participate, see ''Non-Qualified Deferred Compensation in Fiscal 2020,'' above.

NortonLifeLock Executive Retention Plan

In January 2001, the Board approved the NortonLifeLock Executive Retention Plan, to deal with employment termination resulting from a change in control of the Company. The plan was modified by the Board in July 2002, April 2006, June 2007, April 2012, February 2016 and January 2018. Under the terms of the plan, all equity compensation awards (including, among others, stock options, RSUs and PRUs) granted by the Company to the Company's Section 16(b) officers (including our named executive officers) would become fully vested (at target or to the extent of achievement for PRUs) and, if applicable, exercisable following a change in control of the Company (as defined in the plan) after which the officer's employment is terminated without cause or constructively terminated by the acquirer within 12 months after the change in control.

The plan also provides for the payment of a cash severance benefit for our named executive officers equal to one times such officer's base salary and target payout under the Executive Annual Incentive Plan applicable to such named executive officer in the circumstances described above (i.e., following a change in control of the Company after which the officer's employment is terminated without cause or constructively terminated by the acquirer within 12 months after the change in control).

NortonLifeLock Executive Severance Plan

In April 2012, the Compensation Committee adopted the NortonLifeLock Executive Severance Plan to provide severance benefits to specified officers of NortonLifeLock. The plan was amended and restated by the Board in January 2018. Executive officers must meet certain criteria in order to participate in the plan, including, among other criteria, (i) the executive officer was involuntarily terminated from active employment other than for cause (as defined in the plan); (ii) the executive officer was not terminated due to the sale of a business, part of a business, divestiture or spin-off and offered employment upon terms and conditions substantially identical to those in effect immediately prior to such sale, divestiture or spin-off; and (iii) the executive officer is not entitled to severance under any other plan, fund, program, policy, arrangement or individualized written agreement providing for severance benefits that is sponsored or funded by NortonLifeLock.

Under the terms of the plan, the executive officer will receive severance payments equal to one times the sum of his or her base salary in effect at the time of his or her involuntary termination, a one-time bonus of $15,000, minus taxes and other legally required deductions, and is also entitled to receive six months of outplacement services, including counseling and guidance. The executive officer is solely responsible for all COBRA premiums for his or her continuation coverage. In addition, the executive officer will receive an additional payment equivalent to 75% of the executive officer's prorated target cash incentive award under the Executive Annual Incentive Plan in effect for such fiscal year to the executive officer who was terminated in the second half of such fiscal year and was employed in good standing for a minimum of six (6) months prior to his or her termination date. This payment was added to standardize benefits to all our executive officers and to be competitive with overall market practices.

Payment of severance payments, one-time bonus payment, outplacement services and 75% of the prorated target cash incentive award under the Executive Annual Incentive Plan pursuant to the NortonLifeLock Executive Severance Plan is subject to the applicable executive officer returning a release of claims against NortonLifeLock.

Broadcom Special Retention Plan

In anticipation of the transaction with Broadcom and acknowledging that certain then-serving executive officers would be needed to assist in the post Broadcom transaction transition but would unlikely be retained as officers of the standalone pure-play consumer business, the Board the Broadcom Retention Plan in August 2019. Mr. Pilette (then CFO) and Ms. Cappellanti-Wolf were subject to the terms of this plan. Pursuant to the Broadcom Retention Plan, if an eligible executive is employed with the Company through the closing of the transaction with Broadcom and is employed (i) through a transition period, or (ii) is terminated by us without cause prior to the end of the transition period, such executive was entitled to receive: (a) a cash payment equal to such executive's annual base salary, (b) a cash payment equal to such executive's target bonus under the FY20 EAIP, (c) vesting as to 50% of such executive's unvested equity as of the Broadcom transaction closing (to vest at such executive's termination no later than December 31, 2020), and (d) between 75% and 150% acceleration of the additional 50% unvested equity if our average closing stock price reaches predetermined levels based 50% on each of (y) a 20 consecutive business day measurement from August 20, 2019 through December 31, 2020 and (z) a 20 consecutive business day measurement from July 1, 2020 through December 31, 2020, subject in each case to the execution of a release of any claims against the Company. For additional details, see ''Broadcom Special Retention Plan'' in the CD&A section, above.

For those NEOs participating in the Broadcom Retention Plan, the Broadcom Retention replaces the benefits that would have otherwise received under the Executive Retention Plan and Executive Severance Plan.

Samir Kapuria Severance Arrangement

Following the closing of the Broadcom transaction, our Compensation Committee recognized that Mr. Kapuria would be taking on additional responsibilities as President in helping to support the CEO in transitioning the Company to a pure-play consumer cyber safety company. Accordingly, in December 2019 we entered into a severance benefit arrangement with Mr. Kapuria. Pursuant to this agreement and taking existing compensation as the baseline, if Mr. Kapuria is terminated without cause or dies before December 31, 2020, he is entitled to receive (a) a cash payment equal to annual base salary, (b) a cash payment equal to Mr. Kapuria's target bonus (increased pro rata for additional months worked more than 12 months following the Effective Date), and (c) vesting as to 50% of unvested equity, reduced by any equity that otherwise vests between December 5, 2020 and Mr. Kapuria's termination date, and (d) between 75% and 150% acceleration of the additional 50% unvested equity if our average closing stock price reaches predetermined levels based 50% on each of (y) a 20 consecutive business day measurement from August 20, 2019 through December 31, 2020 and (z) a 20 consecutive business day measurement from July 1, 2020 through December 31, 2020, subject in each case to the execution of a release of any claims against the Company.

On May 28, 2020, we entered into an amendment agreement to the special severance benefit arrangement with Mr. Kapuria, pursuant to which he will be entitled to the severance benefits when his service ends on or before December 31, 2020. See ''Our President's Special Severance Arrangement'' in CD&A, above, for additional information.

Richard S. Hill Transition Services Agreement

In August 2019, we entered into the Hill Transition Services Agreement with Richard S. ''Rick'' Hill. Under the Hill Transition Services Agreement, if Mr. Hill (i) continued to serve as the Company's Chief Executive Officer until the closing of the Broadcom transaction and (ii) provided reasonable transition services to the Company, or such other services as the Company may request, including, but not limited to, the transitioning his responsibilities and assistance in the hiring of a new Chief Executive Officer of the Company, he would be entitled to receive (a) a cash payment equal to his target bonus (pro-rated through December 31, 2019), (b) full acceleration of any unvested RSUs, (c) accelerated vesting of 650,000 performance options, and (d) up to an additional vesting of 975,000 performance options if the average closing price of the Company's common stock reaches predetermined levels during two performance periods (y) from August 20, 2019 through December 31, 2020 (z) from July 1, 2020 through December 31, 2020. See ''Our Interim CEO Compensation for Fiscal 2020'' in CD&A, above, for additional information.

Continuing NEOs:

Vincent Pilette

The following table summarizes the value of the payouts to Mr. Pilette pursuant to the Broadcom Retention Plan, the NortonLifeLock Executive Retention Plan and the NortonLifeLock Executive Severance Plan, assuming a qualifying termination as of April 3, 2020 (intrinsic values of equity awards are based upon the closing price for a share of our common stock of $18.29 on April 3, 2020 minus the exercise price):

	Severance Pay ($)	Option Vesting ($)	RSU Vesting ($)	PRU Vesting ($)
Involuntary Termination Because of Market Conditions or Division Performance	1,156,336	—	—	10,410,219
Termination Without Cause or Constructive Termination Within 12 Months of a Change of Control	1,300,000	—	12,884,851	10,410,219
Termination Without Cause	1,156,336	—	12,884,851	10,410,219
Termination Due to Death or Disability	—	—	—	10,410,219

Matthew C. Brown

The following table summarizes the value of the payouts to Mr. Brown pursuant to the Broadcom Retention Plan, NortonLifeLock Executive Retention Plan and the NortonLifeLock Executive Severance Plan, assuming a qualifying termination as of April 3, 2020 (intrinsic values of equity awards are based upon the closing price for a share of our common stock of $18.29 on April 3, 2020 minus the exercise price):

	Severance Pay ($)	Option Vesting ($)	RSU Vesting ($)	PRU Vesting ($)
Involuntary Termination Because of Market Conditions or Division Performance	572,836	—	—	—
Termination Without Cause or Constructive Termination Within 12 Months of a Change of Control	587,000	—	1,958,067	—
Termination Without Cause	572,836	—	1,958,067	—
Termination Due to Death or Disability	—	—	—	—

Samir Kapuria

The following table summarizes the value of the payouts to Mr. Kapuria pursuant to his severance arrangement and the NortonLifeLock Executive Retention Plan, assuming a qualifying termination as of April 3, 2020 (intrinsic values of equity awards are based upon the closing price for a share of our common stock of $18.29 on April 3, 2020 minus the exercise price):

	Severance Pay ($)	Option Vesting ($)	RSU Vesting ($)	PRU Vesting ($)
Involuntary Termination Because of Market Conditions or Division Performance	981,336	—	—	7,150,227
Termination Without Cause or Constructive Termination Within 12 Months of a Change of Control	1,100,000	—	7,150,227	7,150,227
Termination Without Cause	981,336	—	7,150,227	7,150,227
Termination Due to Death or Disability	—	—	—	7,150,227

Bryan S. Ko

The following table summarizes the value of the payouts to Mr. Ko pursuant to the NortonLifeLock Executive Retention Plan and the NortonLifeLock Executive Severance Plan, assuming a qualifying termination as of April 3, 2020 (intrinsic values of equity awards are based upon the closing price for a share of our common stock of $18.29 on April 3, 2020 minus the exercise price):

	Severance Pay ($)	Option Vesting ($)	RSU Vesting ($)	PRU Vesting ($)
Involuntary Termination Because of Market Conditions or Division Performance	786,836	—	—	2,355,472
Termination Without Cause or Constructive Termination Within 12 Months of a Change of Control	864,000	—	2,061,022	2,355,472
Termination Without Cause	786,836	—	2,061,022	2,355,472
Termination Due to Death or Disability	—	—	—	2,355,472

Transitioned NEOs:

Gregory S. Clark

Mr. Clark served as our President and CEO through May 9, 2019. In connection with Mr. Clark's departure, he and the Company entered into a separation agreement dated May 9, 2019. Pursuant to the separation agreement, Mr. Clark was not entitled to and did not receive any payouts under his employment agreement, the NortonLifeLock Executive Retention Plan, the NortonLifeLock Executive Severance Plan or any other arrangement

Richard S. Hill

The following table summarizes the value of payments to Mr. Hill in accordance with the Hill Transition Services Agreement. Equity award values are based upon the closing price for a share of our common stock of $18.29 on April 3, 2020, less the exercise price.

	Severance Pay ($)	Option Vesting ($)	RSU Vesting ($)	PRU Vesting ($)
Involuntary Termination	1,076,712	6,786,000	478,945	—

Nicholas R. Noviello

The following table summarizes the value of payments to Mr. Noviello in accordance with his transition services agreement. Equity award values are based upon the closing price for a share of our common stock of $19.85 on May 24, 2019 minus the exercise price.

	Severance Pay ($)	Option Vesting ($)	RSU Vesting ($)	PRU Vesting ($)
Involuntary Termination	3,152,500	—	1,798,867	2,770,345

Amy Cappellanti-Wolf

The following table summarizes the value of payments to Ms. Cappellanti-Wolf pursuant to the Broadcom Retention Plan. Equity award values are based upon the closing price for a share of our common stock of $20.66 on February 14, 2020 minus the exercise price.

	Severance Pay ($)	Option Vesting ($)	RSU Vesting ($)	PRU Vesting ($)
Involuntary Termination	962,868	—	4,641,149	—

Arthur W. Gilliland

The following table summarizes the value of payments to Mr. Gilliland pursuant to the NortonLifeLock Executive Retention Plan.

	Severance Pay ($)	Option Vesting ($)	RSU Vesting ($)	PRU Vesting ($)
Involuntary Termination	311,321	—	—	—

CEO Pay Ratio

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, we are providing the ratio of the annual total compensation of Mr. Pilette, our CEO, to the median of the annual total compensation of our employees, and have annualized his base salary as required under Item 402(u) of Regulation S-K. We believe that the pay ratio disclosed below is a reasonable estimate calculated in a manner consistent with Item 402(u) of Regulation S-K. SEC rules for identifying the median employee and calculating the pay ratio allow companies to apply various methodologies and apply various assumptions and, as result, the pay ratio reported by us may not be comparable to the pay ratio reported by other companies.

As of the end of fiscal 2020, April 3, 2020, we employed 3,659 employees globally, with approximately 47% based in the United States and 53% based outside of the United States. Our compensation programs and reward offerings are designed to reflect local market practices across our global operations.

In light of the higher than normal equity compensation Mr. Pilette was granted in fiscal year 2020 in connection with his new hire and transition awards, our fiscal 2020 pay ratio is higher than expected, and we anticipate the ratio will decline in future years when these new-hire and transition grants are no longer included in the calculation. In addition, another major contributing factor to the size of the pay ratio is that a majority of our employee population resides in lower cost locations outside the United States.

Pay Ratio:

- Mr. Pilette's fiscal 2020 annual total compensation was $20,596,491 which was calculated in the same manner as the amounts reported in the ''Total'' column of the ''2020 Summary Compensation Table'' in this proxy statement, except that Mr. Pilette's base salary was annualized.
- The fiscal 2020 annual total compensation of our median employee (other than our CEO) was $92,914.
- Based on this information, the pay ratio of the annual total compensation of our CEO to the median of the annual total compensation of our employees is 222.5 to 1.

Identification of the Median Employee:

For purposes of identifying our median employee, we used our global employee population as of April 3, 2020, identified based on our global human resources system of record, inclusive of all regular employees employed by the Company as of that date. We used total direct compensation as our consistently applied compensation measure. In this context, total direct compensation is the sum of the value of base salary or wages earned, which has been annualized with respect to permanent employees, the annual incentive target amount or annual commission target amount in effect as of April 3, 2020, and the grant date fair value of all equity awards granted during fiscal 2020, excluding the value of any modifications. Cash compensation figures were converted from local currency to U.S. dollars using the exchange rate the Company used for 2020 internal budgeting purposes. We did not make any cost-of-living adjustments or utilize the de minimis exemption to eliminate countries representing no more than 5% of our global population in the aggregate as allowed by SEC rules.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Related-Person Transactions Policy and Procedure

NortonLifeLock has adopted a written related person transactions policy which provides for the Company's policies and procedures regarding the identification, review, consideration and approval or ratification of ''related person transactions.'' The Nominating and Governance Committee reviews transactions that may be ''related person transactions,'' which are transactions between NortonLifeLock and any related persons in which the aggregate amount involved exceeds or may be expected to exceed $120,000, and in which the related person has or will have a direct or indirect material interest. For purposes of the policy, a related person is any NortonLifeLock executive officer, director, nominee for director, or stockholder holding more than 5% of any class of NortonLifeLock's voting securities, in each case, since the beginning of the previous fiscal year, and their immediate family members.

Under the policy, absent any facts or circumstances indicating special or unusual benefits to the related person, the following transactions are deemed not to be ''related person transactions'' (meaning the related person is deemed to not have a direct or indirect material interest in the transaction):

- compensation to executive officers determined by NortonLifeLock's Compensation Committee;
- any transaction with another company at which a related person is a director or an employee (other than an executive officer) if the aggregate amount involved does not exceed the greater of $2,000,000, or three percent of that company's total annual gross revenues, provided that the transaction involves the purchase of either company's goods and services and the transaction is subject to usual trade terms and is in the ordinary course of business and the related person is not involved in the negotiation of the transaction;
- any compensation paid to a director if the compensation is required to be reported in NortonLifeLock's proxy statement;
- any transaction where the related person's interest arises solely from the ownership of the Company's common stock and all holders of the Company's common stock received the same benefit on a pro rata basis;
- any charitable contribution, grant or endowment by NortonLifeLock or the NortonLifeLock Foundation to a charitable organization, foundation or university at which a related person's only relationship is as a director or an employee (other than an executive officer), if the aggregate amount involved does not exceed $120,000, or any non-discretionary matching contribution, grant or endowment made pursuant to a matching gift program;
- any transaction where the rates or charges involved are determined by competitive bids;
- any transaction involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority; or
- any transaction involving services as a bank depositary of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.

Under the policy, members of NortonLifeLock's legal department review transactions involving related persons that do not fall into one of the above categories. If they determine that a related person could have a significant interest in a transaction, the transaction is referred to the Nominating and Governance Committee. In addition, transactions may be identified through NortonLifeLock's Code of Conduct or other NortonLifeLock policies and procedures, and reported to the Nominating and Governance Committee. The Nominating and Governance Committee determines whether the related person has a material interest in a transaction and may approve, ratify, rescind or take other action with respect to the transaction.

Certain Related Person Transactions

Investments by Firms Affiliated with our Directors

On February 3, 2016, NortonLifeLock entered into an investment agreement with investment entities affiliated with Silver Lake, a private equity firm, relating to the issuance to Silver Lake of $500 million principal amount of 2.5% convertible unsecured notes, due in 2021. In connection with the investment, Kenneth Y. Hao, a managing partner and managing director of Silver Lake, was appointed to our Board.

On June 12, 2016, NortonLifeLock entered into an investment agreement with investment entities affiliated with Silver Lake and Bain Capital relating to the issuance of $1.25 billion aggregate principal amount of 2.0% convertible unsecured notes due in 2021. Pursuant to the investment agreement, Silver Lake has agreed to purchase $500 million aggregate principal amount of the notes, and Bain Capital, a private equity firm, agreed to purchase $750 million aggregate principal amount of the notes. The transactions contemplated by this investment agreement closed concurrently with the closing of the Blue Coat acquisition on August 1, 2016. In connection with the investment, David W. Humphrey, a managing director of Bain, was appointed to our Board.

The 2.5% convertible unsecured notes, due in 2021 (the ''2.5% Notes''), bear interest at a rate of 2.5% per annum. The 2.0% convertible unsecured notes, due in 2021 (the ''2.0% Notes'' and, together with the 2.5% Notes, collectively, the ''Notes''), bear interest at a rate of 2.0% per annum. Interest is payable semiannually in cash under the Notes. In February 2020, we exchanged $250 million of our 2.5% Convertible Notes and $625 million of our 2.0% Convertible Notes for new convertible notes of the same principal amounts (the ''New Notes'') and paid the holders of the new convertible notes a total cash consideration of $546 million in lieu of conversion price adjustments related to our $12 special dividend to the exchanged notes. We adjusted the conversion price of the remaining $250 million of our 2.5% Convertible Notes and the remaining $625 million of our 2.0% Convertible Notes and extended the maturity date by one year.

In March 2020, we settled $250 million of our 2.5% Convertible Notes for $566 million, which included a cash settlement of the equity conversion feature.

As of April 3, 2020, $4.3 billion in aggregate principal amount of the indebtedness was outstanding. During FY20, we paid an aggregate of $179 million in interest on aggregate debt.

In May 2020, we settled the principal and conversion rights of $625 million of our 2.0% Convertible Notes for $1.18 billion in cash, and as of the date of this proxy statement, only the New Notes remain outstanding.

NortonLifeLock also entered into a Registration Rights Agreement pursuant to which holders of the Notes have certain registration rights with respect to the Notes and the shares of our common stock issuable upon conversion of the Notes.

Transactions with Starboard Value LP

In September 2018, the Company entered into an agreement with Starboard Value LP and certain of its affiliates (collectively, ''Starboard'') regarding, among other things, the membership and composition of the Board and committees thereof (the ''Starboard Agreement''). Pursuant to the Starboard Agreement, if at any time Starboard beneficially owns less than 3.0% of the Company's then-outstanding common stock (the ''Minimum Ownership Threshold''), Mr. Feld (or, if Mr. Feld is no longer serving on the Board, the substitute Starboard employee director who replaced Mr. Feld) will immediately resign from the Board.

Aircraft Lease Agreement

On November 9, 2017, the Company and Mr. Clark, our former CEO, entered into an Aircraft Lease Agreement (the ''Aircraft Lease Agreement'') for the occasional lease by the Company of an aircraft owned by Mr. Clark. Under the Aircraft Lease Agreement, the Company will reimburse Mr. Clark for business travel on his aircraft at a rate of $2,500 per flight hour plus additional operating costs. The Nominating and Governance Committee of our Board of Directors approved the Aircraft Lease Agreement after completing a competitive analysis of comparable chartered aircraft rates, which showed that the reimbursement rate is at or below market rates for the charter of similar aircraft. The Nominating and Governance Committee during FY18 also adopted a Company-wide Aircraft Usage Policy, which governs the approved business usage of corporate aircraft, including Mr. Clark's, and set an annual cap on the amount of expenses to be incurred by the Company under the policy at two million dollars. During FY20, we incurred approximately $321,710 in fees for the aircraft owned by Mr. Clark. Please see ''Executive Compensation and Related Information — Summary Compensation Table'' on page 64 for more information.

REPORT OF THE AUDIT COMMITTEE

The information contained in the following report of NortonLifeLock's Audit Committee is not considered to be ''soliciting material,'' ''filed'' or incorporated by reference in any past or future filing by NortonLifeLock under the Exchange Act or the Securities Act of 1933 unless and only to the extent that NortonLifeLock specifically incorporates it by reference.

The information contained in the following report of NortonLifeLock's Audit Committee is not considered to be ''soliciting material,'' ''filed'' or incorporated by reference in any past or future filing by NortonLifeLock under the Exchange Act or the Securities Act of 1933 unless and only to the extent that NortonLifeLock specifically incorporates it by reference.

The Audit Committee is comprised solely of independent directors, as defined by current NASDAQ listing standards, and operates under a written charter which was most recently amended by the Board on February 3, 2020. The Audit Committee oversees NortonLifeLock's financial reporting process on behalf of the Board. Management has primary responsibility for the financial statements and the reporting process, including the systems of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed the audited financial statements that were included in NortonLifeLock's Annual Report on Form 10-K for the fiscal year ended April 3, 2020 with management, including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements.

The Audit Committee reviewed with NortonLifeLock's independent registered public accounting firm, which is responsible for expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles, its judgments as to the quality, not just the acceptability, of NortonLifeLock's accounting principles and discussed with the independent registered public accounting firm the matters required to be discussed by the Public Company Accounting Oversight Board (PCAOB) Auditing Standard No. 16 (Communications with Audit Committees). In addition, the Audit Committee has received and reviewed the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the PCAOB regarding the registered public accounting firm's communications with the Audit Committee concerning independence from management and NortonLifeLock, and has discussed with the independent registered public accounting firm the registered public accounting firm's independence from management and NortonLifeLock.

The Audit Committee discussed with NortonLifeLock's internal accountants and independent registered public accounting firm the overall scope and plans for their respective audits. The Audit Committee meets with the internal accountants and independent registered public accounting firm, with and without management present, to discuss the results of their examinations, their evaluations of NortonLifeLock's internal controls, and the overall quality of NortonLifeLock's financial reporting. The Audit Committee also received the report of management contained in NortonLifeLock's Annual Report on Form 10-K for the fiscal year ended April 3, 2020, as well as KPMG's Report of Independent Registered Public Accounting Firm included in NortonLifeLock's Annual Report on Form 10-K related to its audit of (i) the consolidated financial statements and financial statement schedule and (ii) the effectiveness of internal control over financial reporting. The Audit Committee continues to oversee NortonLifeLock's efforts related to its internal control over financial reporting and management's preparations for the evaluation in fiscal 2021.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board (and the Board has approved) that the audited financial statements be included in NortonLifeLock's Annual Report on Form 10-K for the fiscal year ended April 3, 2020 for filing with the SEC.

By: The Audit Committee of the Board of Directors:

V. Paul Unruh (Chair)
Eric K. Brandt
Frank E. Dangeard
Nora Denzel

NORTONLIFELOCK INC.
2020 ANNUAL MEETING OF STOCKHOLDERS
MEETING INFORMATION

Information About Solicitation and Voting

This proxy is solicited on behalf of the Board for use at the Annual Meeting, which will be conducted via live webcast on September 8, 2020, at 9:00 a.m. (Pacific Time), and any adjournment or postponement thereof. We will provide a re-playable webcast of the Annual Meeting, which will be available on the events section of our investor relations website at *investor.nortonlifelock.com*.

About the Annual Meeting

What is the purpose of the Annual Meeting?

At our Annual Meeting, stockholders will act upon the proposals described in this proxy statement. In addition, following the meeting, management will report on the performance of NortonLifeLock and respond to questions from stockholders.

What proposals are scheduled to be voted on at the Annual Meeting?

Stockholders will be asked to vote on four proposals. The proposals are:

1. Election to the Board of the eight nominees named in this proxy statement;
2. Ratification of the appointment of KPMG as our independent registered public accounting firm for the 2021 fiscal year;
3. An advisory vote to approve executive compensation;
4. Stockholder proposal regarding political contribution disclosure; and
5. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

What is the recommendation of the Board on each of the proposals scheduled to be voted on at the Annual Meeting?

The Board recommends that you vote **FOR** each of the nominees to the Board (Proposal No. 1), **FOR** the ratification of the appointment of KPMG as our independent registered public accounting firm for the 2021 fiscal year (Proposal No. 2); **FOR** the approval of compensation to our named executive officers (Proposal No. 3); and **AGAINST** the stockholder proposal regarding political spending disclosure (Proposal No. 4).

Could other matters be decided at the Annual Meeting?

Our Bylaws require that we receive advance notice of any proposal to be brought before the Annual Meeting by stockholders of NortonLifeLock, and we have not received notice of any such proposals. If any other matter were to come before the Annual Meeting, the proxy holders appointed by the Board will have the discretion to vote on those matters for you.

Who can vote at the Annual Meeting?

Stockholders as of the record date for the Annual Meeting, July 13, 2020, are entitled to vote at the Annual Meeting. At the close of business on the record date, there were 590,945,042 shares of NortonLifeLock common stock outstanding and entitled to vote. Each share of common stock is entitled to one vote on each matter properly brought before the meeting.

Stockholder of Record: Shares Registered in Your Name

If on July 13, 2020 your shares were registered directly in your name with our transfer agent, Computershare Investor Services, then you are considered the stockholder of record with respect to those shares. As a stockholder of record, you may vote at the Annual Meeting or vote by proxy. Whether or not you plan to virtually attend the Annual Meeting, we urge you to vote over the internet or by telephone, or if you received paper proxy materials by mail, by filling out and returning the proxy card.

For questions regarding your stock ownership, you may contact our transfer agent, Computershare Investor Services, by email through their website at *www.computershare.com/contactus* or by phone at (877) 282-1168 (within the U.S. and Canada) or (781) 575-2879 (outside the U.S. and Canada).

Beneficial Owner: Shares Registered in the Name of a Broker or Nominee

If on July 13, 2020 your shares were held in an account with a brokerage firm, bank or other nominee, then you are the beneficial owner of the shares held in street name. As a beneficial owner, you have the right to direct your nominee on how to vote the shares held in your account, and it has enclosed or provided voting instructions for you to use in directing it on how to vote your shares. However, the organization that holds your shares is considered the stockholder of record for purposes of voting at the Annual Meeting. Because you are not the stockholder of record, you may not vote your shares at the Annual Meeting unless you request and obtain a valid proxy from the organization that holds your shares giving you the right to vote the shares at the Annual Meeting.

How do I vote?

If you are a stockholder of record, you may:

- vote at the virtual annual meeting — to participate in and vote at the virtual annual meeting, you will need the 16-digit control number included on your proxy card or on the instructions that accompanied your proxy materials;
- vote via the internet or via telephone — instructions are shown on your Notice of Internet Availability or proxy card; or
- vote by mail — if you received a paper proxy card and voting instructions by mail, simply complete, sign and date the enclosed proxy card and return it before the Annual Meeting in the envelope provided.

Votes submitted via the internet or by telephone must be received by 11:59 p.m., Eastern Time, on September 7, 2020. Submitting your proxy, whether via the internet, by telephone or by mail if you received a paper proxy card, will not affect your right to vote at the Annual Meeting should you decide to virtually attend the meeting.

If you are not the stockholder of record, please refer to the voting instructions provided by your nominee to direct it how to vote your shares.

Your vote is important. Whether or not you plan to virtually attend the Annual Meeting, we urge you to vote by proxy to ensure that your vote is counted. You may still virtually attend the Annual Meeting if you have already voted by proxy.

What is the quorum requirement for the Annual Meeting?

A majority of our outstanding shares as of the record date must be present at the Annual Meeting in order to hold the meeting and conduct business. This presence is called a quorum. Your shares are counted as present at the Annual Meeting if you virtually attend and vote at the Annual Meeting or if you have properly submitted a proxy.

How are abstentions and broker non-votes treated?

Abstentions (shares present at the meeting and voted ''abstain'') are counted for purposes of determining whether a quorum is present, and have no effect on the election of directors. For the purpose of determining whether the stockholders have approved all other matters, abstentions have the same effect as an ''against'' vote.

Broker non-votes occur when shares held by a broker for a beneficial owner are not voted either because (i) the broker did not receive voting instructions from the beneficial owner, or (ii) the broker lacked discretionary authority to vote the shares. Broker non-votes are counted for purposes of determining whether a quorum is present, and have no effect on the matters voted upon. If you are a beneficial holder and do not provide specific voting instructions to your broker, the broker that holds your shares will not be authorized to vote your shares on any of the proposals, except for Proposal No. 2, ratification of the appointment of KPMG as our independent public accounting firm for the 2021 fiscal year. Accordingly, we encourage you to provide voting instructions to your broker, whether or not you plan to virtually attend the Annual Meeting.

What is the vote required for each proposal?

The votes required to approve each proposal are as follows:

- *Proposal No. 1.* Each director must be elected by a majority of the votes cast, meaning the votes ''FOR'' a director must exceed the number of votes ''AGAINST'' a director.
- *Proposal Nos. 2, 3 and 4.* Approval of each of Proposals Nos. 2, 3 and 4 requires the affirmative ''FOR'' vote of a majority of the shares entitled to vote on these proposals at the Annual Meeting and virtually attending the Annual Meeting or represented by proxy.

What if I return a proxy card but do not make specific choices?

All proxies will be voted in accordance with the instructions specified on the proxy card. If you vote over the internet or by telephone, please follow the instructions included on the Notice of Internet Availability, proxy card or proxy materials on how to vote over the internet or by telephone. If you sign a physical proxy card and return it without instructions as to how your shares should be voted on a particular proposal at the Annual Meeting, your shares will be voted in accordance with the recommendations of our Board stated above.

If you do not vote and you hold your shares in street name, and your broker does not have discretionary power to vote your shares, your shares may constitute ''broker non-votes'' (as described above) and will not be counted in determining the number of shares necessary for approval of the proposals. However, shares that constitute broker non-votes will be counted for the purpose of establishing a quorum for the Annual Meeting. Voting results will be tabulated and certified by the inspector of elections appointed for the Annual Meeting.

Who is paying for this proxy solicitation?

NortonLifeLock is paying the costs of the solicitation of proxies. We have retained D.F. King & Co., Inc. to help us solicit proxies from brokers, bank nominees and other institutions for a fee of $10,000, plus reasonable out-of-pocket expenses. We will also reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation materials to such beneficial owners. In addition, our directors, officers, and other employees, without additional compensation, may solicit proxies personally or in writing, by telephone, e-mail, or otherwise. If you choose to access the proxy materials and/or vote over the internet, you are responsible for any internet access charges you may incur.

What does it mean if I receive more than one proxy card or Notice of Internet Availability?

If you receive more than one proxy card or Notice of Internet Availability, your shares are registered in more than one name or are registered in different accounts. To make certain all of your shares are voted, please follow the instructions included on your proxy card or Notice of Internet Availability on how to access each proxy card and vote each proxy card over the internet or by telephone. If you received paper proxy materials by mail, you can also complete, sign and return each proxy card to ensure that all of your shares are voted.

How can I change my vote after submitting my proxy?

You may change your vote or revoke your proxy at any time before your proxy is voted at the Annual Meeting. If you are a stockholder of record, you may change your vote or revoke your proxy by:

- delivering to the Corporate Secretary of NortonLifeLock (by any means, including facsimile) a written notice stating that the proxy is revoked;
- signing and delivering a proxy bearing a later date;
- voting again over the internet or by telephone; or
- virtually attending and voting at the Annual Meeting (although attendance at the meeting will not, by itself, revoke a proxy).

Please note, however, that if you are a beneficial owner and you wish to change or revoke your proxy, you may change your vote by submitting new voting instructions to your broker, bank or other nominee or, if you have obtained a legal proxy from your broker, bank or other nominee giving you the right to vote your shares at the Annual Meeting, by virtually attending and voting at the Annual Meeting.

How can I attend the Annual Meeting and submit questions?

To attend the Annual Meeting and submit your questions prior to or during the Annual Meeting, please visit www.virtualshareholdermeeting.com/NLOK2020. To participate in the Annual Meeting or to submit questions in advance of the meeting, you will need the 16-digit control number included with your proxy materials, on your proxy card, Notice of Internet Availability or on the instructions that accompanied your proxy materials.

What if during the check-in time or during the meeting I have technical difficulties or trouble accessing the virtual meeting website?

We will have technicians ready to assist you with any technical difficulties you may have accessing the virtual meeting. If you encounter any difficulties accessing the virtual meeting during the check-in or meeting time, please call:

1-855-449-0991 (U.S. Domestic Toll Free)

1-720-378-5962 (International)

Why are you not holding the Annual Meeting in a physical location?

We are excited to embrace the latest technology to provide expanded access, improved communication and cost savings for our stockholders. Hosting a virtual meeting will enable increased stockholder attendance and participation since stockholders can participate from any location around the world. In addition, the online format will allow us to communicate more effectively with you via a pre-meeting forum that you can enter by visiting www.virtualshareholdermeeting.com/NLOK2020.

How can I get electronic access to the proxy materials?

The proxy materials will provide you with instructions regarding how to:

- view our proxy materials for the Annual Meeting over the internet; and
- instruct us to send our future proxy materials to you electronically by email.

Choosing to receive your future proxy materials by email will save us the cost of printing and mailing documents to you and will reduce the impact of our annual meetings of stockholders on the environment. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you terminate it.

Where can I find the voting results?

The preliminary voting results will be announced at the Annual Meeting and posted on our website at *investor.nortonlifelock.com*. The final results will be tallied by the inspector of elections and filed with the U.S. Securities and Exchange Commission in a current report on Form 8-K within four business days of the Annual Meeting.

ADDITIONAL INFORMATION

Stockholder Proposals for the 2021 Annual Meeting

Requirements for Stockholder Proposals to be Brought Before an Annual Meeting. NortonLifeLock's Bylaws provide that, for stockholder nominations to the Board or other proposals to be considered at an annual meeting, the stockholder must give timely notice thereof in writing to the Corporate Secretary at NortonLifeLock Inc., 60 E. Rio Salado Parkway, Suite 1000, Tempe, Arizona 85281, Attn: Corporate Secretary.

To be timely for the 2021 annual meeting of stockholders, a stockholder's notice must be delivered to or mailed and received by our Corporate Secretary at our principal executive offices between May 11, 2021 and June 10, 2021 (or, if the 2021 annual meeting is called for a date that is more than 30 calendar days before or more than 60 calendar days after the anniversary of the date of the 2020 Annual Meeting, then by no later than 10 calendar days after our public announcement of the date of the 2021 annual meeting). A stockholder's notice to the Corporate Secretary must set forth as to each matter the stockholder proposes to bring before the annual meeting the information required by NortonLifeLock's Bylaws.

Requirements for Stockholder Proposals to be Considered for Inclusion in Our Proxy Materials. Stockholder proposals submitted pursuant to Rule 14a-8 under the Exchange Act and intended to be presented at NortonLifeLock's 2021 annual meeting must be received by us not later than March 24, 2021 in order to be considered for inclusion in NortonLifeLock's proxy materials for that meeting.

Available Information

NortonLifeLock will mail without charge, upon written request, a copy of NortonLifeLock's Annual Report on Form 10-K for fiscal year 2020, including the financial statements, schedule and list of exhibits, and any exhibit specifically requested. Requests should be sent to:

NortonLifeLock Inc.
60 E. Rio Salado Parkway, Suite 1000
Tempe, Arizona 85281
Attn: Investor Relations

The Annual Report is also available at *investor.nortonlifelock.com*.

''Householding'' — Stockholders Sharing the Same Last Name and Address

The SEC has adopted rules that permit companies and intermediaries (such as brokers) to implement a delivery procedure called ''householding.'' Under this procedure, multiple stockholders who reside at the same address may receive a single copy of our annual report and proxy materials, unless the affected stockholder has provided contrary instructions. This procedure reduces printing costs and postage fees, and helps protect the environment as well.

This year, a number of brokers with account holders who are NortonLifeLock stockholders will be ''householding'' our annual report and proxy materials. A single set of annual report and other proxy materials will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that it will be ''householding'' communications to your address, ''householding'' will continue until you are notified otherwise or until you revoke your consent. Stockholders may revoke their consent at any time by contacting Broadridge ICS, either by calling toll-free (800) 542-1061, or by writing to Broadridge ICS, Householding Department, 51 Mercedes Way, Edgewood, New York, 11717.

Upon written or oral request, NortonLifeLock will promptly deliver a separate copy of the annual report and other proxy materials to any stockholder at a shared address to which a single copy of any of those documents was delivered. To receive a separate copy of the annual report and other proxy materials, you may write or call NortonLifeLock's Investor Relations department at 60 E. Rio Salado Parkway, Suite 1000, Tempe, Arizona 85281, Attn: Investor Relations, telephone number (650) 527-8000.

Any stockholders who share the same address and currently receive multiple copies of NortonLifeLock's annual report and other proxy materials who wish to receive only one copy in the future can contact their bank, broker or other holder of record to request information about householding or NortonLifeLock's Investor Relations department at the address or telephone number listed above.

OTHER MATTERS

The Board does not presently intend to bring any other business before the meeting and, so far as is known to the Board, no matters are to be brought before the meeting except as specified in the notice of the meeting. As to any business that may arise and properly come before the meeting, however, it is intended that proxies, in the form enclosed, will be voted in respect thereof in accordance with the judgment of the persons voting such proxies.

NOTE ABOUT FORWARD-LOOKING STATEMENTS

In this proxy statement, the Company has disclosed information which may be considered forward-looking within the meaning of the U.S. federal securities laws. Forward-looking statements may appear throughout this proxy statement, including in the CD&A. In some cases, you can identify these forward-looking statements by the use of terms such as ''believe,'' ''will,'' ''expect'' anticipate,'' ''estimate,'' ''intend,'' ''strategy,'' ''future,'' ''plan,'' ''may,'' ''should,'' ''would,'' and ''continue to,'' or similar expressions, and variations or negatives of these words, but the absence of these words does not mean that a statement is not forward-looking. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including, but not limited to statements regarding our executive compensation program and our commitment to not make future special one-time awards to NEOs or provide acceleration of equity awards outside of our standard practices. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties that may cause actual results to differ materially. We describe risks and uncertainties that could cause actual results and events to differ materially in ''Risk Factors,'' ''Quantitative and Qualitative Disclosures about Market Risk,'' and ''Management's Discussion and Analysis of Financial Condition and Results of Operations'' sections of our Forms 10-K and 10-Q. We undertake no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events, or otherwise.

INFORMATION REFERENCED IN THIS PROXY STATEMENT

The content of the websites referred to in this proxy statement are not incorporated by reference into this proxy statement.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Fiscal Year Ended April 3, 2020

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

NortonLifeLock Inc.

(Exact name of registrant as specified in its charter)

Delaware *(State or other jurisdiction of incorporation or organization)*	**77-0181864** *(I.R.S. Employer Identification No.)*
60 E. Rio Salado Parkway, Suite 1000, Tempe, Arizona *(Address of principal executive offices)*	**85281** *(Zip code)*

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

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

Title of each class	*Trading symbol(s)*	*Name of each exchange on which registered*
Common Stock, par value $0.01 per share	**NLOK**	**The Nasdaq Stock Market LLC**

Securities registered pursuant to Section 12(g) of the Act:
None
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes ☐ No ☑

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

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

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

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

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

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

Aggregate market value of the voting stock held by non-affiliates of the registrant, based upon the closing sale price of NortonLifeLock common stock on October 4, 2019 as reported on the Nasdaq Global Select Market: $8,798,715,226. Solely for purposes of this disclosure, shares of common stock held by each executive officer, director, and holder of 5% or more of the outstanding common stock have been excluded as of such date because such persons may be deemed to be affiliates. This determination of possible affiliate status is not a conclusive determination for any other purposes.

The number of shares of NortonLifeLock common stock, $0.01 par value per share, outstanding as of May 12, 2020 was 589,028,713 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for the 2020 annual meeting of stockholders are incorporated herein by reference into Part III of this Annual Report on Form 10-K where indicated. Such Proxy Statement will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended April 3, 2020.

NORTONLIFELOCK INC.

FORM 10-K
For the Fiscal Year Ended April 3, 2020

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''NortonLifeLock,'' ''we,'' ''us,'' ''our,'' and ''the Company'' refer to NortonLifeLock Inc. and all of its subsidiaries. NortonLifeLock, the NortonLifeLock Logo, the Checkmark Logo, Norton, LifeLock, and the LockMan Logo are trademarks or registered trademarks of NortonLifeLock Inc. or its affiliates in the United States (U.S.) and other countries. Other names may be trademarks of their respective owners.

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) 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,'' ''goal,'' ''intent,'' ''momentum,'' ''projects,'' and similar expressions. In addition, projections of our future financial performance; anticipated growth and trends in our businesses and in our industries; the anticipated impacts of acquisitions, restructurings, stock repurchases, and investment activities; the outcome or impact of pending litigation, claims or disputes; our intent to pay quarterly cash dividends in the future; plans for and anticipated benefits of our solutions; matters arising out of the ongoing U.S. Securities and Exchange Commission (the SEC) investigation; the impact of the Covid-19 pandemic on our business operations and target markets; 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.

These and other risks are described under Item 1A. *Risk Factors*. We encourage you to read that section carefully.

PART I

ITEM 1. *Business*

Overview

NortonLifeLock is a trusted brand and leading provider of Cyber Safety solutions for consumers worldwide. Our business is built around the prevention, detection and restoration of potential damages caused by cyber criminals. The need for NortonLifeLock's products is more critical than ever in today's increasingly digital world, as people transition to remote work environments, conduct virtual meetings, and engage in online gaming, streaming, shopping, telemedicine and numerous other online transactions and activities on a daily basis. With each new digital interaction comes increased risk for consumers as cyber criminals look to take advantage of this accelerating trend. NortonLifeLock stands between today's cyber criminals and consumers, helping secure the devices, identities, online privacy, and home and family needs of nearly 50 million consumers globally. We are a trusted ally for our customers in a complex digital world and are committed to advancing our mission of protecting each element of their digital lives.

We offer subscription-based Cyber Safety solutions to consumers under the NortonLifeLock brand, with our integrated cyber safety platform Norton 360. Norton 360's integrated experience, and substantial scale and reach, provide extensive cyber safety coverage to our members. In addition to Norton 360, we also offer standalone products for device security, privacy, identity, and home and family protection in certain channels and geographies.

We sell our products primarily direct-to-consumer through our in-house e-commerce platform, and indirectly through partner relationships with retailers, telecom service providers, hardware original equipment manufacturers (OEMs), and employee benefit providers. Most of our subscriptions are sold on either annual or monthly terms. As of April 3, 2020, we served over 20 million direct customers and approximately 30 million more through partners or other indirect channels. Our annual retention rate was 85% for fiscal 2020. Please see ''Performance Metrics'' under ''Management's Discussion and Analysis of Financial Condition and Results of Operations'' in Item 7.

Our transformation into a pure-play consumer company follows the sale of our enterprise assets and name change from Symantec Corporation to NortonLifeLock Inc. Founded in 1982, we formerly did business under the Symantec Corporation name as the Consumer Cyber Safety division. The sale of our Enterprise Security assets to Broadcom Inc. (Broadcom) and the sale of our ID Analytics business to LexisNexis Risk Solutions, part of RELX Inc., were completed in fiscal year 2020.

Industry Overview

Cyber crime, and the ways in which cyber criminals target consumers, continue to evolve along with behaviors and technology. Cyber crime encompasses any crime committed digitally over the internet and includes crimes where (i) malicious software or unauthorized access is detected on a device, network or online account (including email, social media, online banking, online retail, etc.); (ii) an individual is digitally victimized through a data breach, cyber theft, cyber extortion, or fraud (stolen personally identifiable information, identity theft); or (iii) online stalking, bullying, or harassment is inflicted.

As cyber crime becomes an intensifying threat to our world, consumers are increasingly concerned. Our annual NortonLifeLock Cyber Safety Insights Report evaluates current cyber crime trends to provide a snapshot of the impact of cyber crime. According to the 2019 report, which is based on research conducted online by The Harris Poll on behalf of us, almost 500 million consumers have been the victim of a cyber crime, with nearly 350 million in the last year alone. While many report having taken at least one step to protect their online activities and personal information, most people are taking only basic steps (clearing cookies, limiting information shared on social media) and few are going to greater lengths such as using anonymous payment methods, deleting social media accounts, or using a virtual private network (VPN).

For more insights or information related to our NortonLifeLock Cyber Safety Insights Report, please visit https://us.norton.com/nortonlifelock-cyber-safety-report. The information contained, or referred to, on our website, including our Cyber Safety Insights Report, is not part of this annual report unless expressly noted.

Cyber Safety Solutions and Services

We help consumers by providing Cyber Safety subscription solutions with an integrated user experience under the NortonLifeLock brand, called Norton 360. Our Norton 360 subscriptions include multiple levels of membership tiers that incorporate solutions from each of our Cyber Safety categories: Device Security, Identity Protection, Online Privacy, and Home and Family Safety. We also provide these solutions as standalone products in certain channels and geographies. Our Consumer Cyber Safety solutions include the following offerings:

- **Device Security (Norton Security):** Our Norton Security solution provides real-time protection for PCs, Macs and mobile devices against malware, viruses, adware, ransomware and other online threats. It monitors and blocks unauthorized traffic from the internet to the device to help protect private and sensitive information when customers are online. For mobile devices, Norton Security alerts customers of risky apps, safeguards against fraudulent and malicious websites, identifies Wi-Fi networks that are under attack, enables stolen device recovery, and blocks unwanted spam and potential fraud calls. Norton Security includes 24x7 support by trained support agents. We provide on-call support and offer a money-back guarantee if we cannot remove viruses from infected devices through our Virus Protection Promise.

- **Identity Protection (LifeLock Identity Theft Protection):** Our LifeLock identity theft protection solution includes monitoring, alerts and restoration services to protect the safety of our customers. We monitor events that may present a risk of identity theft, such as new account openings and applications. If we detect that a customer’s personally identifiable information is being used, we deliver notifications and alerts to our customers about potentially suspicious activity. In the event of identity theft, we assign an Identity Restoration Specialist to work directly with customers to help restore their identities. Customers are further protected by our Million Dollar Protection Package, which provides reimbursement for stolen funds and coverage for personal expenses.

- **Online Privacy (Norton Secure VPN and SurfEasy VPN):** As people are exchanging more sensitive information through digital channels — be it personal healthcare information to enable tele-health or financial information for personal accounting, having a VPN has become even more crucial. Our Norton Secure VPN and SurfEasy VPN enhance security and online privacy by providing an encrypted data tunnel. This allows customers to securely transmit and access private information such as passwords, bank details and credit card numbers when using public Wi-Fi on PCs, Macs and mobile iOS and Android devices. Our VPN service allows customers to browse the Web anonymously to protect their online privacy and prevent tracking by online advertisers and other companies. Customers can also change their virtual location when they are traveling internationally to allow them to connect to their favorite apps, websites and online streaming services as if they are in their home-country.

- **Home and Family (Norton Family):** As entire households now spend hours online, whether for school, work, or personal use, protecting the home and family in a simple way is even more of a need. Norton Family brings the protection and security of our products to every member of the family across multiple devices and platforms. Norton Family also provides Parental Controls tools for parents to monitor kids' online activities, including videos watched, websites visited, terms searched, and apps downloaded. Parents can manage how much time kids spend online and block access to inappropriate websites. Norton Family also provides GPS location monitoring for mobile devices and content filtering for PCs.

Our Strategy

Our goal is to be the trusted cyber security partner for consumers across the globe and enable them to manage their digital lives safely. The threat landscape is larger, more complicated and more connected than ever before, exposing consumers to an increased risk to their security, online privacy, home networks and identities. As the risks to consumers continue to expand from device-based attacks to more sophisticated threats such as fraud, ransomware, identity theft and privacy risks, our solutions have evolved to provide a multi-layered approach in protecting against threats, detecting attacks and helping customers manage across their digital footprint, including their technology, applications, networks and identities.

The cornerstone of our strategy is to provide consumers with a platform that brings together superior software and service capabilities to enable all facets of Cyber Safety, including device security, identity protection, online privacy, and home and family safety. By combining and leveraging our portfolio of Norton and LifeLock offerings, we are able to deliver an industry-leading set of Cyber Safety solutions. The key elements of our strategy to achieve this goal include the following:

Extend our leadership position through continued enhancement of our solutions and services. The Cyber Safety industry is large and expanding, which provides a significant growth opportunity. We intend to grow our business by investing in research and development and making acquisitions to expand the solutions and services we offer into new cohorts, territories and sectors. We believe there are many additional areas where we can both offer new solutions, as well as use our core capabilities to deliver offerings to new customers and markets.

Grow our customer base. We intend to leverage our expertise in digital marketing, as well as existing and new strategic partnerships, to grow our customer base. We believe that continued investments in these areas, as well as our product offerings and infrastructure, will allow us to further enhance our leading brand and superior products, increase awareness of our consumer services and enhance our ability to efficiently acquire new customers.

Continue our focus on customer retention. We plan to invest in increasing customer retention by optimizing and expanding the value we provide through actionable alerts, education on timely topics, and new capabilities. We aim to provide our customers with peace of mind and convenience, demonstrating the value of our solutions. We plan to offer an integrated mobile application experience to improve customer experience from purchase, through onboarding and use. We have a global customer services organization, and we leverage frequent communication and feedback from our customers to continually improve our solutions and services.

Increase sales to existing customers. We believe the strong customer satisfaction we maintain with our customers provides us with the opportunity to engage them in new services offerings. We introduced Norton 360 in April 2019, with various tiers of membership, and we are actively engaging with customers of standalone products to move them into a Norton 360 membership. We also believe a substantial opportunity exists to increase the penetration of our premium-level consumer solutions. Over time, we plan to add additional offerings and services for our customers to drive further growth.

Sales and Marketing

We execute a global, multi-channel direct acquisition and brand marketing program. We sell our products primarily direct-to-consumer through our in-house e-commerce platform, and indirectly through partner relationships with retailers, telecom service providers, hardware OEMs, and employee benefit providers. This program is designed to grow our customer base by increasing brand awareness and understanding of our superior products, as well as maximizing our reach to prospective customers.

Direct-to-consumer. We use advertising and direct response marketing to elevate our brand, attract new customers, and generate significant demand for our services. This program drives most bookings.

We use a variety of marketing programs to target customers, including digital marketing and online display advertising; paid search and search-engine optimization; radio, television, and print advertisements; direct mail campaigns; press coverage for our company and our services; third-party endorsements; and education programs.

Indirect partner distribution channels. We use strategic and affiliate partner distribution channels to refer prospective customers to us and expand our reach to our partners' and affiliates' customer bases. We have developed and implemented a global partner sales organization that targets new, as well as existing, partners to enhance our partner distribution channels. These channels include: retailers, telecom service providers, hardware OEMs, and employee benefit providers. Physical retail and OEM partners represent a small portion of our distribution, which minimizes the impacts of supply chain disruptions.

Competition

We operate in a highly competitive and rapidly evolving business environment. We believe that the competitive factors in our market include access to a breadth of identity and consumer transaction data, broad and effective service offerings, brand recognition, technology, effective and cost-efficient customer acquisition, having a large customer base and strong retention rate, customer satisfaction, price, convenience of purchase, ease of use, frequency of upgrades and updates, and quality and reliable customer service. Our competitors vary by offering, geography, and channel.

Our principal competitors are set forth below:

- *Device Security.* Our principal competitors in this market are Avast, Kaspersky, McAfee, Microsoft, Sophos, and Trend Micro.

- *Identity Protection.* Our principal competitors in this market are credit bureaus Equifax, Experian, and TransUnion, as well as certain credit monitoring and identity theft protection solutions from others such as Allstate, Credit Karma, and McAfee.

- *Online Privacy.* Our principal competitors in this market are Avast, Kape, ExpressVPN, McAfee, NordVPN, and Pango.

- *Home and Family.* Our principal competitors in this market are Avast, Life360, and McAfee.

- *Other Competitors.* In addition to competition from large consumer security companies such as Avast and McAfee, we also face competition from smaller companies that may develop competing products.

We believe we compete favorably with our competitors on the strength of our technology, people, product offerings and integration across all the Cyber Safety pillars. However, some of our competitors have substantially greater financial, technical, marketing, distribution, and other resources than we possess that afford them competitive advantages. As a result, they may be able to devote greater resources to develop, promote and sell their offerings; deliver competitive offerings at lower prices or for free; and introduce new solutions and respond to market developments and customer requirements more quickly than we can. For more information on the risks associated with our competitors, please see ‘‘Risk Factors’’ in Item 1A.

Research and Development

As cyber threats evolve, we are focused on delivering a portfolio that protects each element of our customers’ digital lives. To do this, we embrace innovation and have developed a global research and development strategy across our Cyber Safety platform. Our engineering and product management teams are focused on delivering new versions of existing offerings, as well as developing entirely new offerings to drive the company’s global leadership in Cyber Safety. We have a technology research organization focused on applied research projects, with the goal of rapidly creating new products to address consumer trends and grow the business, including defending consumer digital privacy. Also, NortonLifeLock’s threat response and security technology organization is a global organization made up of leading threat and security researchers supported by advanced systems to innovate security technology and threat intelligence as the consumer ally for Cyber Safety, protecting our customers against known and emerging threats.

NortonLifeLock has a long history of innovation and we plan to invest in research and development to drive our long-term success.

Intellectual Property

We are a leader amongst Cyber Safety solutions for consumers in pursuing patents and currently have a portfolio of over 1,000 U.S. and international patents issued with many pending. We protect our intellectual property rights and investments in a variety of ways to safeguard our technologies and our long-term success. We work actively in the U.S. and internationally to ensure the enforcement of copyright, trademark, trade secret and other protections that apply to our software products and services. The term of the patents we hold is, on average, twelve years. From time to time, we enter into cross-license agreements with other technology companies covering broad groups of patents; we have an additional portfolio of over 2,500 U.S. and international patents cross-licensed to us as part of our arrangement with Broadcom as a result of the asset sale of our former enterprise security business.

Circumstances outside our control could pose a threat to our intellectual property rights. Effective intellectual property protection may not be available, and the efforts we have taken to protect our proprietary rights may not be sufficient or effective. Any significant impairment of our intellectual property rights could harm our business or our ability to compete. In addition, protecting our intellectual property rights is costly and time consuming. Any unauthorized disclosure or use of our intellectual property could make it more expensive to do business and harm our operating results.

Companies in the technology industry may own a large number of patents, copyrights, and trademarks and may frequently request license agreements, threaten litigation, or file suit against us based on allegations of infringement or other violations of intellectual property rights. From time to time, we face, and we expect to face in the future, allegations that we have infringed the trademarks, copyrights, patents, and other intellectual property rights of third parties, including our competitors. As we face increasing competition and as our business grows, we may face more claims of infringement. For more information on the risks associated with our intellectual property, please see ''Risk Factors'' in Item 1A.

Third-Party Service Providers

We are heavily reliant on our technology and infrastructure to provide our products and services to our customers. For example, we host many of our products using third-party data center facilities, and we do not control the operation of these facilities. In addition, our endpoint security solution has historically relied upon certain threat analytics software engines and other software (Engine-Related Services) that have been developed and provided by engineering teams that have transferred to Broadcom as part of the Broadcom sale. The technology, including source code, at issue is shared, and pursuant to the terms of the Broadcom sale, we retain rights to use, modify, enhance and create derivative works from such technology. Broadcom has committed to provide these Engine-Related Services under a transition services agreement, substantially to the same extent and in substantially the same manner, as has been historically provided. For information on the risks associated with our dependence on such third-party service providers, please see ''Risk Factors'' in Item 1A.

Governmental Regulation

We collect, use, store or disclose an increasingly high volume, variety, and velocity of personal information, including from employees and customers, in connection with the operation of our business, particularly, in relation to our identity and information protection offerings, which rely on large data repositories of personal information and consumer transactions. The personal information we process is subject to an increasing number of federal, state, local, and foreign laws regarding privacy and data security. For information on the risks associated with complying with privacy and data security laws, please see ''Risk Factors'' in Item 1A.

Seasonality

As is typical for many consumer technology companies, our business is subject to seasonality. Our third and fourth quarters are seasonally higher due to the holidays in our third quarter, and follow-on holiday purchases and the U.S. tax filing season in our fourth quarter.

Corporate Responsibility

Our annual Corporate Responsibility Report can be found via the NortonLifeLock website at https://www.nortonlifelock.com/about/corporate-responsibility. The information contained, or referred to, on our website, including our Corporate Responsibility Report, is not part of this annual report unless expressly noted.

Employees

As of April 3, 2020, we employed more than 3,600 people worldwide. None of our employees are represented by a labor union or covered by a collective bargaining agreement. We consider our relationship with employees to be good, and are focused on effective attraction, development, and retention of, and compensation and benefits to, human resource talent, including workforce and management development, diversity and inclusion initiatives, succession planning, and corporate culture and leadership quality, morale and development, which are vital to the success of our innovation-driven growth strategy. The Compensation and Leadership Development Committee of our Board of Directors oversees workforce and senior management development and our Board of Directors monitors the culture of the company and leadership quality, morale and development.

Available information

Our Internet home page is located at https://www.nortonlifelock.com. We make available free of charge our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports as soon as reasonably practicable after we electronically file such material with the Securities and Exchange Commission (SEC) on our investor relations website located at https://investor.nortonlifelock.com/About/Investors/default.aspx/. The information contained, or referred to, on our website is not part of this annual report unless expressly noted. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding our filings at http://www.sec.gov.

Item 1A. *Risk Factors*

RISKS RELATED TO OUR BUSINESS STRATEGY AND INDUSTRY

The COVID-19 pandemic has affected how we are operating our business, and the duration and extent to which this will impact our future results of operations and overall financial performance remains uncertain.

The COVID-19 pandemic is having widespread, rapidly evolving, and unpredictable impacts on global society, economies, financial markets, and business practices. Federal and state governments have implemented measures to contain the virus, including social distancing, travel restrictions, border closures, limitations on public gatherings, work from home, and closure of non-essential businesses. To protect the health and well-being of our employees, partners and third-party service providers, we have implemented a near company-wide work-from-home requirement for most employees until further notice, made substantial modifications to employee travel policies, and cancelled or shifted our conferences and other marketing events to virtual-only for the foreseeable future. While we continue to monitor the situation and may adjust our current policies as more information and public health guidance become available, such precautionary measures could negatively affect our customer success efforts, sales and marketing efforts, or create operational or other challenges, such as a reduction in employee productivity because of the work from home requirement, any of which could harm our business and results of operations. Further, if the COVID-19 pandemic has a substantial impact on our employees, partners or third-party service providers' health, attendance or productivity, our results of operations and overall financial performance may be adversely impacted. Additionally, if employees, partners or third-party services providers return to work during the COVID-19 pandemic, the risk of inadvertent transmission of *COVID*-19 through human contact could still occur and result in litigation.

Beginning in March 2020, the U.S. and global economies have reacted negatively in response to worldwide concerns due to the economic impacts of the COVID-19 pandemic. Although we have not yet experienced a material increase in customers cancellations or a material reduction in our retention rate in 2020, we may experience such an increase or reduction in the future, especially in the event of a prolonged economic down turn as a result of the COVID-19 pandemic. A prolonged economic downturn could result adversely affect demand for our offerings, retention rates and harm our business and results of operations, particularly in light of the fact that our solutions are discretionary purchases and thus may be more susceptible to macroeconomic pressures, as well impact the value of our common stock, ability to refinance our debt, and our access to capital.

The duration and extent of the impact from the COVID-19 pandemic depends on future developments that cannot be accurately forecasted at this time, such as the severity and transmission rate of the disease, the extent and effectiveness of containment actions and the impact of these and other factors on our employees, customers, partners and third-party service providers. If we are not able to respond to and manage the impact of such events effectively and if the macroeconomic conditions of the general economy or the industries in which we operate do not improve, or deteriorate further, our business, operating results, financial condition and cash flows could be adversely affected.

If we are unable to develop new and enhanced solutions, or if we are unable to continually improve the performance, features, and reliability of our existing solutions, our competitive position may weaken, and our business and operating results could be adversely affected.

Our future success depends on our ability to effectively respond to evolving threats to consumers, as well as competitive technological developments and industry changes, by developing or introducing new and enhanced solutions on a timely basis.

We have in the past incurred, and will continue to incur, significant research and development expenses as we strive to remain competitive, and as we focus on organic growth through internal innovation. Following the Broadcom sale (as defined below), our resources for research and development have decreased, which could put us at a competitive disadvantage. Nevertheless, we believe that we must continue to dedicate a significant amount of resources to our research and development efforts to maintain our competitive position, which include, for example, decreasing our reliance on third parties for our Engine-Related Services. If we are unable to anticipate or react to competitive challenges or if existing or new competitors gain market share in any of our markets, our competitive position could weaken, and we could experience a decline in our revenues that could adversely affect our business and operating results. If we do not achieve the benefits anticipated from these investments, or if the achievement of these benefits is delayed, our operating results may be adversely affected. Additionally, we must continually address the challenges of dynamic and accelerating market trends and competitive developments. Customers may require features and capabilities that our current solutions do not have. Our failure to develop new solutions and improve our existing solutions to satisfy customer preferences and effectively compete with other market offerings in a timely and cost-effective manner may harm our ability to retain our customers and to create or increase demand for our solutions, which may adversely impact our operating results.

The development and introduction of new solutions involve a significant commitment of time and resources and are subject to a number of risks and challenges including but not limited to:

- Lengthy development cycles;
- Evolving industry and regulatory standards and technological developments by our competitors and customers;
- Rapidly changing customer preferences;
- Evolving platforms, operating systems, and hardware products, such as mobile devices, and related product and service interoperability challenges;
- Entering into new or unproven markets; and
- Executing new product and service strategies.

If we are not successful in managing these risks and challenges, or if our new or improved solutions are not technologically competitive or do not achieve market acceptance, our business and operating results could be adversely affected.

We operate in a highly competitive environment, and our competitors may gain market share in the markets for our solutions that could adversely affect our business and cause our revenues to decline.

We operate in intensely competitive markets that experience frequent technological developments, changes in industry and regulatory standards, changes in customer requirements, and frequent new product introductions and improvements. If we are unable to anticipate or react to these competitive challenges, or if existing or new competitors gain market share in any of our markets, our competitive position could weaken, and we could experience a decline in our revenues that could adversely affect our business and operating results. To compete successfully, we must maintain an innovative research and development effort to develop new solutions and enhance our existing solutions, effectively adapt to changes in the technology or product rights held by our competitors, appropriately respond to competitive strategies, and effectively adapt to technological changes and changes in the ways that our information is accessed, used, and stored by our customers. If we are unsuccessful in responding to our competitors or to changing technological and customer demands, our competitive position and our financial results could be adversely affected.

Our competitors include software vendors that offer solutions that directly compete with our offerings. In addition to competing with these vendors directly for sales to end-users of our solutions, we compete with them for the opportunity to have our solutions bundled with the offerings of our strategic partners, such as computer hardware original equipment manufacturers (OEMs) and internet service providers (ISPs) and Operating Systems. Our competitors could gain market share from us if any of these strategic partners replace our solutions with those of our competitors or if these partners more actively promote our competitors' solutions than our own. In addition, software vendors who have bundled our solutions with theirs may choose to bundle their solutions with their own or other vendors' solutions or may limit our access to standard interfaces and inhibit our ability to develop solutions for their platform. In the future, further product development by these vendors could cause our solutions to become redundant, which could significantly impact our sales and financial results.

We face growing competition from other technology companies, as well as from companies in the identity threat protection space such as credit bureaus. Many of these competitors are increasingly developing and incorporating into their products data protection software that competes at some levels with our offerings. Our competitive position could be adversely affected to the extent that our customers perceive the functionality incorporated into these products as replacing the need for our solutions.

Security protection is also offered by some of our competitors at prices lower than our prices or in some cases, is offered free of charge. Our competitive position could be adversely affected to the extent that our customers perceive these lower cost or free security products as replacing the need for full featured solutions like ours. The expansion of these competitive trends could have a significant negative impact on our revenues and operating results by causing, among other things, price reductions of our solutions, reduced profitability, and loss of market share.

Many of our competitors have greater financial, technical, marketing, or other resources than we do and consequently, may have the ability to influence customers to purchase their products instead of ours. Further consolidation within our industry or other changes in the competitive environment could result in larger competitors that compete with us. We also face competition from many smaller companies that specialize in particular segments of the market in which we compete.

We may need to change our pricing models to compete successfully.

The intense competition we face, in addition to general and economic business conditions, can put pressure on us to change our prices. If our competitors offer deep discounts on certain solutions or provide offerings, we may need to lower prices in order to compete successfully Similarly, if there is pressure by competitors to raise prices, our ability to acquire new customers and retain existing customers may be diminished. Any such changes may reduce revenue and margins and could adversely affect our financial results.

Additionally, our business may be affected by changes in the macroeconomic environment. Our solutions are discretionary purchases, and customers may reduce or eliminate their discretionary spending on our solutions during a difficult macroeconomic environment. Although we have not yet experienced a material increase in customers cancellations or a material reduction in our retention rate in 2020, we may experience such an increase or reduction in the future, especially in the event of a prolonged economic down turn or a worsening of current conditions as a result of the COVID-19 pandemic. In addition, during an economic downturn, consumers may experience a decline in their credit or disposable income, which may result in less demand for our solutions. As a result, we may have to lower our prices or make other changes to our pricing model to address these dynamics, any of which could adversely affect our business and financial results.

If we fail to manage our sales and distribution channels effectively, or if our partners choose not to market and sell our solutions to their customers, our operating results could be adversely affected.

A portion of our revenues is derived from sales through indirect channels, including, but not limited to, distributors that sell our products to end-users and other resellers, and OEM partners that incorporate our products into, or bundle our products with, their products. These channels involve a number of risks, including:

- Our resellers, distributors and OEMs are generally not subject to minimum sales requirements or any obligation to market our solutions to their customers;
- Our reseller and distributor agreements are generally nonexclusive and may be terminated at any time without cause and our OEM partners may terminate or renegotiate their arrangements with us and new terms may be less favorable due to competitive conditions in our markets and other factors;
- Our resellers, distributors and OEMs may encounter issues or have violations of applicable law or regulatory requirements or otherwise cause damage to our reputation through their actions;
- Our resellers and distributors frequently market and distribute competing solutions and may, from time to time, place greater emphasis on the sale of these solutions due to pricing, promotions, and other terms offered by our competitors;
- Any consolidation of electronics retailers can increase their negotiating power with respect to software providers such as us and any decline in the number of physical retailers could decrease the channels of distribution for us;
- The continued consolidation of online sales through a small number of larger channels has been increasing, which could reduce the channels available for online distribution of our solutions; and
- Sales through our partners are subject to changes in general economic conditions, strategic direction, competitive risks, and other issues that could result in a reduction of sales.

If we fail to manage our sales and distribution channels successfully, these channels may conflict with one another or otherwise fail to perform as we anticipate, which could reduce our sales and increase our expenses as well as weaken our competitive position. If our partners suffer financial difficulties in the future because of general economic conditions or for other reasons, these partners may delay paying their obligations to us, and we may have reduced revenues or collections that could adversely affect our operating results. In addition, reliance on multiple channels subjects us to events that could cause unpredictability in demand, which could increase the risk that we may be unable to plan effectively for the future and adversely affect our operating results.

Our revenue and operating results depend significantly on our ability to retain our existing customers, and add new customers, and any decline in our retention rates or failure to add new customers will harm our future revenue and operating results.

Our revenue and operating results depend significantly on our ability to retain our existing customers and add new customers. We sell our solutions to our customers on a monthly or annual subscription basis. Customers may cancel their membership with us at any time without penalty. We therefore may be unable to retain our existing customers on the same or on more profitable terms, if at all. In addition, we may not be able to predict or anticipate accurately future trends in customer retention or effectively respond to such trends. Our customer retention rates may decline or fluctuate due to a variety of factors, including the following:

- our customers' levels of satisfaction or dissatisfaction with our solutions;
- the quality, breadth, and prices of our solutions;
- our general reputation and events impacting that reputation;
- the services and related pricing offered by our competitors;
- disruption by new services or changes in law or regulations that impact the need for efficacy of our products and services;
- our customer service and responsiveness to any customer complaints;
- customer dissatisfaction if they do not receive the full benefit of our services due to their failure to provide all relevant data;
- customer dissatisfaction with the methods or extent of our remediation services;
- our guarantee may not meet our customers' expectations; and
- changes in our target customers' spending levels as a result of general economic conditions or other factors.

If we do not retain our existing customers and add new customers, our revenue may grow more slowly than expected or decline, and our operating results and gross margins will be harmed. In addition, our business and operating results may be harmed if we are unable to increase our retention rates.

We also must continually add new customers both to replace customers who cancel or elect not to renew their agreements with us and to grow our business beyond our current customer base. If we are unable to attract new customers in numbers greater than the percentage of customers who cancel or elect not to renew their agreements with us, our customer base will decrease, and our business, operating results, and financial condition could be adversely affected.

Our acquisitions and divestitures create special risks and challenges that could adversely affect our financial results.

As part of our business strategy, we may acquire or divest businesses or assets. For example, we recently completed the sale of certain of our enterprise security assets to Broadcom Inc. (the ''Broadcom sale''. These activities can involve a number of risks and challenges, including:

- Complexity, time, and costs associated with managing these transactions, including the integration of acquired and the winding down of divested business operations, workforce, products, IT systems, and technologies;
- Diversion of management time and attention;
- Loss or termination of employees, including costs associated with the termination or replacement of those employees;
- Assumption of liabilities of the acquired and divested business or assets, including pending or future litigation, investigations or claims related to the acquired business or assets;

- The addition of acquisition-related debt;
- Increased or unexpected costs and working capital requirements;
- Dilution of stock ownership of existing stockholders;
- Unanticipated delays or failure to meet contractual obligations; and
- Substantial accounting charges for acquisition-related costs, amortization of intangible assets, and higher levels of stock-based compensation expense.

We have invested and continue to invest and devote significant resources in the integration of businesses we acquire. The success of each acquisition depends in part on our ability to realize the anticipated business opportunities, including certain cost savings and operational efficiencies, or synergies and growth prospects from integrating these businesses in an efficient and effective manner. If integration of our acquired businesses is not successful, we may not realize the potential benefits of an acquisition or suffer other adverse effects. To integrate acquired businesses, we must integrate and manage the personnel and business systems of the acquired operations. Further, we may need to enter new markets in which we have no or limited experience and where competitors in such markets have stronger market positions. Moreover, to be successful, large complex acquisitions depend on large-scale product, technology, and sales force integrations that are difficult to complete on a timely basis or at all and may be more susceptible to the special risks and challenges described above.

In addition, we have, and may in the future, divest businesses, product lines, or assets, with the Broadcom sale being a recent example. Such initiatives may require significant separation activities that could result in the diversion of management’s time and attention, loss of employees, substantial separation costs, and accounting charges for asset impairments. Please see ‘‘Risks Related to the Broadcom sale,’’ below, for additional information regarding our divestiture risks.

Any of the foregoing, and other factors, could harm our ability to achieve anticipated levels of profitability or other financial benefits from our acquired or divested businesses, product lines or assets or to realize other anticipated benefits of divestitures or acquisitions.

RISKS RELATED TO THE BROADCOM SALE

We may not achieve the intended benefits of the Broadcom sale.

We may not realize some or all of the anticipated benefits from the Broadcom sale. The resource constraints that resulted from the completion of the transaction, included the loss of employees, and could have a continuing impact on the execution of our business strategy and our overall operating results. Further, our remaining employees may become concerned about the future of our remaining operations and lose focus or seek other employment.

We are dependent upon Broadcom for certain engineering and threat response services, which are critical to our products and business. We could lose our access to these or other data sources, including threat intelligence, which could cause us competitive harm and have a material adverse effect on our business, operating results, and financial condition.

Our endpoint security solution has historically relied upon certain threat analytics software engines and other software (the Engine-Related Services) that have been developed and provided by engineering teams that have transferred to Broadcom as part of the Broadcom sale. The technology, including source code, at issue is shared, and pursuant to the terms of the Broadcom sale, we retain rights to use, modify, enhance and create derivative works from such technology. Broadcom has committed to provide these Engine-Related Services under a transition services agreement, substantially to the same extent and in substantially the same manner, as has been historically provided. As a result, we are dependent on Broadcom for services and technology that are critical to our business, and if Broadcom fails to deliver these Engine-Related Services it would result in significant business disruption, and our business and operating results and financial condition could be materially and adversely affected. Furthermore, we cannot provide assurance that we will be able to obtain data from alternative or additional sources if our current sources become unavailable, and if we are able to obtain alternative sources, we could be unable to integrate or deploy them in time, which could cause us competitive harm and have a material adverse effect on our business. Additionally, in connection with the Broadcom sale, we lost many industry-specific engineers and other capabilities, including certain threat intelligence data which were historically provided by our former Enterprise Security business, the lack of which could have a negative impact on our business and products.

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

In November 2019, our Board of Directors approved a restructuring plan (the November 2019 Plan) in connection with the strategic decision to divest our Enterprise Security business. Actions under this plan include the reduction of our workforce by approximately 3,100 employees, as well as asset write-offs, contract terminations, facilities closures, and the sale of underutilized facilities. We estimate that we will incur total costs of $550 million in connection with the November 2019 Plan, excluding stock-based compensation expense, of which approximately $200 million are expected to consist of cash expenditures for severance and termination benefits and $110 million of cash expenditures for contract terminations. Non-cash costs are estimated to be up to $240 million related to asset write-offs and other restructuring costs. These actions are expected to be completed by September 2020. This initiative could result in disruptions to our operations. Any cost-cutting measures could also negatively impact our business by delaying the introduction of new products or technologies, interrupting service of additional products, or impacting employee retention. In addition, we cannot assure you that the cost reduction and streamlining initiatives will be as successful in reducing our overall expenses as we expect or that additional costs will not offset any such reductions or streamlining of our operations. If our operating costs are higher than we expect, if the expected proceeds from the sale of under-utilized assets do not meet expectations, or if we do not maintain adequate control of our costs and expenses, our results of operations will suffer.

If we are unsuccessful at executing the transition of the Enterprise Security Business assets from the Broadcom sale, our business and results of operations may be adversely affected and our ability to invest in and grow our business could be limited.

For the last several years, we have experienced transitions in our business with the integration of two major acquisitions, the completion of several smaller acquisitions, and the Broadcom sale, which comprised an operating segment. These transitions have involved significant turnover in executive management and other key personnel and changes in our strategic direction, as well as resulted in the relocation of our headquarters to Tempe, Arizona. Transitions of this type can be disruptive, result in the loss of focus and employee morale and make the execution of business strategies more difficult. We may experience delays in the anticipated timing of activities related to such transitions and higher than expected or unanticipated execution costs. If we do not succeed in these efforts, or if these efforts are more costly or time-consuming than expected, our business and results of operations may be adversely affected, which could limit our ability to invest in and grow our business.

Changes in industry structure and market conditions could lead to charges related to discontinuance of certain of our products or businesses and asset impairments.

In response to changes in industry structure and market conditions and in connection with the Broadcom sale, we may be required to strategically reallocate our resources and consider restructuring, disposing of, or otherwise exiting certain businesses. Any decision to limit investment in or dispose of or otherwise exit businesses may result in the recording of special charges, such as inventory and technology-related write-offs, workforce reduction costs, charges relating to consolidation of excess facilities, or claims from third parties who were resellers or users of discontinued products. Our estimates with respect to the useful life or ultimate recoverability of our carrying basis of assets, including purchased intangible assets, could change as a result of such assessments and decisions. Although in certain instances our vendor agreements allow us the option to cancel, reschedule, and adjust our requirements based on our business needs, our loss contingencies may include liabilities for contracts that we cannot cancel, reschedule or adjust with suppliers.

Further, our estimates relating to the liabilities for excess facilities are affected by changes in real estate market conditions. Additionally, we are required to evaluate goodwill impairment on an annual basis and between annual evaluations in certain circumstances, and future goodwill impairment evaluations may result in a charge to earnings.

RISKS RELATED TO OUR OPERATIONS

If we are unable to attract and retain qualified employees, lose key personnel, fail to integrate replacement personnel successfully, or fail to manage our employee base effectively, we may be unable to develop new and enhanced solutions, effectively manage or expand our business, or increase our revenues.

Our future success depends upon our ability to recruit and retain key management, technical (including cyber security experts), sales, marketing, e-commerce, finance, and other personnel. Our officers and other key personnel are ‘‘at will’’ employees and we generally do not have employment or non-compete agreements with our employees, and we cannot assure you that we will be able to retain them. Competition for people with the specific skills that we require is significant, and we may face new and unexpected difficulties in attracting, retaining, and motivating employees in connection with the relocation of our headquarters to Tempe, Arizona. In connection with the Broadcom sale, we experienced employee attrition and related difficulties and these difficulties and loss of certain expertise and capabilities may continue or increase.

In order to attract and retain personnel in a competitive marketplace, we must provide competitive pay packages, including cash and equity-based compensation. Additionally, changes in immigration laws could impair our ability to attract and retain highly qualified employees. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business, results of operations and future growth prospects could suffer. The volatility in our stock price may from time to time adversely affect our ability to recruit or retain employees. In addition, we may be unable to obtain required stockholder approvals of future increases in the number of shares required for issuance under our equity compensation plans. As a result, we may issue fewer equity-based incentives and may be impaired in our efforts to attract and retain necessary personnel. If we are unable to hire and retain qualified employees, or conversely, if we fail to manage employee performance or reduce staffing levels when required by market conditions, our business and operating results could be adversely affected.

Effective succession planning is also important to our long-term success. Failure to ensure effective transfer of knowledge and smooth transitions involving key employees could hinder our strategic planning and execution. From time to time, key personnel leave our company and the frequency and number of such departures has widely varied and have resulted in significant changes to our executive leadership team. Although we strive to reduce the negative impact of changes in our leadership, the loss of any key employee could result in significant disruptions to our operations, including adversely affecting the timeliness of product releases, the successful implementation and completion of company initiatives, our internal control over financial reporting, and our results of operations. In addition, hiring, training, and successfully integrating replacement sales and other personnel could be time consuming and expensive, may cause additional disruptions to our operations, and may be unsuccessful, which could negatively impact future financial results.

Our inability to successfully recover from a disaster or other business continuity event could impair our ability to deliver our products and services and harm our business.

We are heavily reliant on our technology and infrastructure to provide our products and services to our customers. For example, we host many of our products using third-party data center facilities, and we do not control the operation of these facilities. These facilities are vulnerable to damage, interruption, or performance problems from earthquakes, hurricanes, floods, fires, power loss, telecommunications failures, pandemics, such as the recent COVID-19 pandemic and similar events. They are also subject to break-ins, computer viruses, sabotage, intentional acts of vandalism, and other misconduct. The occurrence of a natural disaster, an act of terrorism, a pandemic, such as the ongoing COVID-19 pandemic, and similar events could result in a decision to close the facilities without adequate notice or other unanticipated problems, which in turn, could result in lengthy interruptions in the delivery of our products and services, which could negatively impact our sales and operating results.

Furthermore, our business administration, human resources, compliance efforts, and finance services depend on the proper functioning of our computer, telecommunication, and other related systems and operations. A disruption or failure of these systems or operations because of a disaster or other business continuity event, such as the ongoing COVID-19 pandemic, could cause data to be lost or otherwise delay our ability to complete sales and provide the highest level of service to our customers. In addition, we could have difficulty producing accurate financial statements on a timely basis, and deficiencies may arise in our internal control over financial reporting, which may impact our ability to certify our financial results, all of which could adversely affect the trading value of our stock. Although we endeavor to ensure there is redundancy in these systems and that they are regularly backed-up, there are no assurances that data recovery in the event of a disaster would be effective or occur in an efficient manner, including the operation of our global civilian cyber intelligence threat network. If these systems or their functionality do not operate as we expect them to, we may be required to expend significant resources to make corrections or find alternative sources for performing these functions.

In light of the ongoing COVID-19 pandemic, we have implemented a near company-wide work-from-home requirement for most employees until further notice. While we have not experienced any material disruptions to date, there can be no assurance that our technological systems or infrastructure is or will be equipped to facilitate effective remote working arrangements and effectively operate in full compliance with all laws and regulations for our employees in the short or long term.

Our international operations involve risks that could increase our expenses, adversely affect our operating results, and require increased time and attention of our management.

We derive a portion of our revenues from customers located outside of the U.S., and we have significant operations outside of the U.S., including engineering, sales and customer support. Our international operations are subject to risks in addition to those faced by our domestic operations, including:

- Potential loss of proprietary information due to misappropriation or laws that may be less protective of our intellectual property rights than U.S. laws or that may not be adequately enforced;
- Requirements of foreign laws and other governmental controls, including tariffs, trade barriers and labor restrictions, and related laws that reduce the flexibility of our business operations;
- Potential changes in trade relations arising from policy initiatives or other political factors;
- Regulations or restrictions on the use, import, or export of encryption technologies that could delay or prevent the acceptance and use of encryption products and public networks for secure communications;
- Local business and cultural factors that differ from our normal standards and practices, including business practices that we are prohibited from engaging in by the Foreign Corrupt Practices Act and other anti-corruption laws and regulations;
- Central bank and other restrictions on our ability to repatriate cash from our international subsidiaries or to exchange cash in international subsidiaries into cash available for use in the U.S.;
- Fluctuations in currency exchange rates, economic instability, and inflationary conditions could make our solutions more expensive or could increase our costs of doing business in certain countries;
- Limitations on future growth or inability to maintain current levels of revenues from international sales if we do not invest sufficiently in our international operations;
- Difficulties in staffing, managing, and operating our international operations;
- Difficulties in coordinating the activities of our geographically dispersed and culturally diverse operations;
- Costs and delays associated with developing software and providing support in multiple languages; and
- Political unrest, war, or terrorism, or regional natural disasters, particularly in areas in which we have facilities.

A significant portion of our transactions outside of the U.S. is denominated in foreign currencies. Accordingly, our revenues and expenses will continue to be subject to fluctuations in foreign currency rates. We have in the past and expect in the future to be affected by fluctuations in foreign currency rates, especially if international sales grow as a percentage of our total sales or our operations outside the U.S. continue to increase and foreign currency rates continue to experience increased volatility due to the COVID-19 pandemics.

RISKS RELATED TO OUR SOLUTIONS

Our solutions, systems, and website and the data on these sources may be subject to intentional disruption that could materially harm to our reputation and future sales.

Despite our precautions and significant ongoing investments to protect against security risks, data protection breaches, cyber-attacks, and other intentional disruptions of our solutions, we expect to be an ongoing target of attacks specifically designed to impede the performance and availability of our offerings and harm our reputation as a company. Similarly, experienced computer programmers or other sophisticated individuals or entities, including malicious hackers, state-sponsored organizations, and insider threats including actions by employees and third-party service providers, may attempt to penetrate our network security or the security of our systems and websites and misappropriate proprietary information or cause interruptions of our services, including the operation of the global civilian cyber intelligence threat network. This risk may be increased during the current COVID-19 pandemic as more individuals are work from home and utilize home networks for the transmission of sensitive information. Such attempts are increasing in number and in technical sophistication, and if successful could expose us and the affected parties, to risk of loss or misuse of proprietary or confidential information or disruptions of our business operations.

While we engage in a number of measures aimed to protect against security breaches and to minimize problems if a data breach were to occur, our information technology systems and infrastructure may be vulnerable to damage, compromise, disruption, and shutdown due to attacks or breaches by hackers or due to other circumstances, such as error or malfeasance by employees or third party service providers or technology malfunction. The occurrence of any of these events, as well as a failure to promptly remedy these events should they occur, could compromise our systems, and the information stored in our systems could be accessed, publicly disclosed, lost, stolen, or damaged. Any such circumstance could adversely affect our ability to attract and maintain customers as well as strategic partners, cause us to suffer negative publicity, and subject us to legal claims and liabilities or regulatory penalties. In addition, unauthorized parties might alter information in our databases, which would adversely affect both the reliability of that information and our ability to market and perform our services. Techniques used to obtain unauthorized access or to sabotage systems change frequently, are constantly evolving and generally are difficult to recognize and react to effectively. We may be unable to anticipate these techniques or to implement adequate preventive or reactive measures. Several recent, highly publicized data security breaches at other companies have heightened consumer awareness of this issue and may embolden individuals or groups to target our systems or those of our strategic partners or enterprise customers.

Our solutions are complex and operate in a wide variety of environments, systems and configurations, which could result in failures of our solutions to function as designed and negatively impact our brand recognition and reputation.

Because we offer very complex solutions, errors, defects, disruptions, or other performance problems with our solutions may and have occurred. For example, we may experience disruptions, outages, and other performance problems due to a variety of factors, including infrastructure changes, human or software errors, capacity constraints due to an overwhelming number of users accessing our websites simultaneously, fraud, or security attacks. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. Interruptions in our solutions, including the operation of the global civilian cyber intelligence threat network, could impact our revenues or cause customers to cease doing business with us. Our operations are dependent upon our ability to protect our technology infrastructure against damage from business continuity events that could have a significant disruptive effect on our operations. We could potentially lose customer data or experience material adverse interruptions to our operations or delivery of solutions to our clients in a disaster recovery scenario.

Further, our business would be harmed if any of the events of this nature caused our customers and potential customers to believe our solutions are unreliable. Our brand recognition and reputation are critical aspects of our business to retaining existing customers and attracting new customers. Furthermore, negative publicity, whether or not justified, relating to events or activities attributed to us, our employees, our strategic partners, our affiliates, or others associated with any of these parties, may tarnish our reputation and reduce the value of our brands. Damage to our reputation and loss of brand equity may reduce demand for our solutions and have an adverse effect on our business, operating results, and financial condition. Moreover, any attempts to rebuild our reputation and restore the value of our brands may be costly and time consuming, and such efforts may not ultimately be successful.

We collect, use, disclose, store, or otherwise process personal information, which subjects us to privacy and data security laws and contractual commitments, and our actual or perceived failure to comply with such laws and commitments could harm our business.

We collect, use, process, store, transmit or disclose (collectively, process) an increasingly large amount of confidential information, including personally identifiable information, credit card information and other critical data from employees and customers, in connection with the operation of our business, particularly in relation to our identity and information protection offerings.

The personal information we process is subject to an increasing number of federal, state, local, and foreign laws regarding privacy and data security, as well as contractual commitments. Any failure or perceived failure by us to comply with such obligations may result in governmental enforcement actions, fines, litigation, or public statements against us by consumer advocacy groups or others and could cause our customers to lose trust in us, which could have an adverse effect on our reputation and business.

Additionally, changes to applicable privacy or data security laws could impact how we process personal information and therefore limit the effectiveness of our solutions or our ability to develop new solutions. For example, the European Union General Data Protection Regulation imposes more stringent data protection requirements and provides for greater penalties for noncompliance of up to the greater of €20 million or four percent of worldwide annual revenues.

Data protection legislation is also becoming increasingly common in the U.S. at both the federal and state level. For example, the California Consumer Privacy Act of 2018 (the CCPA), came into effect on January 1, 2020. The CCPA requires companies that process information on California residents to make new disclosures to consumers about their data collection, use, and sharing practices, allows consumers to opt out of certain data sharing with third parties, and provides a new cause of action for data breaches. Additionally, the Federal Trade Commission (the FTC) and many state attorneys general are interpreting federal and state consumer protection laws to impose standards for the online collection, use, dissemination, and security of data. The burdens imposed by the CCPA and other similar laws that may be enacted at the federal and state level may require us to modify our data processing practices and policies and to incur substantial expenditures in order to comply.

Global privacy and data protection legislation, enforcement, and policy activity are rapidly expanding and evolving, and may be inconsistent from jurisdiction to jurisdiction. We may be or become subject to data localization laws mandating that data collected in a foreign country be processed and stored only within that country. If any country in which we have customers were to adopt a data localization law, we could be required to expand our data storage facilities there or build new ones in order to comply. The expenditure this would require, as well as costs of compliance generally, could harm our financial condition.

Additionally, third parties with whom we work, such as vendors or developers, may violate applicable laws or our policies and such violations can place personal information of our customers at risk. In addition, our customers may also accidentally disclose their passwords or store them on a device that is lost or stolen, creating the perception that our systems are not secure against third-party access. This could have an adverse effect on our reputation and business. In addition, such third parties could be the target of cyberattack and other data breaches which could impact our systems or our customers' records.

LEGAL AND COMPLIANCE RISKS

Matters relating to or arising from our completed Audit Committee Investigation, including regulatory investigations and proceedings, litigation matters, and potential additional expenses, may adversely affect our business and results of operations.

As previously disclosed in our public filings, the Audit Committee completed its internal investigation in September 2018. In connection with the Audit Committee Investigation, we voluntarily self-reported to the SEC. The SEC commenced a formal investigation, and we continue to cooperate with that investigation. The outcome of such an investigation is difficult to predict. If the SEC commences legal action, we could be required to pay significant penalties and become subject to injunctions, a cease and desist order, and other equitable remedies. We can provide no assurances as to the outcome of any governmental investigation.

We have incurred, and will continue to incur, significant expenses related to legal and other professional services in connection with the ongoing SEC investigation, which may continue to adversely affect our business and financial condition. In addition, securities class actions and other lawsuits have been filed against us, our directors, and officers. The outcome of the securities class actions and other litigation and regulatory proceedings or government enforcement actions is difficult to predict, and the cost to defend, settle, or otherwise resolve these matters may be significant. Plaintiffs or regulatory agencies or authorities in these matters may seek recovery of very large or indeterminate amounts or seek to impose sanctions, including significant monetary penalties. The monetary and other impact of these litigations, proceedings, or actions may remain unknown for substantial periods of time. Further, an unfavorable resolution of litigations, proceedings or actions could have a material adverse effect on our business, financial condition, and results of operations and cash flows. Any future investigations or additional lawsuits may also adversely affect our business, financial condition, results of operations, and cash flows.

Our solutions are highly regulated, which could impede our ability to market and provide our solutions or adversely affect our business, financial position, and results of operations.

Our solutions are subject to a high degree of regulation, including a wide variety of federal, state, and local laws and regulations, such as the Fair Credit Reporting Act, the Gramm-Leach-Bliley Act, the Federal Trade Commission Act (FTC Act), and comparable state laws that are patterned after the FTC Act. LifeLock has previously entered into consent decrees and similar arrangements with the FTC and the attorney generals of 35 states as well as a settlement with the FTC relating to allegations that certain of LifeLock's advertising, marketing and security practices constituted deceptive acts or practices in violation of the FTC Act, which impose additional restrictions on our business, including prohibitions against making any misrepresentation of ''the means, methods, procedures, effects, effectiveness, coverage, or scope of'' our solutions. Any of the laws and regulations that apply to our business are subject to revision or new or changed interpretations, and we cannot predict the impact of such changes on our business.

Additionally, the nature of our identity and information protection products subjects us to the broad regulatory, supervisory, and enforcement powers of the Consumer Financial Protection Bureau which may exercise authority with respect to our services, or the marketing and servicing of those services, by overseeing our financial institution or credit reporting agency customers and suppliers, or by otherwise exercising its supervisory, regulatory, or enforcement authority over consumer financial products and services.

If we do not protect our proprietary information and prevent third parties from making unauthorized use of our products and technology, our financial results could be harmed.

Much of our software and underlying technology is proprietary. We seek to protect our proprietary rights through a combination of confidentiality agreements and procedures and through copyright, patent, trademark, and trade secret laws. However, these measures afford only limited protection and may be challenged, invalidated, or circumvented by third parties. Third parties may copy all or portions of our products or otherwise obtain, use, distribute, and sell our proprietary information without authorization.

Third parties may also develop similar or superior technology independently by designing around our patents. Our consumer agreements do not require a signature and therefore may be unenforceable under the laws of some jurisdictions. Furthermore, the laws of some foreign countries do not offer the same level of protection of our proprietary rights as the laws of the U.S., and we may be subject to unauthorized use of our products in those countries. The unauthorized copying or use of our products or proprietary information could result in reduced sales of our products. Any legal action to protect proprietary information that we may bring or be engaged in with a strategic partner or vendor could adversely affect our ability to access software, operating system, and hardware platforms of such partner or vendor, or cause such partner or vendor to choose not to offer our products to their customers. In addition, any legal action to protect proprietary information that we may bring or be engaged in, could be costly, may distract management from day-to-day operations, and may lead to additional claims against us, which could adversely affect our operating results.

From time to time we are a party to lawsuits and investigations, which typically require significant management time and attention and result in significant legal expenses, and which could negatively impact our business, financial condition, results of operations, and cash flows.

We have initiated and been named as a party to lawsuits, including patent litigation, class actions, and governmental claims, and we may be named in additional litigation. The expense of initiating and defending, and in some cases settling, such litigation may be costly and divert management's attention from the day-to-day operations of our business, which could adversely affect our business, results of operations, and cash flows. In addition, an unfavorable outcome in such litigation could result in significant fines, settlements, monetary damages, or injunctive relief that could negatively impact our ability to conduct our business, results of operations, and cash flows.

Third parties claiming that we infringe their proprietary rights could cause us to incur significant legal expenses and prevent us from selling our products.

From time to time, third parties may claim that we have infringed their intellectual property rights, including claims regarding patents, copyrights, and trademarks. Because of constant technological change in the segments in which we compete, the extensive patent coverage of existing technologies, and the rapid rate of issuance of new patents, it is possible that the number of these claims may grow. In addition, former employers of our former, current, or future employees may assert claims that such employees have improperly disclosed to us confidential or proprietary information of these former employers. Any such claim, with or without merit, could result in costly litigation and distract management from day-to-day operations. If we are not successful in defending such claims, we could be required to stop selling, delay shipments of, or redesign our solutions, pay monetary amounts as damages, enter into royalty or licensing arrangements, or satisfy indemnification obligations that we have with some of our customers. We cannot assure you that any royalty or licensing arrangements that we may seek in such circumstances will be available to us on commercially reasonable terms or at all. We have made and expect to continue making significant expenditures to investigate, defend, and settle claims related to the use of technology and intellectual property rights as part of our strategy to manage this risk.

In addition, we license and use software from third parties in our business. These third-party software licenses may not continue to be available to us on acceptable terms or at all and may expose us to additional liability. This liability, or our inability to use any of this third-party software, could result in delivery delays or other disruptions in our business that could materially and adversely affect our operating results.

Some of our products contain ''open source'' software, and any failure to comply with the terms of one or more of these open source licenses could negatively affect our business.

Certain of our products are distributed with software licensed by its authors or other third parties under so-called ''open source'' licenses, which may include, by way of example, the GNU General Public License, GNU Lesser General Public License, the Mozilla Public License, the BSD License, and the Apache License.

Some of these licenses contain requirements that we make available source code for modifications or derivative works we create based upon the open source software and that we license such modifications or derivative works under the terms of a particular open source license or other license granting third parties certain rights of further use. By the terms of certain open source licenses, we could be required to release the source code of our proprietary software if we combine our proprietary software with open source software in a certain manner. In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on origin of the software. We have established processes to help alleviate these risks, including a review process for screening requests from our development organizations for the use of open source, but we cannot be sure that all open source is submitted for approval prior to use in our products. In addition, many of the risks associated with usage of open source cannot be eliminated and could, if not properly addressed, negatively affect our business.

RISKS RELATED TO OUR FINANCIAL RESULTS

Fluctuations in our quarterly financial results have affected the trading price of our outstanding securities in the past and could affect the trading price of our outstanding securities in the future.

Our quarterly financial results have fluctuated in the past and are likely to vary in the future due to a number of factors, many of which are outside of our control. If our quarterly financial results or our predictions of future financial results fail to meet our expectations or the expectations of securities analysts and investors, the trading price of our outstanding securities could be negatively affected. Volatility in our quarterly financial results may make it more difficult for us to raise capital in the future or pursue acquisitions. Our operating results for prior periods may not be effective predictors of our future performance.

Factors associated with our industry, the operation of our business, and the markets for our solutions may cause our quarterly financial results to fluctuate, including but not limited to:

- Fluctuations in demand for our solutions;
- Disruptions in our business operations or target markets caused by, among other things, terrorism or other intentional acts, outbreaks of disease, such as the COVID-19 pandemic, or earthquakes, floods, or other natural disasters;

- Entry of new competition into our markets;
- Our ability to achieve targeted operating income and margins and revenues;
- Competitive pricing pressure for one or more of our solutions;
- Our ability to timely complete the release of new or enhanced versions of our solutions;
- The amount and timing of commencement and termination of major marketing campaigns;
- The number, severity, and timing of threat outbreaks (e.g. worms, viruses, malware, ransomware, and other malicious threats) and cyber security incidents (e.g., large scale data breaches);
- Loss of customers or strategic partners;
- Changes in the mix or type of solutions and subscriptions sold and changes in consumer retention rates;
- The rate of adoption of new technologies and new releases of operating systems, and new business processes;
- Consumer confidence and spending changes, which could be impacted by market changes and general economic conditions, among other reasons;
- The impact of litigation, regulatory inquiries, or investigations;
- The impact of acquisitions and divestitures and our ability to achieve expected synergies or attendant cost savings;
- Fluctuations in foreign currency exchange rates;
- Movements in interest rates;
- Changes in tax laws, rules, and regulations; and
- Changes in consumer protection laws and regulations.

Any of the foregoing factors could cause the trading price of our outstanding securities to fluctuate significantly.

Changes to our effective tax rate could increase our income tax expense and reduce (increase) our net income (loss), cash flows and working capital.

Our effective tax rate could be adversely affected by several factors, many of which are outside of our control, including:

- Changes to the U.S. federal income tax laws, including impacts of the Tax Cuts and Jobs Act (H.R.1) (the 2017 Tax Act) arising from future interpretations of the 2017 Tax Act;
- Changes to other tax laws, regulations, and interpretations in multiple jurisdictions in which we operate, including actions resulting from the Organisation for Economic Co-operation and Development's base erosion and profit shifting project, proposed actions by international bodies such as digital services taxation, as well as the requirements of certain tax rulings;
- Changes in the relative proportions of revenues and income before taxes in the various jurisdictions in which we operate that have differing statutory tax rates;
- The tax effects of significant infrequently occurring events that may cause fluctuations between reporting periods;
- Tax assessments, or any related tax interest or penalties, that could significantly affect our income tax expense for the period in which the settlements take place;
- Taxes arising in connection with the Broadcom sale;
- Taxes arising in connection to changes in our workforce, corporate entity structure or operations as they relate to tax incentives and tax rates.

We report our results of operations based on our determination of the aggregate amount of taxes owed in the tax jurisdictions in which we operate. From time to time, we receive notices that a tax authority in a particular jurisdiction believes that we owe a greater amount of tax than we have reported to such authority. We are regularly engaged in discussions and sometimes disputes with these tax authorities. If the ultimate determination of our taxes owed in any of these jurisdictions is for an amount in excess of the tax provision we have recorded or reserved for, our operating results, cash flows, and financial condition could be adversely affected.

RISKS RELATED TO OUR LIQUIDITY AND INDEBTEDNESS

We cannot predict our future capital needs, and we may be unable to obtain financing, which could have a material adverse effect on our business, results of operations, and financial condition.

Adverse economic conditions or a change in our business performance may make it more difficult to obtain financing for our operations, investing activities (including potential acquisitions or divestitures), or financing activities. Any required financing may not be available on terms acceptable to us, or at all. If we raise additional funds by obtaining loans from third parties, the terms of those financing arrangements may include negative covenants or other restrictions on our business that could impair our financial or operational flexibility and would also require us to fund additional interest expense. If additional financing is not available when required or is not available on acceptable terms, we may be unable to successfully develop or enhance our solutions through acquisitions in order to take advantage of business opportunities or respond to competitive pressures, which could have a material adverse effect on our solutions offerings, revenues, results of operations, and financial condition.

Failure to maintain our credit ratings could adversely affect our liquidity, capital position, ability to hedge certain financial risks, borrowing costs, and access to capital markets.

Our credit risk is evaluated by the major independent rating agencies, and such agencies have in the past and could in the future downgrade our ratings. We cannot assure you that we will be able to maintain our current credit ratings, and any additional actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, may have a negative impact on our liquidity, capital position, ability to hedge certain financial risks, and access to capital markets. In addition, changes by any rating agency to our outlook or credit rating could increase the interest we pay on outstanding or future debt.

There are risks associated with our outstanding and future indebtedness that could adversely affect our financial condition.

As of April 3, 2020, we had an aggregate of $4.3 billion of outstanding indebtedness that will mature in calendar years 2020 through 2025, including approximately $1.5 billion in aggregate principal amount of existing convertible notes, $2.3 billion of senior notes and $0.5 billion of outstanding term loans under our senior secured credit facility, and we may incur additional indebtedness in the future and/or enter into new financing arrangements. In addition, as of April 3, 2020, we had $1.0 billion available for borrowing under our revolving credit facility. Our ability to meet expenses, to remain in compliance with the covenants under our debt instruments, and to pay interest and repay principal for our substantial level of indebtedness depends on, among other things, our operating performance, competitive developments, and financial market conditions, all of which are significantly affected by financial, business, economic, and other factors. We are not able to control many of these factors. Accordingly, our cash flow may not be sufficient to allow us to pay principal and interest on our debt, including the notes, and meet our other obligations.

Our level of indebtedness could have other important consequences, including the following:

- We must use a substantial portion of our cash flow from operations to pay interest and principal on the term loans and revolving credit facility, our existing senior notes, and other indebtedness, which reduces funds available to us for other purposes such as working capital, capital expenditures, other general corporate purposes, and potential acquisitions;
- We may be unable to refinance our indebtedness or to obtain additional financing for working capital, capital expenditures, acquisitions, or general corporate purposes;
- We are exposed to fluctuations in interest rates because borrowings under our senior credit facilities bear interest at variable rates;
- Our leverage may be greater than that of some of our competitors, which may put us at a competitive disadvantage and reduce our flexibility in responding to current and changing industry and financial market conditions;
- We may be more vulnerable to an economic downturn and adverse developments in our business;
- We may be unable to comply with financial and other covenants in our debt agreements, which could result in an event of default that, if not cured or waived, may result in acceleration of certain of our debt and would have an adverse effect on our business and prospects and could force us into bankruptcy or liquidation;
- Changes by any rating agency to our outlook or credit rating could negatively affect the value of our debt and/or our common stock, adversely affect our access to debt markets, and increase the interest we pay on outstanding or future debt; and
- Conversion of our convertible notes could result in significant dilution of our common stock, which could result in significant dilution to our existing stockholders and cause the market price of our common stock to decline.

There can be no assurance that we will be able to manage any of these risks successfully.

In addition, we conduct a significant portion of our operations through our subsidiaries, which are generally not guarantors of our debt. Accordingly, repayment of our indebtedness will be dependent in part on the generation of cash flow by our subsidiaries and their ability to make such cash available to us by dividend, debt repayment, or otherwise. In general, our subsidiaries will not have any obligation to pay amounts due on our debt or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness. Each subsidiary is a distinct legal entity, and under certain circumstances legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. In the event that we do not receive distributions from our subsidiaries, we may be unable to make the required principal and interest payments on our indebtedness.

Changes in the method of determining LIBOR, or the replacement of LIBOR with an alternative reference rate, may adversely affect interest rates on our current or future indebtedness and may otherwise adversely affect our financial condition and results of operations.

Certain of our indebtedness is made at variable interest rates that use the London Interbank Offered Rate, or LIBOR (or metrics derived from or related to LIBOR), as a benchmark for establishing the interest rate. In 2017, the United Kingdom's Financial Conduct Authority announced that it intends to stop persuading or compelling banks to submit LIBOR rates after 2021. If LIBOR ceases to exist, we may need to renegotiate our debt arrangements that extend beyond 2021 that utilize LIBOR as a factor in determining the interest rate, which may negatively impact the terms of such indebtedness. In addition, the overall financial markets may be disrupted as a result of the phase out or replacement of LIBOR. Disruption in the financial markets could have an adverse effect on our financial position, results of operations, and liquidity.

Our existing credit agreements impose operating and financial restrictions on us.

The existing credit agreements contain covenants that limit our ability and the ability of our restricted subsidiaries to:

- Incur additional debt;
- Create liens on certain assets to secure debt;
- Enter into certain sale and leaseback transactions;
- Pay dividends on or make other distributions in respect of our capital stock or make other restricted payments; and
- Consolidate, merge, sell or otherwise dispose of all or substantially all of our assets.

All of these covenants may adversely affect our ability to finance our operations, meet or otherwise address our capital needs, pursue business opportunities, react to market conditions, or otherwise restrict activities or business plans. A breach of any of these covenants could result in a default in respect of the related indebtedness. If a default occurs, the relevant lenders could elect to declare the indebtedness, together with accrued interest and other fees, to be immediately due and payable and, to the extent such indebtedness is secured in the future, proceed against any collateral securing that indebtedness.

Item 1B. ***Unresolved Staff Comments***

None.

Item 2. ***Properties***

Not applicable.

Item 3. ***Legal Proceedings***

Information with respect to this Item may be found under the heading ''Litigation contingencies'' in Note 18 to the Consolidated Financial Statements in this Annual Report on Form 10-K which information is incorporated into this Item 3 by reference.

Item 4. ***Mine Safety Disclosures***

Not applicable.

PART II

Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

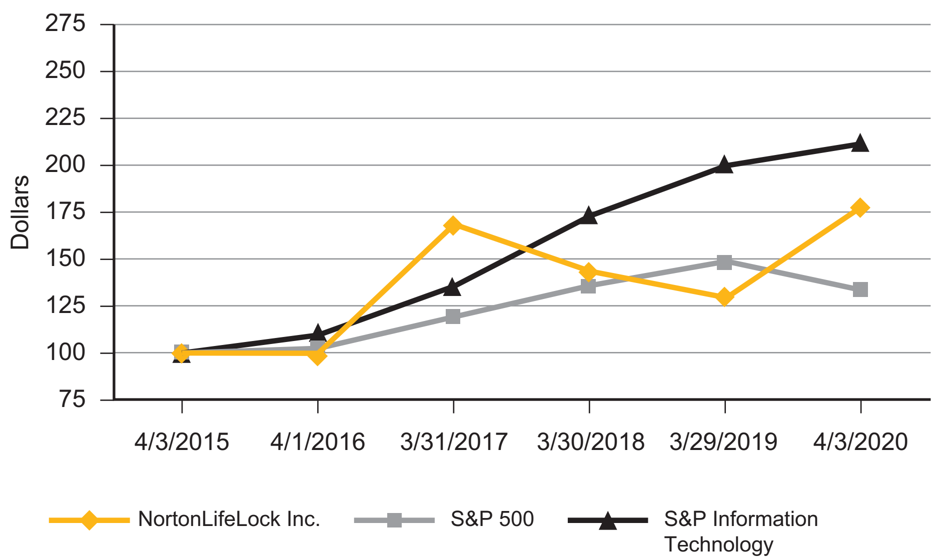
Stock symbol and stockholders of record

Our common stock is traded on the Nasdaq Global Select Market under the symbol ''NLOK''. As of April 3, 2020, there were 1,534 stockholders of record. A substantially greater number of holders of our common stock are ''street name'' or beneficial holders, whose shares of record are held by banks, brokers, and other financial institutions

Stock performance graph

The graph below compares the cumulative total stockholder return on our common stock with the cumulative total return on the S&P 500 Composite Index and the S&P Information Technology Index for the five fiscal years ended April 3, 2020 (assuming the initial investment of $100 in our common stock and in each of the other indices on the last day of trading for fiscal 2015 and the reinvestment of all dividends). The comparisons in the graph below are based on historical data and are not indicative of, nor intended to forecast the possible future performance of our common stock.

COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURN
Among NortonLifeLock Inc., the S&P 500 Index
and the S&P Information Technology Index



This performance graph shall not be deemed ''filed'' for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of NortonLifeLock under the Securities Act or the Exchange Act.

Unregistered sale of equity securities

On January 6, 2020, we issued 1 million shares of our common stock to three individuals upon the accelerated vesting of stock awards issued in connection with our acquisition of Luminate Security in February 2019.

The issuance of the above securities was deemed to be exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act (or Regulation D or Regulation S promulgated thereunder) as transactions by an issuer not involving any public offering.

Repurchases of our equity securities

Under our stock repurchase programs, shares may be repurchased on the open market and through accelerated stock repurchase transactions. In August 2019, our Board of Directors increased the share repurchase authorization to $1,600 million. As of April 3, 2020, we have $578 million remaining authorized to be completed in future periods with no expiration date. Stock repurchases during the three months ended April 3, 2020, were as follows:

(In millions, except per share data)	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs
January 4, 2020 to January 31, 2020	15	$ 27.10	15	$ 836
February 1, 2020 to February 28, 2020	1	$ 18.36	1	$ 814
February 29, 2020 to April 3, 2020	13	$ 17.89	13	$ 578
Total number of shares repurchased	29		29	

(1) The number of shares purchased is reported on trade date. Repurchases of 1 million shares, which were executed prior to January 4, 2020, settled during the period of January 4, 2020 to January 31, 2020.

Item 6. *Selected Financial Data*

The following selected consolidated financial data is derived from our Consolidated Financial Statements. This data should be read in conjunction with our Consolidated Financial Statements and related notes included in this annual report and with Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*. Historical results may not be indicative of future results.

Five-Year Summary

Summary of Operations:

(In millions, except per share data)	April 3, 2020 [2]	March 29, 2019 [3]	March 30, 2018 [4]	March 31, 2017 [5]	April 1, 2016 [6]
	Year Ended [1]				
Net revenues	$ 2,490	$ 2,456	$ 2,559	$ 2,091	$ 2,080
Operating income (loss)	$ 355	$ 158	$ (154)	$ (152)	$ 167
Income (loss) from continuing operations	$ 578	$ (110)	$ 964	$ (138)	$ (1,013)
Income from discontinued operations [5]	$ 3,309	$ 141	$ 174	$ 32	$ 3,501
Net income (loss)	$ 3,887	$ 31	$ 1,138	$ (106)	$ 2,488
Income (loss) per share — basic: [7]					
Continuing operations	$ 0.94	$ (0.17)	$ 1.56	$ (0.22)	$ (1.51)
Discontinued operations	$ 5.38	$ 0.22	$ 0.28	$ 0.05	$ 5.23
Net income (loss) per share — basic	$ 6.32	$ 0.05	$ 1.85	$ (0.17)	$ 3.71
Income (loss) per share — diluted: [7]					
Continuing operations	$ 0.90	$ (0.17)	$ 1.44	$ (0.22)	$ (1.51)
Discontinued operations	$ 5.15	$ 0.22	$ 0.26	$ 0.05	$ 5.23
Net income (loss) per share — diluted	$ 6.05	$ 0.05	$ 1.70	$ (0.17)	$ 3.71
Cash dividends declared per common share	$ 12.40	$ 0.30	$ 0.30	$ 0.30	$ 4.60

Consolidated Balance Sheets Data:

(In millions)	April 3, 2020	March 29, 2019	March 30, 2018	March 31, 2017	April 1, 2016
Cash, cash equivalents and short-term investments	$ 2,263	$ 2,043	$ 2,162	$ 4,256	$ 6,025
Total assets	$ 7,735	$ 15,938	$ 15,759	$ 18,174	$ 11,767
Long-term debt	$ 3,465	$ 3,961	$ 5,026	$ 6,876	$ 2,207
Total stockholders' equity	$ 10	$ 5,738	$ 5,023	$ 3,487	$ 3,676

(1) We have a 52/53-week fiscal year. Our fiscal 2020 was a 53-week year, whereas fiscal 2019, 2018, 2017, and 2016 each consisted of 52 weeks.

(2) In fiscal 2020, we completed the sale of certain assets and the assumption of certain liabilities of our Enterprise Security business to Broadcom Inc. (the Broadcom sale) and recognized a gain of $5,434 million before income taxes, which is presented within income from income from discontinued operations. In connection with the Broadcom sale, we made a distribution to our stockholders through a special dividend of $12 per share of common stock. The aggregate amount of such dividend payments was $7.2 billion. We also recognized gains of $379 million and $250 million before income taxes on our sale of equity interest in DigiCert and divestiture of ID Analytics, respectively. Both gains were recognized within continuing operations.

(3) In the first quarter of fiscal 2019, we adopted the new revenue recognition accounting standard on a modified retrospective basis. The results for fiscal 2020 and 2019 are presented under the new revenue recognition accounting standard, while prior years are not adjusted.

(4) In fiscal 2018, we sold Website Security and Public Key Infrastructure solutions and recognized a gain of $653 million before income taxes associated with the sale (see Note 3 to the Consolidated Financial Statements), and we recognized an income tax benefit of $659 million as a result of the enactment of the Tax Cuts and Jobs Act (H.R.1).

(5) In fiscal 2017, we acquired Blue Coat and LifeLock, and the results of operations of those entities were included from their respective dates of acquisition.

(6) In fiscal 2016, we recorded $1.1 billion in income tax expense related to unremitted earnings of foreign subsidiaries from the proceeds of the sale of our Veritas information management business. This charge was recognized within continuing operations. As a result of the sale of Veritas, a net gain of $3.0 billion was recognized within discontinued operations, net of income taxes.

(7) Net income per share amounts may not add due to rounding.

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

Please read the following discussion and analysis of our financial condition and results of operations together with our Consolidated Financial Statements and related Notes thereto included under Item 15 of this Annual Report on Form 10-K.

OVERVIEW

We are a leading provider of Cyber Safety solutions for consumers. During fiscal year 2020, we completed the sale of our Enterprise Security assets to Broadcom Inc. (Broadcom) and the sale of our ID Analytics solutions to LexisNexis Risk Solutions, part of RELX Inc. With the sale of our enterprise assets, we have transformed ourselves into a pure consumer company. Our NortonLifeLock branded solutions help customers protect their devices, online privacy, identity and home networks.

Fiscal Year Highlights

- In October 2019, we sold our equity interest in DigiCert Parent Inc. for $380 million and realized a gain of $379 million, on which we paid income taxes of $53 million.

- On November 4, 2019, we completed the Broadcom sale under which Broadcom purchased certain of our Enterprise Security assets and assumed certain liabilities for a purchase price of $10.7 billion. As a result, we realized a gain of $5,434 million on which we paid income taxes of $1.9 billion as of April 3, 2020.

  The divestiture of our Enterprise Security business allowed us to shift our operational focus to our consumer business and represented a strategic shift in our operations. As a result, the results of our Enterprise Security business are classified as discontinued operations in our Consolidated Statements of Operations and thus are excluded from both continuing operations for all periods presented. Accordingly, we now have one reportable segment. Revenues and associated costs of our ID Analytics solutions, which were formerly included in the Enterprise Security segment, were included in our remaining reportable segment.

- In November 2019, we entered into a credit facility and drew down $500 million of a 5-year term loan to repay an existing term loan of $500 million. The credit facility also provides a revolving a line of credit of $1.0 billion and a delayed 5-year term loan commitment of $750 million through September 15, 2020.

- In November 2019, our Board of Directors approved a restructuring plan in connection with the strategic decision to divest our Enterprise Security business. We incurred costs of $423 million under this plan in fiscal 2020, primarily related to workforce reduction, contract termination, and asset write-offs and impairment charges.

- In connection with the Broadcom sale, in January 2020, we made a distribution to our stockholders through a special dividend of $12 per share of common stock. The aggregate amount of such dividend payments was $7.2 billion.

- In January 2020, we completed the sale of our ID Analytics solutions for $375 million in net cash proceeds, resulting in a gain of $250 million.

- In February 2020, we exchanged $250 million of our 2.5% Convertible Notes and $625 million of our 2.0% Convertible Notes for new convertible notes of the same principal amounts and paid the holders of the new convertible notes a total cash consideration of $546 million in lieu of conversion price adjustments related to our $12 special dividend to the exchanged notes. We adjusted the conversion price of the remaining $250 million of our 2.5% Convertible Notes and the remaining $625 million of our 2.0% Convertible Notes and extended the maturity date by one year.

- In March 2020, we settled $250 million of our 2.5% Convertible Notes for $566 million, which included a cash settlement of the equity conversion feature.

Subsequent event

In May 2020, we settled the principal and conversion rights of $625 million of our 2.0% Convertible Notes for $1.18 billion in cash.

Fiscal calendar and basis of presentation

We have a 52/53-week fiscal year ending on the Friday closest to March 31. Fiscal 2020, 2019 and 2018 in this report refers to fiscal year ended April 3, 2020, March 29, 2019, and March 30, 2018, respectively. Fiscal 2020 was a 53-week year whereas fiscal 2019 and 2018 each consisted of 52 weeks.

Key financial metrics

The following table provides our key financial metrics for fiscal 2020 compared with fiscal 2019:

(In millions, except for per share amounts)	**Fiscal 2020**	**Fiscal 2019**
Net revenues	$ 2,490	$ 2,456
Operating income	$ 355	$ 158
Income (loss) from continuing operations	$ 578	$ (110)
Income from discontinued operations	$ 3,309	$ 141
Net income	$ 3,887	$ 31
Net income per share from continuing operations—diluted	$ 0.90	$ (0.17)
Net income per share from discontinued operations—diluted	$ 5.15	$ 0.22
Net income per share—diluted	$ 6.05	$ 0.05
Net cash provided by (used in) operating activities	$ (861)	$ 1,495

	As of	
(in millions)	**April 3, 2020**	**March 29, 2019**
Cash, cash equivalents and short-term investments	$ 2,263	$ 2,043
Contract liabilities	$ 1,076	$ 1,059

- Net revenues increased $34 million primarily due to the favorable impact from the additional week in the fiscal 2020.

- Operating income increased $197 million primarily due to lower compensation expense, lower outside service expense, and lower technical support expense that we achieved as a result of our cost reduction programs, partially offset by higher advertising and promotional expense and higher costs recognized in connection with our restructuring plans.

- Income (loss) from continuing operations increased $688 million primarily due to higher operating income and the gains on the sale of the DigiCert equity method investment and our ID Analytics solutions, partially offset by higher income tax expense.

- Income from discontinued operations increased $3,168 million, net of taxes, primarily due to the gain on the Broadcom sale.

- Net income and net income per share increased primarily due to higher income from both continuing operations and discontinued operations for the reasons discussed above.

- Net cash used in operating activities was $861 million, compared to cash provided by operating activities of $1,495 million in fiscal 2019, primarily due to income tax payments related to our gains on the divestitures described above.

- Cash, cash equivalents and short-term investments increased $220 million compared to March 29, 2019, primarily due to cash proceeds from the divestitures described above, largely offset by payments of quarterly and special dividends, stock repurchases, and net cash used in operating activities.

- Contract liabilities increased $17 million compared to March 29, 2019, reflecting higher billings than recognized net revenues.

COVID-19 UPDATE

The COVID-19 pandemic is having widespread, rapidly evolving, and unpredictable impacts on global society, economies, financial markets, and business practices. Federal and state governments have implemented measures to contain the virus, including social distancing, travel restrictions, border closures, limitations on public gatherings, work from home, and closure of non-essential businesses. Further, beginning in March 2020, the U.S. and global economies have reacted negatively in response to worldwide concerns due to the economic impacts of the COVID-19 pandemic.

To protect the health and well-being of our employees, partners and third-party service providers, we have implemented a near company-wide work-from-home requirement for most employees until further notice, made substantial modifications to employee travel policies, and cancelled or shifted our conferences and other marketing events to virtual-only for the foreseeable future. While we continue to monitor the situation and may adjust our current policies as more information and public health guidance become available, such precautionary measures could negatively affect our customer success efforts, sales and marketing efforts, or create operational or other challenges, such as a reduction in employee productivity because of the work from home requirement, any of which could harm our business and results of operations. Further, if the COVID-19 pandemic has a substantial impact on our employees, partners or third-party service providers' health, attendance or productivity, our results of operations and overall financial performance may be adversely impacted. Additionally, if employees, partners or third-party services providers return to work during the COVID-19 pandemic, the risk of inadvertent transmission of *COVID*-19 through human contact could still occur and result in litigation. Although we have not yet experienced a material increase in customers cancellations or a material reduction in our retention rate in 2020, a prolonged economic downturn could result adversely affect demand for our offerings, retention rates and harm our business and results of operations, particularly in light of the fact that our solutions are discretionary purchases and thus may be more susceptible to macroeconomic pressures, as well impact the value of our common stock, our ability to refinance our debt, and our access to capital.

The duration and extent of the impact from the COVID-19 pandemic depends on future developments that cannot be accurately forecasted at this time, such as the severity and transmission rate of the disease, the extent and effectiveness of containment actions and the impact of these and other factors on our employees, customers, partners and third-party service providers. For more information on the risks associated with the COVID-19 pandemic, please see ''Risk Factors'' in Item 1A.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of our Consolidated Financial Statements and related notes in accordance with generally accepted accounting principles in the U.S. (GAAP) requires us to make estimates, including judgments and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. We have based our estimates on historical experience and on various assumptions that we believe to be reasonable under the circumstances. We evaluate our estimates on a regular basis and make changes accordingly. Management believes that the accounting estimates employed, and the resulting amounts are reasonable; however, actual results may differ from these estimates. Making estimates and judgments about future events is inherently unpredictable and is subject to significant uncertainties, some of which are beyond our control. Should any of these estimates and assumptions change or prove to have been incorrect, it could have a material impact on our results of operations, financial position, and cash flows.

A summary of our significant accounting policies is included in Note 1 of the Notes to Consolidated Financial Statements included in this Annual Report on Form 10-K. An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, if different estimates reasonably could have been used, or if changes in the estimate that are reasonably possible could materially impact the financial statements. Management believes the following critical accounting policies reflect the significant estimates and assumptions used in the preparation of our Consolidated Financial Statements.

Business combinations

We allocate the purchase price of acquired businesses to the tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values on the acquisition date. Any residual purchase price is recorded as goodwill. The allocation of purchase price requires management to make significant estimates and assumptions in determining the fair values of the assets acquired and liabilities assumed especially with respect to intangible assets.

Critical estimates in valuing intangible assets include, but are not limited to, future expected cash flows from customer relationships, developed technology, trade names, and acquired patents; and discount rates. Management estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable. Unanticipated events and circumstances may occur which may affect the accuracy or validity of such assumptions, estimates, or actual results.

Income taxes

We are subject to tax in multiple U.S. and foreign tax jurisdictions. We are required to estimate the current tax exposure as well as assess the temporary differences between the accounting and tax treatment of assets and liabilities, including items such as accruals and allowances not currently deductible for tax purposes. We apply judgment in the recognition and measurement of current and deferred income taxes which includes the following critical accounting estimates.

We use a two-step process to recognize liabilities for uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. If we determine that the tax position will more likely than not be sustained on audit, the second step requires us to estimate and measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. It is inherently difficult and subjective to estimate such amounts, as this requires us to determine the probability of various outcomes. We re-evaluate these uncertain tax positions on a quarterly basis. This evaluation is based on factors including, but not limited to, changes in facts or circumstances, changes in tax law, effectively settled issues under audit, and new audit activity. Such a change in recognition or measurement would result in the recognition of a tax benefit or an additional charge to the tax provision in the period.

Loss contingencies

We are subject to contingencies that expose us to losses, including various legal and regulatory proceedings, asserted and potential claims that arise in the ordinary course of business. An estimated loss from such contingencies is recognized as a charge to income if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Judgment is required in both the determination of probability and the determination as to whether a loss is reasonably estimable. We review the status of each significant matter quarterly, and we may revise our estimates. Until the final resolution of such matters, there may be an exposure to loss in excess of the amount recorded, and such amounts could be material. Should any of our estimates and assumptions change or prove to have been incorrect, it could have a material impact on our consolidated financial statements for that reporting period.

Discontinued Operations

We review the presentation of planned business dispositions in the Consolidated Financial Statements based on the available information and events that have occurred. The review consists of evaluating whether the business meets the definition of a component for which the operations and cash flows are clearly distinguishable from the other components of the business, and if so, whether it is anticipated that after the disposal the cash flows of the component would be eliminated from continuing operations and whether the disposition represents a strategic shift that has a major effect on operations and financial results. In addition, we evaluate whether the business has met the criteria as a business held for sale. In order for a planned disposition to be classified as a business held for sale, the established criteria must be met as of the reporting date, including an active program to market the business and the expected disposition of the business within one year.

Planned business dispositions are presented as discontinued operations when all the criteria described above are met. For those divestitures that qualify as discontinued operations, all comparative periods presented are reclassified in the Consolidated Balance Sheets. Additionally, the results of operations of a discontinued operation are reclassified to income from discontinued operations, net of tax, for all periods presented. Results of discontinued operations include all revenues and expenses directly derived from such businesses; general corporate overhead is not allocated to discontinued operations. See Note 3—Divestiture and Discontinued Operations in our Notes to Consolidated Financial statements for additional information.

RESULTS OF OPERATIONS

The following table sets forth our Consolidated Statements of Operations data as a percentage of net revenues for the periods indicated:

	Fiscal Year		
	2020	2019	2018
Net revenues	100%	100%	100%
Cost of revenues	16	19	18
Gross profit	84	81	82
Operating expenses:			
Sales and marketing	28	29	33
Research and development	13	17	18
General and administrative	15	17	19
Amortization of intangible assets	3	3	3
Restructuring, transition and other costs	11	9	15
Total operating expenses	70	75	88
Operating income (loss)	14	6	(6)
Interest expense	(8)	(8)	(10)
Other income (expense), net	27	(2)	26
Income (loss) from continuing operations before income taxes	33	(4)	10
Income tax expense (benefit)	10	—	(28)
Income (loss) from continuing operations	23	(4)	38
Income from discontinued operations	133	6	7
Net income	156%	1%	44%

Note: The percentages may not add due to rounding.

Net revenues

	Fiscal Year			Variance in %	
(In millions, except for percentages)	2020	2019	2018	2020 vs. 2019	2019 vs. 2018
Net revenues	$2,490	$2,456	$2,559	1%	(4)%

Fiscal 2020 compared to fiscal 2019

Net revenues increased $34 million primarily due to approximately $44 million of revenues from the additional week in fiscal 2020.

Fiscal 2019 compared to fiscal 2018

Net revenues decreased $103 million primarily due to a $238 million decrease as a result of the divestiture of our website security (WSS) and public key infrastructure (PKI) solutions and $33 million decrease in revenue from our consumer security solutions, partially offset by a $161 million increase in revenues of our identity and information protection solutions.

Performance Metrics

We regularly monitor a number of metrics in order to measure our current performance and estimate our future performance. Our metrics may be calculated in a manner different than similar metrics used by other companies.

The following table summarizes supplemental key performance metrics for our solutions:

	Fiscal Year		
(In millions, except for per user amounts and percentages)	**2020**	**2019**	**2018**
Direct customer revenue	$ 2,204	$2,168	$2,037/$2,097 [(2)]
Average direct customer count	20.2	20.7	21.2
Direct average revenue per user (ARPU)	$ 8.90 [(1)]	$8.74	$7.99/$8.23 [(2)]
Annual retention rate	85%	85%	83%

(1) ARPU in fiscal 2020 was normalized to exclude the impact of the extra week on direct revenue, which we estimate to be approximately $41 million of direct customer revenue. Excluding this adjustment, APRU would have been $9.07 in fiscal 2020

(2) Represents a non-GAAP financial measure. Estimated net revenue generated from direct customers during fiscal year 2018 used in the calculation of ARPU excluded a reduction in revenue related to contract liability purchase accounting adjustments required by GAAP, as further discussed below.

We define direct customer revenues as revenues from sales of our consumer solutions to direct customers, which we define as those customers who have a direct billing relationship with us. Such customer sources include online acquisition and retention, affiliates, co-marketing, and original equipment manufacturer channels. Direct customers excludes customers of our partners, and our ID Analytics solutions and WSS and PKI solutions, all of which have now been divested. The excluded revenues are summarized in the following table:

	Fiscal Year		
(In millions)	**2020**	**2019**	**2018**
Partner revenues	$ 240	$ 240	$ 243
ID Analytics revenues	$ 46	$ 48	$ 41
WSS and PKI revenues	$ —	$ —	$ 238

Average direct customer count presents the average of the total number of direct customers at the beginning and end of the fiscal year.

ARPU is calculated as estimated direct customer revenues for the period divided by the average direct customer count for the same period, expressed as a monthly figure. Non-GAAP fiscal 2018 estimated direct customer revenues used in the calculation of ARPU is adjusted only to exclude a reduction in revenue of $60 million related to purchase accounting adjustments related to the February 2017 acquisition of LifeLock, Inc. ARPU for fiscal 2018 would have been $7.99 without this adjustment. We believe the adjustment is useful to investors to reflect ARPU trends in our business by improving the comparability of ARPU between periods. Fiscal 2020 and 2019 did not include any adjustments to estimated direct customer revenue as the purchase accounting adjustments were fully amortized prior to fiscal 2019. Non-GAAP estimated direct customer revenues and ARPU have limitations as analytical tools and should not be considered in isolation or as a substitute for GAAP estimated direct customer revenues or other GAAP measures. We monitor APRU because it helps us understand the rate at which we are monetizing our consumer customer base.

Annual retention rate is defined as the number of direct customers who have more than a one-year tenure as of the end of the most recently completed fiscal period divided by the total number of direct customers as of the end of the period from one year ago. We monitor annual retention rate to evaluate the effectiveness of our strategies to improve renewals of subscriptions.

Net revenues by geographic region

Percentage of revenue by geographic region as presented below is based on the billing location of the customer.

	Fiscal Year		
	2020	2019	2018
Americas	74%	73%	68%
EMEA	15%	16%	18%
APJ	11%	11%	13%

Percentages may not add to 100% due to rounding.

The Americas include U.S., Canada, and Latin America; EMEA includes Europe, Middle East, and Africa; APJ includes Asia Pacific and Japan.

Percentage of revenue by geographic region in fiscal 2020 was similar to fiscal 2019. Americas revenues as a percentage of total revenues increased in fiscal 2019 compared to fiscal 2018 as a result of the sale of our WSS and PKI solutions which proportionally had more revenues in EMEA and APJ than the remaining solutions and higher revenues from our identity and information protection solutions in U.S. during fiscal 2019.

Cost of revenues

	Fiscal Year			Variance in %	
(In millions, except for percentages)	**2020**	**2019**	**2018**	**2020 vs. 2019**	**2019 vs. 2018**
Cost of revenues	$393	$455	$463	(14)%	(2)%

Fiscal 2020 compared to fiscal 2019

Our cost of revenues decreased $62 million primarily due to decreases in technical support costs and service costs, partially offset by an increase in royalty charges. In addition, during fiscal 2019, we recorded higher inventory write-offs of $10 million due to our discontinuation of our consumer hardware product line.

Fiscal 2019 compared to fiscal 2018

Our cost of revenues decreased $8 million primarily due to a $37 million decrease from the divestiture of our WSS and PKI solutions, partially offset by higher inventory and royalty write-offs due to our discontinuation of our consumer hardware product line in fiscal 2019 and higher fulfillment costs.

Operating expenses

(In millions, except for percentages)	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Variance in % 2020 vs. 2019	Variance in % 2019 vs. 2018
Sales and marketing	$ 701	$ 712	$ 841	(2)%	(15)%
Research and development	328	420	455	(22)%	(8)%
General and administrative	368	410	487	(10)%	(16)%
Amortization of intangible assets	79	80	87	(1)%	(8)%
Restructuring, transition and other costs	266	221	380	20%	(42)%
Total	$1,742	$1,843	$2,250	(5)%	(18)%

Fiscal 2020 compared to fiscal 2019

Sales and marketing expense decreased $11 million primarily due to a $75 million decrease in compensation expense and allocated corporate costs, reflecting our cost reduction initiatives. These decreases were partially offset by a $64 million increase in advertising and promotional expense reflecting our higher investments in direct marketing programs.

Research and development expense decreased $92 million primarily due to a $77 million decrease in compensation expense and allocated corporate costs, and a $23 million decrease in outside services, reflecting our cost reduction initiatives.

General and administrative expense decreased $42 million primarily due to a $34 million decrease in compensation expense other than stock-based compensation and allocated corporate costs, and a $18 million decrease in stock-based compensation expense.

Amortization of intangible assets was relatively flat compared to fiscal 2019.

Restructuring, transition and other costs increased $45 million primarily due to $101 million of contract cancellation charges incurred in fiscal 2020, a $71 million increase in severance costs, a $45 million increase in asset impairments, and a $20 million increase in stock-based compensation. These increases were partially offset by $185 million costs related to transition projects incurred in fiscal 2019 that were completed by the end of that period. See Note 12 to the Consolidated Financial Statements for further information on our restructuring plans.

Fiscal 2019 compared to fiscal 2018

Sales and marketing expense decreased $129 million primarily due to a $41 million decrease as a result of the divestiture of our WSS and PKI solutions, a $40 million decrease in advertising and promotional expense, a $23 million decrease in compensation expense other than stock-based compensation, and a $20 million decrease in stock-based compensation expense.

Research and development expense decreased $35 million primarily due to a $30 million decrease in stock-based compensation expense and a $20 million decrease as a result of the divestiture of our WSS and KPI solutions, partially offset by a $15 million increase in outside services.

General and administrative expense decreased $77 million primarily due to an $85 million decrease in stock-based compensation expense, partially offset by a $10 million increase in compensation expense other than stock-based compensation.

Amortization of intangible assets decreased $7 million primarily due to the intangible assets sold with the divestiture of WSS and PKI solutions.

Restructuring, transition and other costs decreased $159 million primarily due to a $75 million decrease in severance and other restructuring costs. In addition, fiscal 2018 costs included $88 million of transition related costs related to our fiscal 2018 divestiture of our WSS and PKI solutions compared to $3 million in fiscal 2019.

Non-operating income (expense), net

	Fiscal Year			Variance in $	
(In millions)	**2020**	**2019**	**2018**	**2020 vs. 2019**	**2019 vs. 2018**
Interest expense	$(196)	$(208)	$(256)	$ 12	$ 48
Interest income	80	42	24	38	18
Loss from equity interest	(31)	(101)	(26)	70	(75)
Foreign exchange loss	(6)	(11)	(18)	5	7
Gain on divestitures	250	—	653	250	(653)
Gain on sale of equity method investment	379	—	—	379	—
Transition service expense, net	(19)	—	—	(19)	—
Other	7	13	21	(6)	(8)
Non-operating income (expense), net	$ 464	$(265)	$ 398	$ 729	$ (663)

Fiscal 2020 compared to fiscal 2019

Non-operating income, net of expense, increased $729 million primarily due to a $379 million gain on the sale of the DigiCert equity method investment and a $250 million gain on the sale of our ID Analytics solutions in fiscal 2020. In addition, our loss from equity interest that was divested in fiscal 2020 decreased $70 million and our interest income increased $38 million as a result of higher investments in money market funds purchased with proceeds from the Broadcom sale.

Fiscal 2019 compared to fiscal 2018

Non-operating income, net of expense, decreased $663 million primarily due to the absence of the $653 million gain on the divestiture of our WSS and PKI solutions in fiscal 2018. In addition, our loss from our equity interest that was acquired in the third quarter of fiscal 2018 increased $75 million. Interest expense decreased $48 million as a result of lower outstanding borrowings during fiscal 2019 due to repayments.

Provision for 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.

(In millions, except for percentages)	Fiscal Year 2020	2019	2018
Income (loss) from continuing operations before income taxes	$ 819	$ (107)	$ 244
Provision for (benefit from) income taxes	$ 241	$ 3	(720)
Effective tax rate on income from continuing operations	29%	(3)%	(295)%

Fiscal 2020 compared to fiscal 2019

Our effective tax rate increased primarily due to an increase in income taxes from non-deductible goodwill, and an increase in income taxes as a result of the Altera Ninth Circuit Opinion. See Note 13 to the Consolidated Financial Statements for information about the Altera Ninth Circuit Opinion.

Fiscal 2019 compared to fiscal 2018

Our effective tax rate increased primarily due to one-time benefits from Tax Cuts and Jobs Act (H.R.1) (the 2017 Tax Act) in fiscal 2018. In addition, increases in tax expense in fiscal 2019 are attributable to the valuation allowance on capital losses for which we cannot yet recognize a tax benefit.

Discontinued operations

(In millions, except for percentages)	Fiscal Year 2020	2019	2018	Variance in % 2020 vs. 2019	2019 vs. 2018
Net revenues	$1,368	$2,288	$2,329	(40)%	(2)%
Gross profit	$1,035	$1,693	$1,737	(39)%	(3)%
Operating income	$ 4	$ 234	$ 214	(98)%	9%
Gain on sale	$5,434	$ —	$ —	N/A	N/A
Income before income taxes	$5,431	$ 228	$ 203	2,282%	12%
Income tax expense	$2,122	$ 87	$ 29	2,339%	200%
Income from discontinued operations	$3,309	$ 141	$ 174	2,247%	(19)%

Fiscal 2020 compared to fiscal 2019

Income from discontinued operations in fiscal 2020 reflects a $5,434 million gain on the Broadcom sale and $2,122 million income tax expense primarily related to the gain. In addition, we recognized $261 million restructuring, transition and other costs in fiscal 2020, compared to $20 million in fiscal 2019.

Fiscal 2019 compared to fiscal 2018

Income from discontinued operations decreased in fiscal 2019 compared to fiscal 2018, primarily due to higher income tax expense as we had higher foreign tax benefit and stock-based compensation windfalls in fiscal 2018.

LIQUIDITY, CAPITAL RESOURCES AND CASH REQUIREMENTS

Liquidity

We have historically relied on cash generated from operations, borrowings under credit facilities, issuances of debt, and proceeds from divestitures for our liquidity needs.

As of April 3, 2020, we had cash, cash equivalents and short-term investments of $2.3 billion, of which $0.9 billion was held by our foreign subsidiaries. Our cash, cash equivalents and short-term investments are managed with the objective to preserve principal, maintain liquidity, and generate investment returns. The participation exemption system under current U.S. federal tax regulations generally allows us to make distributions of non-U.S. earnings to the U.S. without incurring additional U.S. federal tax; however, these distributions may be subject to applicable state or non-U.S. taxes. We have recognized deferred income taxes for local country income and withholding taxes that could be incurred on distributions of certain non-U.S. earnings or for outside basis differences in our subsidiaries.

We also have an undrawn revolving credit facility of $1.0 billion which expires in November 2024.

Our principal cash requirements are primarily to meet our working capital needs and support on-going business activities, including payment of taxes and cash dividends, funding capital expenditures, servicing existing debt, repurchasing our common stock, and investing in business acquisitions.

Our capital allocation strategy is to balance driving stockholder returns, managing financial risk, and preserving our flexibility to pursue strategic options, including acquisitions. Historically, this has included a quarterly cash dividend, the repayment of debt, and the repurchase of our common stock.

Sale of equity method investment

On October 16, 2019, Clearlake Capital Group, L.P., a private investment firm, and TA Associates, an existing investor of DigiCert and a private equity firm, completed an investment in DigiCert. As a result, we received $380 million in cash for our equity investment in DigiCert and made income tax payments of approximately $53 million as a result of the transaction.

Divestiture of Enterprise Security business

On November 4, 2019, we completed the Broadcom sale under which we received cash proceeds of $10.6 billion. In connection with the transaction, we incurred direct costs of approximately $39 million. In fiscal 2020, we paid approximately $1.9 billion of U.S. and foreign income taxes and we expect to pay additional income taxes of $85 million in fiscal 2021 as a result of the transaction.

As a result of the divestiture, on January 31, 2020, we made a distribution to our stockholders through a special dividend of $12 per share of common stock in an aggregate amount of $7.2 billion.

Sale of ID Analytics solutions

On January 31, 2020, we completed the sale of our ID Analytics solutions for approximately $375 million in net cash proceeds.

Debt

In November 2019, we entered into a credit facility and drew down $500 million of a 5-year term loan to repay an existing term loan of $500 million.

In March 2020, we settled the $250 million principal and conversion rights of our 2.5% Convertible Notes for $566 million in cash.

In May 2020, we settled the $625 million principal and conversion rights of our 2.0% Convertible Notes for $1.18 billion in cash.

Share Repurchase Program

During fiscal 2020, we executed repurchases of 68 million shares of our common stock, under our existing share repurchase program for an aggregate amount of $1.6 billion. We have $578 million remaining under our existing share repurchase authorization.

Cash flows

The following table summarizes our cash flow activities in fiscal 2020, 2019 and 2018:

	Fiscal Year		
(In millions)	**2020**	**2019**	**2018**
Net cash provided by (used in):			
Operating activities	$ (861)	$ 1,495	$ 950
Investing activities	$ 11,379	$ (241)	$ (21)
Financing activities	$(10,123)	$(1,209)	$(3,475)
Increase (decrease) in cash and cash equivalents	$ 386	$ 17	$(2,473)

Cash from operating activities

Fiscal 2020

Our cash used in fiscal 2020 reflected net income of $3,887 million adjusted by items, consisting primarily of gains on divestitures of $5,684 million and a gain on the sale of our equity method investment of $379 million, amortization and depreciation of $361 million, and stock-based compensation of $312 million.

Changes in operating assets and liabilities during fiscal 2020 consisted primarily of the following:

Accounts receivable decreased $583 million, primarily due to the collections of receivables related to our Enterprise Security solutions. Such receivables were not included in the assets that were sold in connection with the Broadcom sale.

Contract liabilities decreased $121 million, primarily due to seasonally higher recognized revenue from our Enterprise Security solutions than billings during the period prior to the Broadcom sale.

Accrued compensation and benefits decreased $117 million, primarily due to a decrease in headcount as a result of the Broadcom sale and our restructuring activities.

Income taxes payable increased $383 million primarily due to taxes owed on the Broadcom sale and the sale of our DigiCert equity method investment. During fiscal 2020, we made aggregate tax payments of $2 billion related to these transactions.

Fiscal 2019

Our cash flows for fiscal 2019 reflected net income of $31 million, adjusted by non-cash items, primarily consisting of amortization and depreciation of $615 million, stock-based compensation of $352 million, and loss from equity interest of $101 million.

Changes in operating assets and liabilities during fiscal 2019 consisted primarily of the following:

Accounts receivable decreased $113 million, reflecting lower billings and higher collections in the last months of fiscal 2019 compared to the corresponding period in fiscal 2018.

Contract liabilities increased $196 million, reflecting higher billings versus recognized revenue.

Fiscal 2018

Our cash flows for fiscal 2018 reflected net income of $1.1 billion, adjusted by non-cash amortization and depreciation of $640 million, stock-based compensation expense of $610 million, and offset by a deferred tax benefit of $1.8 billion, primarily as a result of the enactment of the 2017 Tax Act in December 2017, and a gain on divestiture of $653 million.

Changes in operating assets and liabilities during fiscal 2018 consisted primarily of the following:

Accounts receivable increased $170 million, reflecting higher billings in the last months of fiscal 2018 and our shift in sales to solutions with ratable revenue recognition related to our Enterprise Security solutions.

Contract liabilities increased $491 million, reflecting our shift in sales to contracts related to our Enterprise Security solutions with longer durations subject to ratable versus point in time revenue recognition. This resulted in less in-period revenue recognized and higher billings towards the end of the fiscal year due to the seasonal sales cycles for those solutions. These factors were primarily offset by a decrease of $319 million related to our fiscal 2018 divestiture of our WSS and PKI solutions.

Income taxes payable increased $880 million, reflecting the one-time transition tax of $896 million under the 2017 Tax Act.

Cash from investing activities

Our cash flows from investing activities in fiscal 2020 consisted primarily of $10.9 billion in net proceeds from the Broadcom sale and the divestiture of ID Analytics solutions and $380 million from the sale of our equity method investment in DigiCert.

Our investing activities in fiscal 2019 consisted primarily of capital expenditures of $207 million, payments for acquisitions of $180 million, partially offset by proceeds from maturities and sales of short-term investments of $139 million.

Our investing activities in fiscal 2018 consisted primarily of $933 million in net proceeds from divestiture of our WSS and PKI solutions, partially offset by payment for acquisitions of $401 million and net purchases of $387 million of short-term investments.

Cash from financing activities

Our financing activities in fiscal 2020 consisted primarily of payments of dividends and dividend equivalents of $7.5 billion, repurchases of common stock of $1.6 billion, debt repayments of $868 million, consisting of $552 million in principal and a $316 million cash settlement of the equity rights associated with our Senior Convertible notes, and cash consideration of $546 million paid in connection with the exchange of convertible debt.

Our financing activities in fiscal 2019 primarily included debt repayments of $600 million, repurchases of common stock of $234 million, payments of dividends and dividend equivalents of $217 million, and tax payments related to vesting equity awards of $173 million.

Our financing activities in fiscal 2018 primarily included debt repayments of $3.2 billion.

Cash requirements

Debt - As of April 3, 2020, our total outstanding principal amount of indebtedness is summarized as follows. See Note 10 to the Consolidated Financial Statements for further information about our debt.

(In millions)	**April 3, 2020**
Senior Term Loan	$ 500
Senior Notes	2,250
Convertible Senior Notes	1,500
Total debt	$ 4,250

In May 2020, we repaid $625 million of our 2.0% Convertible Notes.

In our second quarter of fiscal 2021, we plan to borrow $750 million under the delayed draw term loan, which will mature in November 2024, and use the proceeds to repay in full our 4.2% Senior Notes, which are due in September 2020.

Debt covenant compliance - The credit agreement we entered into in November 2019 contains customary representations and warranties, non-financial covenants for financial reporting, affirmative and negative covenants, including a covenant that we maintain a consolidated leverage ratio of not more than 5.25 to 1.0, or 5.75 to 1.0 if we acquire assets or business in an aggregate amount greater than $250 million, and restrictions on indebtedness, liens, investments, stock repurchases, and dividends (with exceptions permitting our regular quarterly dividend and other specific capital returns). As of April 3, 2020, we were in compliance with all debt covenants.

Dividends - On May 14, 2020, we announced a cash dividend of $0.125 per share of common stock to be paid in June 2020. Any future dividends will be subject to the approval of our Board of Directors.

Stock repurchases - Under our stock repurchase program, we may purchase shares of our outstanding common stock through accelerated stock repurchase transactions, open market transactions (including through trading plans intended to qualify under Rule 10b5-1 under the

Exchange Act,) and privately-negotiated transactions. As of April 3, 2020, the remaining balance of our stock repurchase authorization is $578 million and does not have an expiration date. The timing and actual number of shares repurchased will depend on a variety of factors, including price, general business and market conditions, and other investment opportunities.

Restructuring. Under our restructuring plans approved by our Board of Directors in August and November 2019, we have incurred and expect to incur cash expenditures for severance and termination benefits and contract terminations. The August 2019 Plan was completed in fiscal 2020 with total cash payments of $50 million. As of April 3, 2020, we estimate that we will incur total costs of $550 million in connection with the November 2019 Plan, excluding stock-based compensation expense, of which up to $200 million is expected to consist of cash expenditures for severance and termination benefits and $110 million of cash expenditures for contract terminations, and up to $240 million is expected to consist of asset write-offs and other restructuring costs. During fiscal 2020, we made $196 million in cash payments related to the November 2019 Plan. These actions are expected to be completed by September 2020. See Note 12 to the Consolidated Financial Statements for additional cash flow information associated with our restructuring activities.

Contractual obligations

The following is a schedule of our significant contractual obligations as of April 3, 2020, including those associated with our discontinued operations. The expected timing of payments of the obligations in the following table is estimated based on current information. Timing of payments and actual amounts paid may be different, depending on the time of receipt of goods or services, or changes to agreed-upon amounts for some obligations.

	Payments Due by Period				
(In millions)	**Total**	**Less than 1 Year**	**1 - 3 Years**	**3 - 5 Years**	**Over 5 Years**
Debt [1]	$4,250	$ 756	$ 1,950	$ 444	$ 1,100
Interest payments on debt [2]	508	136	210	135	27
Purchase obligations [3]	439	347	53	33	6
Long-term income taxes payable [4]	683	68	136	299	180
Operating leases [5]	114	34	44	27	9
Total	$5,994	$ 1,341	$ 2,393	$ 938	$ 1,322

(1) In May 2020, we repaid $625 million of our 2.0% Convertible Notes. See Note 10 and Note 19 to the Consolidated Financial Statements for further information on our debt.

(2) Interest payments were calculated based on the contractual terms of the related Senior Notes, Convertible Senior Notes, and credit facility. Interest on variable rate debt was calculated using the interest rate in effect as of April 3, 2020. See Note 10 to the Consolidated Financial Statements for further information on the Senior Notes, Convertible Senior Notes, and credit facility.

(3) These amounts are associated with agreements for purchases of goods or services generally including agreements that are enforceable and legally binding and that specify all significant terms, including fixed or minimum quantities to be purchased; fixed, minimum, or variable price provisions; and the approximate timing of the transaction. The table above also includes agreements to purchase goods or services that have cancellation provisions requiring little or no payment. The amounts under such contracts are included in the table above because management believes that cancellation of these contracts is unlikely, and we expect to make future cash payments according to the contract terms or in similar amounts for similar materials.

(4) These amounts represent the transition tax on previously untaxed foreign earnings of foreign subsidiaries under the 2017 Tax Act which may be paid through July 2025.

(5) We have entered into various non-cancelable operating lease agreements that expire on various dates through fiscal 2029. The amounts in the table above exclude expected sublease income. See Note 9 to the Consolidated Financial Statements for further information on leases.

Due to the uncertainty with respect to the timing of future cash flows associated with our unrecognized tax benefits and other long-term taxes as of April 3, 2020, we are unable to make reasonably reliable estimates of the period of cash settlement with the respective taxing authorities. Therefore, $695 million in long-term income taxes payable has been excluded from the contractual obligations table. See Note 13 to the Consolidated Financial Statements for further information.

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 connection with the sale of Veritas and the sale of our Enterprise Security business to Broadcom, we assigned several leases to Veritas Technologies LLC or Broadcom and/or their related subsidiaries. Refer to Note 18 to the Consolidated Financial Statements for further information on our indemnifications.

Item 7A. *Quantitative and Qualitative Disclosures about Market Risk*

We are exposed to various market risks related to fluctuations in interest rates and foreign currency exchange rates. We may use derivative financial instruments to mitigate certain risks in accordance with our investment and foreign exchange policies. We do not use derivatives or other financial instruments for trading or speculative purposes.

Interest rate risk

Our short-term investments and cash equivalents primarily consist of corporate bonds and certificate of deposits, respectively. A change in interest could have an adverse impact on their market value. As of April 3, 2020, the carrying value and fair value of our short-term investments and cash equivalents was $434 million. A hypothetical change in the yield curve of 100 basis points would not result in a significant reduction in fair value.

As of April 3, 2020, we had $3.8 billion in aggregate principal amount of fixed-rate Senior Notes and convertible debt outstanding, with a carrying amount and a fair value of $3.6 billion, based on Level 2 inputs. Since these notes bear interest at fixed rates, they do not result in any financial statement risk associated with changes in interest rates. However, the fair value of these notes fluctuates when interest rates change.

As of April 3, 2020, we also had $500 million outstanding debt with variable interest rates based on the London InterBank Offered Rate (LIBOR). A reasonably possible hypothetical adverse change of 100 basis points in LIBOR would not result in a significant increase in interest expense on an annualized basis.

In addition, we have a $1.0 billion revolving credit facility that if drawn bears interest at a variable rate based on LIBOR and would be subject to the same risks associated with adverse changes in LIBOR.

Foreign currency exchange rate risk

We conduct business in numerous currencies through our worldwide operations, and our entities hold monetary assets or liabilities, earn revenues, or incur costs in currencies other than the entity's functional currency, primarily in Euro, Japanese Yen, British Pound, and Indian Rupee. In addition, we charge our international subsidiaries for their use of intellectual property and technology and for certain corporate services we provide. Our cash flow, results of operations and certain of our intercompany balances that are exposed to foreign exchange rate fluctuations may differ materially from expectations, and we may record significant gains or losses due to foreign currency fluctuations and related hedging activities. As a result, we are exposed to foreign exchange gains or losses which impacts our operating results.

We have a foreign exchange exposure management program designed to identify material foreign currency exposures, manage these exposures, and reduce the potential effects of currency fluctuations on our results of operations through which we enter into foreign exchange forward contracts on our assets and liabilities denominated in currencies other than the functional currency of our subsidiaries with up to twelve months in duration. We do not use derivative financial instruments for speculative trading purposes, nor do we hedge our foreign currency exposure in a manner that entirely offsets the effects of the changes in foreign exchange rates. The gains and losses on these foreign exchange contracts are recorded in interest and other, net in our statement of operations.

As of April 3, 2020 and March 29, 2019, we had open foreign currency forward contracts with notional amounts of $419 million and $1.1 billion, respectively, to hedge foreign currency balance sheet exposure, with an insignificant fair value. A hypothetical ten percent depreciation of foreign currency would result in a reduction in fair value of our forward contracts of $30 million and $84 million for fiscal 2020 and fiscal 2019, respectively. This analysis disregards the possibilities that the rates can move in opposite directions and that losses from one geographic area may be offset by gains from another geographic area.

Additional information with respect to our derivative instruments is included in Note 9 to the Consolidated Financial Statements in this Annual Report on Form 10-K.

Item 8. *Financial Statements and Supplementary Data*

The Consolidated Financial Statements and related disclosures included in Part IV, Item 15 of this annual report are incorporated by reference into this Item 8.

Selected Quarterly Financial Data (Unaudited)

(In millions, except per share data)	Fiscal 2020 Fourth Quarter [1]	Fiscal 2020 Third Quarter [2]	Fiscal 2020 Second Quarter	Fiscal 2020 First Quarter	Fiscal 2019 Fourth Quarter	Fiscal 2019 Third Quarter	Fiscal 2019 Second Quarter	Fiscal 2019 First Quarter
Net revenues	$ 614	$ 618	$ 608	$ 650	$ 617	$ 615	$ 612	$ 612
Gross profit	$ 517	$ 515	$ 511	$ 554	$ 493	$ 505	$ 499	$ 504
Operating income (loss)	$ 44	$ 62	$ 109	$ 140	$ 72	$ 62	$ 48	$ (24)
Income tax expense (benefit)	$ 108	$ 57	$ 22	$ 54	$ (17)	$ 10	$ 34	$ (24)
Income (loss) from continuing operations	$ 149	$ 353	$ 38	$ 38	$ 37	$ (19)	$ (61)	$ (67)
Income (loss) from discontinued operations	$ 82	$2,492	$ 747	$ (12)	$ (3)	$ 84	$ 53	$ 7
Net income (loss)	$ 231	$2,845	$ 785	$ 26	$ 34	$ 65	$ (8)	$ (60)
Income (loss) per share — basic: [2]								
Continuing operations	$0.25	$ 0.57	$0.06	$ 0.06	$0.06	$(0.03)	$(0.10)	$(0.11)
Discontinued operations	$0.14	$ 4.01	$1.20	$(0.02)	$ —	$ 0.13	$ 0.08	$ 0.01
Net income (loss) per share — basic	$0.39	$ 4.58	$1.27	$ 0.04	$0.05	$ 0.10	$(0.01)	$(0.10)
Income (loss) per share — diluted: [2]								
Continuing operations	$0.23	$ 0.55	$0.06	$ 0.06	$0.06	$(0.03)	$(0.10)	$(0.11)
Discontinued operations	$0.13	$ 3.85	$1.16	$(0.02)	$ —	$ 0.13	$ 0.08	$ 0.01
Net income (loss) per share — diluted	$0.36	$ 4.40	$1.22	$ 0.04	$0.05	$ 0.10	$(0.01)	$(0.10)

(1) During the fourth quarter of fiscal 2020, we recognized a pre-tax gain of $250 million on our divestiture of ID Analytics solutions, which is presented as part of income (loss) from continuing operations.

(2) During the third quarter of fiscal 2020, we completed the sale of certain assets and the assumption of certain liabilities of our Enterprise Security business to Broadcom for a net gain of $2.6 billion, which is presented as part of income (loss) from discontinued operations. In addition, we recognized a pre-tax gain of $379 million on our sale of our DigiCert equity method investment, which is presented as part of income (loss) from continuing operations.

(3) Net income (loss) per share amounts may not add due to rounding.

Item 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*

None.

Item 9A. *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 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 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) Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) for NortonLifeLock. Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, has conducted an evaluation of the effectiveness of our internal control over financial reporting as of April 3, 2020, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Our management has concluded that, as of April 3, 2020, our internal control over financial reporting was effective at the reasonable assurance level based on these criteria.

The effectiveness of our internal control over financial reporting as of April 3, 2020 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report, which is included in Part IV, Item 15 of this Annual Report on Form 10-K.

c) Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended April 3, 2020, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

d) Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and 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.

Item 9B. *Other Information*

The information below is reported in lieu of information that would be reported under Items 5.03 under Form 8-K.

On May 22, 2020, we executed and filed a Certificate of Elimination of Series A Junior Preferred Stock (the ''Junior Preferred Stock'') with the Secretary of State of the State of Delaware, to remove the Certificate of Designations of the Junior Preferred Stock from our Amended and Restated Certificate of Incorporation. The Certificate of Elimination became effective upon filing. No shares of the Junior Preferred Stock were issued or outstanding upon filing of the Certificate of Elimination. A copy of the Certificate of Elimination is attached hereto as Exhibit 3.06 and is incorporated into this Item 9B by reference.

The information below is reported in lieu of information that would be reported under Item 5.02 under Form 8-K.

On May 28, 2020, we and Samir Kapuria, our President, entered into an amendment agreement to the letter agreement between Mr. Kapuria and us dated December 5, 2019 (the Amendment). Under the Amendment, we agreed to terminate Mr. Kapuria other than for Cause by December 31, 2020, upon which time Mr. Kapuria shall be entitled to the benefits set forth in the letter agreement and the Amendment. The foregoing description of the Amendment is qualified in its entirety by reference to the full text of the Amendment, which will be filed as an exhibit to our Quarterly Report on Form 10-Q for the fiscal quarter ending July 3, 2020.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance*

The information required by this item will be included under the caption ''Directors, Executive Officers, and Corporate Governance'' in our proxy statement for the 2020 Annual Meeting to be filed with the SEC within 120 days of the fiscal year ended April 3, 2020 (the 2020 Proxy Statement) and is incorporated herein by reference. With regard to the information required by this item regarding compliance with Section 16(a) of the Exchange Act, we will provide disclosure of delinquent Section 16(a) reports, if any, in the 2020 Proxy Statement, and such disclosure, if any, is incorporated herein by reference.

Item 11. *Executive Compensation*

The information required by this item will be included under the caption ''Executive Compensation'' in our 2020 Proxy Statement and is incorporated herein by reference.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

The information required by this item will be included under the caption ''Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters'' in our 2020 Proxy Statement and is incorporated herein by reference.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

The information required by this item will be included under the caption ''Certain Relationships and Related Transactions, and Director Independence'' in our 2020 Proxy Statement and is incorporated herein by reference.

Item 14. *Principal Accounting Fees and Services*

The information required by this item will be included under the caption ''Principal Accountant Fees and Services'' in our 2020 Proxy Statement and is incorporated herein by reference.

PART IV

Item 15. ***Exhibits, Financial Statement Schedules***

(a)

(1). Financial Statements

Upon written request, we will provide, without charge, a copy of this annual report, including the Consolidated Financial Statements and financial statement schedule. All requests should be sent to:

NortonLifeLock Inc.
Attn: Investor Relations
60 E. Rio Salado, Suite 1000
Tempe, Arizona 85281
(650) 527-8000

The following documents are filed as part of this report:

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
NortonLifeLock Inc.:

Opinions on the Consolidated *Financial Statements and Internal Control Over Financial Reporting*

We have audited the accompanying consolidated balance sheets of NortonLifeLock Inc. and subsidiaries (the Company) as of April 3, 2020 and March 29, 2019, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows for each of the years in the three-year period ended April 3, 2020, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of April 3, 2020, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of April 3, 2020 and March 29, 2019 and the results of its operations and its cash flows for each of the years in the three-year period ended April 3, 2020, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of April 3, 2020 based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Change in Accounting Principle

As discussed in Note 2 and 9 to the consolidated financial statements, the Company has changed its method of accounting for leases as of March 30, 2019, due to the adoption of Financial Accounting Standards Board's Accounting Standards Codification (ASC) Topic 842, *Leases*.

As discussed in Note 1 to the consolidated financial statements, the Company has changed its method of accounting for revenue from contracts with customers as of March 31, 2018, due to the adoption of ASC Topic 606, *Revenue from Contracts with Customers*.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting under Item 9A. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Assessment of uncertain tax positions

As discussed in notes 1 and 13 to the consolidated financial statements, as of April 3, 2020 the Company recognized uncertain tax positions. The Company recognizes tax benefits from uncertain tax positions when there is more than a 50% likelihood that the tax position will be sustained upon examination by the taxing authorities based on the technical merits of the position. As of April 3, 2020, the Company has recorded a liability for gross unrecognized tax benefits of $724 million.

We identified the assessment of uncertain tax positions as a critical audit matter. Complex auditor judgment, including the involvement of tax professionals with specialized skills and knowledge, was required to evaluate the Company's interpretation and application of tax law globally across its multiple subsidiaries.

The primary procedures we performed to address this critical audit matter included the following. We tested certain internal controls over the Company's uncertain tax positions process, including controls related to the interpretation of tax law, its application in the liability estimation process, and determination of the final uncertain tax position. We involved tax professionals with specialized skills and knowledge, who assisted in:

- Obtaining an understanding of the Company's overall tax structure across multiple subsidiaries and assessing the Company's compliance with tax laws globally,
- Evaluating tax law, and assessing the interpretation under the relevant jurisdictions' tax law,
- Inspecting settlements with taxing authorities to assess the Company's determination of its tax positions and having more than a 50% likelihood to be sustained upon examination, and
- Performing an assessment of the Company's tax positions and comparing the results to the Company's assessment.

In addition, we evaluated the Company's ability to accurately estimate its gross unrecognized tax benefits by comparing historical gross unrecognized tax benefits to actual outcome upon conclusion of tax examinations.

Evaluation of the exchange of the 2.0% and 2.5% Convertible Notes

As discussed in Note 10 to the consolidated financial statements, in February 2020, the Company exchanged $250 million of its 2.5% Convertible Notes and $625 million of its 2.0% Convertible Notes for new convertible notes of the same principal amounts and paid the holders of the new convertible notes total cash consideration of $546 million in lieu of conversion price adjustments related to a $12 per share cash payment to the exchanged note holders. As a result, the Company recorded $865 million as the liability component, recorded a reduction of additional paid-in capital of $546 million and a $2 million gain on extinguishment.

We identified the evaluation of the exchange of debt for the 2.0% and 2.5% Convertible Notes as a critical audit matter. Complex auditor judgment, was required to evaluate the Company's accounting treatment and appropriate accounting guidance in relation to the debt extinguishment and the cash payments in connection with the amended Convertible Senior Notes.

The primary procedures we performed to address this critical audit matter included the following. We tested certain internal controls over the Company's debt process, including controls over the Company's evaluation of the accounting guidance, including treatment and assessment of the extinguishment of debt and the cash payments. We read the Company's amended debt agreements and features included within the agreements and evaluated the accounting guidance. We evaluated management's accounting treatment and analysis of the debt extinguishment, cash payments, and classification within the consolidated financial statements.

/s/ KPMG LLP

We have served as the Company's auditor since 2002.
Santa Clara, California
May 28, 2020

NORTONLIFELOCK INC.

CONSOLIDATED BALANCE SHEETS

(In millions, except par value per share amounts)

	April 3, 2020	March 29, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,177	$ 1,791
Short-term investments	86	252
Accounts receivable, net	111	708
Other current assets	435	286
Assets held for sale	270	-
Current assets of discontinued operations	-	149
Total current assets	3,079	3,186
Property and equipment, net	238	663
Operating lease assets	88	-
Intangible assets, net	1,067	1,202
Goodwill	2,585	2,677
Other long-term assets	678	1,160
Long-term assets of discontinued operations	-	7,050
Total assets	$ 7,735	$ 15,938
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 87	$ 165
Accrued compensation and benefits	115	250
Current portion of long-term debt	756	491
Contract liabilities	1,049	1,032
Current operating lease liabilities	28	-
Other current liabilities	587	524
Current liabilities of discontinued operations	-	1,304
Total current liabilities	2,622	3,766
Long-term debt	3,465	3,961
Long-term contract liabilities	27	27
Deferred income tax liabilities	149	577
Long-term income taxes payable	1,310	1,076
Long-term operating lease liabilities	73	-
Other long-term liabilities	79	78
Long-term liabilities of discontinued operations	-	715
Total liabilities	7,725	10,200
Commitments and contingencies (Note 18)		
Stockholders' equity:		
Preferred stock, $0.01 par value: 1 shares authorized; no shares issued and outstanding	-	-
Common stock and additional paid-in capital, $0.01 par value: 3,000 shares authorized; 589 and 630 shares issued and outstanding as of April 3, 2020 and March 29, 2019, respectively	3,356	4,812
Accumulated other comprehensive loss	(16)	(7)
Retained earnings (accumulated deficit)	(3,330)	933
Total stockholders' equity	10	5,738
Total liabilities and stockholders' equity	$ 7,735	$ 15,938

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

NORTONLIFELOCK INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except per share amounts)

	Year Ended		
	April 3, 2020	March 29, 2019	March 30, 2018
Net revenues	$ 2,490	$ 2,456	$ 2,559
Cost of revenues	393	455	463
Gross profit	2,097	2,001	2,096
Operating expenses:			
Sales and marketing	701	712	841
Research and development	328	420	455
General and administrative	368	410	487
Amortization of intangible assets	79	80	87
Restructuring, transition and other costs	266	221	380
Total operating expenses	1,742	1,843	2,250
Operating income (loss)	355	158	(154)
Interest expense	(196)	(208)	(256)
Other income (expense), net	660	(57)	654
Income (loss) from continuing operations before income taxes	819	(107)	244
Income tax expense (benefit)	241	3	(720)
Income (loss) from continuing operations	578	(110)	964
Income from discontinued operations	3,309	141	174
Net income	$ 3,887	$ 31	$ 1,138
Income (loss) per share — basic:			
Continuing operations	$ 0.94	$ (0.17)	$ 1.56
Discontinued operations	$ 5.38	$ 0.22	$ 0.28
Net income per share — basic[1]	$ 6.32	$ 0.05	$ 1.85
Income (loss) per share — diluted:			
Continuing operations	$ 0.90	$ (0.17)	$ 1.44
Discontinued operations	$ 5.15	$ 0.22	$ 0.26
Net income per share — diluted[1]	$ 6.05	$ 0.05	$ 1.70
Weighted-average shares outstanding:			
Basic	615	632	616
Diluted	643	632	668

(1) Net income per share amounts may not add due to rounding.

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

NORTONLIFELOCK INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In millions)

	Year Ended		
	April 3, 2020	March 29, 2019	March 30, 2018
Net income	$ 3,887	$ 31	$ 1,138
Other comprehensive income (loss), net of taxes:			
Foreign currency translation adjustments:			
Translation adjustments	(11)	(13)	(4)
Reclassification adjustments for net loss included in net income	-	-	5
Net foreign currency translation adjustments	(11)	(13)	1
Unrealized gain (loss) on available-for-sale securities:			
Unrealized gain (loss)	1	3	(5)
Reclassification adjustments for gain included in net income	-	-	(4)
Net unrealized gain (loss) on available-for-sale securities	1	3	(9)
Other comprehensive income (loss) from equity method investee:			
Other comprehensive income (loss) from equity method investee	2	(1)	-
Reclassification adjustments for income included in net income	(1)	-	-
Net other comprehensive income (loss) from equity method investee	1	(1)	-
Other comprehensive loss, net of taxes	(9)	(11)	(8)
Comprehensive income	$ 3,878	$ 20	$ 1,130

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

NORTONLIFELOCK INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In millions, except per share amounts)

	Common Stock and Additional Paid-In Capital		Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Accumulated Deficit)	Total Stockholders' Equity
	Shares	Amount			
Balance as of March 31, 2017	608	$ 4,236	$ 12	$ (761)	$ 3,487
Net income	-	-	-	1,138	1,138
Other comprehensive loss	-	-	(8)	-	(8)
Common stock issued under employee stock incentive plans	22	121	-	-	121
Shares withheld for taxes related to vesting of restricted stock units	(4)	(107)	-	-	(107)
Equity awards assumed in acquisitions	-	1	-	-	1
Repurchases of common stock	(2)	-	-	-	-
Cash dividends declared ($0.30 per share of common stock) and dividend equivalents accrued	-	(144)	-	(49)	(193)
Stock-based compensation	-	584	-	-	584
Balance as of March 30, 2018	624	4,691	4	328	5,023
Cumulative effect from adoption of accounting standards	-	-	-	939	939
Net income	-	-	-	31	31
Other comprehensive loss	-	-	(11)	-	(11)
Common stock issued under employee stock incentive plans	24	19	-	-	19
Shares withheld for taxes related to vesting of restricted stock units	(8)	(173)	-	-	(173)
Repurchases of common stock	(10)	(84)	-	(168)	(252)
Cash dividends declared ($0.30 per share of common stock) and dividend equivalents accrued	-	-	-	(197)	(197)
Stock-based compensation	-	359	-	-	359
Balance as of March 29, 2019	630	4,812	(7)	933	5,738
Net income	-	-	-	3,887	3,887
Other comprehensive loss	-	-	(9)	-	(9)
Common stock issued under employee stock incentive plans	32	123	-	-	123
Shares withheld for taxes related to vesting of restricted stock units	(4)	(86)	-	-	(86)
Repurchases of common stock	(69)	(902)	-	(661)	(1,563)
Cash dividends declared ($12.40 per share of common stock) and dividend equivalents accrued	-	(76)	-	(7,489)	(7,565)
Stock-based compensation	-	338	-	-	338
Short-swing profit disgorgement	-	9	-	-	9
Exchange and extinguishment of convertible debt	-	(862)	-	-	(862)
Balance as of April 3, 2020	589	$ 3,356	$ (16)	$ (3,330)	$ 10

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

NORTONLIFELOCK INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)

	Year Ended		
	April 3, 2020	March 29, 2019	March 30, 2018
OPERATING ACTIVITIES:			
Net income	$ 3,887	$ 31	$ 1,138
Adjustments:			
Amortization and depreciation	361	615	640
Impairments of long-lived assets	74	10	81
Stock-based compensation expense	312	352	610
Loss from equity interest	31	101	26
Deferred income taxes	16	(70)	(1,848)
Gain on divestitures	(5,684)	-	(653)
Gain on sale of equity method investment	(379)	-	-
Non-cash operating lease expense	40	-	-
Other	(4)	(14)	45
Changes in operating assets and liabilities, net of acquisitions and divestitures:			
Accounts receivable, net	583	113	(170)
Accounts payable	(61)	6	(4)
Accrued compensation and benefits	(117)	2	(33)
Contract liabilities	(121)	196	491
Income taxes payable	383	67	880
Other assets	(81)	(26)	(167)
Other liabilities	(101)	112	(86)
Net cash provided by (used in) operating activities	(861)	1,495	950
INVESTING ACTIVITIES:			
Purchases of property and equipment	(89)	(207)	(142)
Payments for acquisitions, net of cash acquired	-	(180)	(401)
Proceeds from divestitures, net of cash contributed and transaction costs	10,918	-	933
Purchases of short-term investments	-	-	(436)
Proceeds from maturities and sales of short-term investments	167	139	49
Proceeds from sale of property	-	26	-
Proceeds from sale of equity method investment	380	-	-
Other	3	(19)	(24)
Net cash provided by (used in) investing activities	11,379	(241)	(21)
FINANCING ACTIVITIES:			
Repayments of debt and related equity component	(868)	(600)	(3,210)
Proceeds from issuance of debt, net of issuance costs	300	-	-
Net proceeds from sales of common stock under employee stock incentive plans	123	19	121
Tax payments related to restricted stock units	(78)	(173)	(107)
Dividends and dividend equivalents paid	(7,481)	(217)	(211)
Repurchases of common stock	(1,581)	(234)	-
Cash consideration paid in the exchange of convertible debt	(546)	-	-
Short-swing profit disgorgement	9	-	-
Other	(1)	(4)	(68)
Net cash used in financing activities	(10,123)	(1,209)	(3,475)
Effect of exchange rate fluctuations on cash and cash equivalents	(9)	(28)	73
Change in cash and cash equivalents	386	17	(2,473)
Beginning cash and cash equivalents	1,791	1,774	4,247
Ending cash and cash equivalents	$ 2,177	$ 1,791	$ 1,774

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

NORTONLIFELOCK INC.

Notes to the Consolidated Financial Statements

Note 1. Description of Business and Significant Accounting Policies

Business

We are a leading provider of Cyber Safety solutions for consumers. During fiscal year 2020, we completed the sale of our Enterprise Security Assets to Broadcom Inc. (Broadcom) and the sale of our ID Analytics business to LexisNexis® Risk Solutions, part of RELX Inc. With the sale of our enterprise assets, we have transformed ourselves into a pure consumer company and changed our name from Symantec Corporation to NortonLifeLock Inc. Our NortonLifeLock branded solutions help customers protect their devices, online privacy, identity and home networks.

Recent Corporate Name Change

In connection with the sale of certain assets of our Enterprise Security business as disclosed in Discontinued operations below, effective November 4, 2019, we changed our corporate name from Symantec Corporation to NortonLifeLock Inc.

Discontinued operations

On August 8, 2019, we entered into a definitive agreement with Broadcom under which Broadcom agreed to purchase certain of our Enterprise Security assets and assume certain liabilities for a purchase price of $10.7 billion (the Broadcom sale). On November 4, 2019, we completed the transaction. The divestiture of our Enterprise Security business allowed us to shift our operational focus to our consumer business and represents a strategic shift in our operations. As a result, the majority of results of our Enterprise Security business were classified as discontinued operations in our Consolidated Statements of Operations and thus excluded from both continuing operations and segment results for all periods presented. We have operated in one reportable segment since the second quarter of fiscal 2020. The Enterprise Security business was part of our Enterprise Security segment. Results of discontinued operations include all revenues and expenses directly derived from the Enterprise Security business, with the exception of revenues and associated costs of our ID Analytics solutions, which were formerly included in the Enterprise Security segment, and general corporate overhead which were previously allocated to the Enterprise Security segment but are not allocated to discontinued operations. These revenues and expenses are now included in continuing operations. The assets acquired by and liabilities sold to Broadcom, as specified in the August 8, 2019 definitive agreement, are classified as discontinued operations in our Consolidated Balance Sheets, subject to changes set forth in the agreement. See Note 3 for additional information about the divestiture of our Enterprise Security business.

Principles of consolidation

The accompanying Consolidated Financial Statements of NortonLifeLock and our wholly-owned subsidiaries are prepared in conformity with generally accepted accounting principles in the United States (GAAP). All significant intercompany accounts and transactions have been eliminated in consolidation.

Fiscal calendar

We have a 52/53-week fiscal year ending on the Friday closest to March 31. Our fiscal year 2020 consisted of 53 weeks whereas fiscal years 2019 and 2018 were each 52-week years.

Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Estimates are based upon historical factors, current circumstances, and the experience and judgment of management. Management evaluates its assumptions and estimates on an ongoing basis and may engage outside subject matter experts to assist in its valuations. Significant items subject to such estimates and assumptions include valuation of business combinations including acquired intangible assets and goodwill, loss contingencies, the recognition and measurement of current and deferred income taxes, including the measurement of uncertain tax positions, and valuation of assets and liabilities and results of operations of our discontinued operations. Actual results could differ from such estimates and assumptions due to risks and uncertainties, including uncertainty in the current economic environment due to the COVID-19 pandemic.

Significant Accounting Policies

Revenue recognition

On March 31, 2018, the first day of our fiscal 2019, we adopted the new revenue standard, Revenue Recognition — Contracts with Customers, on a modified retrospective basis, applying the practical expedient to all uncompleted contracts as of March 31, 2018. Accordingly, results of our fiscal 2020 and 2019 are presented under the new revenue recognition guidance, while prior period amounts are not adjusted and continue to be reported under the prior revenue recognition guidance. The adoption of the new revenue standard did not have a significant impact on our net revenues.

We sell products and services directly to end-users and packaged software products through a multi-tiered distribution channel. We recognize revenue when control of the promised products or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for such products or services. Performance periods are generally one year or less, and payments are generally collected up front. Revenue is recognized net of allowances for partner incentives and rebates, and any taxes collected from customers and subsequently remitted to governmental authorities.

We offer various channel rebates for our products. Our estimated reserves for channel volume incentive rebates are based on distributors' and resellers' performance compared to the terms and conditions of volume incentive rebate programs, which are typically entered into quarterly. Our reserves for rebates are estimated based on the terms and conditions of the promotional program, actual sales during the promotion, the amount of redemptions received, historical redemption trends by product and by type of promotional program, and the value of the rebate. We record estimated reserves for rebates as an offset to revenue or contract liabilities. Reserves for rebates, recorded in Other current liabilities, were $10 million and $17 million as of April 3, 2020 and March 29, 2019, respectively. For products that include content updates, rebates are recognized as a ratable offset to revenue or contract liabilities over the term of the subscription.

Performance obligations

At contract inception, we assess the products and services promised in the contract to identify each performance obligation and evaluate whether the performance obligations are capable of being distinct and are distinct within the context of the contract. Performance obligations that are not both capable of being distinct and distinct within the context of the contract are combined and treated as a single performance obligation in determining the allocation and recognition of revenue. Our software solutions typically consist of a term-based subscription as well as when-and-if available software updates and upgrades. We have determined that our promises to transfer the software license subscription and the related support and maintenance are not separately identifiable because:

- the licensed software and the software updates and upgrades are highly interdependent and highly interrelated, working together to deliver continuously updated protection to customers;
- by identifying and addressing new threats, the software updates and upgrades significantly modify the licensed software and are integral to maintaining its utility; and
- given the rapid pace with which new threats are identified, the value of the licensed software diminishes rapidly without the software updates and upgrades.

We therefore consider the software license and related support obligations represent a single, combined performance obligation with revenue recognized over time as our solutions are delivered.

Fair value measurements

For assets and liabilities measured at fair value, fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value, we consider the principal or most advantageous market in which we would transact, and we consider assumptions that market participants would use when pricing the asset or liability.

The three levels of inputs that may be used to measure fair value are:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in less active markets or model-derived valuations. All significant inputs used in our valuations, such as discounted cash flows, are observable or can be derived principally from or corroborated with observable market data for substantially the full term of the assets or liabilities.
- Level 3: Unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of assets or liabilities. We monitor and review the inputs and results of these valuation models to help ensure the fair value measurements are reasonable and consistent with market experience in similar asset classes.

Assets measured and recorded at fair value

Cash equivalents. We consider all highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents. Cash equivalents are carried at amounts that approximate fair value due to the short period of time to maturity.

Short-term investments. Short-term investments consist primarily of corporate bonds. They are classified as available-for-sale and recognized at fair value using Level 1 and Level 2 inputs, which are quoted using market prices, independent pricing vendors, or other sources, to determine the fair value. Unrealized gains and losses, net of tax, are included in Accumulated other comprehensive loss (AOCI). We regularly review our investment portfolio to identify and evaluate investments that have indications of impairment. Factors considered in determining whether a loss is other-than-temporary include: the length of time and extent to which the fair value has been lower than the cost basis, the financial condition and near-term prospects of the investee, credit quality, likelihood of recovery, and our ability to hold the investment for a period of time sufficient to allow for any anticipated recovery in market value.

Derivatives. We have entered into foreign exchange forward contracts with up to 12 months in duration to mitigate our foreign currency risk. The forward contracts designated as net investment hedges are used to hedge net investments in certain foreign subsidiaries whose functional currency is the local currency. Gain or loss on these forward contracts are recognized in the translation adjustments component of AOCI and is reclassified to net earnings in the period in which the hedged subsidiary is either sold or substantially liquidated. We exclude changes in forward points for the forward contracts from the assessment of hedge effectiveness and recognize these changes in Other income (expense), net in our Consolidated Statements of Operations.

The foreign exchange forward contracts not designated as hedges are used to hedge foreign currency balance sheet exposure. These forward contracts are recognized at fair value using Level 2 inputs to determine the fair value.

Non-marketable investments

Our non-marketable investments consist of equity investments in privately-held companies without a readily determinable fair value. We measure these investments at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer. Gains and losses on these investments, whether realized or unrealized, are recognized in Other income (expense), net in our Consolidated Statements of Operations. Prior to fiscal 2019, these investments were accounted for using the cost method of accounting, measured at cost less other-than-temporary impairment.

We accounted for the investment in common stock of DigiCert Parent Inc. (DigiCert) that we received as a portion of the net consideration in the sale of our website security (WSS) and public key infrastructure (PKI) solutions under the equity method. We recorded our interest in the net earnings (loss) of DigiCert based on the most recently available financial statements of DigiCert, which were provided to us on a three-month lag, along with adjustments for amortization of basis differences, in Other income (expense), net in our Consolidated Statements of Operations. This investment was sold in October 2019.

We assess the recoverability of our non-marketable investments by reviewing various indicators of impairment. If indicators are present, a fair value measurement is made by performing a discounted cash flow analysis of the investment. We immediately recognize the impairment to our non-marketable equity investments if the carrying value exceeds the fair value. For our equity method investment, if a decline in value is determined to be other than temporary, impairment is recognized and included in Other income (expense), net in our Consolidated Statements of Operations.

Accounts receivable

Accounts receivable are recorded at the invoiced amount and are not interest bearing. We maintain an allowance for doubtful accounts to reserve for potentially uncollectible receivables. We review our accounts receivables by aging category to identify specific customers with known disputes or collectability issues. In addition, we maintain an allowance for all other receivables not included in the specific reserve by applying specific percentages of projected uncollectible receivables to the various aging categories. In determining these percentages, we use judgment based on our historical collection experience and current economic trends. We also offset deferred revenue against accounts receivable when channel inventories are in excess of specified levels and for transactions where collection of a receivable is not considered probable.

Assets Held for Sale

Long-lived assets held for sale are written down to fair value, less cost to sell. Fair value is determined based on discounted cash flows, appraised values or management's estimates, depending upon the nature of the assets and external data available.

Property and equipment

Property, equipment, and leasehold improvements are stated at cost, net of accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives. Estimated useful lives for financial reporting purposes are as follows: buildings, 20 to 30 years; building improvements, 7 to 20 years; leasehold improvements, the lesser of the life of the improvement or the initial lease term, and computer hardware and software, and office furniture and equipment, 3 to 5 years.

Software development costs

The costs for the development of new software products and substantial enhancements to existing software products are expensed as incurred until technological feasibility has been established, at which time any additional costs would be capitalized in accordance with the accounting guidance for software. Because our current process for developing software is essentially completed concurrently with the establishment of technological feasibility, which occurs upon the completion of a working model, no costs have been capitalized for any of the periods presented.

Internal-use software development costs

We capitalize qualifying costs incurred during the application development stage related to software developed for internal-use and amortize them over the estimated useful life of 3 to 10 years. We expense costs incurred related to the planning and post-implementation phases of development as incurred. As of April 3, 2020 and March 29, 2019, capitalized costs, net of amortization, were $24 million and $43 million, respectively.

Leases

Beginning March 30, 2019, operating lease assets and liabilities are included in our Consolidated Balance Sheets. We determine if an arrangement is a lease at inception. We have elected to not recognize a lease liability or right-of-use (ROU) asset for short-term leases (leases with a term of twelve months or less that do not include an option to purchase the underlying asset). Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The interest rate we use to determine the present value of future payments is our incremental borrowing rate because the rate implicit in our leases is not readily determinable. Our incremental borrowing rate is a hypothetical rate for collateralized borrowings in economic environments where the leased asset is located based on credit rating factors. Our operating lease assets also include adjustments for prepaid lease payments, lease incentives and initial direct costs.

Certain lease contracts include obligations to pay for other services, such as operations and maintenance. We elected the practical expedient whereby we record all lease components and the related minimum non-lease components as a single lease component. Cash payments made for variable lease costs are not included in the measurement of our operating lease assets and liabilities. Many of our lease terms include one or more options to renew. We do not assume renewals in our determination of the lease term unless it is reasonably certain that we will exercise that option. Lease costs for minimum lease payments for operating leases are recognized on a straight-line basis over the lease term. Our lease agreements do not contain any residual value guarantees.

Business combinations

We use the acquisition method of accounting under the authoritative guidance on business combinations. We allocate the purchase price of our acquisitions to the assets acquired and liabilities assumed based on their estimated fair values. The excess of the purchase price over the fair values of these identifiable assets and liabilities is recorded as goodwill. Acquisition-related expenses are recognized separately from the business combination and are expensed as incurred. Each acquired company's operating results are included in our Consolidated Financial Statements starting on the date of acquisition.

Goodwill

Goodwill is recorded when consideration paid for an acquisition exceeds the fair value of net tangible and intangible assets acquired.

We perform an impairment assessment of goodwill at the reporting unit level at least annually in the fourth quarter of each fiscal year, or more frequently if events or changes in circumstances indicate that the asset may be impaired. The accounting guidance gives us the option to perform a qualitative assessment to determine whether further impairment testing is necessary. The qualitative assessment considers events and circumstances that might indicate that a reporting unit's fair value is less than its carrying amount. If it is determined, as a result of the qualitative assessment, that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, a quantitative test is performed.

In fiscal 2020, based on our qualitative assessments, we concluded that it is more likely than not that the fair values are more than their carrying values. Accordingly, there was no indication of impairment, and further quantitative testing was not required.

Long-lived assets

In connection with our acquisitions, we generally recognize assets for customer relationships, developed technology, finite-lived trade names, patents, and indefinite-lived trade names. Finite-lived intangible assets are carried at cost less accumulated amortization. Such amortization is provided on a straight-line basis over the estimated useful lives of the respective assets, generally from 1 to 7 years. Amortization for developed technology is recognized in cost of revenue. Amortization for customer relationships and certain trade names is recognized in operating expenses. Indefinite-lived intangible assets are not subject to amortization but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Long-lived assets, including finite-lived intangible assets and property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable. The evaluation is performed at the lowest level of identifiable cash flows independent of other assets. An impairment loss is recognized when estimated undiscounted future cash flows generated from the assets are less than their carrying amount. Measurement of an impairment loss is based on the excess of the carrying amount of the asset group over its fair value. During the year ended April 3, 2020, we recognized an impairment loss of $74 million associated with our property and equipment as a result of our restructuring activities. There was no impairment associated with our intangible assets.

Contract liabilities

Contract liabilities consist of deferred revenue and customer deposit liabilities and represent cash payments received or due in advance of fulfilling our performance obligations. Deferred revenue represents billings under non-cancelable contracts before the related product or service is transferred to the customer. Certain arrangements include terms that allow the customer to terminate the contract and receive a pro-rata refund for a period of time. In these arrangements, we have concluded there are no enforceable rights and obligations during the period in which the option to cancel is exercisable by the customer, and therefore the consideration received or due from the customer is recorded as a customer deposit liability.

Debt

Our debt includes senior unsecured notes, senior term loans, convertible senior notes, and a senior unsecured revolving credit facility. Our senior unsecured notes are recorded at par value at issuance less a discount representing the amount by which the face value exceeds the fair value at the date of issuance and an amount which represents issuance costs. Our senior term loans are recorded at par value less debt issuance costs, which are recorded as a reduction in the carrying value of the debt. Our convertible senior notes are recorded at par value less the fair value of the equity component of the notes, at their issuance date, determined using Level 2 inputs and less any issuance costs. The discount and issuance costs associated with the various notes are amortized using the effective interest rate method over the term of the debt as a non-cash charge to interest expense. Borrowings under our revolving credit facility, if any, are recognized at principal balance plus accrued interest based upon stated interest rates. Debt maturities are classified as current liabilities on our Consolidated Balance Sheets if we are contractually obligated to repay them in the next twelve months or, prior to the balance sheet date, we have the authorization and intent to repay them prior to their contractual maturities and within the next twelve months.

Treasury stock

We account for treasury stock under the cost method. Shares repurchased under our share repurchase program are retired. Upon retirement, we allocate the value of treasury stock between Paid-in capital and Retained earnings.

Restructuring

Restructuring actions generally include significant actions involving employee-related severance charges, contract termination costs, and assets write-offs. Employee-related severance charges are largely based upon substantive severance plans, while some charges result from mandated requirements in certain foreign jurisdictions. These charges are reflected in the period when both the actions are probable, and the amounts are estimable. Contract termination costs reflect costs that will continue to be incurred under a contract for its remaining term without future economic benefit. These charges are reflected in the period when a contract is terminated. Asset impairments, including those related to ROU lease assets, are recognized in the period that an asset is decommissioned or a facility ceases to be used.

Income taxes

We compute the provision for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax basis of assets and liabilities and for operating losses and tax credit carryforwards in each jurisdiction in which we operate. We measure deferred tax assets and liabilities using the currently enacted tax rates that apply to taxable income in effect for the years in which those tax assets are expected to be realized or settled.

We also assess the likelihood that deferred tax assets will be realized from future taxable income and based on this assessment establish a valuation allowance, if required. The determination of our valuation allowance involves assumptions, judgments, and estimates, including forecasted earnings, future taxable income, and the relative proportions of revenue and income before taxes in the various domestic and international jurisdictions in which we operate. To the extent we establish a valuation allowance or change the valuation allowance in a period, we reflect the change with a corresponding increase or decrease to our tax expense.

We record accruals for uncertain tax positions when we believe that it is not more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. We adjust these accruals when facts and circumstances change, such as the closing of a tax audit or the refinement of an estimate. The provision for income taxes includes the effects of adjustments for uncertain tax positions as well as any related interest and penalties.

Stock-based compensation

We measure and recognize stock-based compensation for all stock-based awards, including restricted stock units (RSU), performance-based restricted stock units (PRU), stock options, and rights to purchase shares under our employee stock purchase plan (ESPP), based on their estimated fair value on the grant date. We recognize the costs in our financial statements on a straight-line basis over the award's requisite service period except for PRUs with graded vesting, for which we recognize the costs on a graded basis. For awards with performance conditions, the amount of compensation cost we recognize over the requisite service period is based on the actual or estimated achievement of the performance condition. We estimate the number of stock-based awards that will be forfeited due to employee turnover.

The fair value of each RSU and PRU that does not contain a market condition is equal to the market value of our common stock on the date of grant. The fair value of each PRU that contains a market condition is estimated using the Monte Carlo simulation model. The fair values of RSUs and PRUs are not discounted by the dividend yield because our RSUs and PRUs include dividend-equivalent rights. We use the Black-Scholes model to determine the fair value of stock options and the fair value of rights to acquire shares of common stock under our ESPP. The Black-Scholes valuation model incorporates a number of variables, including our expected stock price volatility over the expected life of the awards, actual and projected employee exercise and forfeiture behaviors, risk-free interest rates, and expected dividends.

We have certain liability-classified stock-based compensation awards for which the service inception date precedes the grant date. For these awards, we recognize stock-based compensation expense on a straight-line basis over the service period. The liability is reclassified to Additional paid-in capital in our Consolidated Balance Sheets when the award is granted.

Foreign currency

For foreign subsidiaries whose functional currency is the local currency, assets and liabilities are translated to U.S. dollars at exchange rates in effect at the balance sheet date. Gains and losses resulting from translation of these foreign currency financial statements into U.S. dollars are recorded in AOCI. Remeasurement adjustments are recorded in Other income (expense), net.

Concentrations of risk

A significant portion of our revenue is derived from international sales. Fluctuations of the U.S. dollar against foreign currencies, changes in local regulatory or economic conditions, or piracy could adversely affect our operating results.

Financial instruments that potentially subject us to concentrations of risk consist principally of cash and cash equivalents, short-term investments, and trade accounts receivable. Our investment policy limits the amount of credit risk exposure to any one issuer and to any one country. A majority of our trade receivables are derived from sales to distributors and retailers. The credit risk in our trade accounts receivable is substantially mitigated by our credit evaluation process, reasonably short collection terms, and the geographical dispersion of sales transactions. Customers which are distributors that accounted for over 10% of our net accounts receivable, are as follows:

	April 3, 2020	March 29, 2019
Customer A	N/A	16%
Customer B	N/A	15%
Customer C	39%	N/A

Advertising and other promotional costs

Advertising and other promotional costs are charged to operations as incurred and included in sales and marketing expenses. These costs totaled $343 million, $279 million, and $319 million for fiscal 2020, 2019, and 2018, respectively.

Contingencies

We evaluate contingent liabilities including threatened or pending litigation 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 an accrual 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 and litigation and may revise our estimates.

Note 2. Recent Accounting Standards

Recently adopted authoritative guidance

Leases. In February 2016, the FASB issued new guidance on lease accounting which requires lessees to recognize assets and liabilities on their balance sheet for the rights and obligations created by operating leases and also requires disclosures designed to give users of financial statements information on the amount, timing, and uncertainty of cash flows arising from leases. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

On March 30, 2019, the first day of our fiscal 2020, we adopted the new guidance using the alternative modified retrospective transition method under which we continue to apply the legacy lease accounting guidance, including its disclosure requirements, in comparative periods prior to fiscal 2020. In addition, we elected the package of practical expedients permitted under the transition guidance within the new standard that allowed us not to reassess (1) whether any expired or existing contracts are or contain leases, (2) lease classification for any expired or existing leases, and (3) initial direct costs for any existing leases. We currently do not have any finance leases. We combine the lease and non-lease components in determining the operating lease assets and liabilities.

The adoption of the new lease accounting standard resulted in the recognition of ROU assets and lease liabilities of $182 million and $209 million, respectively, as of March 30, 2019 related to our operating leases. The adoption of the standard also resulted in elimination of deferred rent liabilities of $17 million, as of March 30, 2019, which are now recorded as a reduction of the ROU assets. The standard did not have an impact on our Consolidated Statements of Operations or Statements of Cash Flows.

Recently issued authoritative guidance not yet adopted

Credit Losses. In June 2016, the FASB issued new authoritative guidance on credit losses which changes the impairment model for most financial assets and certain other instruments. For trade receivables and other instruments, we will be required to use a new forward-looking ‘‘expected loss’’ model. Additionally, for available-for-sale debt securities with unrealized losses, we will measure credit losses in a manner similar to today, except that the losses will be recognized as allowances rather than reductions in the amortized cost of the securities. The standard will be effective for us in our first quarter of fiscal 2021. We do not expect the adoption of this guidance will have a material impact on our Consolidated Financial Statements or disclosures.

Internal-Use Software. In August 2018, the FASB issued new guidance that clarifies the accounting for implementation costs in a cloud computing arrangement. The new guidance aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The standard will be effective for us in our first quarter of fiscal 2021. We do not expect the adoption of this guidance will have a material impact on our Consolidated Financial Statements.

Income taxes. In December 2019, the FASB issued new guidance that simplifies the accounting for income taxes by removing certain exceptions in the current guidance. It also simplifies accounting in areas related to franchise taxes that are partially based on income, transactions that result in a step-up in tax basis of goodwill, separate financial statements of legal entities that are not subject to tax, and enacted changes in tax laws in interim periods. The standard will be effective for us in our first quarter of fiscal 2023, with early adoption permitted. We are currently evaluating the adoption date and the impact of the adoption of this guidance on our Consolidated Financial Statements and disclosures.

Although there are several other new accounting pronouncements issued or proposed by the FASB that we have adopted or will adopt, as applicable, we do not believe any of these accounting pronouncements has had, or will have, a material impact on our Consolidated Financial Statements or disclosures.

Note 3. Divestitures and Discontinued Operations

Divestitures

Enterprise Security assets

On November 4, 2019, we sold certain of our Enterprise Security assets and certain liabilities to Broadcom for a purchase price of $10.7 billion. The following table presents the gain before income taxes associated with the sale, presented in the results of our discontinued operations below.

(In millions)	
Cash proceeds	$ 10,582
Income taxes withheld by Broadcom	109
Net assets sold	(5,211)
Transaction costs	(39)
Foreign exchange impact	(7)
Total gain on sale	$ 5,434

The carrying value of the net assets sold was as follows:

(In millions)	
Current assets	$ 158
Intangible assets, net	934
Goodwill	5,773
Other long-term assets	256
Current contract liabilities	(1,210)
Other current liabilities	(28)
Long-term contract liabilities	(634)
Other long-term liabilities	(38)
Total net assets sold	$ 5,211

In connection with the Broadcom sale, we entered into a transition services agreement under which we will provide assistance to Broadcom including, but not limited to, business support services and information technology services for a period of up to six months. Dedicated direct cost, net of charges to Broadcom, for these transition services was $19 million in fiscal 2020 and was recorded as part of Other income (expense), net in our Consolidated Statements of Operations.

ID Analytics solutions

On January 31, 2020, we completed the sale of our ID Analytics solutions for $375 million in net cash proceeds. We recognized a gain on sale of $250 million, which was included in Other income (expense), net in our Consolidated Statements of Operations. Total net assets sold was $125 million, consisting of goodwill and net intangible assets of $114 million and net assets, net of other liabilities, of $11 million. We incurred tax expense of $86 million related to the gain.

Website Security and Public Key Infrastructure solutions

On October 31, 2017, we completed the sale of our WSS and PKI solutions to DigiCert. In accordance with the terms of the agreement, we received aggregate consideration of $1.1 billion, consisting of approximately $951 million in cash and shares of common stock representing an approximate 28% interest in the outstanding common stock of DigiCert valued at $160 million as of October 31, 2017.

The carrying value of the net assets sold was as follows:

(In millions)	
Cash and cash equivalents	$ 2
Goodwill and intangible assets, net	670
Liabilities, net of other assets	(222)
Net assets sold	$ 450

As of the transaction close date, we also had $8 million in cumulative currency translation losses related to subsidiaries that were sold, which was reclassified from AOCI to Other income (expense), net. In addition, we incurred direct costs of $8 million, which was recorded as part of Other income (expense), net, and tax expense of $123 million.

The following table presents the gain before income taxes associated with the divestiture, presented as part of Other income (expense), net:

(In millions)	
Gain on sale of short-term investment	$ 7
Gain on sale of other assets and liabilities	646
Total gain on divestiture	$ 653

The gain on sale of short-term investment represents the gain on the sale of a short-term investment that was included in the transaction and resulted in the reclassification on the transaction close date of $7 million of unrealized gains from AOCI to Other income (expense), net.

Income before income taxes for our WSS and PKI solutions in fiscal 2018 was $66 million, which is included in income from continuing operations.

Discontinued Operations

The following table presents information regarding certain components of income from discontinued operations, net of income taxes:

(In millions)	Year Ended April 3, 2020	Year Ended March 29, 2019	Year Ended March 30, 2018
Net revenues	$ 1,368	$ 2,288	$ 2,329
Gross profit	$ 1,035	$ 1,693	$ 1,737
Operating income	$ 4	$ 234	$ 214
Gain on sale	$ 5,434	$ —	$ —
Income before income taxes	$ 5,431	$ 228	$ 203
Income tax expense	$ 2,122	$ 87	$ 29
Income from discontinued operations	$ 3,309	$ 141	$ 174

Our discontinued operations consist of our divested Enterprise Security assets and results of our previously divested Veritas information management business (Veritas). There was no income from Veritas during fiscal 2020. Revenue from Veritas was $13 million and $54 million during fiscal 2019 and 2018, respectively. Income from Veritas, net of taxes was $15 million and $11 million during fiscal 2019 and 2018, respectively.

We recorded income tax expense from discontinued operations of $2,122 million in fiscal 2020, primarily related to the gain on the Broadcom sale.

The following table presents the aggregate carrying amounts of the classes of assets and liabilities of discontinued operations as of March 29, 2019:

(In millions)	
Assets:	
Current assets	$ 149
Intangible assets, net	1,048
Goodwill	5,773
Other long-term assets	229
Total assets of discontinued operations	$ 7,199
Liabilities:	
Current contract liabilities	$ 1,288
Other current liabilities	16
Long-term contract liabilities	709
Other long-term liabilities	6
Total liabilities of discontinued operations	$ 2,019

The following table presents significant non-cash items and capital expenditures of discontinued operations:

(In millions)	Year Ended April 3, 2020	Year Ended March 29, 2019	Year Ended March 30, 2018
Amortization and depreciation	$ 130	$ 368	$ 370
Stock-based compensation expense	$ 172	$ 193	$ 309
Purchases of property and equipment	$ 43	$ 65	$ 58

Note 4. Acquisitions

Fiscal 2019 acquisitions

In February 2019, we completed our acquisition of Israel-based Luminate Security (Luminate). The total aggregate consideration for the acquisition, primarily consisting of cash, was $139 million, net of $5 million cash acquired. The net purchase price was allocated to $112 million of goodwill, $33 million of intangible assets, and $6 million of liabilities assumed.

In addition, we completed acquisitions of other companies for an aggregate purchase price of $42 million, net of $3 million cash acquired. The purchase prices were primarily allocated to goodwill and intangible assets.

Fiscal 2018 acquisitions

In July 2017, we completed our acquisitions of Israel-based Fireglass Ltd. (Fireglass) and Skycure Ltd. (Skycure). The total aggregate consideration for these acquisitions, primarily consisting of cash, was $345 million, net of $15 million cash acquired. The net purchase price was allocated to $247 million of goodwill, $134 million of intangible assets, and $36 million of liabilities assumed, primarily consisting of deferred income tax liabilities.

In addition, we completed acquisitions of other companies for an aggregate purchase price of $66 million, net of $1 million cash acquired. Of the aggregate purchase price, $48 million was recorded to goodwill.

Pro forma results of operations for our fiscal 2019 and 2018 acquisitions have not been presented because they were not material to our consolidated results of operations, either individually or in the aggregate.

Note 5. Revenues

Contract liabilities

During fiscal 2020 and 2019, we recognized $1,017 million and $1,051 million of revenue, respectively, from the contract liabilities balance at the beginning of the respective fiscal years.

Remaining performance obligations

Remaining performance obligations represent contracted revenue that has not been recognized, which include contract liabilities and amounts that will be billed and recognized as revenue in future periods. As of April 3, 2020, we had $736 million of remaining performance obligations, which does not include customer deposit liabilities of $340 million, of which we expect to recognize approximately 96% as revenue over the next 12 months.

Note 6. Goodwill and Intangible Assets

Goodwill

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

(In millions)		
Balance as of March 30, 2018	$	2,673
Acquisitions		6
Other adjustments		(2)
Balance as of March 29, 2019		2,677
Divestitures		(88)
Other adjustments		(4)
Balance as of April 3, 2020	$	2,585

Intangible assets, net

	April 3, 2020			March 29, 2019		
(In millions)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	$ 505	$ (230)	$ 275	$ 541	$ (168)	$ 373
Developed technology	133	(85)	48	143	(61)	82
Other	-	-	-	6	(3)	3
Total finite-lived intangible assets	638	(315)	323	690	(232)	458
Indefinite-lived trade names	744	-	744	744	-	744
Total intangible assets	$ 1,382	$ (315)	$ 1,067	$ 1,434	$ (232)	$ 1,202

Goodwill and intangible assets disposed of as a result of the Broadcom sale were included in assets of discontinued operations in our Consolidated Balance Sheets as of March 29, 2019, and were derecognized on November 4, 2019 upon the close of the sale, and accordingly, are excluded from the tables above.

Amortization expense for purchased intangible assets is summarized below:

	Year Ended			Statements of Operations Classification
(In millions)	April 3, 2020	March 29, 2019	March 30, 2018	
Customer relationships and other	$ 79	$ 80	$ 87	Operating expenses
Developed technology	30	30	31	Cost of revenues
Total	$ 109	$ 110	$ 118	

As of April 3, 2020, future amortization expense related to intangible assets that have finite lives is as follows by fiscal year:

(In millions)	April 3, 2020
2021	$ 98
2022	92
2023	72
2024	60
2025	1
Thereafter	-
Total	$ 323

Note 7. Supplementary Information (in millions)

Cash and cash equivalents:

	April 3, 2020	March 29, 2019
Cash	$ 483	$ 376
Cash equivalents	1,694	1,415
Total cash and cash equivalents	$ 2,177	$ 1,791

Accounts receivable, net:

	April 3, 2020	March 29, 2019
Accounts receivable	$ 123	$ 713
Allowance for doubtful accounts	(12)	(5)
Accounts receivable, net	$ 111	$ 708

Other current assets:

	April 3, 2020	March 29, 2019
Prepaid expenses	$ 110	$ 136
Income tax receivable and prepaid income taxes	150	61
Other tax receivable	88	69
Other	87	20
Total other current assets	$ 435	$ 286

Property and equipment, net:

	April 3, 2020	March 29, 2019
Land	$ 7	$ 65
Computer hardware and software	746	814
Office furniture and equipment	88	105
Buildings	108	364
Leasehold improvements	128	327
Construction in progress	1	9
Total property and equipment, gross	1,078	1,684
Accumulated depreciation and amortization	(840)	(1,021)
Total property and equipment, net	$ 238	$ 663

During fiscal 2020, we reclassified certain land and buildings previously reported as property and equipment to Assets held for sale in our Consolidated Balance Sheets. The properties have been approved for immediate sale in their present condition and are being actively marketed. We expect to sell the properties within the next twelve months and it is unlikely that significant changes to the plan will be made. As a result, we recognized an impairment of $24 million in fiscal 2020, which was included in restructuring costs, representing the difference between the estimated net sales price and the carrying value of one of our properties. The fair value of the other properties held for sale, net of costs to sell, exceeded their carrying value as of April 3, 2020.

Depreciation and amortization expense of property and equipment was $122 million, $139 million, and $151 million in fiscal 2020, 2019, and 2018, respectively.

Other long-term assets:

	April 3, 2020	March 29, 2019
Non-marketable equity investments	$ 187	$ 184
Equity method investment	-	32
Long-term income tax receivable and prepaid income taxes	38	34
Deferred income tax assets	387	830
Other	66	80
Total other long-term assets	$ 678	$ 1,160

Deferred income tax assets as of April 3, 2020 reflect a $454 million decrease as a result of the Broadcom sale.

Short-term contract liabilities:

	April 3, 2020	March 29, 2019
Deferred revenue	$ 709	$ 527
Customer deposit liabilities	340	505
Total short-term contract liabilities	$ 1,049	$ 1,032

Other current liabilities:

	April 3, 2020	March 29, 2019
Income taxes payable	$ 195	$ 103
Other taxes payable	141	143
Other accrued liabilities	251	278
Total other current liabilities	$ 587	$ 524

Long-term income taxes payable:

	April 3, 2020	March 29, 2019
Deemed repatriation tax payable	$ 615	$ 703
Uncertain tax positions (including interest and penalties)	695	373
Total long-term income taxes payable	$ 1,310	$ 1,076

Other income (expense), net:

	Year Ended		
	April 3, 2020	March 29, 2019	March 30, 2018
Interest income	$ 80	$ 42	$ 24
Loss from equity interest	(31)	(101)	(26)
Foreign exchange loss	(6)	(11)	(18)
Gain on divestitures	250	-	653
Gain on sale of equity method investment	379	-	-
Transition service expense, net	(19)	-	-
Other	7	13	21
Total other income (expense), net	$ 660	$ (57)	$ 654

Supplemental cash flow information:

	Year Ended		
	April 3, 2020	**March 29, 2019**	**March 30, 2018**
Income taxes paid, net of refunds	$ 1,985	$ 112	$ 354
Interest expense paid	$ 179	$ 183	$ 199
Cash paid for amounts included in the measurement of operating lease liabilities	$ 51	$ -	$ -
Non-cash operating activities:			
Operating lease assets obtained in exchange for operating lease liabilities	$ 15	$ -	$ -
Reduction of operating lease assets as a result of lease terminations and modifications	$ 34	$ -	$ -
Non-cash investing and financing activities:			
Purchases of property and equipment in current liabilities	$ -	$ 23	$ 26
Equity investment received as consideration in divestitures	$ -	$ -	$ 160
Extinguishment and exchange of debt with borrowings from same creditors	$ 1,073	$ -	$ -

Note 8. Financial Instruments and Fair Value Measurements

The following table summarizes our financial instruments measured at fair value on a recurring basis:

	April 3, 2020			March 29, 2019		
(In millions)	**Fair Value**	**Level 1**	**Level 2**	**Fair Value**	**Level 1**	**Level 2**
Assets:						
Money market funds	$ 1,346	$ 1,346	$ -	$ 1,415	$ 1,415	$ -
Certificates of deposit	348	-	348	1	-	1
Corporate bonds	86	-	86	251	-	251
Total	$ 1,780	$ 1,346	$ 434	$ 1,667	$ 1,415	$ 252

The following table presents the contractual maturities of our investments in debt securities as of April 3, 2020:

(In millions)	**Fair Value**
Due in one year or less	$ 407
Due after one year through five years	27
Total	$ 434

Actual maturities may differ from the contractual maturities because borrowers may have the right to call or prepay certain obligations.

Financial instruments not recorded at fair value on a recurring basis include our non-marketable equity investments, equity method investment, and our long-term debt.

Non-marketable equity investments

As of April 3, 2020 and March 29, 2019, the carrying value of our non-marketable equity investments was $187 million and $184 million, respectively.

Equity method investment

Our investment in equity securities that was accounted for using the equity method was included in Other long-term assets in our Consolidated Balance Sheets and consisted of our equity investment in DigiCert that had a carrying value of $32 million at March 29, 2019. On October 16, 2019, Clearlake Capital Group, L.P, a private investment firm, and TA Associates, an investor of DigiCert and private equity firm, completed a joint investment in DigiCert. As a result, we sold our equity investment in DigiCert for $380 million in cash and recognized a gain on sale of $379 million.

We recorded a loss from our equity interest of $31 million, $101 million and $26 million during fiscal 2020, 2019 and 2018, respectively, in Other income (expense), net in our Consolidated Statements of Operations. This loss was reflected as a reduction in the carrying amount of our investment in equity interests in our Consolidated Balance Sheets. DigiCert's results were reported on a three month lag prior to our divestiture of our investment.

The following table summarizes DigiCert's results of operations through October 16, 2019, the date of our investment sale.

(In millions)	Period from January 1, 2019 to October 16, 2019 (unaudited)	Year Ended December 31, 2018
Revenue	$ 350	$ 313
Gross profit	$ 293	$ 250
Net loss	$ (102)	$ (342)

The following table summarizes DigiCert's balance sheet information as of December 31, 2018, its last fiscal year end prior to the sale of our equity investment.

(In millions)	
Current assets	$ 168
Long-term assets	$ 1,641
Current liabilities	$ 331
Long-term liabilities	$ 1,862

Current and long-term debt

As of April 3, 2020 and March 29, 2019, the total fair value of our current and long-term fixed rate debt was $3,634 million and $3,964 million, respectively. The fair value of our variable rate debt approximated their carrying value. The fair values of all our debt obligations were based on Level 2 inputs.

Note 9. Leases

We lease certain of our facilities, equipment, and data center co-locations under operating leases that expire on various dates through fiscal 2029. Our leases generally have terms that range from 1 year to 15 years for our facilities, 1 year to 6 years for equipment, and 1 year to 6 years for data center co-locations. Some of our leases contain renewal options, escalation clauses, rent concessions, and leasehold improvement incentives.

The following summarizes our lease costs for fiscal 2020:

(In millions)		
Operating lease costs	$	34
Short-term lease costs		8
Variable lease costs		21
Total lease costs	$	63

Rent expense under operating leases was $58 million and $62 million for fiscal 2019 and 2018, respectively.

Other information related to our operating leases as of April 3, 2020 as follows:

Weighted-average remaining lease term	4.5 years
Weighted-average discount rate	4.05%

See Note 7 for additional cash flow information related to our operating leases.

As of April 3, 2020, the maturities of our lease liabilities by fiscal year are as follows:

(In millions)		
2021	$	32
2022		25
2023		18
2024		17
2025		10
Thereafter		9
Total lease payments		111
Less: Imputed interest		10
Present value of lease liabilities	$	101

As of March 29, 2019, the minimum future rentals on non-cancelable operating leases, which includes leases associated with our discontinued operations and is based on the previous lease accounting standard, by fiscal year were as follows:

(In millions)		
2020	$	55
2021		49
2022		40
2023		32
2024		26
Thereafter		42
Total minimum future lease payments	$	244

Note 10. Debt

The following table summarizes components of our debt:

(In millions, except percentages)	April 3, 2020 Amount	April 3, 2020 Effective Interest Rate	March 29, 2019 Amount	March 29, 2019 Effective Interest Rate
4.2% Senior Notes due September 15, 2020	750	4.25%	750	4.25%
Senior Term Loan A-5 due August 1, 2021	-	N/A	500	LIBOR plus [(1)]
2.5% Convertible Senior Notes due April 1, 2022	-	N/A	500	3.76%
New 2.5% Convertible Senior Notes due April 1, 2022	250	2.63%	-	N/A
3.95% Senior Notes due June 15, 2022	400	4.05%	400	4.05%
2.0% Convertible Senior Notes due August 15, 2022	625	2.66%	1,250	2.66%
New 2.0% Convertible Senior Notes due August 15, 2022	625	2.62%	-	N/A
Term Loan due November 4, 2024	500	LIBOR plus[(1)]	-	N/A
5.0% Senior Notes due April 15, 2025	1,100	5.23%	1,100	5.23%
Total principal amount	4,250		4,500	
Less: unamortized discount and issuance costs	(29)		(48)	
Total debt	4,221		4,452	
Less: current portion	(756)		(491)	
Total long-term portion	$ 3,465		$ 3,961	

(1) The term loans bear interest at a rate equal to the LIBOR plus a margin based on the current debt rating of our non-credit-enhanced, senior unsecured long-term debt, and our underlying loan agreements. The interest rates for the outstanding term loans are as follows:

	April 3, 2020	March 29, 2019
Senior Term Loan A-5 due August 1, 2021	N/A	4.24%
Term Loan due November 4, 2024	2.88%	N/A

As of April 3, 2020, the future contractual maturities of debt by fiscal year are as follows:

(In millions)	
2021	$ 756
2022	275
2023	1,675
2024	25
2025	419
Thereafter	1,100
Total future maturities of debt	$ 4,250

Senior Term Loan A-5

On August 1, 2016, we entered into a term loan agreement that provides for a 5-year term loan (the Senior Term Loan A-5) that bears interest at a floating rate of interest plus an applicable margin, which is based on our senior unsecured credit agency rating. For the duration of Senior Term Loan A-5, quarterly payments are due in aggregate annual amounts equal to 10% of the original principal amount. We may voluntarily repay outstanding principal balances under the Senior Term Loan A-5 at any time without premium or penalty, and prepayments must be applied to reduce the subsequent scheduled and outstanding required payments.

In connection with the credit agreement entered on November 4, 2019 as described below, we fully prepaid the principal amount of $500 million of our Senior Term Loan A-5. This transaction was accounted for as an extinguishment of debt and resulted in accelerated recognition of interest expense for unamortized debt issuance costs, which was not significant. Out of the repayments, $198 million was replaced by borrowings under the term loan of $500 million issued on November 4, 2019 to the same creditors.

Credit facility

On November 4, 2019, we entered into a credit agreement with financial institutions, which provides a revolving line of credit of $1,000 million through November 2024, a 5-year term loan of $500 million, and a delayed 5-year term loan commitment of $750 million through September 15, 2020. At our option, we may increase commitments under the revolving line of credit or the term loan facility by an aggregate amount of up to $500 million, subject to customary conditions. Interest on borrowings under the credit agreement can be based on a base rate or a LIBOR at our election. Based on our debt ratings and our consolidated leverage ratios as determined in accordance with the credit agreement, loans borrowed bear interest, in the case of base rate loans, at a per annum rate equal to the applicable base rate plus a margin ranging from 0.125% to 0.75%, and in the case of LIBOR loans, LIBOR, as adjusted for statutory reserves, plus a margin ranging from 1.125% to 1.75%. The unused revolving line of credit is subject to a commitment fee ranging from 0.125% to 0.30% per annum. The principal amount of the term loan is repayable in quarterly installments on the last business day of each calendar quarter commencing with the quarter ended March 31, 2021 in an amount equal to 1.25% of the aggregate principal amount of the term loan and in the outstanding principal amount upon the November 2024 maturity date. We may voluntarily repay outstanding principal balances without penalty.

The credit agreement contains customary representations and warranties, non-financial covenants for financial reporting, affirmative and negative covenants, including a covenant that we maintain a consolidated leverage ratio of not more than 5.25 to 1.0, or 5.75 to 1.0 if we acquire assets or business in an aggregate amount greater than $250 million, and restrictions on indebtedness, liens, investments, stock repurchases, and dividends (with exceptions permitting our regular quarterly dividend and other specific capital returns). As of April 3, 2020, we were in compliance with all debt covenants.

Concurrently with this credit agreement, we terminated our existing revolving line of credit. As of April 3, 2020 and March 29, 2019, there were no borrowings outstanding under our revolving credit facilities.

Senior Notes

On February 9, 2017, we issued $1.1 billion aggregate principal amount of our 5.0% Senior Notes due April 15, 2025 (the 5.0% Senior Notes). The 5.0% Senior Notes bear interest at a rate of 5.00% per year, payable semiannually in arrears on April 15 and October 15 of each year, beginning on October 15, 2017.

We may redeem some or all of the 5.0% Senior Notes at any time prior to April 15, 2020 at a price equal to 100% of the principal amount of the 5.0% Senior Notes redeemed, plus accrued and unpaid interest, if any, and a premium, as described in the supplemental indenture to the 5.0% Senior Notes. On or after April 15, 2020, we may redeem some or all of the 5.0% Senior Notes at the applicable redemption prices set forth in the supplemental indenture, plus accrued and unpaid interest.

In addition, we have two series of senior notes, the 4.2% Senior Notes and 3.95% Senior Notes that are senior unsecured obligations that rank equally in right of payment with all of our existing and future senior, unsecured, unsubordinated obligations and may be redeemed at any time, subject to the make-whole provisions contained in the applicable indenture relating to such series of notes. Interest on each series of these notes is payable semi-annually in arrears, on September 15 and March 15 for the 4.2% Senior Notes, and June 15 and December 15 for the 3.95% Senior Notes.

Convertible Senior Notes

On March 4, 2016, we issued $500 million of convertible notes which would mature on April 1, 2021 and bear interest at an annual rate of 2.5% (2.5% Convertible Notes). On August 1, 2016, we issued an additional $1.25 billion of convertible notes which would mature on August 15, 2021 and bear interest at an annual rate of 2.0% (2.0% Convertible Notes). Both the 2.5% Convertible Notes and the 2.0% Convertible Notes (collectively, Convertible Senior Notes) provided for coupon interest payable semiannually in arrears in cash due on October 1 and April 1 of each year in the case of the 2.5% Convertible Notes, and February 15 and August 15 in the case of the 2.0% Convertible Notes. As of March 29, 2019, the principal amount and associated unamortized discount and issuance costs of the 2.5% Convertible Notes were classified as current because upon the 4-year anniversary of the issuance of the notes, holders of thereof had the option to require us to repurchase the notes, in cash, equal to the principal amount and accrued and unpaid interest of the 2.5% Convertible Notes (the Repurchase Right).

Holders of the Convertible Senior Notes could convert the notes into our common stock at any time up to the maturity date of each note. The conversion rate for the 2.0% Convertible Notes was 48.9860 shares of common stock per $1,000 principal amount of the notes, which represented an initial conversion price of approximately $20.41 per share. The conversion rate for the 2.5% Convertible Notes was 59.6341 shares of common stock per $1,000 principal amount of the notes, which represented an initial conversion price of approximately $16.77 per share. If holders of the Convertible Senior Notes converted them in connection with a fundamental change, such as a sale of substantially all our assets, a change of the control of NortonLifeLock, or a plan for our liquidation or dissolution, we would be required to provide a make-whole premium in the form of an increased conversion rate, subject to a maximum amount, based on the effective date of the fundamental change as set forth in a table contained in the indenture governing each of the Convertible Senior Notes. The conversion rates under the Convertible Senior Notes also included customary anti-dilution adjustments. If the holders requested a conversion, we retained the option to settle the par amount of the Convertible Senior Notes using cash, shares of our common stock, or a combination of cash and shares with the cash settlement not exceeding the principal amount and accrued and unpaid interest of the Convertible Senior Notes.

Additionally, we could redeem all or part of the principal of the 2.5% Convertible Notes, at our option, at a purchase price equal to the principal amount plus accrued interest on or after the 4-year anniversary of the issuance date of the 2.5% Convertible Notes (the Redemption Right), if the closing trading price of our common stock exceeds 150% of the then-current conversion price for 20 or more trading days in the 30 consecutive trading-day period preceding our exercise of the redemption right (including the last three such trading days) and provided that we have satisfied all regulatory common stock registration requirements. The 2.0% Convertible Notes are not redeemable at our option.

On November 11, 2019, we amended the Convertible Senior Notes agreements to provide that, if and when we pay a special dividend of $12 to our stockholders, we would exchange $250 million of the principal amount underlying the 2.5% Convertible Notes for new notes to be issued pursuant to a new indenture (the New 2.5% Convertible Notes) and would also pay cash consideration of $12 for each share underlying the New 2.5% Convertible Notes, and exchange $625 million of the principal amount underlying the 2.0% Convertible Notes for new notes to be issued pursuant to a new indenture (the New 2.0% Convertible Notes) and would also pay cash consideration of $12 for each share underlying the New 2.0% Convertible Notes, in each case in lieu of conversion price adjustments (the Cash Note Payments). The remaining principal of the Convertible Senior Notes would receive a conversion price adjustment with respect to such special dividend.

The special dividend was payable to stockholders on January 31, 2020. On February 4, 2020, we issued the New 2.5% Convertible Notes, which mature on April 1, 2022, and the New 2.0% Convertible Notes, which mature on August 15, 2022, pursuant to two new indentures, and made the Cash Note Payments. The Cash Note Payments consisted of $179 million with respect to holders of the New 2.5% Convertible Notes and $367 million with respect to holders of the New 2.0% Convertible Notes. The exchange of the convertible notes was accounted for as extinguishment of debt and the consideration comprising the Cash Note Payments were recorded as charges to paid in capital. We recognized a gain of $2 million related to the exchange.

After giving effect to the conversion rate adjustment that was made in connection with the payment of the special dividend on January 31, 2020, the conversion rate for the remaining $250 million of the 2.5% Convertible Notes was 118.9814 shares of common stock per $1,000 principal amount of the notes, which represents an adjusted conversion price of approximately $8.40 per share and the conversion rate for the remaining $625 million of the 2.0% Convertible Notes was 97.7364 shares of common stock per $1,000 principal amount of the notes, which represented an adjusted conversion price of approximately $10.23 per share.

In addition, in connection with the amendments, the maturity dates of the 2.5% Convertible Notes and the 2.0% Convertible Notes were extended to April 1, 2022 and August 15, 2022, respectively. Holders of the Convertible Senior Notes would only be able to convert the notes in a period of six months prior to the extended maturity dates; and the Redemption Right and Repurchase Right were removed.

On March 5, 2020, we entered into an agreement to repay the full $250 million of principal and conversion rights of the 2.5% Convertible Notes for an aggregate amount of $566 million in cash. The payment was based on $19 per underlying share into which the 2.5% Convertible Notes were convertible. In addition, we paid $2 million of accrued and unpaid interest through the date of settlement, and $1 million in lieu of a proration of the cash dividend declared on February 6, 2020. The extinguishment was settled on March 10, 2020 and resulted in an adjustment to stockholders' equity of $316 million and a loss on extinguishment of $1 million.

As of April 3, 2020 and March 29, 2019, the Convertible Senior Notes consisted of the following:

(In millions)	April 3, 2020 New 2.5% Convertible Notes	April 3, 2020 2.0% Convertible Notes[(1)]	April 3, 2020 New 2.0% Convertible Notes	March 29, 2019 2.5% Convertible Notes	March 29, 2019 2.0% Convertible Notes
Liability component:					
Principal	$ 250	$ 625	$ 625	$ 500	$ 1,250
Unamortized discount and issuance costs	(1)	(6)	(9)	(25)	(59)
Net carrying amount	$ 249	$ 619	$ 616	$ 475	$ 1,191
Equity component, net of tax	$ 43	$ 12	$ 56	$ 17	$ 24

(1) In May 2020, we settled $625 million of our 2.0% Convertible Notes for $1.18 billion, which included a cash settlement of the equity conversion feature and payments for accrued and unpaid interests and dividend. See Note 19 for more information on the settlement.

Based on the closing price of our common stock of $18.29 on April 3, 2020, the if-converted values of the New 2.5% Convertible Notes and the 2.0% Convertible Notes exceeded the principal amount by approximately $23 million and $492 million, respectively. The if-converted value of the New 2.0% Convertible Notes is less than the principal amount.

In addition to the Cash Note Payments discussed above, during fiscal 2020, we made payments totaling $10 million to holders of the Convertible Notes in lieu of conversion price adjustments because our dividend of $0.125 per share to our common stockholders that was paid in December 2019 and March 2020 exceeded the amounts defined in the Convertible Senior Notes agreements.

The following table sets forth total interest expense recognized related to our convertible notes:

(In millions)	Year Ended April 3, 2020	Year Ended March 29, 2019	Year Ended March 30, 2018
Contractual interest expense	$ 37	$ 38	$ 38
Amortization of debt discount and issuance costs	$ 13	$ 16	$ 16
Payments in lieu of conversion price adjustments	$ 11	$ —	$ —

Note 11. Derivatives

We conduct business in numerous currencies throughout our worldwide operations, and our entities hold monetary assets or liabilities, earn revenues, or incur costs in currencies other than the entity's functional currency. As a result, we are exposed to foreign exchange gains or losses which impacts our operating results. As part of our foreign currency risk mitigation strategy, we have entered into foreign exchange forward contracts with up to twelve months in duration. We do not use derivative financial instruments for speculative trading purposes, nor do we hedge our foreign currency exposure in a manner that entirely offsets the effects of the changes in foreign exchange rates.

To help protect the net investment in a foreign operation from adverse changes in foreign currency exchange rates, we conduct a program under which we may enter into foreign currency forward and option contracts to offset the changes in the carrying amounts of these investments due to fluctuations in foreign currency exchange rates. We exclude changes in forward points for the forward contracts from the assessment of hedge effectiveness. We recognize changes in the excluded component in Other income (expense), net. As of April 3, 2020, there were no outstanding notional amounts related to our net investment hedges. As of March 29, 2019, the fair value of these contracts was insignificant. The net gain recognized in Accumulated other comprehensive income was insignificant for all periods presented.

We also enter into foreign currency forward contracts to hedge foreign currency balance sheet exposure. These forward contracts are not designated as hedging instruments. As of April 3, 2020 and March 29, 2019, the fair value of these contracts was insignificant. The related gain (loss) recognized in Other income (expense), net in our Consolidated Statements of Operations was as follows:

	Year Ended		
(In millions)	April 3, 2020	March 29, 2019	March 30, 2018
Foreign exchange forward contracts gain (loss)	$ (22)	$ (37)	$ 25

The fair value of our foreign exchange forward contracts is presented on a gross basis in our Consolidated Balance Sheets. To mitigate losses in the event of nonperformance by counterparties, we have entered into master netting arrangements with our counterparties that allow us to settle payments on a net basis. The effect of netting on our derivative assets and liabilities was not material as of April 3, 2020 and March 29, 2019.

The notional amount of our outstanding foreign exchange forward contracts in U.S. dollar equivalent was as follows:

(In millions)	April 3, 2020	March 29, 2019
Net investment hedges		
Foreign exchange forward contracts sold	$ —	$ 116
Balance sheet contracts		
Foreign exchange forward contracts purchased	$ 362	$ 963
Foreign exchange forward contracts sold	$ 57	$ 122

Note 12. Restructuring, Transition and Other Costs

Our restructuring, transition and other costs consist primarily of severance, contract cancellations, separation, transition, and other related costs. Severance costs generally include severance payments, outplacement services, health insurance coverage, and legal costs. Included in other exit and disposal costs are advisory fees incurred in connection with restructuring events. Separation costs primarily consist of consulting costs incurred in connection with our divestitures. Transition costs are incurred in connection with Board of Directors approved discrete strategic information technology transformation initiatives and primarily consist of consulting charges associated with our enterprise resource planning and supporting systems and costs to automate business processes. Such transition projects were completed by the end of fiscal 2019.

November 2019 Plan

In November 2019, our Board of Directors approved a restructuring plan (the November 2019 Plan) in connection with the strategic decision to divest our Enterprise Security business. Actions under this plan include the reduction of our workforce by approximately 3,100 employees, as well as asset write-offs and impairments, contract terminations, facilities closures, and the sale of underutilized facilities. As of April 3, 2020, we estimate that we will incur total costs of $550 million, excluding stock-based compensation expense, in connection with the November 2019 Plan, of which up to $200 million is expected to consist of cash expenditures for severance and termination benefits and $110 million of cash expenditures for contract terminations. Non-cash costs are estimated to be up to $240 million related to asset write-offs and other restructuring costs. These actions are expected to be completed by September 2020. As of April 3, 2020, we have incurred costs of $423 million related to our November 2019 Plan, including $117 million of stock-based compensation.

In addition, in connection with the Broadcom sale, our Board of Directors approved an equity-based severance program under which certain equity awards to certain terminated employees were accelerated. See Note 15 for more information on the impact of this program.

August 2019 Plan

On August 6, 2019, our Board of Directors approved a restructuring plan (the August 2019 Plan) to improve productivity and reduce complexity in the way we manage the business. Under the August 2019 Plan, we reduced our global headcount and closed certain facilities. These actions were completed in fiscal 2020. As of April 3, 2020, we have incurred costs of $53 million related to our August 2019 Plan, primarily consisting of severance and termination benefits.

August 2018 Plan

In August 2018, we announced a restructuring plan (the August 2018 Plan) under which we incurred costs of $48 million as of April 3, 2020. These actions were completed in fiscal 2020.

Restructuring, transition and other costs summary

Our restructuring, transition and other costs attributable to continuing operations are presented in the table below:

	Year Ended		
(In millions)	**April 3, 2020**	**March 29, 2019**	**March 30, 2018**
Severance and termination benefit costs	$ 90	$ 19	$ 33
Contract cancellation charges	101	—	—
Stock-based compensation charges	20	—	—
Asset write-offs and impairments	47	2	25
Other exit and disposal costs	7	12	50
Separation costs	1	3	88
Transition costs	—	185	184
Total restructuring, transition and other	$ 266	$ 221	$ 380

In connection with the agreement to sell certain assets of our Enterprise Security business, a portion of our restructuring, transition and other costs were classified to discontinued operations for all periods presented. Our restructuring, transition and other costs attributable to discontinued operations are presented in the table below:

	Year Ended		
(In millions)	April 3, 2020	March 29, 2019	March 30, 2018
Severance and termination benefit costs	$ 121	$ 9	$ 28
Contract cancellation charges	5	—	—
Stock-based compensation charges	97	—	—
Asset write-offs	13	—	—
Other exit and disposal costs	—	3	2
Separation costs	25	—	—
Transition costs	—	8	—
Total restructuring, transition and other	$ 261	$ 20	$ 30

Restructuring summary

Our activities related to our restructuring plans are presented in the tables below:

November 2019 Plan

(In millions)	Liability Balance as of March 29, 2019	Net Charges	Cash Payments	Non-Cash Items	Liability Balance as of April 3, 2020
Severance and termination benefit costs	$ —	$ 138	$ (103)	$ —	$ 35
Contract cancellation charges	—	106	(88)	(11)	7
Stock-based compensation charges	—	117	—	(117)	—
Asset write-offs and impairments	—	57	—	(57)	—
Other exit and disposal costs	—	5	(5)	—	—
Total	$ —	$ 423	$ (196)	$ (185)	$ 42

August 2019 Plan

(In millions)	Liability Balance as of March 29, 2019	Net Charges	Cash Payments	Non-Cash Items	Liability Balance as of April 3, 2020
Severance and termination benefit costs	$ —	$ 50	$ (50)	$ —	$ —
Asset write-offs	—	3	—	(3)	—
Total	$ —	$ 53	$ (50)	$ (3)	$ —

August 2018 Plan

(In millions)	Liability Balance as of March 29, 2019	Net Charges	Cash Payments	Non-Cash Items	Liability Balance as of April 3, 2020
Severance and termination benefit costs	$ 11	$ 23	$ (34)	$ —	$ —
Other exit and disposal costs	2	2	(4)	—	—
Total	$ 13	$ 25	$ (38)	$ —	$ —

The restructuring liabilities are included in Accounts payable and Other current liabilities in our Consolidated Balance Sheets.

Note 13. Income Taxes

Pre-tax income from international operations was $152 million, $72 million, and $497 million for fiscal 2020, 2019, and 2018, respectively.

The components of income tax expense (benefit) recorded in continuing operations are as follows:

	Year Ended		
(In millions)	April 3, 2020	March 29, 2019	March 30, 2018
Current:			
Federal	$ 208	$ 58	$ 1,102
State	33	4	14
International	3	(14)	(148)
Total	244	48	968
Deferred:			
Federal	(23)	(35)	(1,551)
State	3	(3)	(136)
International	17	(7)	(1)
Total	(3)	(45)	(1,688)
Income tax expense (benefit)	$ 241	$ 3	$ (720)

The U.S. federal statutory income tax rates we have applied for fiscal 2020, 2019, and 2018 are as follows:

	Year Ended		
	April 3, 2020	March 29, 2019	March 30, 2018
U.S. federal statutory income tax rate	21.0%	21.0%	31.6%

The difference between our effective income tax and the federal statutory income tax is as follows:

(In millions)	Year Ended April 3, 2020	Year Ended March 29, 2019	Year Ended March 30, 2018
Federal statutory tax expense (benefit)	$ 172	$ (23)	$ 77
State taxes, net of federal benefit	22	(11)	(14)
Foreign earnings taxed at other than the federal rate	4	(25)	(154)
Transition tax	—	(2)	893
Federal research and development credit	(2)	(4)	(6)
Valuation allowance increase (decrease)	(57)	26	7
Change in uncertain tax positions	60	44	(3)
Stock-based compensation	5	8	(23)
Nondeductible goodwill	18	—	59
Effect of tax rate change on deferred taxes	—	—	(131)
Re-assessment of deferred taxes on foreign earnings	—	—	(1,420)
Return to provision adjustment	2	(16)	—
Other, net	17	6	(5)
Income tax expense (benefit)	$ 241	$ 3	$ (720)

The principal components of deferred tax assets and liabilities are as follows:

(In millions)	As of April 3, 2020	As of March 29, 2019
Deferred tax assets:		
Tax credit carryforwards	$ 6	$ 54
Net operating loss carryforwards of acquired companies	21	51
Other accruals and reserves not currently tax deductible	46	64
Operating lease liabilities	12	—
Deferred revenue	2	54
Property and equipment	10	—
Intangible assets	117	384
Loss on investments not currently tax deductible	1	35
Stock-based compensation	21	87
Other	44	25
Gross deferred tax assets	280	754
Valuation allowance	(9)	(105)
Deferred tax assets, net of valuation allowance	$ 271	$ 649
Deferred tax liabilities:		
Property and equipment	$ —	$ (17)
Goodwill	—	(13)
Operating lease assets	(10)	—
Unremitted earnings of foreign subsidiaries	(17)	(316)
Prepaids and deferred expenses	(2)	(43)
Discount on convertible debt	(4)	(7)
Deferred tax liabilities	(33)	(396)
Net deferred tax assets (liabilities)	$ 238	$ 253

The valuation allowance provided against our deferred tax assets as of April 3, 2020 decreased primarily due to a corresponding decrease in capital losses from equity investments and the release of valuation allowance related to certain acquired net operating loss and tax credit carryforwards. The ending valuation allowance of $9 million is provided primarily against certain foreign tax credits and unrealized capital losses that are not expected to be realized.

As of April 3, 2020, we have U.S. federal net operating losses attributable to various acquired companies of approximately $128 million, which, if not used, will expire between fiscal 2021 and 2039. $34 million of the net operating loss carryforwards are subject to limitations which currently prevent their use, and therefore these attributes are not expected to be realized. The remaining net operating loss carryforwards are subject to an annual limitation under U.S. federal tax regulations but are expected to be fully realized. Furthermore, we have U.S. state net operating loss carryforwards attributable to various acquired companies of approximately $23 million. If not used, our U.S. state net operating losses will expire between fiscal 2021 and 2038. In addition, we have foreign net operating loss carryforwards attributable to various foreign companies of approximately $89 million, that can be carried forward indefinitely under current applicable foreign tax law. We have $6 million of foreign tax credits which, if not used, will expire beginning in fiscal 2030.

In assessing the ability to realize our deferred tax assets, we considered whether it is more likely than not that some portion or all the deferred tax assets will not be realized. We considered the following: we have historical cumulative book income, as measured by the current and prior two years; we have strong, consistent taxpaying history; we have substantial U.S. federal income tax carryback potential; and we have substantial amounts of scheduled future reversals of taxable temporary differences from our deferred tax liabilities. We have concluded that this positive evidence outweighs the negative evidence and, thus, that the deferred tax assets as of April 3, 2020 are realizable on a ''more likely than not'' basis.

The aggregate changes in the balance of gross unrecognized tax benefits were as follows:

	Year Ended		
(In millions)	**April 3, 2020**	**March 29, 2019**	**March 30, 2018**
Balance at beginning of year	$ 446	$ 378	$ 248
Settlements with tax authorities	(5)	(3)	(4)
Lapse of statute of limitations	(15)	(17)	(3)
Increase related to prior period tax positions	77	16	35
Decrease related to prior period tax positions	(11)	(11)	—
Increase related to current year tax positions	232	75	98
Increase due to acquisition	—	8	4
Balance at end of year	$ 724	$ 446	$ 378

There was a change of $278 million in gross unrecognized tax benefits during the year ended April 3, 2020 as disclosed above. This gross liability does not include offsetting tax benefits associated with the correlative effects of potential transfer pricing adjustments, interest deductions, and state income taxes.

Of the total unrecognized tax benefits at April 3, 2020, $593 million, if recognized, would favorably affect our effective tax rate.

We recognize interest and/or penalties related to uncertain tax positions in income tax expense. At April 3, 2020, before any tax benefits, we had $77 million of accrued interest and penalties on unrecognized tax benefits. Interest included in our provision for income taxes was an expense of approximately $43 million for fiscal 2020. If the accrued interest and penalties do not ultimately become payable, amounts accrued will be reduced in the period that such determination is made and reflected as a reduction of the overall income tax provision.

On July 27, 2015, the United States Tax Court (Tax Court) issued its opinion in Altera v. Commissioner and concluded that related parties in a cost sharing arrangement are not required to share expenses related to stock-based compensation. The Commissioner of the Internal Revenue Service appealed the Tax Court decision to the Ninth Circuit. In June 2019, the U.S. Court of Appeals for the Ninth Circuit reversed the July 2015 decision of the U.S. Tax Court. As a result of this decision, we recorded a cumulative income tax expense of $62 million in the first quarter of fiscal 2020. On July 22, 2019, the taxpayer requested a rehearing before the full Ninth Circuit, but such request was denied on November 12, 2019. In February 2020, Altera requested a hearing before the Supreme Court of the United States. The final outcome of the case remains uncertain. If the Altera Ninth Circuit Opinion is reversed, we would anticipate recording an income tax benefit at that time.

We file income tax returns in the U.S. on a federal basis and in many U.S. state and foreign jurisdictions. Our most significant tax jurisdictions are the U.S., Ireland, and Singapore. Our tax filings remain subject to examination by applicable tax authorities for a certain length of time following the tax year to which those filings relate. Our fiscal years 2014 through 2020 remain subject to examination by the IRS for U.S. federal tax purposes. Our fiscal years prior to 2014 have been settled and closed with the IRS. Our 2016 through 2020 fiscal years remain subject to examination by the appropriate governmental agencies for Irish tax purposes, and our 2016 through 2020 fiscal years remain subject to examination by the appropriate governmental agencies for Singapore tax purposes.

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 involves 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 $31 million. Depending on the nature of the settlement or expiration of statutes of limitations, we estimate $31 million could affect our income tax provision and therefore benefit the resulting effective tax rate.

In April 2020, we became aware of a new interpretation of a country specific withholding tax regulation that could be interpreted to apply to certain of our intra-group transactions. We are evaluating this new information and the effect, if any, on our tax positions. If it is determined that it does impact our previous transaction, this activity would be recorded in the financial statements in fiscal 2021. The amount of the potential impact, if any, on our Consolidated Financial Statements is not yet estimable given, in part, the level of information available at this time.

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

Note 14. Stockholders' Equity

Preferred stock

Our Board of Directors has the authority to issue up to 1 million shares of preferred stock and to determine the price, rights, preferences, privileges, and restrictions, including voting rights, of those shares without any further vote or action by the stockholders. As of April 3, 2020 and March 29, 2019, there were no shares outstanding.

Stock repurchase program

Under our stock repurchase program, we may purchase shares of our outstanding common stock through open market and through accelerated stock repurchase (ASR) transactions. On August 6, 2019, our Board of Directors increased the share repurchase authorization to $1,600 million. As of April 3, 2020, we have $578 million remaining under the authorization to be completed in future periods with no expiration date.

The following table summarizes activity related to our stock repurchase program.

(In millions, except per share amounts)	Year Ended April 3, 2020	Year Ended March 29, 2019
Number of shares repurchased	68	11
Average price per share	$ 22.97	$ 22.68
Aggregate purchase price	$ 1,562	$ 252

In fiscal 2019, we executed share repurchases of $18 million for 1 million shares settled in fiscal 2020.

In addition, in fiscal 2018, we received 2 million shares at an average price of $30.51 per share from the final settlement of an ASR entered into in fiscal 2017.

Accumulated other comprehensive income (loss)

Components and activities of AOCI, net of tax, were as follows:

(In millions)	Foreign Currency Translation Adjustments	Unrealized Gain (Loss) On Available-For-Sale Securities	Equity Method Investee	Total AOCI
Balance as of March 30, 2018	$ 8	$ (4)	$ —	$ 4
Other comprehensive loss before reclassifications	(13)	3	(1)	(11)
Balance as of March 29, 2019	(5)	(1)	(1)	(7)
Other comprehensive income (loss) before reclassifications	(11)	1	2	(8)
Reclassification to net income	—	—	(1)	(1)
Balance as of April 3, 2020	$ (16)	$ —	$ —	$ (16)

Note 15. Stock-Based Compensation and Other Benefit Plans

Stock incentive plans

The purpose of our stock incentive plans is to attract, retain, and motivate eligible persons whose present and potential contributions are important to our success by offering them an opportunity to participate in our future performance through equity awards. We have one primary stock incentive plan: the 2013 Equity Incentive Plan (the 2013 Plan), under which incentive stock options may be granted only to employees (including officers and directors who are also employees), and other awards may be granted to employees, officers, directors, consultants, independent contractors, and advisors. As amended, our stockholders have approved and reserved 82 million shares of common stock for issuance under the 2013 Plan. As of April 3, 2020, 21 million shares remained available for future grant, calculated using the maximum potential shares that could be earned and issued at vesting.

In connection with the acquisitions of various companies, we have assumed the equity awards granted under stock incentive plans of the acquired companies or issued equity awards in replacement thereof. No new awards will be granted under our acquired stock plans.

The following information related to our stock-based awards includes awards associated with our discontinued operations.

RSUs

(In millions, except per share and year data)	Number of Shares	Weighted-Average Grant Date Fair Value
Outstanding and unvested at March 29, 2019	21	$ 23.36
Granted	13	$ 19.65
Vested	(15)	$ 22.38
Forfeited	(12)	$ 21.90
Outstanding and unvested at April 3, 2020	7	$ 21.33

RSUs generally vest over a three-year period. The weighted-average grant date fair value per share of RSUs granted during fiscal 2020, 2019, and 2018 was $19.65, $21.77, and $30.01, respectively. The total fair value of RSUs released in fiscal 2020, 2019, and 2018 was $300 million, $214 million, and $294 million, respectively, which represents the market value of our common stock on the date the RSUs were released.

PRUs

(In millions, except per share and year data)	Number of Shares	Weighted-Average Grant Date Fair Value
Outstanding and unvested at March 29, 2019	2	$ 27.04
Granted	3	$ 21.69
Vested (1)	—	$ 28.25
Canceled	(1)	$ 21.46
Forfeited	(2)	$ 23.81
Unvested at April 3, 2020	2	$ 22.68
Vested and unreleased at April 3, 2020 (1)	—	
Outstanding at April 3, 2020	2	

(1) The number of shares is less than 1 million.

The total fair value of PRUs released in fiscal 2020, 2019, and 2018 was $39 million, $261 million, and $24 million, respectively, which represents the market value of our common stock on the date the PRUs were released.

We have granted PRUs to certain of our executives. Typically, these PRUs have a three-year vest period. PRUs granted in fiscal 2019 and 2018 contain a combination of our company's performance and market conditions whereas our fiscal 2020 PRUs only contain market conditions. The performance conditions are based on the achievement of specified one-year non-GAAP financial metrics. The market conditions are based on the achievement of our relative total shareholder return over a two- and three-year period. Typically, 0% to 200% of target shares are eligible to be earned based on the achievement of the performance and market conditions.

Valuation of PRUs

The fair value of each PRU that does not contain a market condition is equal to the market value of our common stock on the date of grant. The fair value of each PRU that contains a market condition is estimated using the Monte Carlo simulation model. The valuation and the underlying weighted-average assumptions for PRUs are summarized below:

	Year Ended		
	April 3, 2020	**March 29, 2019**	**March 30, 2018**
Expected term	1.9 years	2.7 years	2.8 years
Expected volatility	38.1%	34.2%	23.2%
Risk-free interest rate	1.7%	2.7%	1.5%
Expected dividend yield	1.1%	—%	—%
Weighted-average grant date fair value of PRUs	$ 21.69	$ 21.30	$ 32.78

Stock options

(In millions, except per share and year data)	**Number of Shares**	**Weighted-Average Exercise Price** [(1)]	**Weighted-Average Remaining Contractual Term (Years)**	**Aggregate Intrinsic Value**
Outstanding at March 29, 2019	12	$ 7.83		
Granted	3	$ 19.85		
Exercised	(11)	$ 7.30		
Canceled	(1)	$ 19.85		
Forfeited and expired	(1)	$ 4.42		
Outstanding at April 3, 2020	2	$ 6.85		
Exercisable at April 3, 2020	1	$ 5.30	4.0	$ 9

(1) As a result of our special dividend of $12 per share paid in January 2020, we reduced the exercise price of 2 million options to the extent that their original exercise price equaled or exceeded $12. The weighted-average exercise prices in the table reflects the exercise price as of the date of the activity and the exercise price of outstanding and exercisable awards as of April 3, 2020 reflect the adjusted exercise prices.

The total intrinsic value of options exercised during fiscal 2020, 2019, and 2018 was $171 million, $23 million, and $131 million, respectively. The fair value of options granted in fiscal 2020 was $4.76 per share. No options were granted during fiscal 2019 and fiscal 2018.

Restricted stock

In connection with our fiscal 2018 acquisitions, we issued approximately 1 million restricted shares of our common stock for which we recognized an aggregate of $44 million of expense over the service period that ended in fiscal 2020. As of April 3, 2020, all of the restricted shares had been released.

Liability-classified awards settled in shares

In each of fiscal 2020 and 2019, we settled certain bonuses by issuing 2 million RSUs that vested shortly after the grant date. As of April 3, 2020, and March 29, 2019, the total liability associated with these liability-classified awards was $0 million and $22 million, respectively, and is presented in Accrued compensation and benefits in our Consolidated Balance Sheets.

ESPP

Under our 2008 Employee Stock Purchase Plan, employees may annually contribute up to 10% of their gross compensation, subject to certain limitations, to purchase shares of our common stock at a discounted price. Eligible employees are offered shares through a 12-month offering period, which consists of two consecutive 6-month purchase periods, at 85% of the lower of either the fair market value on the purchase date or the fair market value at the beginning of the offering period.

In August 2018, we cancelled the issuance of common stock under our ESPP for the 6-month purchase period ended August 15, 2018, as a result of the delayed filing of our Annual Report on Form 10-K for the fiscal year ended March 30, 2018. All participant contributions were refunded. In addition, the enrollment in the purchase period beginning August 16, 2018 was cancelled. On February 16, 2019, we opened enrollment in a new offering period. As of April 3, 2020, 37 million shares have been issued under this plan, and 33 million shares remained available for future issuance.

The following table summarizes activity related to the purchase rights issued under the ESPP:

	Year Ended		
(In millions)	**April 3, 2020**	**March 29, 2019**	**March 30, 2018**
Shares issued under the ESPP	2	—	3
Proceeds from issuance of shares	$ 39	$ —	$ 69

The fair value of each stock purchase right under our ESPP is estimated using the Black-Scholes option pricing model. The weighted-average grant date fair value related to rights to acquire shares of common stock under our ESPP in fiscal 2020, 2019 and 2018 was $5.17 per share, $6.22 per share, and $6.53 per share, respectively.

Dividend equivalent rights

Our RSUs and PRUs contain dividend equivalent rights (DER) that entitles the recipient of an award to receive cash dividend payments when the associated award is released. The amount of DER equals to the cumulated dividends on the issued number of common stock that would have been payable since the date the associated award was granted. As of April 3, 2020 and March 29, 2019, current dividends payable related to DER was $62 million and $5 million, respectively, recorded as part of Other current liabilities in the Consolidated Balance Sheets, and long-term dividends payable related to DER was $31 million and $3 million, respectively, recorded as part of Other long-term liabilities.

Stock-based award modifications

In connection with the Broadcom sale, we approved severance and retention arrangements for certain executives. As a result, these executives are entitled to receive vesting of 50% of their unvested equity, subject to a service condition, and the remaining unvested equity will be earned at levels of 0% to 150%, subject to market and service conditions. In connection with restructuring activities related to the Broadcom sale, we entered into severance and retention arrangements with certain other employees. These arrangements provided for acceleration of either a portion or all of the vesting of their stock-based awards.

During fiscal 2020, we recognized $145 million of expense associated with these modifications, of which $20 million was recognized in General and administrative expense, $6 million in Sales and marketing expense, $20 million in continuing operations restructuring costs, $97 million in discontinued operations restructuring costs and $2 million in discontinued operations expense.

Stock-based compensation expense

Total stock-based compensation expense and the related income tax benefit recognized for all of our equity incentive plans in our Consolidated Statements of Operations were as follows:

	Year Ended		
(In millions)	**April 3, 2020**	**March 29, 2019**	**March 30, 2018**
Cost of revenues	$ 2	$ 6	$ 14
Sales and marketing	29	42	62
Research and development	30	34	64
General and administrative	58	76	161
Restructuring, transition and other costs	20	—	—
Other income (expense), net	1	—	—
Total stock-based compensation from continuing operations	140	158	301
Discontinued operations	172	194	$ 309
Total stock-based compensation expense	$ 312	$ 352	$ 610
Income tax benefit for stock-based compensation expense	$ (55)	$ (73)	$ (116)

As of April 3, 2020, the total unrecognized stock-based compensation expense related to our unvested stock-based awards was $97 million, which will be recognized over an estimated weighted-average amortization period of 1.4 years.

Other employee benefit plans

401(k) plan

We maintain a salary deferral 401(k) plan for all of our U.S. employees. This plan allows employees to contribute their pretax salary up to the maximum dollar limitation prescribed by the Internal Revenue Code. We match the first 3.5% of a participant's eligible compensation up to

$6,000 in a calendar year. Our employer matching contributions to the 401(k) plan were as follows, including contributions to employees of our discontinued operations:

	Year Ended		
(In millions)	**April 3, 2020**	**March 29, 2019**	**March 30, 2018**
401(k) matching contributions	$ 16	$ 23	$ 25

Note 16. Net Income Per Share

Basic income per share is computed by dividing net income by the weighted-average number of common shares outstanding during the period. Diluted net income per share also includes the incremental effect of dilutive potentially issuable common shares outstanding during the period using the treasury stock method. Dilutive potentially issuable common shares include the dilutive effect of the shares underlying convertible debt and employee equity awards. Diluted income (loss) per share was the same as basic income (loss) per share for the year ended March 29, 2019, as there was a loss from continuing operations in the period and inclusion of potentially issuable shares was anti-dilutive.

The components of basic and diluted net income (loss) per share are as follows:

	Year Ended		
(In millions, except per share amounts)	**April 3, 2020**	**March 29, 2019**	**March 30, 2018**
Income (loss) from continuing operations	$ 578	$ (110)	$ 964
Income from discontinued operations, net of income taxes	3,309	141	174
Net income	$ 3,887	$ 31	$ 1,138
Income (loss) per share — basic:			
Continuing operations	$ 0.94	$ (0.17)	$ 1.56
Discontinued operations	$ 5.38	$ 0.22	$ 0.28
Net income per share — basic [(1)]	$ 6.32	$ 0.05	$ 1.85
Income (loss) per share — diluted:			
Continuing operations	$ 0.90	$ (0.17)	$ 1.44
Discontinued operations	$ 5.15	$ 0.22	$ 0.26
Net income per share — diluted [(1)]	$ 6.05	$ 0.05	$ 1.70
Weighted-average outstanding shares — basic	615	632	616
Dilutive potentially issuable shares:			
Convertible debt	20	—	32
Employee equity awards	8	—	20
Weighted-average shares outstanding — diluted	643	632	668
Anti-dilutive shares excluded from diluted net income (loss) per share calculation:			
Convertible debt	5	91	—
Employee equity awards	2	47	1
Total	7	138	1

(1) Net income per share amounts may not add due to rounding.

Under the treasury stock method, our convertible debt instruments will generally have a dilutive impact on net income per share when our average stock price for the period exceeds the conversion prices for the convertible debt instruments. Prior to February 4, 2020, the conversion price for the 2.5% Convertible Notes and the 2.0% Convertible Notes were $16.77 per share and $20.41 per share, respectively. On February 4, 2020, a portion of the 2.5% Convertible Notes were exchanged for the New 2.5% Convertible Notes and a portion of the 2.0% Convertible Notes were exchanged for the New 2.0% Convertible Notes. The remaining Convertible Senior Notes received conversion price adjustments. As a result, beginning February 4, 2020, the conversion price for the 2.5% Convertible Notes, the 2.0% Convertible Notes, the New 2.5% Convertible Notes, and the New 2.0% Convertible Notes was $8.40 per share, $10.23 per share, $16.77 per share, and $20.41 per share, respectively. The 2.5% Convertible Notes were fully repaid on March 10, 2020. See Note 10 for more information on our convertible debt instruments.

The conversion features of the convertible debt instruments were anti-dilutive during fiscal 2019 due to a loss from continuing operations.

Note 17. Segment and Geographic Information

Prior to the Broadcom sale, we operated in two reportable segments: Enterprise Security and Consumer Cyber Safety. The Enterprise Security segment focused on providing our Integrated Cyber Defense solutions to help business and government customers unify cloud and on-premises security to deliver a more effective cyber defense solution, while driving down cost and complexity. The Consumer Cyber Safety segment focused on providing cyber safety solutions under our NortonLifeLock brand to help consumers protect their devices, online privacy, identities, and home networks. As a result of the divestiture, we now have one reportable segment. Our Chief Operating Decision Maker reviews financial information presented on a consolidated basis to evaluate company performance and to allocate resources. The change has been reflected in our segment reporting for all periods presented.

Disaggregated net revenues

The following table summarizes net revenues for our major solutions:

	Year Ended		
(In millions)	**April 3, 2020**	**March 29, 2019**	**March 30, 2018**
Consumer security	$ 1,474	$ 1,471	$ 1,504
Identity and information protection	970	937	776
WSS and PKI	—	—	238
ID Analytics	46	48	41
Total net revenues	$ 2,490	$ 2,456	$ 2,559

Consumer security products include Norton security, Norton Secure VPN, and other consumer security solutions. Identity and information protection products include LifeLock identity theft protection and other information protection solutions. WSS and PKI solutions were divested on October 31, 2017. Our ID Analytics solutions were divested on January 31, 2020.

Geographic information

Net revenues by geography are based on the billing addresses of our customers. The following table represents net revenues by geographic area for the periods presented:

(In millions)	Year Ended April 3, 2020	Year Ended March 29, 2019	Year Ended March 30, 2018
Americas	$ 1,831	$ 1,786	$ 1,749
EMEA	376	392	470
APJ	283	278	340
Total net revenues	$ 2,490	$ 2,456	$ 2,559

Note: The Americas include U.S., Canada, and Latin America; EMEA includes Europe, Middle East, and Africa; APJ includes Asia Pacific and Japan

Revenues from customers inside the U.S. were $1,747 million, $1,700 million, and $1,647 million during fiscal 2020, 2019, and 2018, respectively. No other individual country accounted for more than 10% of revenues.

The table below represents cash, cash equivalents and short-term investments held in the U.S. and internationally in various foreign subsidiaries.

(In millions)	April 3, 2020	March 29, 2019
U.S.	$ 1,345	$ 1,544
International	918	499
Total cash, cash equivalents and short-term investments	$ 2,263	$ 2,043

The table below represents our property and equipment, net of accumulated depreciation and amortization, by geographic area, based on the physical location of the asset, at the end of each period presented.

(In millions)	April 3, 2020	March 29, 2019
U.S.	$ 174	$ 568
Ireland	34	41
Other countries [1]	30	54
Total property and equipment, net	$ 238	$ 663

(1) No individual country represented more than 10% of the respective totals.

Our operating lease assets by geographic area, based on the physical location of the asset were as follows:

(In millions)	April 3, 2020
U.S.	$ 40
India	11
Japan	10
Other countries [(1)]	27
Total operating lease assets	$ 88

(1) No individual country represented more than 10% of the respective totals.

Significant customers

In fiscal 2020, 2019, and 2018, no customer accounted for 10% or more of our net revenues. See Note 1 for customers that accounted for over 10% of our net accounts receivable.

Note 18. Commitments and Contingencies

Purchase obligations

We have purchase obligations that are associated with agreements for purchases of goods or services. Management believes that cancellation of these contracts is unlikely, and we expect to make future cash payments according to the contract terms.

The following reflects estimated future payments for purchase obligations by fiscal year, including purchase obligations associated with our discontinued operations. The amount of purchase obligations reflects estimated future payments as of April 3, 2020.

(In millions)	April 3, 2020
2021	$ 347
2022	29
2023	24
2024	19
2025	14
Thereafter	6
Total purchase obligations	$ 439

Deemed repatriation taxes

Under the Tax Cuts and Jobs Act (H.R.1), we are required to pay a one-time transition tax on untaxed foreign earnings of our foreign subsidiaries through July 2025. The following reflects estimated future payments for deemed repatriation taxes by fiscal year:

(In millions)	April 3, 2020
2021	$ 68
2022	68
2023	68
2024	128
2025	171
Thereafter	180
Total obligations	$ 683

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 material liabilities related to such indemnification obligations in our Consolidated Financial Statements.

In connection with the sale of Veritas and the sale of our Enterprise Security business to Broadcom, we assigned several leases to Veritas Technologies LLC or Broadcom and/or their related subsidiaries. As a condition to consenting to the assignments, certain lessors required us to agree to indemnify the lessor under the applicable lease with respect to certain matters, including, but not limited to, losses arising out of Veritas Technologies LLC, Broadcom, or their related subsidiaries' breach of payment obligations under the terms of the lease. As with our other indemnification obligations discussed above and in general, 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. As with our other indemnification obligations, such indemnification agreements might not be subject to maximum loss clauses, and to date, generally under our real estate obligations, we have not incurred material costs as a result of such obligations under our leases and have not accrued any liabilities related to such indemnification obligations in our 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

SEC Investigation

As previously disclosed in our public filings, the Audit Committee of our Board of Directors (the Audit Committee) completed its internal investigation (the Audit Committee Investigation) in September 2018. In connection with the Audit Committee Investigation, we voluntarily contacted the SEC in April 2018. The SEC commenced a formal investigation, and we continue to cooperate with that investigation. The outcome of such an investigation is difficult to predict. We have incurred, and will continue to incur, significant expenses related to legal and other professional services in connection with the SEC investigation. At this stage, we are unable to assess whether any material loss or adverse effect is reasonably possible as a result of the SEC's investigation or estimate the range of any potential loss.

Securities Class Action and Derivative Litigation

Securities class action lawsuits, which have since been consolidated, were filed in May 2018 against us and certain of our former officers, in the U.S. District Court for the Northern District of California. The lead plaintiff's consolidated amended complaint alleged that, during a purported class period of May 11, 2017 to August 2, 2018, defendants made false and misleading statements in violation of Sections 10(b) and 20(a), and that certain individuals violated Section 20A, of the Securities Exchange Act. Defendants filed motions to dismiss, which the Court granted in an order dated June 14, 2019. Pursuant to that order, plaintiff filed a motion seeking leave to amend and a proposed first amended complaint on July 11, 2019. The Court granted the motion in part on October 2, 2019 and the first amended complaint was filed on October 11, 2019. The Court's order dismissed certain claims against certain of our former officers. Defendants filed answers on November 7, 2019. No trial date has been set.

Purported shareholder derivative lawsuits have been filed against us and certain of our former officers and current and former directors in the U.S. District Courts for the District of Delaware and the Northern District of California, Delaware Chancery Court, and Delaware Superior Court, arising generally out of the same facts and circumstances as alleged in the securities class action and alleging claims for breach of fiduciary duty and related claims; these lawsuits include an action brought derivatively on behalf of our 2008 Employee Stock Purchase Plan. The derivative actions are currently voluntarily stayed in light of the securities class action. No specific amount of damages has been alleged in these lawsuits. We have also received demands from purported stockholders to inspect corporate books and records under Delaware law.

We will continue to incur legal fees in connection with these pending cases and demands, including expenses for the reimbursement of legal fees of present and former officers and directors under indemnification obligations. The expense of continuing to defend such litigation may be significant. We intend to defend these lawsuits vigorously, but there can be no assurance that we will be successful in any defense. If any of the lawsuits are decided adversely, we may be liable for significant damages directly or under our indemnification obligations, which could adversely affect our business, results of operations, and cash flows.

At this stage, we are unable to assess whether any material loss or adverse effect is reasonably possible as a result of these lawsuits or estimate the range of any potential loss.

GSA

During the first quarter of fiscal 2013, we were advised by the Commercial Litigation Branch of the Department of Justice's (DOJ) 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 $222 million from the period beginning January 2007 and ending September 2012. We fully cooperated with the government throughout its investigation, and in January 2014, representatives of the government indicated that their initial analysis of our actual damages exposure from direct government sales under the GSA schedule was approximately $145 million; since the initial meeting, the government's analysis of our potential damages exposure relating to direct sales has increased. The government has also indicated they are going to pursue claims for certain sales to California, Florida, and New York as well as sales to the federal government through reseller GSA Schedule contracts, which could significantly increase our potential damages exposure.

In 2012, a sealed civil lawsuit was filed against us related to compliance with the GSA Schedule contract and contracts with California, Florida, and New York. On July 18, 2014, the Court-imposed seal expired, and the government intervened in the lawsuit. On September 16, 2014, the states of California and Florida intervened in the lawsuit, and the state of New York notified the Court that it would not intervene. On October 3, 2014, the DOJ filed an amended complaint, which did not state a specific damages amount. On October 17, 2014, California and Florida combined their claims with those of the DOJ and the relator on behalf of New York in an Omnibus Complaint, and a First Amended Omnibus Complaint was filed on October 8, 2015; the state claims also do not state specific damages amounts. On June 6, 2019, we filed a motion seeking summary judgment on all claims asserted by all plaintiffs, and the plaintiffs filed a motion for partial summary judgment on elements of liability on their claims. On March 30, 2020, the Court issued an Order granting in part and denying in part our motion for summary judgment and granting in part and denying in part the United States' motion for partial summary judgment.

It is possible that the litigation 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. Our current estimate of the low end of the range of the probable estimated loss from this matter is $25 million, which we have accrued. This amount contemplates estimated losses from both the investigation of compliance with the terms of the GSA Schedule contract as well as possible violations of the False Claims Act. There is at least a reasonable possibility that a loss may have been incurred in excess of our accrual for this matter, however, we are currently unable to determine the high end of the range of estimated losses resulting from this matter.

Avila v. LifeLock et al

On August 29, 2019 the Ninth Circuit issued a mandate remanding a securities class action lawsuit, originally filed on July 22, 2015, against our subsidiary, LifeLock, as well as certain of LifeLock's former officers (the ''LifeLock Defendants'') for further proceedings in the U.S. District Court for the District of Arizona. The Ninth Circuit had affirmed in part and reversed in part the

August 21, 2017 decision of the District Court, which had dismissed the case with prejudice. The complaint in the remanded action alleges that, during a purported class period of July 30, 2014 to July 21, 2015, a period that predates our acquisition of LifeLock, the LifeLock Defendants made false and misleading statements in violation of Sections 10(b) and 20(a) of the Securities Exchange Act. We have settled this lawsuit and will pay $20 million to the class in the settlement. The settlement is subject to approval by the United States District Court for the District of Arizona. As a result of this settlement, we recorded a charge of $20 million in General and administrative in fiscal 2020.

Other

We are 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 flows.

Note 19. Subsequent Events

Dividends

On May 14, 2020, we announced a cash dividend of $0.125 per share of common stock to be paid in June 2020. All shares of common stock issued and outstanding and all RSUs and PRUs 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.

Repayment of convertible debt

In May 2020, we settled the $625 million principal and conversion rights of the 2.0% Convertible Notes in cash. The aggregate settlement amount of $1.18 billion was based on $19.25 per underlying share into which the 2.0% Convertible Notes were convertible. The settlement is expected to have an immaterial impact on our Consolidated Statements of Operations in our first quarter of fiscal 2021.

(2) Financial Statement Schedule

Schedule II

NORTONLIFELOCK INC.

VALUATION AND QUALIFYING ACCOUNTS

All financial statement schedules have been omitted, since the required information is not applicable or is not present in material amounts, and/or changes to such amounts are immaterial to require submission of the schedule, or because the information required is included in our Consolidated Financial Statements and notes thereto included in this Form 10-K.

(3) Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
2.01(§)	Asset Purchase Agreement, dated August 8, 2019, by and between Broadcom Inc. and Registrant.	8-K	000-17781	2.01	8/8/2019	
3.01	Amended and Restated Certificate of Incorporation of Registrant.	S-8	333-119872	4.01	10/21/2004	
3.02	Certificate of Amendment of Amended and Restated Certificate of Incorporation of Symantec Corporation.	S-8	333-126403	4.03	7/6/2005	
3.03	Certificate of Amendment to Amended and Restated Certificate of Incorporation of Registrant.	10-Q	000-17781	3.01	8/5/2009	
3.04	Certificate of Amendment to Amended and Restated Certificate of Incorporation of Symantec Corporation.	8-K	000-17781	3.01	11/4/2019	
3.05	Amended and Restated Bylaws of Registrant.	8-K	000-17781	3.02	11/4/2019	
3.06	Certificate of Elimination of Series A Junior Preferred Stock.					X
4.01	Form of Common Stock Certificate.					X
4.02	Description of Securities.					X

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
4.03	Indenture, dated September 16, 2010, between Registrant and Wells Fargo Bank, National Association, as trustee.	8-K	000-17781	4.01	9/16/2010	
4.04	Form of Global Note for Symantec's 4.200% Senior Note due 2020 (contained in Exhibit No. 4.02 of Form 8-K).	8-K	000-17781	4.04	9/16/2010	
4.05	Form of Global Note for Symantec's 3.950% Senior Notes due 2022 (contained in Exhibit No. 4.02 of Form 8-K).	8-K	000-17781	4.04	6/14/2012	
4.06	Investment Agreement, dated as of February 3, 2016, by and among Registrant and Silver Lake Partners IV Cayman (AIV II), L.P.	8-K	000-17781	10.01	2/9/2016	
4.07	First Amendment to Investment Agreement, dated as of March 2, 2016, by and among Registrant and Silver Lake Partners IV Cayman (AIV II), L.P.	8-K	000-17781	10.01	3/7/2016	
4.08	Investment Agreement, dated as of June 12, 2016, by and among Registrant, Bain Capital Fund XI, L.P., Bain Capital Europe Fund IV, L.P. and Silver Lake Partners IV Cayman (AIV II), L.P. (including the form of Indenture attached as Exhibit A thereto).	8-K	000-17781	2.02	6/14/2016	
4.09	Amendment to Investment Agreement, dated as of July 31, 2016, by and among Registrant, Bain Capital Fund XI, L.P., Bain Capital Europe Fund IV, L.P. and Silver Lake Partners IV Cayman (AIV II), L.P.	10-Q	000-17781	2.03	8/5/2016	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
4.10	Base Indenture, dated as of February 9, 2017, between Registrant and Wells Fargo Bank, National Association, as trustee.	8-K	000-17781	4.01	2/9/2017	
4.11	First Supplemental Indenture related to the 5% Senior Notes due 2025, dated as of February 9, 2017, between Registrant and Wells Fargo Bank, National Association, as trustee (including form of 5.00% Senior Note due 2025).	8-K	000-17781	4.02	2/9/2017	
4.12	Third Amendment to Investment Agreement, dated November 11, 2019, by and between NortonLifeLock Inc. and Silver Lake Partners IV Cayman (AIV II), L.P., SLP IV Seal Holdings, L.P. and SLP IV Seal II Holdings, L.P.	8-K	000-17781	10.01	11/12/2019	
4.13	Second Amendment to Investment Agreement, dated November 11, 2019, by and between NortonLifeLock Inc. and BC Bearcat SPV, LP, BCIP Venture Associates, BCIP Venture Associates-B, BCIP Associates IV (US), L.P., BCIP Associates IV-B (US), L.P., BCIP T Associates IV (US),	8-K	000-17781	10.02	11/12/2019	
4.14	Indenture, dated as of February 4, 2020, by and between Registrant and Wells Fargo Bank, National Association, as trustee (including the form of 2.00% Convertible Senior Notes Due 2022).					X

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
4.15	Indenture, dated as of February 4, 2020, by and between Registrant and Wells Fargo Bank, National Association, as trustee (including the form of 2.500% Convertible Senior Notes Due 2022).					X
10.01(*)	Form of Indemnification Agreement for Officers, Directors and Key Employees (form for agreements entered into between January 17, 2006 and March 6, 2016).	8-K	000-17781	10.01	1/23/2006	
10.02(*)	Form of Indemnification Agreement for Officers, Directors and Key Employees, as amended (form for agreements entered into after March 6, 2016).	8-K	000-17781	10.03	3/7/2016	
10.03(*)	Registrant's Deferred Compensation Plan, restated and amended January 1, 2010, as adopted December 15, 2009.	10-K	000-17781	10.05	5/24/2010	
10.04(*)	Registrant's 2000 Director Equity Incentive Plan, as amended.	10-Q	000-17781	10.01	11/1/2011	
10.05(*)	Registrant's 2008 Employee Stock Purchase Plan, as amended.	10-Q	000-17781	10.06	2/7/2020	
10.06(*)	Registrant's 2013 Equity Incentive Plan, as amended.	8-K	000-17781	10.01	12/3/2018	
10.07(*)	Forms of award agreements under 2013 Equity Incentive Plan.	10-K	000-17781	10.10	10/26/2018	
10.08(*)	Form of FY20 Performance Based Restricted Stock Unit Award Agreements under 2013 Equity Incentive Plan	10-Q	000-17781	10.03	8/9/2019	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.09(*)	Form of Amended and Restated Restricted Stock Unit Award Agreements under 2013 Equity Incentive Plan	10-Q	000-17781	10.04	8/9/2019	
10.10(*)	Blue Coat, Inc. 2016 Equity Incentive Plan, including forms of awards thereunder.	S-8	333-212847	99.01	8/2/2016	
10.11(*)	Batman Holdings, Inc. 2015 Amended and Restated Equity Incentive Plan, including form of Stock Option Agreement thereunder.	10-Q	000-17781	10.05	2/7/2020	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.12	Amended and Restated Credit Agreement, effective as of August 1, 2016, among Registrant, the lenders party thereto (the Lenders), Wells Fargo Bank, National Association, as Term Loan A-1/Revolver Administrative Agent and Swingline Lender, JPMorgan Chase Bank, N.A., as Term Loan A-2 Administrative Agent, JPMorgan Chase Bank, N.A., Merrill Lynch, Pierce, Fenner & Smith, Incorporated, Barclays Bank PLC, Citigroup Global Markets Inc., Wells Fargo Securities, LLC, Royal Bank of Canada and Mizuho Bank, Ltd., as Lead Arrangers and Joint Bookrunners in respect of the Term A-2 Facility, Barclays Bank PLC, Citibank, N.A., Wells Fargo Bank, National Association, Royal Bank of Canada, Mizuho Bank, Ltd. And TD Securities (USA) LLC, as Co-Documentation Agents in respect of the Term A-2 Facility, and Bank of America, N.A., as Syndication Agent in respect of Term A-2 Facility.	10-Q	000-17781	4.03	8/5/2016	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.13	Term Loan Agreement, dated as of August 1, 2016, among Registrant, JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A., as Syndication Agent, and Barclays Bank PLC, Citibank, N.A., Wells Fargo Bank, National Association, Royal Bank of Canada, Mizuho Bank, Ltd., and TD Securities (USA) LLC, as Co-Documentation Agents, JPMorgan Chase Bank, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Bank, PLC, Citigroup Global Markets Inc., Wells Fargo Securities, LLC, Royal Bank of Canada and Mizuho Bank, Ltd., as Joint Lead Arrangers and Joint Bookrunners.	10-Q	000-17781	4.05	8/5/2016	
10.14	Amendment Agreement, dated as of July 18, 2016, by and among Registrant, Symantec Operating Corporation, the Lenders and the New Term Lenders, Wells Fargo Bank, National Association, and JPMorgan Chase Bank, N.A.	10-Q	000-17781	4.02	8/5/2016	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.15	Assignment and Assumption, dated October 3, 2016, to the Term Loan Agreement dated as of August 1, 2016, among Registrant, JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A., as Syndication Agent, and Barclays Bank PLC, Citibank, N.A., Wells Fargo Bank, National Association, Royal Bank of Canada, Mizuho Bank, Ltd., and TD Securities (USA) LLC, as Co-Documentation Agents, JPMorgan Chase Bank, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Bank, PLC, Citigroup Global Markets Inc., Wells Fargo Securities, LLC, Royal Bank of Canada and Mizuho Bank, Ltd., as Joint Lead Arrangers and Joint Bookrunners.	10-Q	000-17781	4.01	2/3/2017	

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Exhibit	Filing Date	Filed Herewith
10.16	First Amendment, dated December 12, 2016, to the Term Loan Agreement, dated as of August 1, 2016, among Registrant, JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A., as Syndication Agent, and Barclays Bank PLC, Citibank, N.A., Wells Fargo Bank, National Association, Royal Bank of Canada, Mizuho Bank, Ltd., and TD Securities (USA) LLC, as Co-Documentation Agents, JPMorgan Chase Bank, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Bank, PLC, Citigroup Global Markets Inc., Wells Fargo Securities, LLC, Royal Bank of Canada and Mizuho Bank, Ltd., as Joint Lead Arrangers and Joint Bookrunners.	10-Q	000-17781	4.02	2/3/2017	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.17	First Amendment, dated December 12, 2016, to the Credit Agreement, effective as of August 1, 2016, among the Registrant, the lenders party thereto (the Lenders), Wells Fargo Bank, National Association, as Term Loan A-1/Revolver Administrative Agent and Swingline Lender, JPMorgan Chase Bank, N.A., as Term Loan A-2 Administrative Agent, JPMorgan Chase Bank, N.A., Merrill Lynch, Pierce, Fenner & Smith, Incorporated, Barclays Bank PLC, Citigroup Global Markets Inc., Wells Fargo Securities, LLC, Royal Bank of Canada and Mizuho Bank, Ltd., as Lead Arrangers and Joint Bookrunners in respect of the Term A-2 Facility, Barclays Bank PLC, Citibank, N.A., Wells Fargo Bank, National Association, Royal Bank of Canada, Mizuho Bank, Ltd. And TD Securities (USA) LLC, as Co-Documentation Agents in respect of the Term A-2 Facility, and Bank of America, N.A., as Syndication Agent in respect of Term A-2 Facility.	10-Q	000-17781	4.03	2/3/2017	
10.18(*)	Registrant's Senior Executive Incentive Plan, as amended and restated.	8-K	000-17781	10.03	10/25/2013	
10.19(*)	Registrant's Executive Retention Plan, as amended and restated.	10-K	000-17781	10.18	10/26/2018	
10.20(*)	Registrant's Executive Severance Plan.	10-K	000-17781	10.19	10/26/2018	
10.21(*)	FY20 Executive Annual Incentive Plan — Chief Executive Officer.	10-Q	000-17781	10.01	8/9/2019	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.22(*)	FY20 Executive Annual Incentive Plan — Senior Vice President and Executive Vice President.	10-Q	000-17781	10.02	8/9/2019	
10.23(§§)	Assignment of Copyright and Other Intellectual Property Rights, by and between Peter Norton and Peter Norton Computing, Inc., dated August 31, 1990.	S-4	33-35385	10.37	6/13/1990	
10.24(†)	Environmental Indemnity Agreement, dated April 23, 1999, between Veritas and Fairchild Semiconductor Corporation, included as Exhibit C to that certain Agreement of Purchase and Sale, dated March 29, 1999, between Veritas and Fairchild Semiconductor of California.	S-1/A	333-83777	10.27	8/6/1999	
10.25	Amendment, dated June 20, 2007, to the Amended and Restated Agreement Respecting Certain Rights of Publicity dated as of August 31, 1990, by and between Peter Norton and Registrant.	10-Q	000-17781	10.01	8/7/2007	
10.26	Second Amendment and Limited Waiver to Amended and Restated Credit Agreement dated as of June 22, 2018.	10-Q	000-17781	10.01	11/16/2018	
10.27	Second Amendment and Limited Waiver to Term Loan dated as of June 22, 2018.	10-Q	000-17781	10.02	11/16/2018	
10.28(*)	Registrant's Offer Letter with Matthew Brown.	10-Q	000-17781	10.04	2/4/2019	
10.30(*)	Offer Letter with Vincent Pilette dated April 26, 2019.	8-K	000-17781	10.02	5/9/2019	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.31	Credit Agreement, effective as of November 4, 2019, among NortonLifeLock Inc., the issuing banks and lenders party thereto (the Lenders), Wells Fargo Bank, National Association, as Revolver Administrative Agent and Swingline Lender, JPMorgan Chase Bank, N.A., as Term Loan Administrative Agent and Collateral Agent, JPMorgan Chase Bank, N.A., Wells Fargo Securities, LLC, BofA Securities, Inc., Mizuho Bank, Ltd., Barclays Bank PLC, and The Bank of Nova Scotia, as Lead Arrangers and Joint Bookrunners, Bank of America, N.A., Mizuho Bank, Ltd., Barclays Bank PLC and The Bank of Nova Scotia, as Syndication Agents and and Goldman Sachs Bank USA, HSBC Securities (USA) Inc., MUFG Bank, Ltd., SunTrust Robinson Humphrey, Inc., Citizens Bank, N.A., BMO Capital Markets Corp., BNP Paribas Securities Corp. and Santander Bank, N.A., as Co-Documentation Agents.	8-K	000-17781	10.01	11/4/2019	
10.32(*)	Symantec Corporation Broadcom Transaction Severance & Retention Plan dated August 21, 2019.	10-Q	000-17781	10.05	11/8/2019	
10.33(*)	Transitions Services Agreement by and between Richard S. Hill and Registrant dated August 30, 2019.	10-Q	000-17781	10.06	11/8/2019	
10.34(*)	Severance Benefit Agreement with Samir Kapuria dated December 5, 2019.	8-K	000-17781	10.01	12/10/2019	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
21.01	Subsidiaries of Registrant.					X
23.01	Consent of Independent Registered Public Accounting Firm.					X
24.01	Power of Attorney (see Signature page to this annual report).					X
31.01	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.02	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.01(††)	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.02(††)	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.00	The following financial information from NortonLifeLock Inc.'s Annual Report on Form 10-K for the fiscal year ended April 3, 2020 are formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income (Loss), (iv) Consolidated Statements of Stockholders' Equity, (vi) Consolidated Statements of Cash Flows, and (vi) Notes to the Consolidated Financial Statements, tagged as blocks of text and including detailed tags.					X

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
104.00	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					X

* Indicates a management contract, compensatory plan or arrangement.

** Filed by LifeLock, Inc.

§ The exhibits and schedules to this agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Registrant agrees to furnish supplementally copies of any such exhibits and schedules to the SEC upon request.

§§ Paper filing.

† Filed by Veritas Software Corporation.

†† 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.

Item 16. *Form 10-K Summary*

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Mountain View, State of California, on the 28th day of May 2020.

NORTONLIFELOCK INC.

By: /s/ Vincent Pilette

Vincent Pilette
Chief Executive Officer and Director

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Vincent Pilette, Matthew Brown, and Bryan Ko, and each or any of them, his or her attorneys-in-fact, each with the power of substitution, for him or her in any and all capacities to sign any and all amendments to this report on Form 10-K and any other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that such attorneys-in-fact, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof. This Power of Attorney may be signed in several counterparts.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated below.

Signature	Title	Date
/s/ Vincent Pilette Vincent Pilette	Chief Executive Officer and Director (Principal Executive Officer)	May 28, 2020
/s/ Matthew Brown Matthew Brown	Vice President and Interim Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	May 28, 2020
/s/ Frank E. Dangeard Frank E. Dangeard	Chairman of the Board	May 28, 2020
/s/ Sue Barsamian Sue Barsamian	Director	May 28, 2020
/s/ Eric K. Brandt Eric K. Brandt	Director	May 28, 2020
/s/ Nora Denzel Nora Denzel	Director	May 28, 2020
/s/ Peter A. Feld Peter A. Feld	Director	May 28, 2020

Signature	Title	Date
/s/ Kenneth Y. Hao Kenneth Y. Hao	Director	May 28, 2020
/s/ David W. Humphrey David W. Humphrey	Director	May 28, 2020
/s/ V. Paul Unruh V. Paul Unruh	Director	May 28, 2020

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2020 Corporate Information

BOARD OF DIRECTORS

Frank E. Dangeard
Chairman of the Board, NortonLifeLock and Managing Partner, Harcourt

Sue Barsamian
Former Executive Vice President, Chief Sales and Marketing Officer, Micro Focus International plc

Eric K. Brandt
Former EVP and CFO, Broadcom Corporation

Nora M. Denzel
Former interim CEO, Outerwall Inc.

Peter A. Feld
Partner, Managing Member and Head of Research, Starboard Value LP

Kenneth Y. Hao
Chairman and Managing Partner, Silver Lake Partners

David W. Humphrey
Managing Director, Bain Capital

Vincent Pilette
Chief Executive Officer, NortonLifeLock

V. Paul Unruh
Former Chief Financial Officer and Vice Chairman, Bechtel Group, Inc.

EXECUTIVE MANAGEMENT

Vincent Pilette
Chief Executive Officer

Natalie M. Derse
Chief Financial Officer

Matthew Brown
Vice President and Chief Accounting Officer

Samir Kapuria
President

Bryan S. Ko
Chief Legal Officer and Corporate Secretary

ANNUAL MEETING

The Annual Meeting will be held on Tuesday, September 8, 2020 at 9:00 a.m. PT live via webcast at www.virtualshareholder meeting.com/NLOK2020.

Stock Exchange Listing
NortonLifeLock's common stock is traded on the Nasdaq exchange under the Symbol "NLOK."

Transfer Agent
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www.computershare.com
(877) 282-1168 or
(781) 575-2879

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investor.nortonlifelock.com

Annual Report on Form 10-K
A copy of our Form 10-K, including exhibits, for the period ended April 3, 2020, as filed with the Securities and Exchange Commission, is available without charge upon request or can be accessed at: investor.nortonlifelock.com

Independent Auditors
KPMG LLP
Mission Towers I, Suite 100
3975 Freedom Circle Drive
Santa Clara, CA 95054

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