



2022 Annual Report



Our Vision is to protect and empower people to live their digital lives safely

Our Mission is to build a comprehensive and easy-to-use integrated portfolio that prevents, detects and responds to cyber threats and cybercrimes in today's digital world

Dear Investors,

Fiscal year 2022 was a year of great progress towards our long-term objectives. NortonLifeLock's double-digit non-GAAP revenue growth was the result of an ambitious team working to build and sustain a great business. Together, we continued our relentless focus on execution to achieve our long-term vision.



10%
Growth

Revenue* \$2.8B

53%

Op. Margin*

\$1.75
EPS*

+22% Growth

\$968M

Free Cash Flow*

Expansion and Value Creation

We completed a strong fiscal year 2022 with a record \$2.8 billion in non-GAAP revenue and grew our non-GAAP revenue over 10% year-over-year. This was our third consecutive year of bookings growth and customer expansion. Our top-line growth was supported by strong profitability. We delivered non-GAAP operating profit margin of 53% and non-GAAP EPS grew over 20% to \$1.75 for the year.

We meaningfully scaled our business globally and delivered an international revenue growth of 16%, while maintaining an industry-leading direct customer retention rate above 85% and direct customer monthly ARPU of \$8.90. We put our customers first in everything we do. We have improved our overall customer satisfaction in the last 12 months and increased our Net Promoter Score to over 45.

FY22 Year in review

Successful first year progress towards long-term objectives

900K+

Net New Customers
(600K Direct + Indirect*)

*Mobile & Employee
Benefits only

14M+

Norton 360
Members

10+

New Products &
Features Launched

16%

International
Revenue Growth

23%

Partners
Revenue Growth

\$8.90

ARPU

85%+

Direct customer
retention rate

45+

Net Promoter
Score

*Revenue, operating margin, EPS, and free cash flow presented are non-GAAP. Please refer to the "Use of Non-GAAP Financial Information" section for reconciliation.

We also generated nearly \$1 billion in free cash flow in fiscal year 2022, and we returned cash to shareholders in the form of regular dividends of approximately \$300 million. At the end of fiscal year 2022, we had approximately \$1.8 billion remaining in the share buyback program, as we did not deploy any buybacks due to the pending acquisition of Avast.

Nearly
\$1 billion
in free cash flow

easy-to-use integrated platform. Launched less than three years ago, we now have over 14 million members in more than 50 countries worldwide, trusting us to help protect them. We are expanding our comprehensive integrated Cyber Safety platform and complementing this by offering adjacent trust-based digital solutions.

Great progress towards our three-to-five-year long-term objectives

Fiscal year 2022 was an important year for us, as it delivered great progress towards our three-to-five-year long-term objectives, one of which is delivering \$3 in non-GAAP EPS.

We are proud of what our team has accomplished and look forward to continuing our path to make Cyber Safety available to everyone.

A Disruptor in Cyber Safety

Our continuous investments in product innovation and go-to-market activities accelerated our Cyber Safety footprint globally.

NortonLifeLock has one of the largest consumer Cyber Safety platforms in the world, empowering nearly **80 million users in more than 150 countries**. Our full portfolio provides protection across three Cyber Safety categories in multiple channels and geographies, including security, identity protection, and online privacy.

Aiming for simplicity and peace of mind for consumers, we created the **Norton 360 technology platform** to bring software and service capabilities into a comprehensive and

We believe Cyber Safety will continue to be an evolving and growing market, fueled by the increase in activities online for the years ahead. The digitization of the world and the overlap between the physical and digital world is growing at a fast pace and is here to stay. New technologies, smart devices, digital identities and an increasingly more connected world means consumers will encounter a range of new Cyber Safety challenges, even more complicated than before, increasing the risk to their digital lives.

Committed to Innovation

Our business is built around consumers. We are committed to our innovation and research and development efforts to help ensure we continue to address their needs. Fiscal year 2022 was an important year as our complete product offering became more relevant globally and our customers' needs broadened.

We accelerated the pace of product innovation and introduced more than 10 new products and features in the fiscal year, including extending our product line to incremental privacy and identity solutions. Additionally, we increased our

We accelerated the pace of product innovation and introduced more than 10 new products and features.

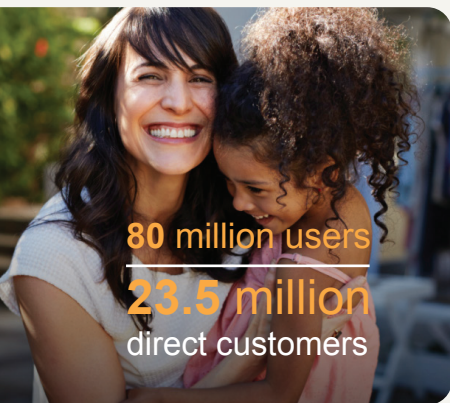
international reach by expanding our new and existing products into new countries.

Trusted Brand for Consumers

We are a trusted brand for consumers. We have deployed a multi-brand strategy, supported by marketing dollars towards a combination of digital and traditional media – with the intention of driving brand awareness and consideration, to increase brand trust and loyalty. Moving forward, we will continue to seek to balance these investments through different channels and craft impactful storytelling to make Cyber Safety more relatable to consumers' day-to-day activities.

Growing Our Customer Base and the Value We Deliver

We have multiple go-to-market channels globally to reach new customers, including direct-to-consumer, indirect partnerships and freemium. Our global customer universe is comprised of approximately 80 million users.



80 million users
23.5 million
direct customers

Total direct customers are now over 23.5 million, with nearly 600,000 net new customers added year-over-year. Our direct customer base also has reached a **50% international mix** as we continue to focus on making our product offering available

around the world. Our indirect partnerships business delivered a record 23% revenue growth as a result of adding new customers and signing up new accounts in our telco, mobile, and employee benefits channels. Our mobile and

employee benefits channels alone added roughly 300,000 net new customers in fiscal year 2022, and both of these indirect channels grew double digits in customer count each quarter in the year.

Our customers recognize the value we provide, which is supported by our strong direct customer retention rate of over 85% and our improvement in ARPU. Our direct monthly ARPU increased sequentially each quarter in the year, and we exited fiscal year 2022 with an annual ARPU of \$107. But we still have a runway to increase ARPU and to educate more of our customer cohorts on the need for more comprehensive cyber protection. We believe that incrementally, the value and comprehensive protection from our Norton 360 platform will continue to be an ARPU expansion opportunity for us. The majority of our platform members are subscribed to the lower tiers of Norton 360. As the need for higher level of protection continues to grow, we will look to drive more ARPU by selling higher value or up-selling higher tiers of the platform.

In fiscal year 2023, we will continue to focus on building a diversified and multi-channel environment, including direct acquisition, marketing partnerships, employee benefits, retail/e-tail, OEMs, service providers, and new pathways established in fiscal year 2022 such as the freemium channel.

Environmental, Social and Governance (ESG) is Core to Our Business Strategy

NortonLifeLock's commitment to ESG is a critical anchor of the Company's mission and operating philosophy. Our focus in this area helps us earn trust from our users,

employees, and shareholders. As such, ESG topics are core to our business strategy. **Setting strategic, achievable, and business-aligned ESG objectives** help to guide our work and improves our company performance. We align our objectives with the company's financial goals and focus on the unique positive social and environmental impacts that our business model can have on the world. We bring together our team, expertise, and powerful technology to build a safe, inclusive, and sustainable future for people, their personal information, and the digital world.

Driving the Transformation of Consumer Cyber Safety

We believe we are well positioned for the future and to drive the transformation of consumer Cyber Safety. As we move our business forward with a robust balance sheet and strong cash flow generation ability, we remain intensely focused on achieving our long-term objectives while maximizing long-term shareholder value.

We are still in the early days of our growth transformation. Product innovation, diversified go-to-market channels, a multi-brand strategy and customer insights and satisfaction are key priorities and critical components of our strategy to scale up the best Cyber Safety platform for people everywhere.

We have an experienced leadership bench, combined with multiple growth levers and a strong profitability profile. We are disciplined financial stewards, especially when it comes to capital

allocation and usage. We remain committed to consistent operational execution and long-term value creation for all shareholders.

We look forward to writing the next chapter and we will continue our pursuit to realize our vision and achieve the three ambitious long-term goals we set out a year ago:

- **Double Net Promoter Score to world-class, greater than 70;**
- **Double customers to 100 million, and;**
- **Double non-GAAP EPS to \$3 with double-digit revenue growth potential**

We want Cyber Safety to have the biggest reach – to make Cyber Safety mainstream.

We know we have a lot of work ahead. While we recognize that geo-political events and macro-level headwinds can create bumps along our journey, our business and financial standing are resilient, and we know that consumers will continue to need comprehensive protection for their digital lives.

It is a privilege to lead this company towards our vision of protecting and empowering people to live their digital lives safely.

Sincerely,

Vincent, Natalie, and the NortonLifeLock team



Forward-Looking Statements

This letter contains statements which may be considered forward-looking within the meaning of the U.S. federal securities laws. In some cases, you can identify these forward-looking statements by the use of terms such as “expect,” “will,” “continue,” 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: our growth strategies and transformation, our financial targets, statements relating to consumers and customers and market trends, our ESG initiatives and any other statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. These statements are subject to known and unknown risks, uncertain ties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from results expressed or implied in this supplemental information. Such risk factors include, but are not limited to, those related to: the consummation of the Avast transaction; the current and future impact of the COVID-19 pandemic on the Company's business and industry; inflationary pressures; a prolonged economic downturn or recession; retention of executive leadership team members; difficulties in improving sales and product development during leadership transitions; difficulties in executing the operating model for the consumer Cyber Safety business; lower than anticipated returns from the Company's investments in direct customer acquisition; difficulties and delays in reducing run rate expenses and monetizing underutilized assets; general business and economic conditions; matters arising out of our completed Audit Committee investigation and completed U.S. Securities and Exchange Commission investigation; fluctuations and volatility in NortonLifeLock's stock price; the ability of NortonLifeLock to successfully execute strategic plans; the ability to maintain customer and partner relationships; the ability of NortonLifeLock to achieve its cost and operating efficiency goals; the anticipated growth of certain market segments; NortonLifeLock's sales and business strategy; fluctuations in tax rates and foreign currency exchange rates; tax legislation and judicial or administrative interpretation of new tax regulations; the timing and market acceptance of new product releases and upgrades; and the successful development of new products and the degree to which these products gain market acceptance. Additional information concerning these and other risk factors is contained in the Risk Factors sections of NortonLifeLock's most recent reports on Form 10-K and Form 10-Q. NortonLifeLock assumes no obligation, and does not intend, to update these forward-looking statements as a result of future events or developments.

Use of Non-GAAP Financial Information

This letter includes the non-GAAP measures of revenue, operating margin, and earnings per share, which are adjusted from results based on GAAP and exclude certain expenses, gains and losses. We also provide the non-GAAP metric free cash flow, which is defined as cash flows from operating activities less purchases of property and equipment. These non-GAAP financial measures are provided to enhance the user's understanding of our past financial performance and our prospects for the future. Our management team uses these non-GAAP financial measures in assessing NortonLifeLock's performance, as well as in planning and forecasting future periods. These non-GAAP financial measures are not computed according to GAAP and the methods we use to compute them may differ from the methods used by other companies. Non-GAAP financial measures are supplemental, should not be considered a substitute for financial information presented in accordance with GAAP and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP.

NORTONLIFELOCK INC.

Reconciliation of Selected GAAP Measures to Non-GAAP Measures (1) (2)

(Unaudited, in millions, except per share amounts)

	Year Ended	
	April 1, 2022	April 2, 2021
Operating income	\$1,005	\$896
Contract liabilities fair value adjustment	11	5
Stock-based compensation	70	71
Amortization of intangible assets	124	105
Restructuring and other costs	31	161
Acquisition and integration costs	37	4
Litigation settlement charges	202	29
Other	—	—
Operating income (Non-GAAP)	\$1,480	\$1,271
Operating margin	35.9%	35.1%
Operating margin (Non-GAAP)	52.7%	49.7%
Operating Cash Flow	\$974	\$706
Purchases of property and equipment	(6)	(6)
Free Cash Flow (Non-GAAP)	\$968	\$700
Net income	\$836	\$554
Adjustments to income from continuing operations:		
Contract liabilities fair value adjustment	11	5
Stock-based compensation	70	70
Amortization of intangible assets	124	105
Restructuring and other costs	31	161
Acquisition and integration costs	37	4
Litigation settlement charges	202	29
Other	7	2
Non-cash interest expense	8	9
Loss (gain) on extinguishment of debt	3	(20)
Gain on sale of properties	(175)	(98)
Total adjustments to GAAP income from continuing operations before income taxes	318	267
Adjustment to GAAP provision for income taxes	(120)	(97)
Total adjustment to continuing operations, net of taxes	198	170
Discontinued operations	—	142
Net income (Non-GAAP)	\$1,034	\$866

NORTONLIFELOCK INC.

Reconciliation of Selected GAAP Measures to Non-GAAP Measures (1) (2) (continued)

(Unaudited, in millions, except per share amounts)

	Year Ended	
	April 1, 2022	April 2, 2021
Diluted net income per share	\$1.41	\$0.92
Adjustments to diluted net income per share:		
Contract liabilities fair value adjustment	0.02	0.01
Stock-based compensation	0.12	0.12
Amortization of intangible assets	0.21	0.18
Restructuring and other costs	0.05	0.27
Acquisition and integration costs	0.06	0.01
Litigation settlement charges	0.34	0.05
Other	0.01	0.00
Non-cash interest expense	0.01	0.02
Loss (gain) on extinguishment of debt	0.01	(0.03)
Gain on sale of properties	(0.30)	(0.16)
Total adjustments to GAAP income from continuing operations before income taxes	0.54	0.45
Adjustment to GAAP provision for income taxes	(0.20)	(0.16)
Total adjustment to continuing operations, net of taxes	0.34	0.28
Discontinued operations	—	0.24
Diluted net income per share (Non-GAAP)	\$1.75	\$1.44
Diluted weighted-average shares outstanding	591	600
Diluted weighted-average shares outstanding (Non-GAAP)	591	600

(1) This presentation includes non-GAAP measures. Non-GAAP financial measures are supplemental and should not be considered a substitute for financial information presented in accordance with GAAP.

(2) Amounts may not add due to rounding.

NORTONLIFELOCK INC.

Revenues and Consumer Cyber Safety Metrics

(in millions, except per user data)

Revenues (Non-GAAP)

	Year Ended		Variance in %
	April 1, 2022	April 2, 2021	
Revenues	\$2,796	\$2,551	10 %
Contract liabilities fair value adjustment ⁽¹⁾	11	5	
Revenues (Non-GAAP)	2,807	2,556	10 %
Exclude foreign exchange impact ⁽²⁾	15	—	
Constant currency adjusted revenues (Non-GAAP)	<u>\$2,822</u>	<u>\$2,556</u>	10%

Consumer Cyber Safety 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:

	Year Ended	
	April 1, 2022	April 2, 2021
Direct customer revenues ⁽³⁾	\$2,476	\$2,286
Partner revenues	\$331	\$270
Average direct customer count ⁽⁴⁾	23.3	21.2
Direct customer count (at quarter end)	23.5	23.0
Direct average revenue per user (ARPU) ⁽⁵⁾	\$8.87	\$9.01
Retention rate ⁽⁶⁾	85%	85%

(1) Contract liabilities fair value adjustment represents the quarterly Avira deferred revenue haircut amortization recognized during the quarter.

(2) Calculated using year ago foreign exchange rates.

(3) We define direct customer revenues as revenues from sales of our consumer solutions to direct customers, which we define as active paid users who have a direct billing relationship with us at the end of the reported period. We exclude users on free trials and promotions and users who have indirectly purchased our product or services through partners unless such users convert or renew their subscriptions directly with us, or sign up for a paid membership through our web store. Direct customer revenues in fiscal years 2022 and 2021 excludes a \$11 million and \$5 million, respectively, reduction of revenue from a contract liability purchase accounting adjustment, which was recognized in the fourth quarter of fiscal 2021. We believe that eliminating the impact of this adjustment improves the comparability of revenues between periods. In addition, although the adjustment amounts will never be recognized in our GAAP financial statements, we do not expect the acquisitions to affect the future renewal rates of revenues excluded by the adjustments.

(4) From time to time, we update our methodology due to changes in the business. In fiscal year 2021, the average direct customer count calculation was refined primarily to pro-rate for acquisitions that happen during a quarter, such as Avira, which was acquired in January 2021. The full year average direct customer count is calculated as an average across the quarters. The average direct customer count for the fourth fiscal quarter of fiscal year 2021 was pro-rated to include 1.6 million customers from the Avira acquisition.

(5) 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. We monitor ARPU because it helps us understand the rate at which we are monetizing our consumer customer base.

(6) 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.



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

NOTICE OF 2022 ANNUAL MEETING OF STOCKHOLDERS
to be held on:
September 13, 2022
9:00 a.m. Pacific Time

Dear Stockholder:

You are cordially invited to attend our 2022 Annual Meeting of Stockholders (the Annual Meeting), which will be held at 9:00 a.m. (Pacific Time) on Tuesday, September 13, 2022. 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/NLOK2022. You will also be able to vote your shares electronically at the Annual 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/NLOK2022 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 2023 fiscal year;
3. To hold an advisory vote to approve executive compensation;
4. To approve the amendment of NortonLifeLock's 2013 Equity Incentive Plan;
5. To consider and vote on a stockholder proposal described in the proxy statement, if properly presented at the Annual Meeting; and
6. To transact such other business as may properly come before the Annual 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 August 3, 2022, 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 18, 2022 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, as well as online during 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 "2022 Annual Meeting of Stockholders Meeting Information" section of the proxy statement for additional information.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Bryan Ko
BRYAN KO
Chief Legal Officer and Secretary

Tempe, Arizona
August 3, 2022

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on September 13, 2022: The proxy statement and NortonLifeLock's Form 10-K for the 2022 fiscal year are available at <http://investor.nortonlifelock.com/financials/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.

2022 Annual Meeting of Stockholders Information

Date and Time: Tuesday, September 13, 2022 at 9:00 a.m. Pacific Time
Location: Meeting live via the internet by visiting www.virtualshareholdermeeting.com/NLOK2022
Record Date: July 18, 2022
Admission: To participate in the Annual Meeting, visit www.virtualshareholdermeeting.com/NLOK2022. 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. If your shares are held in an account with a brokerage firm, bank or other nominee, then 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.

Voting Matters

Proposals	Board Recommendation	Page Number for Additional Information
1. Election of Directors	FOR	23
2. Ratification of Independent Registered Public Accounting Firm	FOR	32
3. Advisory Vote to Approve Executive Compensation	FOR	33
4. Amendment of the 2013 Equity Incentive Plan	FOR	34
5. Stockholder Proposal on Termination Pay	AGAINST	42

Our Director Nominees

Name	Age	Director Since	Occupation	Independent	Diversity	Committee Memberships*				Other Public Boards**
						AC	CC	NGC	Tech	
Susan P. Barsamian	63	2019	Director	✓	W D		● ■	● ■	● ■	2
Eric K. Brandt	60	2020	Director	✓		● ■				3
Frank E. Dangeard	64	2007	Managing Partner, Harcourt	✓		● ■		● ■		2
Nora M. Denzel	59	2019	Director	✓	W	● ■	● ■		● ■	3
Peter A. Feld	43	2018	Managing Member and Head of Research, Starboard Value LP	✓			● ■	● ■		2
Emily Heath	48	2021	Director	✓	W D	● ■			● ■	0
Vincent Pilette	50	2019	Chief Executive Officer							0
Sherrese M. Smith	50	2021	Managing Partner, Paul Hastings	✓	W D			● ■	● ■	1

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

Tech = Technology and Cybersecurity Committee W = Woman D = Underrepresented Community (Ethnic Diversity and/or LGBTQ+)

● = Member ■ = Chair

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

** Reflects membership on boards of companies publicly traded in the U.S.

8Director
Nominees**88%**Independent
(all but CEO)**50%**

Diverse

7New Directors
Since 2016**<5 Years**Average Director
Tenure**Sound Corporate Governance Practices**

✓ Separate Independent Chair and CEO	✓ Majority Voting for Directors
✓ Board Committees Consist Entirely of Independent Directors	✓ Director Resignation Policy
✓ All Current Directors Attended at least 75% of Meetings Held	✓ Stockholder Ability to Call Special Meetings (15% threshold)
✓ Independent Directors Meet Regularly in Executive Session	✓ Stockholder Ability to Act by Written Consent
✓ Director Age Limit of 72	✓ Proxy Access Subject to Standard Eligibility Requirements
✓ Annual Board and Committee Self-Evaluations	✓ Robust Cybersecurity Program
✓ Risk Oversight by Full Board and Committees	✓ Comprehensive ESG program and Board oversight of ESG
✓ Annual Election of All Directors	✓ Extensive Stockholder Outreach/Engagement Program
✓ Director Overboarding Limits	✓ No Dual-Class or Multi-Class Stock

FY22 Executive Compensation at a Glance

Fiscal year 2022 (FY22) marked our second full year as a stand-alone pure consumer Cyber Safety company, which brought with it new challenges as well as opportunities. Our Compensation and Leadership Development Committee (Compensation Committee) of our Board of Directors (Board) once again approved an executive compensation program that was intended to drive enterprise value creation for NortonLifeLock and our stockholders and reward actual performance. In addition, our FY22 compensation program took into account the critical retention concerns that we faced due to top 100 leaders being aggressively approached and recruited by other companies in the highly competitive talent market in which we compete, which concerns were exacerbated by our increased retention needs stemming from our proposed acquisition of Avast.

Our Executive Compensation Program Continues to Reflect Best Governance Practices

Our Compensation Committee designed our FY22 compensation program to be consistent with leading corporate governance and executive compensation practices:

What We Do

✓ At risk pay	The majority of pay for our CEO and other NEOs is at risk and/or performance-based.
✓ Link to results	Our short-term incentive compensation is linked directly to our financial results and may be modified by individual performance, except in the case of our CEO, whose compensation is entirely based on company performance. A significant portion of our long-term incentive compensation is linked directly to multi-year financial results or relative total shareholder return (TSR).
✓ Predetermined goals	We reward performance that meets our short and long-term predetermined goals.
✓ Capped payouts	We cap payouts under our incentive plans to discourage excessive or inappropriate risk taking by our NEOs.
✓ Peer group	We have a relevant peer group and reevaluate the peer group annually.
✓ Ownership guidelines	We have robust stock ownership guidelines for our executive officers and directors.
✓ Clawback policy	We have a comprehensive “clawback” policy, applicable to all performance-based compensation granted to our executive officers.
✓ Double-trigger acceleration	We only provide for “double-trigger” change-in-control payments and benefits for our executive officers.
✓ Capped severance	We do not provide for any potential cash severance payments that exceed more than 1x our executive officers’ base salary and target bonus, and we maintain a policy requiring stockholder approval of any cash severance benefits exceeding 2.99 times the sum of an executive officer’s base salary plus target bonus.
✓ Independent consultant	Our Compensation Committee retains an independent compensation consultant.
✓ Say-on-pay	We hold an annual advisory vote on named executive officer compensation.
✓ Stockholder engagement	We seek feedback on executive compensation through stockholder engagement.
✓ Minimum vesting	We require one-year minimum vesting on all stock award grants to employees, with very limited exceptions.

What We Don't Do

✗ No performance, no pay	We do not pay performance-based cash or equity awards for unsatisfied performance goals.
✗ No minimum payouts	Our compensation plans do not have minimum guaranteed payout levels.
✗ No automatic increases	We do not provide for automatic salary increases or equity award grants in offer letters or employment agreements.
✗ No short sales, hedging	With very limited exceptions, we do not permit short-sales, hedging or pledging of our stock.
✗ No golden parachutes	We do not provide “golden parachute” excise tax gross-ups.
✗ No excessive severance	We do not provide excessive severance payments.
✗ No SERPs	We do not provide executive pension plans or SERPs.
✗ No excessive perks	We do not provide excessive perquisites.
✗ No repricing	We do not permit the repricing or cash-out of stock options or stock appreciation rights without stockholder approval.
✗ No unvested dividends	We do not permit the payment of dividend or dividend equivalents on unvested equity awards.

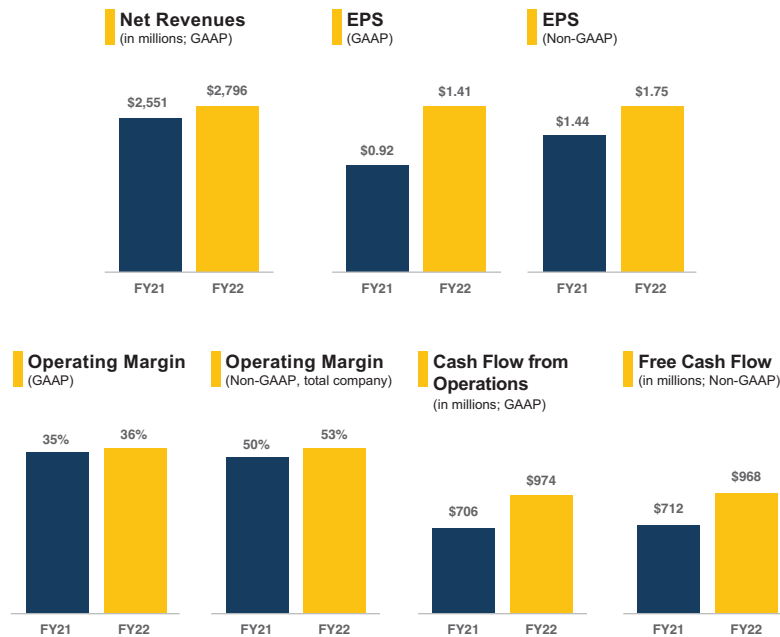
Compensation Components

Our FY22 compensation philosophy is reflected in the following key elements of executive compensation: (i) base salary, (ii) short-term annual cash incentive awards and (iii) long-term equity incentive awards.

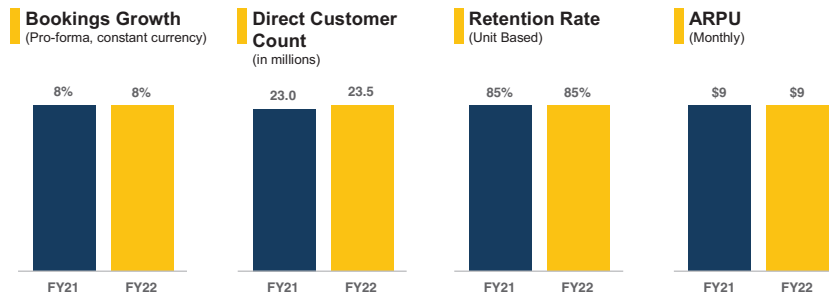
FY22 Component	Form of Compensation	Performance Period	Metrics and Performance Criteria	Details
Base Salary	Cash	Annual	NEO base salary changes reviewed annually by CEO (or Board for CEO changes).	Page 56
Executive Annual Incentive Plan	Cash	Annual	Bookings with non-GAAP operating income as a threshold goal.	Page 57
Annual Equity Incentive Awards	Performance-based Restricted Stock Unit (PRU)	Vests at the end of a three-year period	50% of PRUs vest in full at end of FY24 based on achievement of our 3-year relative TSR versus the Nasdaq Composite Index. 50% of PRUs vest in full at end of FY24 based on achievement of compound annual growth rate (CAGR) for revenue measured over a multi-year period.	Page 59
	Restricted Stock Unit (RSU)	Vests annually over three years	Service and time-based vesting.	Page 62
Value Creation Program (VCP) Equity Incentive Awards for Top 100 Leaders (Excluding CEO for FY22)	Performance-based Restricted Stock Unit (PRU); 75% of Total VCP Award	Vests at the end of a four-year period	Vests in full at end of FY26 based on achievement of certain challenging share price appreciation targets, ranging from \$35 to \$50 per share, over the performance period, subject to performance gates related to our relative TSR versus the Nasdaq Composite Index.	Page 62
	Restricted Stock Unit (RSU); 25% of Total VCP Award	Cliff Vests at the end of vesting period	Service and time-based cliff vesting on December 1, 2023.	Page 64

Pay for Performance Alignment

FY22 validated our long-term strategy and we showed good progress in our transformation journey with accelerated pace of product innovation, global expansion, and a relentless focus on customer experience as we saw all our key financial metrics increase, as reflected in the table below.



We also saw our key performance metrics remain stable year over year.



We also saw our stock price increase from \$21.42 to \$26.94 in FY22, prior to reflecting any adjustments for dividends. We believe that the compensation received by our NEOs for FY22 reflects our performance and accomplishments this past year as well as the rigor of our performance goals. Further, as discussed elsewhere in this proxy statement, we have undertaken a number of strategic actions to drive our long-term business objectives.

Component	Metric⁽¹⁾	Achievement (as a percentage of target)	Funding
FY22 Executive Annual Incentive Plan (EAIP)	FY22 non-GAAP operating income threshold goal	113.1%	Threshold Goal Achieved
	FY22 Bookings	100.3%	105%
FY22 Performance-based Restricted Stock Units ⁽²⁾	50% based on 3-year total shareholder return (TSR) relative to the Nasdaq Composite Index	NA	NA
	50% based on CAGR for revenue	NA	NA
FY21 Performance-based Restricted Stock Units ⁽²⁾	50% based on 3-year TSR relative to the Nasdaq Composite Index	NA	NA
	50% based on CAGR for revenue	NA	NA
FY20 Performance-based Restricted Stock Units ⁽²⁾	3-year TSR relative to the S&P 500	193.06%	NA
Value Creation Program (VCP) Performance-based Restricted Stock Units ⁽³⁾	Share price appreciation targets, subject to applicable TSR gates relative to the Nasdaq Composite Index, measured over a 4-year period	0% to date	0% to date

⁽¹⁾ Please see discussion in the CD&A section of this proxy statement below for more detail regarding how these metrics are calculated.

⁽²⁾ Achievement certified by the Compensation Committee at end of three-year period.

⁽³⁾ Achievement certified by the Compensation Committee at end of four-year period.

Meeting Information

We provide information about NortonLifeLock Inc.'s 2022 Annual Meeting of Stockholders (the Annual Meeting), voting and additional information starting on page 82.

CORPORATE GOVERNANCE

NortonLifeLock Inc. (NortonLifeLock or the Company) 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 NortonLifeLock, 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 NortonLifeLock 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 stock-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 NortonLifeLock's stock option or equity incentive plans is not prohibited by this policy.) Our policy 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, nonpublic information. It also requires that our Chief Executive Officer 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 Securities Exchange Act of 1934, as amended (the Exchange Act). Rule 10b5-1 allows insiders to sell and diversify their holdings in our stock over a designated period by adopting prearranged 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 NortonLifeLock at the time of the sale. All other executives and our non-employee directors are strongly encouraged to trade using 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 28, and details of our executive officers’ stock ownership guidelines are disclosed under “Stock Ownership Guidelines” in the “Compensation Discussion & Analysis” section on page 66. The Compensation Committee determines the stock ownership guidelines and the Nominating and Governance Committee monitors compliance under such guidelines.

Stockholder Outreach and 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 NortonLifeLock to address them effectively. During 2021, we engaged with 70% of our top 20 stockholders, representing over 40% of our outstanding capital stock. In these meetings, we discussed matters such as NortonLifeLock’s prospects, business model, corporate governance, and executive compensation programs and goal settings and metrics. Following such discussions and after considering the voting preferences of our stockholders, we revised our Corporate Governance Guidelines to formally provide that the Chair of the Board should be an independent director separate from the Chief Executive Officer. At NortonLifeLock, we have an open line of communication with our stockholders and investors and continue to engage them for feedback on our programs.

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

As set forth in our Corporate Governance Guidelines, it is our general policy that the Chair of the Board should be an independent director separate from the Chief Executive Officer. In the event the Chair leaves the Board or ceases to be

independent, the Board must appoint a new independent Chair from among the remaining independent directors within a reasonable amount of time. Currently, the roles of Chief Executive Officer and Chair are separate. Frank Dangeard currently serves as Chair of the Board.

The Board believes that separating the roles of Chief Executive Officer and Chair is the appropriate leadership structure for NortonLifeLock 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 NortonLifeLock’s strategic plan and managing NortonLifeLock’s operations and performance, while allowing the Chair of the Board to focus on the effectiveness of the Board and independent oversight of our senior management team.

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

Duties of the Chair of the Board	Duties of the CEO
<ul style="list-style-type: none"> • Sets the agenda of Board meetings 	<ul style="list-style-type: none"> • Sets strategic direction for NortonLifeLock
<ul style="list-style-type: none"> • Presides over meetings of the full Board 	<ul style="list-style-type: none"> • Creates and implements NortonLifeLock’s vision and mission
<ul style="list-style-type: none"> • Contributes to Board governance and Board processes 	<ul style="list-style-type: none"> • Leads the affairs of NortonLifeLock, 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
<ul style="list-style-type: none"> • Communicates with all directors on key issues and concerns outside of Board meetings 	
<ul style="list-style-type: none"> • Presides over meetings of stockholders 	
<ul style="list-style-type: none"> • 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 NortonLifeLock 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 directors and director nominees are independent: Susan P. Barsamian, Eric K. Brandt, Frank E. Dangeard, Nora M. Denzel, Peter A. Feld, Kenneth Y. Hao, Emily Heath, and Sherrese M. Smith.

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.

Director Overboarding Limits

It is the policy of the Board that given the demands of the duties undertaken by directors, directors should limit their participation to no more than five public company boards (including our Board) in order to ensure sufficient attention and availability to NortonLifeLock’s business. In addition, a director who is currently serving as an executive officer of a publicly traded company may serve on no more than two public company boards, excluding our Board. However, the Board

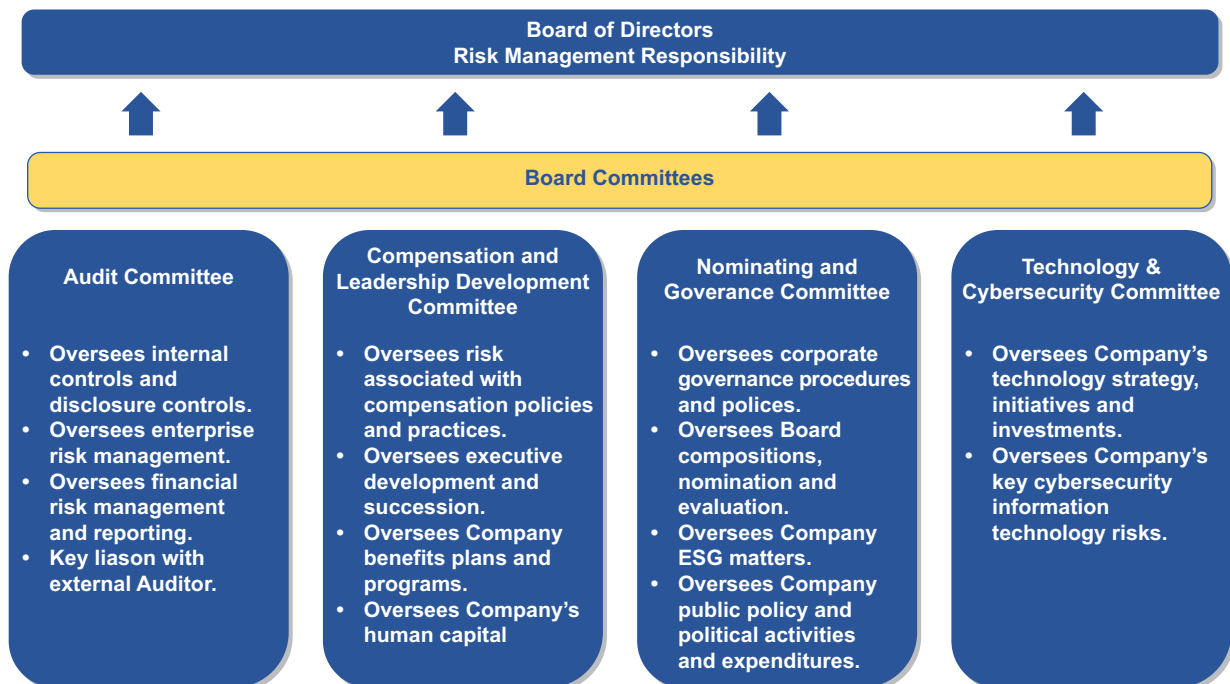
recognizes that the demands of such participation may vary substantially, and may deem an exception appropriate so long as the director maintains sufficient attention and availability to fulfill the director's duties to NortonLifeLock and complies with NortonLifeLock's conflict of interest policies.

Board and Committee Effectiveness

It is important to NortonLifeLock that our Board and its committees are performing effectively and in the best interests of NortonLifeLock 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.



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 Chair and each independent committee chair, to participate actively in the oversight of management's actions.

Board's Role in COVID-19 Response

Additionally, in connection with the ongoing 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.

Key COVID-19 Actions

- Closed non-essential worker sites and implemented travel restrictions and cancelled or shifted our conferences and other marketing events to virtual-only.
- Maintain COVID-19 employee website to provide up-to-date resources, data and education, including CDC guidance, and benefits, ergonomic and wellness information.
- Regular employee communications.
- Increased our collaboration tools for remote offices.
- Frequent marketing and communication of our global Employee Assistance Program to enable quick support for employees and their families.
- 100% coverage for testing, vaccinations and telemed consultation under our US medical plans.
- Stipend to assist with remote office set up and provisioned surplus equipment for home office deployment.
- Social distancing measures, enhanced cleaning and safety protocols for open sites.

COVID-19 Response for Colleagues in India

- Vaccine reimbursement for employees and family members in India.
- Launched vaccination clinics in Pune and Chennai.
- Created a social channel for all India team members to share information and support one other.
- Special 2:1 match for ActionAid India for COVID Relief — shared with all of our NLOK community to ensure that those who are able to, have the opportunity to participate in giving this much needed support.
- Home isolation coverage and telemed consultations are now included under our Health Plan.

Board's Role in Oversight of Company Strategy

One of the Board's most important responsibilities is collaborating with management to establish NortonLifeLock'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 Chair, 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 NortonLifeLock's strategy and performance to inform its perspective on progress and ensure that it can 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 NortonLifeLock is an employer of choice for the most talented employees in our industry. While the full Board regularly 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 is tasked with overseeing specific initiatives on a regular basis.

Our Compensation Committee is responsible for, among other tasks:

- Overseeing compensation philosophies and incentive plans across our workforce with a focus on Executive Compensation & Retention; and
- Monitoring talent management and organizational effectiveness on a regular basis.

Our Compensation Committee also has regular touchpoints with management on the following topics:

- Employee engagement, performance management and culture; and
- Workforce demographics including diversity, equity and inclusion strategies and representation.

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 Chair.

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 nine of our directors attended our 2021 Annual Meeting.

THE BOARD AND ITS COMMITTEES

There are four committees of the Board: the Audit Committee, the Compensation and Leadership Development Committee, the Nominating and Governance Committee, and the Technology and Cybersecurity 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, Nominating and Governance Committee and the Technology and Cybersecurity Committee was appointed by the Board. Each of the Board committees has a written charter approved by the Board and the key committee charters are 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 and its committees, and other information, following the Annual Meeting. Current committee composition is provided in the text below the table.¹

Name	Age	Director Since	Occupation	Independent	Diversity	Committee Memberships				Other Public Boards*
						AC	CC	NGC	Tech	
Susan P. Barsamian	63	2019	Director	✓	W D	● ■	● ■	● ■	● ■	2
Eric K. Brandt	60	2020	Director	✓		● ■				3
Frank E. Dangeard	64	2007	Managing Partner, Harcourt	✓		● ■		● ■		2
Nora M. Denzel	59	2019	Director	✓	W	● ■	● ■		● ■	3
Peter A. Feld	43	2018	Managing Member and Head of Research, Starboard Value LP	✓			● ■	● ■		2
Emily Heath	48	2021	Director	✓	W D	● ■			● ■	0
Vincent Pilette	50	2019	Chief Executive Officer	✓						0
Sherrese M. Smith	50	2021	Managing Partner, Paul Hastings	✓	W D			● ■	● ■	1

AC = Audit Committee CC = Compensation and Leadership Development Committee NGC = Nominating and Governance Committee
 Tech = Technology and Cybersecurity Committee W = Woman D = Underrepresented Community (Ethnic Diversity and/or LGBTQ+)
 ● = Member ■ = Chair

* Reflects membership on boards of companies publicly traded in the U.S.

During FY22, our Board held 15 meetings, the Audit Committee held 9 meetings, the Compensation Committee held 5 meetings, the Nominating and Governance Committee held 5 meetings and the Technology and Cybersecurity Committee held 4 meetings. During this time, no current directors attended fewer than 87% 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. Brandt, who is the chair, and Memes. Denzel and Heath and Mr. Dangeard. Our Audit Committee oversees NortonLifeLock’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 NortonLifeLock’s quarterly and annual financial statements.
- Reviewing the adequacy and effectiveness of NortonLifeLock’s accounting and financial reporting processes.

¹ Kenneth Y. Hao was not re-nominated by the Board.

- 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 NortonLifeLock.
- Reviewing and approving processes and procedures to ensure the continuing independence of NortonLifeLock's independent auditors.
- Reviewing the internal audit function of NortonLifeLock, including the independence and authority of its reporting obligations and the coordination of NortonLifeLock's internal audit function with the independent auditors.
- Reviewing NortonLifeLock's practices with respect to risk identification, assessment, monitoring and risk management and mitigation, including financial, privacy, operational, compliance, physical security, legal and other key business risks.
- Reviewing NortonLifeLock's adequacy and effectiveness of NortonLifeLock's cyber security and information security policies and practices.
- Reviewing NortonLifeLock's business continuity and disaster preparedness planning.
- Reviewing any regulatory developments that could impact NortonLifeLock's risk identification, assessment, monitoring and risk management and mitigation.
- Reviewing NortonLifeLock's ethics compliance program, including policies and procedures for monitoring compliance, and the implementation and effectiveness of NortonLifeLock's ethics and compliance program.
- Directing and supervising investigations into any matters within the scope of its duties.
- Retaining 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 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 U.S. Securities and Exchange Commission (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, and Memes. 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 NortonLifeLock's long-term success and performance; and incorporate sound corporate governance principles. It also oversees our programs to attract, develop and retain our executive officers. Its duties and responsibilities include, among other things:

- Reviewing NortonLifeLock's executive and leadership development practices, which 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 and overseeing NortonLifeLock's human capital management practices.
- Reviewing NortonLifeLock'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 NortonLifeLock and the interests of stockholders; (iii) are consistent with a competitive framework; and (iv) support the achievement of NortonLifeLock'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 NortonLifeLock'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 the perquisites of our executive officers.
- Reviewing NortonLifeLock's compensation policies and practices to confirm that such policies and practices are not likely to have a material adverse effect on NortonLifeLock 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 Exchange Act.

Nominating and Governance Committee

Our Nominating and Governance Committee is currently comprised of Ms. Barsamian, who is the chair, and Ms. Smith and Messrs. Dangeard and Feld. Our Nominating and Governance Committee oversees NortonLifeLock's corporate governance procedures and policies, and ensures that they represent best practices and are in the best interests of NortonLifeLock 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 recommending 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 developing and recommending 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 recommending modifications to the Board as appropriate.
- Overseeing and reviewing NortonLifeLock's policies and programs concerning: (i) corporate social responsibility; (ii) public policy; (iii) philanthropy; (iv) political activities and expenditures; (v) NortonLifeLock's participation and visibility as a global corporate citizen.
- Overseeing and reviewing NortonLifeLock's programs, policies and practices and relevant risks and opportunities relating to environmental, social and governance issues and related disclosures, and make recommendations to the Board regarding the Company's overall strategy with respect to ESG matters.
- 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 NortonLifeLock's governance structures and processes.

Technology and Cybersecurity Committee

Our Technology and Cybersecurity Committee is currently comprised of Ms. Heath, who is the chair, and Memes. Barsamian, Denzel and Smith. Our Technology and Cybersecurity Committee assists our Board in its oversight of management's responsibilities to regularly assess NortonLifeLock's key risks and engage in enterprise-wide risk management as it relates to cybersecurity and NortonLifeLock's technology and information systems, including with respect to strategies, objectives, capabilities, initiatives, policies and investments. Its duties and responsibilities include, among other things:

- Overseeing the quality and effectiveness of NortonLifeLock's information security team, and policies and procedures with respect to its information technology systems.
- Providing advice to the Board on cyber-related matters.
- Reviewing and providing oversight on NortonLifeLock's data footprint, policies and procedures, and strategy.
- Reviewing with management, NortonLifeLock's disaster recovery capabilities.
- Overseeing NortonLifeLock's major innovation efforts, technology plans, and strategies including from partnerships and acquisitions.
- Monitoring the performance of NortonLifeLock's technology development in support of its overall business strategy and advise on strategic technological focus.
- Overseeing the identification, monitoring, and evaluation of existing and emerging trends in technology that may affect NortonLifeLock's strategic plans, including monitoring of overall industry trends, competitors and technologies in adjacent areas and providing guidance on these areas.
- Reviewing the key technical talent, skills, and organizational structure of NortonLifeLock's workforce supporting its cybersecurity and technology efforts.

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.

Criteria for Nomination to the Board
The key attributes, experiences, and skills we consider important for our directors.

<div style="background-color: #004a87; color: white; padding: 10px; border-radius: 15px;"> <p>Cyber Safety, Technology Expertise</p> <p>As a Cyber Safety and technology company, having experience in Cyber Safety (including identity threat protection), consumer technology, privacy and related or emerging technologies, industry trends or regulatory shifts 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.</p> </div>	<div style="background-color: #004a87; color: white; padding: 10px; border-radius: 15px;"> <p>Leadership Experience</p> <p>Directors who serve or have served as a public company CEO or 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.</p> </div>	<div style="background-color: #004a87; color: white; padding: 10px; border-radius: 15px;"> <p>Public Company Board Experience</p> <p>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.</p> </div>	<div style="background-color: #004a87; color: white; padding: 10px; border-radius: 15px;"> <p>Strategic Transformation Experience</p> <p>As NortonLifeLock transitions into a comprehensive consumer cyber safety company that empowers and enables people to live their digital lives safely, we need leaders with experience successfully leading and navigating companies through business transformations.</p> </div>
<div style="background-color: #004a87; color: white; padding: 10px; border-radius: 15px;"> <p>Business Combinations and Partnership Experience</p> <p>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.</p> </div>	<div style="background-color: #004a87; color: white; padding: 10px; border-radius: 15px;"> <p>Financial Experience</p> <p>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.</p> </div>	<div style="background-color: #004a87; color: white; padding: 10px; border-radius: 15px;"> <p>Sales, Marketing and Brand Management</p> <p>Extensive career experience in consumer-focused sales management, marketing campaign management, marketing/advertising or public relations.</p> </div>	<div style="background-color: #004a87; color: white; padding: 10px; border-radius: 15px;"> <p>Diversity</p> <p>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.</p> </div>

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 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 SEC and Nasdaq requirements.

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 our Corporate Secretary no later than April 5, 2023 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 2023 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 March 6, 2023 and April 5, 2023 (or, if the 2023 annual meeting is called for a date that is not within 30 calendar days of the anniversary of the date of the 2022 Annual Meeting, by the later of the close of business on the date that is 180 days prior to the date of the 2022 annual meeting or within 10 calendar days after our public announcement of the date of the 2023 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**

Our 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.

Human Capital Management

Our human capital management strategy reflects our unique values and growth mindset. Working in close partnership with our Board on our talent management strategy, we work hard to lead, develop and grow our diverse, global team. We strive to be a diverse, vibrant community with strong values and a shared commitment to each other, the work we do and the world we all share.

At NortonLifeLock, our mission is to build a comprehensive and easy-to-use integrated portfolio that prevents, detects and responds to cyber threats and cybercrimes in today's digital world. Our success in helping achieve this mission depends, in large part, on the success of our employees.

- **Diversity, Equity and Inclusion (DEI):** Our mission is to increase our global representation of underrepresented groups at all levels (diversity), where everyone has an opportunity for development and advancement (equity) and is able to bring their whole selves to work and feel valued every day (inclusion). This mission is built upon four foundational pillars: (i) measurement and accountability; (ii) fostering an inclusive environment; (iii) diversifying our workforce; and (iv) employee development and retention, which are designed to support, attract, develop and retain the best talent.

Clear and actionable multi-year representation goals are set at the leadership level, and tracking the data regularly to assess our progress and drive accountability go hand in hand. We ask applicants, new hires and employees to self-identify not only their demographics, but also important characteristics to help us better measure the diversity of our applicant pool and of our team to derive insights and actionable people strategies. In fiscal 2022, we publicly disclosed our most recent US Equal Employment Opportunity Commission EEO-1 Component 1 Data Collection Report on our investor relations website located at <https://investor.nortonlifelock.com/governance/governance-documents/>.

Inclusion is something we strive for and invest in. Raising awareness and appreciation of various diversity topics via our learning curriculum, global all employee conversations, published blogs and active employee engagement. We measure belonging as a key metric in our quarterly Ngage employee surveys. We are proud to support our several employee resource groups communities for people to come together as allies, to learn, support, mentor, and celebrate with one another and to provide an environment where everyone feels seen, heard, respected and valued.

Diversity is a key pillar of our talent management strategy. As of April 1, 2022, women represented 33% of our workforce and held 33% of our leadership positions. In addition, as of April 1, 2022, women represented 44% of our Board and half of our independent board membership. We partner with Work180, a women-focused recruitment site that only lists career opportunities from employers that support diversity, inclusion and flexibility. We post positions on several diverse recruiting sites, including Black Tech Jobs, Jobs for Her and Women Who Code.

As part of our ongoing focus on employee development, we extended our participation in McKinsey & Company's Connected Leaders Academy for our Asian, Black and Hispanic-Latino leaders. Additionally, we had women globally attend the Women in Tech conference and several employees attended the Out & Equal Global Workplace Summit.

- **Employee Development, Engagement and Training:** We increased our investment in learning and development in fiscal 2022, launching Nvest Learning programs for all employees, leveraging an extensive breadth of content and learning opportunities. This umbrella of offerings includes Nvest Mentorship, Nvest eLearning and Nvest NLOK University.

Our homegrown Nvest Mentorship program and platform continued to grow and now boasts several hundred active mentors and mentees. Nvest eLearning, a collection of digital, on-demand modules categorized around leadership, health and wellness, business skills, and technical skills, launched in the second quarter of FY22 with a steady increase in participation during the year and a user base that continues to grow. We also provide group learning designed around TED Talks on topics including leadership, change management and further diversity, equity and inclusion efforts.

Nvest NLOK University (Nvest NU) launched in the third quarter of FY22 and is a leadership program that offers best-in-class content from Harvard ManageMentor that inspires, engages and invests in current and emerging leaders

by leveraging over forty specific course options and group learning opportunities. Hundreds of recognition badges and certificates have been awarded to recognize various levels of achievement.

Feedback from our employees is critical, and we have developed an ongoing dialogue with our teams via our quarterly Ngage pulse survey on a targeted topic that drives actions and improvements.

- **Human Capital Governance:** We partner closely with our Board and the Compensation and Leadership Development Committee on our strategies and objectives related to talent management, talent acquisition, leadership development, retention and succession, DEI and employee engagement.

Environmental, Social and Governance (ESG)

Building a brand centered on trust is critically important, and our focus on corporate responsibility helps us earn trust from consumers, employees, investors and shareholders. As such, environmental, social and governance topics are core to our business strategy:

- **Environment:** Protecting our planet is fundamental to ensuring a safe and sustainable future. We are working to reduce greenhouse gas emissions from our operations through operational efficiencies, reduce the environmental footprint of our products across their lifecycle through innovative approaches to product development and packaging, promote high standards for environmental stewardship in our supply chain and engage with employees and environmental partners to amplify our work. We believe we can contribute to a future where the natural world is thriving and call these efforts Environmental Stewardship.
- **Social:** We are proud to support the communities where our team members live and work. Our community impact programs include employee volunteering and giving, product donations, signature programs that leverage our unique expertise in increasing digital safety literacy, and corporate philanthropic giving focused on digital safety education; diversity, equity, and inclusion and environmental action. We also support diversity, equity, and inclusion and employee engagement, as discussed in more detail in the Human Capital Management subsection.
- **Governance:** Governance covers many core operating principles overseen by the Nominating and Governance Committee of our Board. This committee has oversight of Corporate Responsibility and ESG issues and receives quarterly updates on topics such as diversity, ethics, environmental stewardship and community investment. We believe our global culture of responsibility, and the positive contributions we make to the customers, employees, communities, and other stakeholders that we serve drives value for our business.

Setting strategic, achievable, and business-aligned corporate responsibility objectives helps to guide our work and improves our company performance. We align our objectives with the Company's financial goals and focus on the unique positive social and environmental impacts that our business model can have on the world.

Our objectives include:

- **Data Privacy and Protection:** We safeguard our customer, partner and employee data and offer products, including Norton Privacy Monitor Assistant that help consumers protect their personal data wherever it is found.
- **Cyber Safety:** We leverage our leading expertise and technology in Cyber Safety to protect communities. Malicious phone and computer applications, known as stalkerware, are used to harass, control and harm people. We are a founding member of the Coalition Against Stalkerware and donate products to victims to help keep their personal data protected. We also provide Cyber Safety training to help empower victims and survivors to reduce their vulnerability. Additional examples of our efforts include our partnership with the World Association of Girl Guides and Girl Scouts on the Surf Smart program to empower girls to keep themselves and others safe online and The Smart Talk, a free tool co-created in partnership with National PTA.
- **Diversity, Equity & Inclusion in Technology:** We are focused on bringing more women and under-represented groups into cybersecurity and tech. We do this by investing in high-impact, nonprofit organizations. We have made a three-year commitment to the Reboot Representation tech coalition, which is dedicated to doubling the number of Black, Latina and Native American women graduating with computing degrees by 2025. We also support Women4Cyber in Europe and the NASSCOM Foundation's Cyber Security Skills Development Initiative for Women in India. In FY22, approximately 62% of NortonLifeLock Foundation grants across all objectives had a focus on Diversity, Equity and Inclusion.

- **Employee Volunteering & Giving:** We have created a variety of opportunities for employee volunteering and giving and work to increase employee participation rates. We sponsor a virtual volunteer program with team building opportunities and joint events with our Diversity and Inclusion Communities. We offer employees paid time off to volunteer, have an employee matching gift program and provide dollars-for-doers grants to encourage volunteer service. Our employee participation rate in our volunteering and giving program was 41% in FY22. In addition, 62% of all grants made from the NortonLifeLock Foundation had a component of Diversity, Equity & Inclusion.
- **Environmental Stewardship:** We have a robust environmental stewardship program, which focuses on climate and energy, sustainable products, our supply chain, engagement with employees and nonprofit partners and being transparent about our progress and commitments. Recently, we launched a Sustainable Homes Program to provide employees an opportunity for a credit for sustainable improvements to their homes.

Our annual ESG and Corporate Responsibility Report can be found via the NortonLifeLock website at <https://www.nortonlifelock.com/about/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 13, 2022: Susan P. Barsamian, Eric K. Brandt, Frank E. Dangeard, Nora M. Denzel, Peter A. Feld, Emily Heath, Vincent Pilette and Sherrese M. Smith. Each director will be elected on an annual basis.

Kenneth Y. Hao expressed a preference not to be re-nominated to pursue and focus on other business opportunities. Mr. Hao intends to serve on the Board through the date of the Annual Meeting and, effective as of the end of his term as a director at the opening of the polls at the Annual Meeting, our authorized number of directors will be reduced to eight. The Board is grateful to Mr. Hao for his dedication, service, and contributions as a director of the Company.

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 18, 2022, and other information about each nominee is shown below.

Name	Age	Principal Occupation	Director Since
Susan P. Barsamian	63	Director	2019
Eric K. Brandt	60	Director	2020
Frank E. Dangeard	64	Managing Partner, Harcourt	2007
Nora M. Denzel	59	Director	2019
Peter A. Feld	43	Managing Member and Head of Research, Starboard Value LP	2018
Emily Heath	48	Director	2021
Vincent Pilette	50	CEO	2019
Sherrese M. Smith	50	Managing Partner, Paul Hastings	2021



Susan P. Barsamian

Director

Age: 63

Director Since: 2019

Committee Memberships: Compensation | Nominating & Governance (Chair) | Technology and Cybersecurity

Other Current Public Boards: Box, Inc. | Five9, Inc.

Other Public Boards in the Last Five Years: None

From 2006 to 2016, Ms. Barsamian served in various executive roles at Hewlett Packard including Chief Sales and Marketing Officer for Hewlett Packard Enterprise Software and General Manager of the Enterprise Cybersecurity Products business. Prior to joining Hewlett Packard, Ms. Barsamian was Vice President, Global Go-to-Market for high growth at Mercury Interactive, Senior Vice President Marketing for Critical Path and held various leadership roles at Verity where she was based in London for four years. Ms. Barsamian serves on the board of directors of Box, Inc and Five9, Inc. She received a B.S. degree in Electrical Engineering from Kansas State University and completed post-graduate studies at the Swiss Federal Institute of Technology.

Director Qualifications:

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



Eric K. Brandt

Director

Age: 60

Director Since: 2020

Committee Memberships: Audit (Chair)

Other Current Public Boards: Dentsply Sirona Inc. | LAM Research Corporation | The Macerich Company

Other Public Boards in the Last Five Years: Altaba Inc.

Eric K. Brandt served as the Executive Vice President and Chief Financial Officer of Broadcom Corporation, a global supplier of semiconductor devices, from February 2010 until February 2016, and he served as its Senior Vice President and Chief Financial Officer from March 2007 until February 2010. From September 2005 until March 2007, Mr. Brandt served as CEO and President and 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 Chief Financial Officer. 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 Yahoo! Inc. from 2016 to 2017 and of Altaba Inc. (formerly Yahoo! Inc.) from 2017 to 2019. 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
- Strategic Transformation Experience
- Business Combination and Partnership Experience
- Financial Experience
- Sales, Marketing and Brand Management Experience



Frank E. Dangeard

Chair of the Board

Managing Partner, Harcourt

Age: 64

Director Since: 2007

Committee Memberships: Audit | Nominating & Governance

Other Current Public Boards: NatWest Group plc (U.K.) | IHS Towers (Cayman) | IHS Holding Limited (Mauritius) | Spear Investments, B.V. (the Netherlands)²

Other Public Boards in the Last Five Years: RPX Corp.

Frank E. Dangeard joined NortonLifeLock's Board of Directors in January 2007, and was appointed Chair 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 SA (France). From 2002 to September 2004, he was Deputy CEO of Orange S.A. (formerly France Télécom S.A. (France)). He joined Thomson SA (France) in 1997 as Deputy CEO and was appointed Vice Chairman in 2000. Prior to joining Thomson SA, Mr. Dangeard was Managing Director of SG Warburg & Co. Ltd. (U.K.) and Chairman of SG Warburg France. Before joining SG Warburg, Mr. 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.), IHS Holding Limited (Mauritius), and IHS Towers (Cayman). He is Chairman of NatWest Markets (U.K.), the investment banking arm of NatWest Group and chairman of Spear Investments, B.V. (the Netherlands). 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
- Strategic Transformation Experience
- Business Combination and Partnership Experience
- Financial Experience
- Sales, Marketing and Brand Management Experience

² Securities of Spear Investments, B.V. are traded on the Euronext Amsterdam stock exchange and IHS Towers is a subsidiary of IHS Holding Limited.



Nora M. Denzel

Director

Age: 59

Director Since: 2019

Committee Memberships: Audit | Compensation | Technology and Cybersecurity

Other Current Public Boards: Advanced Micro Devices, Inc. (AMD) | Telefonaktiebolaget LM Ericsson | SUSE SA

Other Public Boards in the Last Five Years: 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 SUSE SA. She serves on the non-profit board of the National Association of Corporate Directors. She holds a Master of Business Administration degree from Santa Clara University and a B.S. degree in Computer Science from the State University of New York.

Director Qualifications:

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



Peter A. Feld

Director

Managing Member and Head of Research, Starboard Value LP

Age: 43

Director Since: 2018

Committee Memberships: Compensation (Chair) | Nominating and Governance

Other Current Public Boards: GCP Technologies Inc. | Green Dot Corporation

Other Public Boards in the Last Five Years: Magellan Health, Inc. | AECOM | Marvell Technology Group Ltd. | The Brink's Company | Insperty, Inc.

Peter A. Feld has served as a Managing Member, Portfolio Manager and Head of Research of Starboard Value LP since April 2011. Prior to founding Starboard in 2011, Mr. Feld was a Managing Director and Head of Research at Ramius LLC for funds that comprised the Value and Opportunity investment platform. Prior to joining Ramius in February 2005, Mr. Feld was an analyst in the Technology Investment Banking group at Banc of America Securities LLC. Mr. Feld currently serves as Chair of the board of directors of GCP Applied Technologies Inc., and as a member of the board of directors of Green Dot Corporation, a payments company. Mr. Feld previously served on the boards of directors of a number of companies including Magellan Health, Inc., from March 2019 to January 2022, AECOM, from November 2019 to June 2020, Marvell Technology Group Ltd. from May 2016 to June 2018, The Brink's Company from January 2016 to November 2017, Insperty, 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 B.A. degree in Economics from Tufts University.

Director Qualifications:

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



Emily Heath

Director

Age: 48

Director Since: 2021

Committee Memberships: Audit | Technology and Cybersecurity (Chair)

Other Current Public Boards: None

Other Public Boards in the Last Five Years: None

Emily Heath served as Senior Vice President, Chief Trust and Security Officer at DocuSign, Inc. from October 2019 through March 2022. Prior to that, Ms. Heath served as Vice President, Chief Information Security Officer at United Airlines, Inc. from February 2017 through October 2019. Before joining United Airlines, Ms. Heath held numerous positions at AECOM, an infrastructure consulting firm, from 2013 through 2017, most recently as its Vice President, Chief information Security Officer. Ms. Heath is a former Detective with the British Police where she led investigations into large scale investment frauds, identity theft and money laundering cases working with London's Serious Fraud Office, the FBI and the SEC. Ms. Heath currently serves on the Board of Directors of LogicGate, Inc., a private cloud-based governance, risk and compliance management company and Wiz, a private cloud security company. She went to school in the United Kingdom and is trained in multiple areas of investigations, risk and security.

Director Qualifications:

- Cyber Safety, Technology Expertise
- Leadership Experience
- Strategic Transformation Experience
- Business Combinations and Partnerships Experience
- Financial Experience
- Sales, Marketing and Brand Management Experience



Vincent Pilette

CEO & Director

Age: 50

Director Since: 2019

Committee Memberships: None

Other Current Public Boards: None

Other Public Boards in the Last Five Years: None

Vincent Pilette has substantial expertise at technology companies, with over 20 years of 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 NortonLifeLock. Upon the closing the Broadcom transaction, Mr. Pilette was named Chief Executive Officer of NortonLifeLock by the Board and led the Company to become a leader in Consumer Cyber Safety. Prior to joining NortonLifeLock in May 2019, Mr. Pilette served as Chief Financial Officer 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
- Strategic Transformation Experience
- Business Combinations and Partnerships Experience
- Financial Experience



Sherrese M. Smith

Director

Managing Partner, Paul Hastings LLC

Age: 50

Director Since: 2021

Committee Memberships: Nominating & Governance | Technology and Cybersecurity

Other Current Public Boards: Cable One, Inc.

Other Public Boards in the Last Five Years: None

Sherrese Smith has served as a corporate partner at Paul Hastings LLP, a global law firm, since 2013, where she is a member of the firm’s media, technology and telecommunications practice and currently serves as Managing Partner and Vice-Chair of the firm’s data privacy and cybersecurity practice. Ms. Smith regularly counsels companies on complex transactional and regulatory issues, including data privacy and cybersecurity and breach response issues across various jurisdictions (including the U.S., EU, and Asia). Prior to joining Paul Hastings, Ms. Smith served as Chief Counsel to Chairman Julius Genachowski at the Federal Communications Commission from 2009 to 2013, before which she was Vice President and General Counsel of Washington Post Digital, and served in other leadership positions from 2002 to 2009. Ms. Smith also currently serves as a member of the Board of Directors of Cable One, Inc., a broadband communications provider. Ms. Smith holds a bachelor’s degree in Finance from the University of South Carolina and a Juris Doctor from the Northwestern University Pritzker School of Law.

Director Qualifications:

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

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 NortonLifeLock.

Board Diversity Matrix*

Total Number of Directors	9	
Gender:	Male	Female
Number of directors based on gender identity	5	4
Number of directors who identify in any of the categories below:		
African American or Black	0	1
Asian	1	1
White	4	2
LGBTQ+		1

* Based on our current Board composition as of July 18, 2022.

Director Compensation

Director Compensation Highlights

- Fees for committee service and service on the Board
- Emphasis on equity in the overall compensation mix
- Full-value equity grants with time-based vesting
- No performance-based equity award
- Robust stock ownership guideline
- Stockholder approved annual limit on non-employee director compensation
- Policies prohibiting hedging and pledging by our directors

The policy of the Board is that the 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 NortonLifeLock. The Compensation Committee, which consists solely of independent directors, has the primary responsibility to review and consider any revisions to director compensation.

Annual Fees: In accordance with the recommendation of the Compensation Committee, the Board determined the non-employee directors' compensation for FY22 as follows.

2022 Annual Retainers:

All Non-Employee Directors	\$50,000
Independent Chair	\$75,000
Audit Committee Chair	\$15,000
Compensation Committee Chair	\$15,000
Nominating and Governance Committee Chair	\$10,000
Technology and Cybersecurity Committee Chair	\$15,000
Audit Committee Membership	\$ 5,000
Compensation Committee Membership	\$10,000
Nominating and Governance Committee Membership	\$ 5,000
Technology and Cybersecurity Committee Membership	\$10,000

Committee chairs are entitled to receive the committee membership retainer in addition to the committee chair retainer.

The payment of the annual cash retainer is subject to the terms of NortonLifeLock's 2013 Equity Incentive Plan (the 2013 Plan) and NortonLifeLock's non-employee director compensation policy, 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 NortonLifeLock 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 our non-employee director compensation policy adopted by our Board, in FY22, each non-employee member of the Board received an annual award of fully vested restricted stock units (RSUs) under the 2013 Plan on the first day of fiscal year 2021, having a fair market value on the grant date equal to a predetermined dollar value, which was \$260,000 for FY22.

2022 Annual Equity Awards:

All Non-Employee Directors	\$260,000
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Stock-Approved Limited on Non-Employee Directors Compensation. Our stockholder approved 2013 Plan also provides that the aggregate value of all compensation paid or granted, as applicable, to any individual for service as a non-employee director of our Board of Directors with respect to any fiscal year, including awards granted under the 2013 Plan and cash fees paid by us to such non-employee director, will not exceed \$900,000 in total value.

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 five 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.

The stock ownership information for each of our directors is shown under the heading "Security Ownership of Certain Beneficial Owners and Management" on page 47 of this proxy statement. As of June 15, 2022, all our directors had either met their stock ownership requirement or had remaining time to do so.

Fiscal 2022 Director Compensation

The following table provides information for FY22 compensation for all of our current non-employee directors:

	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) ⁽¹⁾⁽²⁾⁽³⁾	Total (\$)
Susan P. Barsamian	30,029	309,971	340,000
Eric K. Brandt	30,029	309,971	340,000
Frank E. Dangeard	95,029	309,971	405,000
Nora M. Denzel	80,008	259,992	340,000
Peter A. Feld	30,029	309,971	340,000
Kenneth Y. Hao	29	309,971	310,000
Emily Heath	30,029	309,971	340,000
Sherrese M. Smith	10,029	309,971	320,000

⁽¹⁾ 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 FY22.

⁽²⁾ Each non-employee director was granted 10,248 RSUs on May 13, 2021, with a per share fair value of \$25.37 and an aggregate grant date fair value of \$259,992.

⁽³⁾ In lieu of cash, each non-employee director, other than Ms. Denzel, elected to receive 100% of his or her annual retainer fee in the form of our common stock. Accordingly, pursuant to the terms of the 2000 Director Equity Incentive Plan, each was granted 1,970 shares at a per share fair value of \$25.37 and an aggregate grant date fair value of \$49,979.

Certain Changes Beginning in Fiscal Year 2023

In June 2022, in accordance with the recommendation of the Compensation Committee, and based on input from its compensation consultant, the Board approved certain changes to our non-employee director compensation policy for fiscal year 2023 (FY23) to increase our Independent Chair cash retainer and to require vesting for director fees and RSUs.

Annual Fees. For FY23, the Independent Chair cash retainer was increased from \$75,000 to \$100,000 to better reflect market practice and to appropriately compensate our Chair for his time, commitment, and contributions to the Board. Further, each non-employee director will earn his or her annual retainer fee and committee cash fees in equal portions quarterly on December 1st, March 1st, June 1st and September 1st, subject to the director's service through each such date.

Each non-employee director will also be permitted to elect to receive such director's annual retainer fee in the form of restricted stock units in lieu of cash, which will be granted on the date of the annual meeting immediately following such election (or on the date of appointment for new non-employee directors who join the Board between annual meetings) which will vest on the same dates as the cash retainer.

Equity Awards. In addition, beginning with FY23, on the date of the annual meeting occurring during each fiscal year, each non-employee director will receive an annual award of restricted stock units having a fair market value on the grant date equal to \$260,000, which will vest 100% on the earlier of the first anniversary of the date of grant and the next annual meeting, subject to the director's continued service through the vesting date. The amount of such grants will be prorated for directors who are appointed between annual meetings.

Change in Control. In the event of a change in control, all unearned cash fees and unvested restricted stock unit awards granted to non-employee directors under the non-employee director compensation policy will accelerate in full.

Gap Period. On the date of the 2022 Annual Meeting, each non-employee director serving on the Board during the period from the first day of FY23 to the date of the 2022 Annual Meeting (such period, the Gap Period) will also receive a prorated annual cash retainer fee equal to \$20,833, prorated committee fees, and a fully vested award of stock with a fair market value on the grant date equal to \$108,833 to compensate such directors for their service on the Board during the Gap Period. Non-employee directors may elect to receive stock in lieu of cash for all of their prorated annual cash retainer fee for the Gap Period in the form of a fully vested stock award on the date of the 2022 Annual Meeting.

A full description of updates to our non-employee director compensation policy beginning with FY23 will be provided in our proxy statement in respect of FY23.

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 year 2023. As a matter of good corporate governance, the Audit Committee has decided to submit its selection of independent audit firm to stockholders for ratification. If 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 FY22. Representatives of KPMG are expected to attend the Annual Meeting with the opportunity to make a statement and respond to appropriate questions from stockholders present at the Annual 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 2022 and 2021. 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 2022 and 2021 for each of the following categories of services are as follows:

<u>Fees Billed to NortonLifeLock</u>	<u>FY22</u>	<u>FY21</u>
Audit fees ⁽¹⁾	\$5,395,309	\$7,021,702
Audit related fees ⁽²⁾	\$ 122,000	—
Tax fees ⁽³⁾	\$ 102,852	\$ 238,925
All other fees ⁽⁴⁾	\$ 362,000	—
Total fees	<u>\$5,982,161</u>	<u>\$7,260,627</u>

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 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, we believe our named executive officers are compensated in a manner consistent with our pay-for-performance philosophy and corporate governance best practices.

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 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 2023 Annual Meeting of Stockholders.

THE BOARD RECOMMENDS A VOTE “FOR” APPROVAL OF PROPOSAL NO. 3

PROPOSAL NO. 4

APPROVAL OF AMENDMENT OF THE 2013 EQUITY INCENTIVE PLAN

We are asking stockholders to approve the amendment of the 2013 Equity Incentive Plan (2013 Plan) to eliminate the term of the plan. If this amendment is not approved, our 2013 Plan will terminate on October 22, 2023, and we will not be able to grant any awards under the 2013 Plan following its termination. No new shares are being requested and no other material changes have been made to the 2013 Plan which require stockholder approval other than the elimination of the termination date.

Background of Amendment

We believe that amending the 2013 Plan to eliminate the term of the plan is in the best interests of our Company because of the continuing need to provide equity-based incentives to attract, motivate and retain the most qualified personnel and to respond to relevant market changes in equity compensation practices. The use of equity compensation has historically been a significant part of our overall compensation philosophy at NortonLifeLock and is a practice that we plan to continue. The 2013 Plan serves as an important part of this practice and is a critical component of the overall compensation package that we offer to retain and motivate our employees. In addition, awards under the 2013 Plan provide our employees with an opportunity to acquire or increase their ownership stake in us, and we believe this aligns their interests with those of our stockholders, creating strong incentives for our employees to work hard for our future growth and success. If Proposal No. 4 is not approved by our stockholders, we believe our ability to attract, motivate and retain the talent we need to compete in our industry would be seriously and negatively impacted and this could affect our long-term success.

Plan History

The 2013 Plan was originally adopted by the Board in July 2013, and it was approved by our stockholders in October 2013. Since the 2013 Plan became effective, it has been amended several times to, among other things, increase the number of shares and add certain features, which we believe promote compensation governance best practices. The plan was most recently amended by the Board in June 2022 to eliminate the term of the plan, subject to stockholder approval. The 2013 Plan was also amended by the Board to remove references to Section 162(m) of the Internal Revenue Code (Section 162(m)), which are no longer applicable, while retaining certain best practice performance-based award provisions.

The following table summarizes certain information regarding our equity incentive program, which includes our 2013 Plan and awards granted under other plans (other than our 2008 Employee Stock Purchase Plan). Our only active equity plans with available shares for future issuance are our 2013 Plan and our 2008 Employee Stock Purchase Plan.

	<u>As of June 15, 2022</u>
Total number of shares of common stock subject to outstanding full value awards (including PRUs and RSUs) under the 2013 Plan ⁽¹⁾	9,531,858
Total number of shares of common stock subject to outstanding stock options under all plans (including options assumed in transactions)	190,891
Weighted-average exercise price of outstanding stock options ⁽²⁾	\$5.61
Weighted-average remaining term of outstanding stock options	3.52 years
Total number of shares of common stock available for future grant under the 2013 Plan	11,508,657

⁽¹⁾ Includes unvested PRUs at the target grant level. There are no outstanding full value awards under any other equity plan.

Dilution, Burn Rate, and Equity Overhang

The Compensation Committee regularly reviews our burn rate and equity overhang activity to thoughtfully manage our long-term stockholder dilution. The following table provides detailed information regarding our burn rate and equity overhang activity for the last three fiscal years, which, in the interest of transparency, includes the impact of share repurchases that we made during such years.

	Fiscal 2022 (%)	Fiscal 2021 (%)	Fiscal 2020 (%)
Gross Burn Rate⁽¹⁾	0.71	1.00	2.47
Net Burn Rate⁽²⁾	0.53	0.74	0.52
Equity Overhang⁽³⁾	4.00	4.32	5.40

(1) Gross burn rate = 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.

(2) Net burn rate = 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.

(3) Overhang = 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 table below shows the number of options and full value awards granted in each of the last three years as well as the number of performance-based awards that were earned each year.

Fiscal Year	Option Awards Granted	Time-Based Options Granted	Performance-Based Options Granted ⁽¹⁾	Performance-based Options Earned	Total Full-Value Awards Granted	Time-Based RSUs Granted	PRUs Granted ⁽¹⁾	PRUs Earned
2022	—	—	—	—	6,730,293	4,149,490	2,580,803	150,132
2021	—	—	—	975,000	4,628,315	3,664,543	963,772	2,078,155
2020	1,625,000	—	1,625,000	650,000 ⁽²⁾	14,421,293	12,449,867	1,971,426	971,522

(1) Amounts are reflected at target and reflect certain subsequent adjustments made to reduce the number of shares subject to the award.

(2) Includes 650,000 shares that vested upon the closing of the sale of our Enterprise Security assets to Broadcom Inc.

Promotion of Compensation Governance Best Practices

The 2013 Plan is designed to promote compensation governance best practices and play an important part of our pay-for-performance philosophy:

- *No “evergreen” provision.* The 2013 Plan has a fixed number of shares available for issuance. It is not an “evergreen” plan.
- *No “fungible share reserve.”* The 2013 Plan does not contain a “fungible share reserve.” Instead, each one share granted as a restricted stock award, RSU (including PRUs), stock option or stock appreciation right (SAR) under the 2013 Plan will count as the issuance of one share reserved for issuance under the 2013 Plan for the purpose of computing shares remaining available for issuance.
- *No discounted options or SARs.* Stock options and SARs must be granted with an exercise price that is not less than 100% of the fair market value on the date of grant.
- *One year minimum vesting on options and SARs.* Subject to certain exceptions, each stock option and SAR granted under the 2013 Plan, other than a stock option or SAR granted in substitution for a stock option or SAR granted under a stock plan of a company acquired by the Company, is subject to a minimum service vesting requirement of one year from the date of grant of such stock option or SAR.
- *Repricing prohibited.* Repricing or certain other exchanges of stock options and SARs for new 2013 Plan awards or cash is prohibited unless stockholder approval is first obtained.
- *Non-Employee Director Compensation Limit.* The aggregate value of all compensation paid or granted, as applicable, to any individual for service as a non-employee director of our Board of Directors with respect to any fiscal year, including awards granted under the 2013 Plan and cash fees paid by us to such non-employee director, will not exceed \$900,000 in total value.
- *No recycling or liberal share counting.* No recycling of shares or “liberal share counting” practices are permitted under the 2013 Plan. Shares tendered to us or retained by us in the exercise or settlement of an award or for tax withholding, or shares that are repurchased on the open market with the proceeds of an option exercise price will not become available again for issuance under the 2013 Plan. In addition, the gross shares subject to a SAR award and not the net number of shares actually issued upon exercise of such SAR counts against the 2013 Plan reserve.

Summary of our 2013 Equity Incentive Plan, as Amended

The following is a summary of the principal provisions of the 2013 Plan, as proposed to be amended. This summary does not purport to be a complete description of all of the provisions of the 2013 Plan. It is qualified in its entirety by reference to the full text of the 2013 Plan, which is set forth in Annex B to this proxy statement.

Administration. The Compensation Committee administers the 2013 Plan (except when the Board decides to directly administer the 2013 Plan).

Eligibility. Employees (including officers), consultants, independent contractors, advisors and members of the Board (including non-employee directors) are eligible to participate in the 2013 Plan. As of June 17, 2022, there were approximately 2,638 employees, including three executive officers, seven consultants, and eight non-employee directors that were eligible to receive awards under the 2013 Plan.

Since our executive officers and non-employee directors may participate in the 2013 Plan, each of our executive officers, non-employee directors and director nominees has an interest in Proposal No. 4.

Types of Awards. Awards that may be granted are stock options (both nonstatutory stock options and incentive stock options (which may only be granted to employees)), restricted stock awards, RSUs (including PRUs) and stock appreciation rights (each individually, an award).

Shares Reserved for Issuance. The total number of shares reserved under the 2013 Plan since the 2013 Plan's adoption is 82,000,000 shares, with 11,508,657 shares available for future issuance as of June 15, 2022.

Shares Returned to the Plan. Shares that are subject to issuance upon exercise of an option but cease to be subject to such option for any reason (other than exercise of such option), shares that are subject to an award that is granted but is subsequently forfeited or repurchased by NortonLifeLock at the original issue price and shares that are subject to an award that terminates without shares being issued will again be available for grant and issuance under the 2013 Plan.

Shares Not Returned to the Plan. Shares that are withheld to pay the exercise or purchase price of an award or to satisfy any tax withholding obligations in connection with an award, shares that are not issued or delivered as a result of the net settlement of an outstanding option or SAR and shares that are repurchased on the open market with the proceeds of an option exercise price will not be available again for grant and issuance under the 2013 Plan.

Reduction of Shares. For purposes of determining the number of shares available for grant under the 2013 Plan, any equity award (i.e., an option, SAR, award of restricted stock or RSUs) will reduce the number of shares available for issuance by one share.

Per-Share Exercise Price. The per-share exercise price of stock options and SARs granted under the 2013 Plan must equal at least the fair market value of a share of our common stock on the grant date of the option or SAR.

No Repricing. The exercise price of an option or SAR may not be reduced (repriced) and no option or SAR may be cancelled in exchange for an award with a lower exercise price or cash without first obtaining stockholder approval (other than in connection with certain corporate transactions, including stock splits, stock dividends, mergers, spin-offs and certain other similar transactions).

Recoupment (Clawback) Policy; Insider Trading Policy. Under the 2013 Plan, awards granted under the 2013 Plan are subject to a clawback policy adopted by the Board or required by law. We maintain a formal clawback policy for recoupment of performance-based equity compensation, PRUs and other performance-based compensation granted under the 2013 Plan from the Company's executive officers, including all named executive officers. Pursuant to this policy, the Board of Directors may seek to recoup certain incentive compensation from executives in the event that the Company is required to restate its financial statements due to fraud or intentional misconduct for three fiscal years preceding the date on which the Company is required to prepare an accounting restatement, or for certain violations of the Company's policies. This policy operates in addition to any compensation recoupment provided for under the Company's Executive Annual Incentive Plans or other equity arrangements. Awards under the 2013 Plan are also subject to compliance with the Company's insider trading policy.

Number of Shares Per Calendar Year. No person will be eligible to receive more than 2,000,000 shares in any calendar year pursuant to the grant of awards under the 2013 Plan, except that new employees are eligible to receive up to a maximum of 3,000,000 shares in the calendar year in which they commence employment with us.

Non-Employee Director Compensation Limit. Under the 2013 Plan, non-employee directors may be granted stock options and other equity awards either on a discretionary basis or pursuant to a policy adopted by the Board. Additionally, the aggregate value of all compensation paid or granted, as applicable, to any individual for service as a non-employee director of our Board of Directors with respect to any fiscal year, including awards granted under the 2013 Plan and cash fees paid by us to such non-employee director, will not exceed \$900,000 in total value.

Beginning with the 2023 fiscal year pursuant to a policy adopted by the Board, on the date of the annual meeting occurring during each fiscal year, each non-employee director of the Board will receive an annual award of restricted stock units having a fair market value on the grant date equal to \$260,000, which will vest 100% on the earlier of the first anniversary of the date of grant and the next annual meeting, subject to the director's continued service through the vesting date. The amount of such grants will be prorated for directors who are appointed between annual meetings.

In addition, each non-employee director may elect to receive such director's annual retainer fee in the form of restricted stock units in lieu of cash, which will be granted on the date of the annual meeting immediately following such election (or on the date of appointment for new non-employee directors who join the Board between annual meetings) and which will vest in equal portions quarterly on the same dates as the cash retainer.

On the date of the 2022 Annual Meeting, each non-employee director serving on the Board during the period from the first day of the 2023 fiscal year to the date of the 2022 Annual Meeting (such period, the Gap Period) will receive an additional prorated annual cash retainer fee equal to \$20,833, prorated committee fees, and an additional fully vested award of stock with a fair market value on the grant date equal to \$108,833 to compensate such directors for their service on the Board during the Gap Period. Non-employee directors may elect to receive stock in lieu of cash for all of their prorated annual cash retainer fee for the Gap Period in the form of a fully vested stock award on the date of the 2022 Annual Meeting.

Vesting and Exercisability. Awards become vested and exercisable, as applicable, within such periods, or upon such events, as determined by the administrator and as set forth in the related award agreement. Vesting may be based on the passage of time in connection with services performed for us or upon achievement of performance goals or other criteria, which may include the performance goals that are set forth in the 2013 Plan. The maximum term of each option and SAR is ten years from the date of grant. As a matter of practice, options have generally been subject to a four-year vesting period with a one-year period before any vesting occurs and are currently granted with a maximum term of seven years from the date of grant. Options cease vesting on the date of termination of service or the death or disability of the employee, and generally expire three months after the termination of the employee's service to NortonLifeLock or up to 12 months following the date of death or disability. However, if an employee is terminated for cause, the option expires upon termination. SARs become exercisable as they vest and are settled in cash or shares, as determined by the administrator, having a value at the time of exercise equal to (1) the number of shares deemed exercised, times (2) the amount by which NortonLifeLock's stock price on the date of exercise exceeds the exercise price of SARs. RSUs are settled in cash or shares, depending on the terms upon which they are granted, and only to the extent that they are vested. Shares subject to a restricted stock award that are unvested remain subject to our right of repurchase.

Minimum Vesting. No stock option or SAR award granted on or after November 1, 2016 will vest until at least 12 months following the date of grant of the award; provided, however, that up to 5% of the shares authorized for issuance under the 2013 Plan as of November 1, 2016 may be subject to stock options and SAR awards granted on or after November 1, 2016 which do not meet such vesting (and, if applicable, exercisability) requirements.

No Dividends Paid on Unvested Awards. Under the 2013 Plan, dividend or dividend equivalent payments may be accrued but not paid on unvested equity awards. Any dividends or dividend equivalents on unvested awards are subject to the same vesting conditions as the awards to which they relate and may be paid at the time of vesting.

Method of Exercise. The exercise price of options and the purchase price, if any, of other stock awards may be paid by cash, check, wire transfer or, where expressly approved by the administrator and permitted by applicable law, cancellation of indebtedness of NortonLifeLock to the participant, surrender of shares held by the participant that have a fair market value on the date of surrender equal to the aggregate exercise price of the exercised or settled shares, cashless "net exercise" arrangement, waiver of compensation due or accrued to the participant for services rendered, broker assisted same-day sales (solely with respect to the exercise of an option) or other methods permitted by the 2013 Plan, the administrator and applicable law.

Adjustment of Shares. In the event of a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of NortonLifeLock without consideration or if there is a change in the corporate structure of NortonLifeLock, then (a) the number of shares reserved for issuance and future

grant under the 2013 Plan, (b) the limits on the number of shares that may be issued to participants in a calendar year, (c) the exercise price and number of shares subject to outstanding options and SARs, (d) the maximum number of shares that may be issued as incentive stock options, (e) the maximum number of shares that may be issued to non-employee directors in a fiscal year and (f) the purchase price and number of shares subject to other outstanding awards, including restricted stock awards, will be proportionately adjusted, subject to any required action by the Board or our stockholders and subject to compliance with applicable securities laws. In the event of an extraordinary cash dividend, the Company may make certain adjustments in lieu of the above, including cash payments.

Corporate Transaction. In the event of a corporate transaction constituting change in the ownership or effective control of NortonLifeLock or a change in the ownership of a substantial portion of the assets of NortonLifeLock (as set forth in the 2013 Plan), the buyer may, among other alternatives, either assume outstanding awards or substitute equivalent awards, provided that all non-employee director awards will accelerate upon the closing of the transaction unless otherwise determined by the Board. If the buyer fails to assume or substitute awards issued under the 2013 Plan, all awards will accelerate upon the closing of the transaction, unless otherwise determined by the Board. Subject to any greater rights granted to participants as described in the foregoing, any outstanding awards will be treated as provided in the applicable agreement or plan of merger, consolidation, dissolution, liquidation, sale of assets or other corporate transaction. The 2013 Plan also allows the Compensation Committee or the Board to determine the vesting, exercisability and payment of awards, which includes providing for the acceleration of outstanding equity awards in connection with a change in control. In accordance with this provision, the Board has adopted the NortonLifeLock Inc. Executive Retention Plan, which provides for the acceleration of equity awards in the event that an executive officer's employment is terminated without cause or constructively terminated by the acquirer within 12 months after the change in control.

Amendment or Termination of 2013 Plan. The 2013 Plan, as amended, does not have a term. However, the Board may at any time amend or terminate the 2013 Plan in any respect; provided, that the Board may not, without the approval of the stockholders of NortonLifeLock, amend the 2013 Plan to increase the number of shares that may be issued under the 2013 Plan, change the designation of employees or class of employees eligible for participation in the 2013 Plan, reduce (reprice) the exercise price of an option or SAR or cancel any option or SAR in exchange for an award with a lower exercise price or cash (other than in connection with certain corporate transactions, including stock splits, stock dividends, mergers, spin-offs and certain other similar transactions), or materially modify a provision of the 2013 Plan if the modification requires stockholder approval under Nasdaq rules.

Summary of Federal Income Tax Consequences of Awards Granted under the 2013 Equity Incentive Plan, as Amended

The following is a general summary as of the date of this proxy statement of the U.S. federal income tax consequences to NortonLifeLock and participants in the 2013 Plan with respect to awards granted under the 2013 Plan. U.S. federal tax laws may change and U.S. federal, state and local tax consequences for any participant will depend upon his or her individual circumstances.

Tax Treatment of the Participant

Incentive Stock Options. An optionee will recognize no income upon the grant of an incentive stock option (ISO) and will incur no tax upon exercise of an ISO unless for the year of exercise the optionee is subject to the alternative minimum tax (AMT). If the optionee holds the shares purchased upon exercise of the ISO (the ISO Shares) for more than one year after the date the ISO was exercised and for more than two years after the ISO's grant date (the required holding period), then the optionee generally will realize long-term capital gain or loss (rather than ordinary income or loss) upon disposition of the ISO Shares. This gain or loss will equal the difference between the amount realized upon such disposition and the amount paid for the ISO Shares upon the exercise of the ISO.

If the optionee disposes of ISO Shares prior to the expiration of the required holding period (a disqualifying disposition), then gain realized upon such disposition, up to the difference between the option exercise price and the fair market value of the ISO Shares on the date of exercise (or, if less, the amount realized on a sale of such ISO Shares), will be treated as ordinary income. Any additional gain will be capital gain, and treated as long-term capital gain or short-term capital gain depending upon the amount of time the ISO Shares were held by the optionee.

Alternative Minimum Tax. The difference between the exercise price and fair market value of the ISO Shares on the date of exercise is an adjustment to income for purposes of the AMT. Alternative minimum taxable income is determined by adjusting regular taxable income for certain items, increasing that income by certain tax preference items and reducing

this amount by the applicable exemption amount. If a disqualifying disposition of the ISO Shares occurs in the same calendar year as exercise of the ISO, there is no AMT adjustment with respect to those ISO Shares. Also, upon a sale of ISO Shares that is not a disqualifying disposition, alternative minimum taxable income is reduced in the year of sale by the excess of the fair market value of the ISO Shares at exercise over the amount paid for the ISO Shares.

Nonstatutory Stock Options. An optionee will not recognize any taxable income at the time a NSO is granted. However, upon exercise of a NSO, the optionee must include in income as compensation an amount equal to the difference between the fair market value of the shares on the date of exercise and the optionee's exercise price. The included amount must be treated as ordinary income by the optionee and will be subject to income tax withholding by NortonLifeLock if the optionee is an employee. Upon resale of the shares by the optionee, any subsequent appreciation or depreciation in the value of the shares will be treated as long-term or short-term capital gain or loss depending upon the amount of time the NSO shares were held by the optionee.

Restricted Stock Units. In general, no taxable income is realized upon the grant of a RSU award (including awards of PRUs). The participant will generally include in ordinary income, which will be subject to income tax withholding by NortonLifeLock if the participant is an employee, the fair market value of the shares of stock that are delivered to the participant upon settlement, which generally occurs at the time the RSUs vest.

Restricted Stock. A participant receiving restricted shares for services recognizes taxable income when the shares become vested. Upon vesting, the participant will include in ordinary income an amount, which will be subject to income tax withholding by NortonLifeLock if the participant is an employee, equal to the difference between the fair market value of the shares at the time they become substantially vested and any amount paid for the shares. Upon resale of the shares by the participant, subsequent appreciation or depreciation in the value of the shares is treated as long-term or short-term capital gain or loss depending on the amount of time the shares were held by the participant.

If the participant makes an election under Section 83(b) of the Code, the participant will include in income as ordinary income the fair market value of the shares of stock on the date of receipt of the award, less any purchase price paid for such shares. The income will be subject to withholding by NortonLifeLock (either by payment in cash or withholding out of the participant's award). If the award is subsequently forfeited, the participant will not receive any deduction for the amount treated as ordinary income.

Stock Appreciation Rights. A grant of a SAR has no federal income tax consequences at the time of grant. Upon the exercise of SARs, the value of the shares or other consideration received is generally taxable to the recipient as ordinary income, which will be subject to income tax withholding by NortonLifeLock if the recipient is an employee.

Tax Treatment of NortonLifeLock

Subject to any withholding requirement, the standard of reasonableness, and (if applicable) Section 162(m), NortonLifeLock generally will be entitled to a deduction to the extent any participant recognizes ordinary income from an award granted under the 2013 Plan.

ERISA Information

The 2013 Plan is not subject to any of the provisions of the Employee Retirement Income Security Act of 1974, as amended.

Accounting Treatment

NortonLifeLock will recognize compensation expense in connection with awards granted under the 2013 Plan as required under applicable accounting standards. NortonLifeLock currently recognizes compensation expense associated with equity awards over an award's requisite service period and establishes fair value of equity awards in accordance with applicable accounting standards.

New Plan Benefits

The 2013 Plan does not provide for set benefits or amounts of awards and we have not approved any awards that are conditioned on stockholder approval of the 2013 Plan. However, as noted above, each non-employee member of the Board who elected to receive restricted stock units in lieu of their annual cash retainer fees under the 2013 Plan and is reelected for another term, will receive his or her grant on the date of the 2022 Annual Meeting. In addition, each non-employee director will receive an annual award of restricted stock units under the 2013 Plan, having a fair market value on the grant date equal to \$260,000, an additional fully vested award of stock with a fair market value on the grant date equal to \$108,833 to compensate such director for his or her service between the period from the first day of FY23 to the date of the 2022 Annual Meeting (referred to above as the Gap Period), and, to the extent such director elects to receive stock in lieu of the prorated annual cash retainer fee for the Gap Period, an additional fully vested award of stock with a fair market value on the grant date equal to \$20,833. The following table summarizes the aggregate value of the shares that our current non-employee directors as a group may receive if they remain a director following the 2022 Annual Meeting (and assuming each director elects to receive restricted stock units in lieu of annual cash retainer fees and a fully vested award of stock in lieu of the prorated annual cash retainer fee for the Gap Period) and highlights the fact that none of our executive officers (including our named executive officers) or employees will receive any set benefits or awards that are conditioned upon stockholder approval of the 2013 Plan. All other future awards are discretionary and cannot be determined at this time.

<u>Name</u>	<u>Stock Awards and Restricted Stock Units Granted</u>
Named Executive Officers:	
Vincent Pilette	—
Natalie M. Derse	—
Bryan Ko	—
All current executive officers as a group (3 persons)⁽¹⁾	—
All current non-employee directors as a group (8 persons)	\$3,077,662 ⁽²⁾
All employees, excluding current executive officers	—

⁽¹⁾ Consists of Mr. Pilette, Ms. Derse and Mr. Ko.

⁽²⁾ Consists of the sum of the following grants that may be made to each non-employee director, who is elected at the Annual Meeting: (i) an annual restricted stock unit award with a grant date fair market value equal to \$260,000; (ii) an additional fully vested award of stock with a grant date fair market value equal to \$108,833; and (iii) assuming that each non-employee director elects to receive restricted stock units in lieu of annual cash retainer fees and a fully vested award of stock in lieu of the prorated annual cash retainer fee for the Gap Period, restricted stock units with a grant date fair market value equal to \$50,000 and a fully vested award of stock with a grant date fair market value equal to \$20,833. The number of shares subject to each non-employee director's stock awards and RSU awards will not be determinable until the grant date. See the section entitled "Director Compensation" on page 29 for more information.

As of June 15, 2022, since the inception of the 2013 Plan, the aggregate number of awards granted to each named executive officer and the various indicated groups under the 2013 Plan are:

<u>Name</u>	<u>Number of Awards Granted under 2013 Plan⁽¹⁾</u>
Named Executive Officers:	
Vincent Pilette	1,786,153
Natalie M. Derse	746,762
Bryan Ko	797,908
All current executive officers as a group (3 persons)⁽²⁾	3,330,823
All current non-employee directors as a group (8 persons)⁽³⁾	329,430
All employees, excluding current executive officers	111,797,488

⁽¹⁾ No awards have been granted under the 2013 Plan to any associate of any of our directors (including nominees) or executive officers and no person received 5% or more of the total awards granted under the 2013 Plan since its inception.

⁽²⁾ Consists of Mr. Pilette, Ms. Derse and Mr. Ko.

⁽³⁾ All the non-employee directors who are nominees for election as a director are included within this group in addition to Mr. Hao, who was not nominated for election. The total number of shares that such nominees were granted on an individual basis are as follows: Susan P. Barsamian: 39,941; Eric K. Brandt: 24,611; Frank E. Dangeard: 94,790; Nora M. Denzel: 26,148; Peter A. Feld: 43,988; Emily Heath: 12,791; and Sherrese M. Smith: 12,791.

Equity Compensation Plan Information

The following table gives information about NortonLifeLock's common stock that may be issued upon the exercise of options, warrants and rights under all of NortonLifeLock's existing equity compensation plans as of April 1, 2022:

Plan Category	Equity Compensation Plan Information		
	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	—	—	54,839,883 ⁽¹⁾
Equity compensation plans not approved by security holders	— ⁽²⁾	—	—
Total	—	—	54,839,883

⁽¹⁾ Represents 31,785,751 shares remaining available for future issuance under NortonLifeLock's 2008 Employee Stock Purchase Plan, including shares subject to purchase during the current offering period, which commenced on February 16, 2022 (the exact number of which will not be known until the purchase date on August 15, 2022), 8,936,356 shares issuable upon settlement of PRUs and RSUs (at 100% of target), and 14,117,776 shares issuable for future grant under our 2013 Plan as of April 1, 2022.

⁽²⁾ Excludes outstanding options to acquire 196,449 shares as of April 1, 2022 that were assumed as part of various acquisitions. The weighted average exercise price of these outstanding options was \$5.51 as of April 1, 2022. In connection with these acquisitions, NortonLifeLock has only assumed outstanding options and rights, but not the plans themselves, and therefore, no further options may be granted under these acquired-company plans.

PROPOSAL NO. 5

STOCKHOLDER PROPOSAL REGARDING SHAREHOLDER RATIFICATION OF TERMINATION PAY

John Chevedden, on behalf of Kenneth Steiner (the Proponent), has notified us that he intends to present the following proposal at the Annual Meeting and that Mr. Steiner owns the requisite number of NortonLifeLock shares.

For the reasons set forth by NortonLifeLock in the section titled “Company Statement in Opposition” following the Proponent’s Proposal and supporting statement, NortonLifeLock recommends a vote AGAINST the Proponent’s Proposal. The Board and NortonLifeLock accept no responsibility for the proposal and supporting statement.

Proposal 5 — Shareholder Ratification of Termination Pay



Shareholders request that the Board seek shareholder approval of any senior manager’s new or renewed pay package that provides for severance or termination payments with an estimated value exceeding 2.99 times the sum of the executive’s base salary plus target short-term bonus.

“Severance or termination payments” include cash, equity or other compensation that is paid out or vests due to a senior executive’s termination for any reason. Payments include those provided under employment agreements, severance plans, and change-in-control clauses in long-term equity plans, but not life insurance, pension benefits, or deferred compensation earned and vested prior to termination.

“Estimated total value” includes: lump-sum payments; payments offsetting tax liabilities, perquisites or benefits not vested under a plan generally available to management employees, post-employment consulting fees or office expense and equity awards if vesting is accelerated, or a performance condition waived, due to termination.

The Board shall retain the option to seek shareholder approval after material terms are agreed upon.

Generous performance-based pay can sometimes be justified but shareholder ratification of “golden parachute” severance packages with a total cost exceeding 2.99 times base salary plus target short-term bonus better aligns management pay with shareholder interests.

For instance at one company if the CEO is terminated without cause, whether or not his termination follows a change in control, he will receive \$39 million in termination pay, nearly 7-times his base salary plus short-term bonus.

It is in the best interest of NortonLifeLock shareholders to be protected from such lavish management termination packages for one person. This proposal would also be a good supplement to our established Financial Code of Ethics.

It is important to have this policy in place so that NortonLifeLock management stays focused on improving company performance as opposed to seeking a business combination mostly to trigger a management golden parachute windfall.

This proposal is more important at NortonLifeLock because Mr. Vincent Pilette’s FY21 annual pay was \$13 million and our stock has been mostly flat since its \$30 price in 2017.

This proposal is a governance improvement proposal like the 2021 shareholders proposal to establish a permanent policy for an independent NortonLifeLock board chairman which won our 51% support. The 51% vote was truly impressive because management opposed this shareholder proposal and management opposition typically gets a ton of automatic votes.

Please check this proxy for management’s response to our 51% vote. If management makes a fig leaf response to a majority shareholder vote shareholders can consider whether to vote against the chair of the Governance Committee which may still be Ms. Susan Barsamian.

This proposal topic also won 58% support at the 2021 FedEx annual meeting.

Please vote yes:

Shareholder Ratification of Termination Pay — Proposal 5

Our Board of Directors' Statement in Opposition to Proposal No. 5

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.

As disclosed elsewhere in this Proxy Statement, we maintain strong pay governance policies and practices with respect to post-termination compensation of executives. The following discussion highlights these policies and practices, including the fact that we already prohibit cash severance payments exceeding 2.99 times base salary plus annual bonus without first seeking stockholder approval. As such, the Board believes the limitations the Proponent seeks to impose with his proposal are unnecessary in light of long-standing policies and practices of the Board and the Compensation and Leadership Development Committee (the Compensation Committee) and would unduly restrict their ability to design appropriate pay packages and address specific circumstances.

Cash severance payments for executive officers are already limited to less than 2.99 times base salary plus annual bonus.

Our Corporate Governance Guidelines were recently amended to formalize the Compensation Committee's long-standing, self-imposed limit on cash severance benefits as a multiple of an executive officer's annual base salary plus target bonus. As a result, we will not enter into any new employment agreement, severance agreement or similar arrangement with any of our executive officers, or establish any new severance plan or policy covering any of our executive officers, that, in each case, provides for cash severance benefits exceeding 2.99 times the sum of the executive officer's base salary plus target bonus, without first seeking stockholder approval of such agreement, plan, policy or arrangement.

The Proponent states that stockholders need protection from "lavish management termination packages for one person," suggesting we have such termination packages without identifying a single instance thereof. In point of fact, our existing executive severance plans in which our executive officers participate provide for much lower levels of cash severance payments than the Compensation Committee's now-formalized limit or the limit the Proponent seeks to impose. Please see the section entitled "Executive Compensation and Related Information — Potential Payments Upon Termination or Change-In-Control" for more information regarding the payments that are provided for under these severance plans.

The proposal's limits on equity compensation go too far.

The Proponent seeks to restrict the acceleration of vesting of equity awards in connection with a termination of service by including the value of this benefit in the amount of "severance or termination payments" to be applied against the limit. However, our stockholders have already voted on and given the Board and the Compensation Committee full discretion to accelerate vesting of equity awards under our equity compensation plan, which we believe indicates that stockholders recognize that the Board and CLDC need the flexibility to design appropriate pay packages and address specific circumstances, as further outlined below.

Our stockholders approved an equity compensation plan that allows for acceleration of outstanding equity awards in connection with a change in control or death or disability.

The 2013 Plan, which was approved by our stockholders with 90% of the votes cast at our 2018 Annual Meeting, allows the board of directors and the Compensation Committee to provide for the acceleration of outstanding equity awards in connection with a change in control. In accordance with these provisions, the Board has adopted the NortonLifeLock Inc. Executive Retention Plan, which provides for the acceleration of equity awards in the event that an executive officer's employment is terminated without cause or constructively terminated by the acquirer within 12 months after the change in control. The Board and the Compensation Committee believes that this change in control severance benefit, which is also used by a substantial majority of public companies, encourages executives to remain with the Company during a potential change in control, which further aligns their interests with those of our stockholders when evaluating any such potential transaction.

Similarly, while the award agreements covering all of our performance-based and time-based restricted stock units provide for acceleration in the event of death or disability, such provisions are permitted under our stockholder approved 2013 Plan and are consistent with the practice of many of our peers and encourage our employees to remain employed with the Company.

The proposal could create increased risk for stockholders and create a misalignment between our executives and our stockholders during a change-in-control transaction.

The proposal would significantly limit the Board's and the Compensation Committee's flexibility to provide reasonable assurance to our senior executives that they could realize the full expected value of their previously granted equity awards even if a change-of-control transaction were completed. Without this incentive to retain senior executives during a potential change in control, our ability to deliver maximum stockholder value in such a transaction could be impaired. The risk of job loss following a change in control, coupled with a limit on the value that may be realized from previously granted equity awards, may present an unnecessary distraction for our senior executives and could lead them to begin seeking new employment while a transaction is being negotiated or is pending.

The Executive Retention Plan is designed to avoid distractions and potential conflicts of interest that could otherwise arise when a potential change-in-control transaction is being considered. It permits our leadership team to remain focused on protecting stockholder interests and maximizing stockholder value. If the potential change-of-control transaction is in the best interests of our stockholders, our executive officers should be motivated to focus their full energy on pursuing this alternative, even if it is likely to result in the termination of their employment.

By including long-term equity incentive awards in the calculation of the proposed limit on "severance or termination benefits," the proposal discourages the use of long-term equity incentive awards, which are tied to maximizing long-term stockholder value and help us to recruit and retain executive talent.

The proposal could potentially trigger a stockholder approval requirement in order for our senior executives to realize the full value of their previously granted equity awards. Since calling a special meeting of stockholders to obtain stockholder approval of such accelerated vesting would be expensive and impractical, the Board and the CDLC believe the proposal would have the effect of discouraging the use of long-term equity incentive awards and would directly conflict with the objectives of our executive compensation program. It could also have an adverse impact on our ability to recruit and retain executive talent, as it would put us at a competitive disadvantage against other companies, who do not face similar restrictions or uncertainty regarding their ability to offer termination protection.

Our long-term incentive compensation, paid in the form of performance-based and time-based restricted stock units, is designed to focus our executive officers on increasing stockholder value and to incentivize their contribution to our long-term growth and performance. The use of performance-based restricted stock units ensures that the amount of long-term incentive compensation granted is tied directly to both increases in stockholder value and the achievement of critically important multi-year performance objectives. Because their value is tied to our stock price, time-based restricted stock units strongly support the objectives of ensuring that pay is aligned with changes in stockholder value and creating commonality of interest between our executives and stockholders. Due to the multi-year performance and/or vesting requirements, all of our long-term incentives support the goal of retaining our key executives. Equity awards comprise a significant portion of our executives' total compensation and are granted and accepted with the expectation that the executives will be given a fair opportunity to realize the full value of these awards.

The proposal is unnecessary because stockholders already have opportunities to express their approval of our post-termination compensation policies.

Each of our executive officers is an at-will employee and as such, does not have an employment contract or an individually negotiated severance arrangement. Our existing plans and policies governing post-termination compensation for executives are fully described in our proxy statement each year under "Executive Compensation and Related Information — Potential Payments Upon Termination or Change-In-Control" and, as such, stockholders have the opportunity to address those practices through our annual advisory vote on executive compensation. In addition, in the event of any merger, acquisition or other similar event, stockholders would have a further opportunity to express their views on any compensation to our named executive officers in connection with that transaction. Stockholders also have the chance to express their views on our ability to accelerate equity awards when deciding whether to approve the amendment of the 2013 Plan at the Annual Meeting.

In sum, our Board believes that our current executive compensation policies and practices, including our plans and policies governing post-termination compensation, are reasonable, appropriate and effectively align the interests of our executives with those of our stockholders. Adoption of this proposal could create a misalignment between those interests and prevent us from effectively recruiting, motivating and retaining critical talent, and therefore would not be in the best interests of our stockholders.

Vote Required

This Proposal No. 5 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. 5. 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. 5.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "AGAINST" PROPOSAL NO. 5.
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**PROXIES RECEIVED BY NORTONLIFELOCK WILL BE VOTED "AGAINST"
THIS PROPOSAL UNLESS OTHERWISE INSTRUCTED.**

OUR EXECUTIVE OFFICERS

The names, ages and positions of our executive officers at July 18, 2022 are shown below.

Name	Age	Position
Vincent Pilette	50	Chief Executive Officer
Natalie M. Derse	44	Chief Financial Officer
Bryan Ko	51	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 and previously as Vice President of Finance, Chief Audit Executive, Vice President, CFO Americas, Vice President, Americas Business Operations & General Manager Rest of Americas, and Senior Director, Global FP&A. 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. Ko has served as our Chief Legal Officer, Secretary and Head of Corporate Affairs since January 2020. Before joining NortonLifeLock, Mr. Ko served as Logitech International's general counsel, corporate secretary and head of corporate development from January 2015 through January 2020. Prior to joining Logitech, he was general counsel and corporate secretary for Fuhu, Inc., a late stage startup in 2014. 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 M.B.A. and Bachelor of Arts 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 18, 2022, 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 72 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 571,366,085 shares of NortonLifeLock common stock outstanding as of July 18, 2022. Shares of common stock subject to stock options and restricted stock units vesting on or before September 16, 2022 (within 60 days of July 18, 2022) 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.

Five Percent Owners of Common Stock

Name and Mailing Address	Shares Beneficially Owned	
	Number	Percent
Vanguard Group Inc. ⁽¹⁾ PO Box 2600, V26, Valley Forge, PA 19482-2600	63,970,609	11.2%
Capital World Investors ⁽²⁾ 333 South Hope Street, Los Angeles, CA 90071	53,009,164	9.3%
BlackRock, Inc. ⁽³⁾ 55 East 52 nd Street, New York, NY 10055	46,285,465	8.1%

⁽¹⁾ Based solely on a Schedule 13G/A filing made by The Vanguard Group on February 10, 2022, The Vanguard Group has shared voting power over 940,807 shares, sole dispositive power over 61,573,603 shares and shared dispositive power over 2,397,006 shares.

⁽²⁾ Based solely on a Schedule 13G/A filing made by Capital World Investors on February 11, 2022, Capital World Investors has sole voting and sole dispositive power over 53,009,164 shares.

⁽³⁾ Based solely on a Schedule 13G filing made by the BlackRock, Inc. on February 7, 2022, BlackRock, Inc. has sole voting power over 39,581,341 and sole dispositive power over 46,285,465 shares.

Security Ownership of Executive Officers and Directors

Name	Shares Beneficially Owned	
	Number	Percent
Peter A. Feld ⁽¹⁾	16,756,680	2.9%
Vincent Pilette ⁽²⁾	1,355,361	*
Frank E. Dangeard	141,477	*
Kenneth Y. Hao ⁽³⁾	88,211	*
Bryan S. Ko	159,242	*
Susan P. Barsamian ⁽⁴⁾	47,444	*
Eric K. Brandt ⁽⁵⁾	29,326	*

Name	Shares Beneficially Owned	
	Number	Percent
Natalie M. Derse	54,223	*
Nora M. Denzel	26,148	*
Sherrese M. Smith	15,250	*
Emily Heath	14,761	*
All Current Directors and Executive Officers as a Group (11 Persons)	18,688,123	3.3%

* Less than 1%

- (1) Includes 16,704,454 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. This stockholder's address is 777 Third Avenue, New York, New York 10017.
- (2) Includes 620,477 shares held by the VPJW Revocable Trust for which Mr. Pilette exercises voting and dispositive power.
- (3) 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.
- (4) Shares held by the Romans-Barsamian Revocable Trust for which Ms. Barsamian exercises voting and dispositive power.
- (5) Shares held by The Brandt Family Trust for which Mr. Brandt exercises voting and dispositive power.

EXECUTIVE COMPENSATION AND RELATED INFORMATION

Compensation Discussion & Analysis (CD&A)

This compensation discussion and analysis (CD&A) summarizes our executive compensation philosophy, our fiscal year 2022 (FY22) executive compensation program, and the FY22 compensation decisions made by the Compensation Leadership and Development Committee (Compensation Committee) with respect to the executive officers who are identified in the “Summary Compensation Table” below (NEOs):

NEOs

Named Executive Officer	Title
Vincent Pilette	Chief Executive Officer (CEO)
Natalie Derse	Chief Financial Officer (CFO)
Bryan Ko	Chief Legal Officer, Corporate Secretary and Head of Corporate Affairs

Executive Compensation Summary

About NortonLifeLock

NortonLifeLock has the largest Consumer Cyber Safety platform in the world, empowering nearly 80 million users in more than 150 countries. Our business is built around consumers, as we are the trusted and number one top of mind brand in consumer Cyber Safety.⁴

Today’s world is increasingly digital, and this digital world has changed the way we live our lives every day. Between the massive shift to working and learning from home, and the ever-growing utility and opportunities to play and transact online, people’s digital lives have become increasingly important. With each new digital interaction comes increased risk for consumers, as cybercriminals look to take advantage of these accelerating trends. This is why we view ourselves as a trusted ally for our customers in a complex digital world and are committed to advancing our vision of protecting each element of their digital lives.

We are uniquely positioned for driving the awareness of Cyber Safety for individuals, fueled by an increasingly connected world. We maintain a global, multi-channel direct acquisition and brand marketing program. This program is designed to grow our customer base by increasing brand awareness and understanding of our products and services and maximizing our global reach to prospective customers.

We help prevent, detect and restore potential damages caused by many cybercriminals. We also make it easy for consumers to find, buy and use our products and services. To this end, we sell subscription-based Cyber Safety solutions primarily direct- to-consumer through our portfolio of websites and indirectly through partner relationships with retailers, telecom service providers, hardware original equipment manufacturers (OEMs), strategic partners and employee benefit providers. Most of our subscriptions are sold on annual terms, but we also offer monthly subscriptions. As of April 1, 2022, we have nearly 80 million total users, which come from direct, indirect, and freemium channels. Of the total users, we have over 23 million direct customers with whom we have a direct billing relationship.

FY22 Executive Compensation at a Glance

FY22 marked our second full year as a stand-alone pure consumer Cyber Safety company, which brought with it new challenges as well as opportunities. Our Compensation Committee once again approved an executive compensation program that was intended to drive enterprise value creation for NortonLifeLock and our stockholders and reward actual performance. In addition, our FY22 compensation program took into account the critical retention concerns that we faced due to top 100 leaders being aggressively approached and recruited by other companies in the highly competitive talent market in which we compete, which concerns were exacerbated by our increased retention needs stemming from our proposed acquisition of Avast.

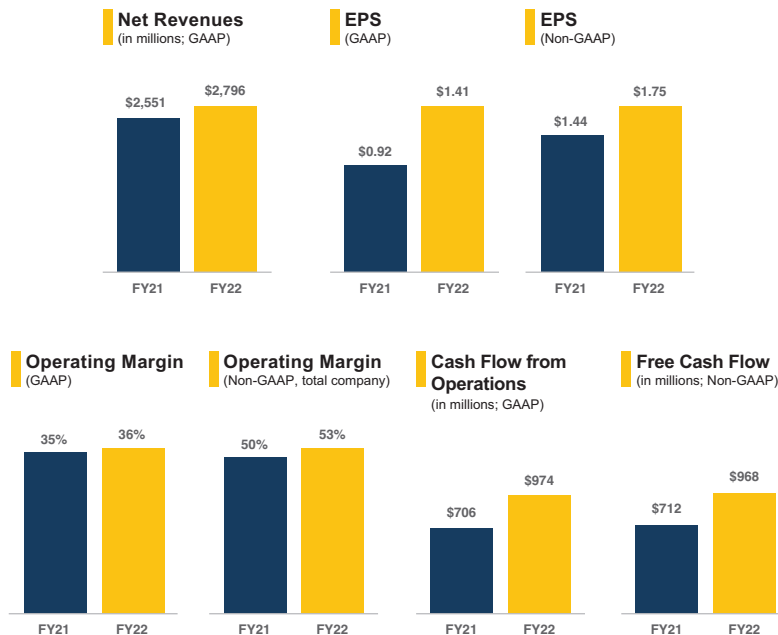
⁴ Based on 2022 NortonLifeLock brand tracking study.

Our Compensation Philosophy

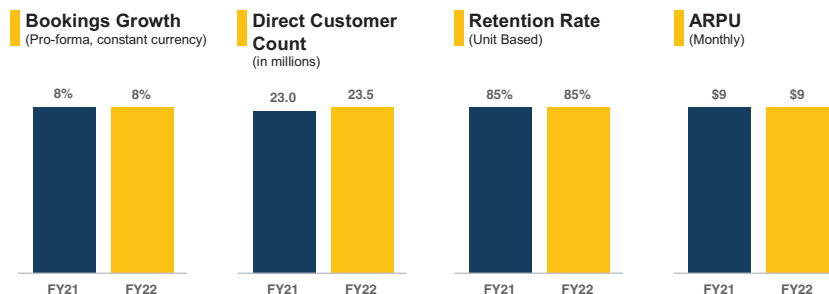
Drive Business Success	Our executive compensation program is designed to drive our success as a market leader in cybersecurity.
Pay for Performance	Our focus is to reward for outstanding company and individual performance, team success, and quantitative results that drive our short- and long-term company objectives; we aim to closely align the majority of our executive officers' overall target total compensation via long-term performance-based incentives.
Attract and Retain	We 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.

Pay for Performance Alignment

FY22 validated our long-term strategy and we showed good progress in our transformation journey with accelerated pace of product innovation, global expansion, and a relentless focus on customer experience as we saw all our key financial metrics increase, as reflected in the table below.



We also saw our key performance metrics remain stable year over year.



We also saw our stock price increase from \$21.42 to \$26.94 in FY22, prior to reflecting any adjustments for dividends.

In addition, we have undertaken a number of strategic actions to drive our long-term business objectives:

- In May 2021, we repurchased \$250,000,000 in aggregate principal amount of 2.50% convertible unsecured senior notes, and we amended our credit agreement and extended the maturity date of certain loans and our revolving credit facility.
- In July 2021, we completed the sale of certain land and buildings in Mountain View, California for cash consideration of \$355 million, net of selling costs and recognized a gain of \$175 million on the sale.
- On August 10, 2021, we announced a transaction under which we intend to acquire the entire issued and to be issued ordinary share capital of Avast plc, a global leader of digital security and privacy.
- In September 2021, we completed an acquisition of ReputationDefender, an online reputation management and digital privacy solutions company.
- In March 2022, we completed our restructuring plan to consolidate facilities and reduce operating costs in connection with our acquisition of Avira during fiscal 2021.

We believe that the compensation received by our NEOs for FY22 reflects our performance and accomplishments this past year as well as the rigor of our performance goals. The following table presents a summary of the FY22 executive compensation program and results.

Component	Metric ⁽¹⁾	Achievement (as a percentage of target)	Funding
FY22 Executive Annual Incentive Plan (EAIP)	FY22 Non-GAAP operating income threshold goal	113.1%	Threshold Goal Achieved
	FY22 Bookings	100.3%	105%
FY22 Performance-based Restricted Stock Units⁽²⁾	50% based on 3-year total shareholder return (TSR) relative to the Nasdaq Composite Index	NA	NA
	50% based on CAGR for revenue	NA	NA
FY21 Performance-based Restricted Stock Units⁽²⁾	50% based on 3-year TSR relative to the Nasdaq Composite Index	NA	NA
	50% based on CAGR for revenue	NA	NA
FY20 Performance-based Restricted Stock Units⁽²⁾	3-year TSR relative to the S&P 500	193.06%	NA
Value Creation Program (VCP) Performance-based Restricted Stock Units⁽³⁾	Share price appreciation targets, subject to applicable TSR gates relative to the Nasdaq Composite Index, measured over a 4-year period	0% to date	0% to date

⁽¹⁾ Please see discussion in the CD&A section of this proxy statement below for more detail regarding how these metrics are calculated.

⁽²⁾ Achievement certified by the Compensation Committee at end of three-year period.

⁽³⁾ Achievement certified by the Compensation Committee at end of four-year period.

Say-On-Pay and Stockholder Engagement

At our 2021 Annual Meeting of Stockholders, we requested that our stockholders cast a non-binding advisory vote on the compensation of our fiscal year 2021 (FY21) NEOs, also known as a “say-on-pay” vote. This proposal passed with approximately 93.3% of the votes cast (excluding abstentions). The level of support at our 2021 Annual Meeting of Stockholders was an improvement to the level of support in 2020. At NortonLifeLock, we have an open line of communication with our stockholders and investors and continue to engage with them for feedback on our programs. During 2021, we engaged with 70% of our top 20 stockholders, representing over 40% of our outstanding capital stock. In these meetings we discussed matters such as NortonLifeLock’s prospects, business model, corporate governance, and executive compensation programs, including our program metrics and goals. Given the level of support at our 2021 Annual Meeting of Stockholders and the feedback we received, our FY22 compensation program maintains the same fundamental structure as our FY21 compensation program, except our FY22 compensation program also took into account the critical retention concerns we faced in FY22, which concerns were exacerbated by the proposed Avast transaction, as described in more detail below.

Our Executive Compensation Program Continues to Reflect Best Governance Practices

Our Compensation Committee designed our FY22 compensation program to be consistent with leading corporate governance and executive compensation practices:

What We Do

✓ At risk pay	The majority of pay for our CEO and other NEOs is at risk and/or performance-based.
✓ Link to results	Our short-term incentive compensation is linked directly to our financial results and may be modified by individual performance, except in the case of our CEO, whose compensation is entirely based on company performance. A significant portion of our long-term incentive compensation is linked directly to multi-year financial results or relative TSR.
✓ Predetermined goals	We reward performance that meets our short and long-term predetermined goals.
✓ Capped payouts	We cap payouts under our incentive plans to discourage excessive or inappropriate risk taking by our NEOs.
✓ Peer group	We have a relevant peer group and reevaluate the peer group annually.
✓ Ownership guidelines	We have robust stock ownership guidelines for our executive officers and directors.
✓ Clawback policy	We have a comprehensive “clawback” policy, applicable to all performance-based compensation granted to our executive officers.
✓ Double-trigger acceleration	We only provide for “double-trigger” change-in-control payments and benefits for our executive officers.
✓ Capped severance	We do not provide for any potential cash severance payments that exceed more than 1x our executive officers' base salary and target bonus, and we maintain a policy requiring stockholder approval of any cash severance benefits exceeding 2.99 times the sum of an executive officer's base salary plus target bonus.
✓ Independent consultant	Our Compensation Committee retains an independent compensation consultant.
✓ Say-on-pay	We hold an annual advisory vote on named executive officer compensation.
✓ Stockholder engagement	We seek feedback on executive compensation through stockholder engagement.
✓ Minimum vesting	We require one-year minimum vesting on all stock award grants to employees, with very limited exceptions.

What We Don't Do

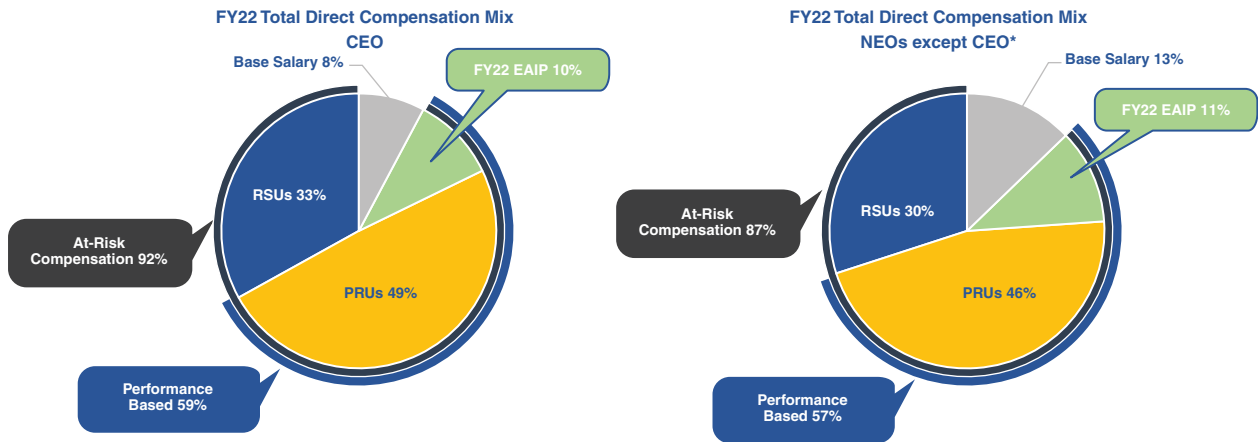
✗ No performance, no pay	We do not pay performance-based cash or equity awards for unsatisfied performance goals.
✗ No minimum payouts	Our compensation plans do not have minimum guaranteed payout levels.
✗ No automatic increases	We do not provide for automatic salary increases or equity award grants in offer letters or employment agreements.
✗ No short sales, hedging	With very limited exceptions, we do not permit short-sales, hedging or pledging of our stock.
✗ No golden parachutes	We do not provide “golden parachute” excise tax gross-ups.
✗ No excessive severance	We do not provide excessive severance payments.
✗ No SERPs	We do not provide executive pension plans or SERPs.
✗ No excessive perks	We do not provide excessive perquisites.
✗ No repricing	We do not permit the repricing or cash-out of stock options or stock appreciation rights without stockholder approval.
✗ No unvested dividends	We do not permit the payment of dividend or dividend equivalents on unvested equity awards.

Appropriate Pay Mix

Our FY22 compensation philosophy is designed around “pay-for-performance” so that a large portion of our NEOs’ total target direct compensation is “at-risk” and/or performance-based. In determining the mix of the various reward elements and the value of each component, the Compensation Committee considered the executive’s role, the competitiveness of the market for executive talent, company performance, individual performance, internal pay equity, historical compensation and retention concerns. Executive officers generally have a greater portion of their compensation at risk through short- and long-term incentive programs than the rest of our employee population because of their relatively greater responsibility and ability to influence NortonLifeLock’s performance.

From time to time, special business conditions, such as a highly competitive talent market and acquisitions that create unique business needs, may warrant additional compensation, such as equity awards in connection with retention of our executive officers.

As illustrated by the following charts, for FY22, approximately 92% of our current CEO’s annual target total direct compensation was at-risk and approximately 59% is performance-based, and on average approximately 87% of our other named executive officers’ annual target total direct compensation opportunity was at-risk compensation, and approximately 57% is performance-based.



* PRUs and RSUs exclude VCP awards. EAIP is reflected at target and does not reflect the actual payout. PRUs and RSUs are reflected at their grant date fair value.

Compensation Components

Our FY22 compensation philosophy is reflected in the following key elements of executive compensation: (i) base salary, (ii) short-term annual cash incentive awards and (iii) long-term equity incentive awards.

FY22 Component	Form of Compensation	Performance Period	Metrics and Performance Criteria	Details
Base Salary	Cash	Annual	NEO base salary changes reviewed annually by CEO (or Board for CEO changes).	Page 56
Executive Annual Incentive Plan	Cash	Annual	Bookings with non-GAAP operating income as a threshold goal.	Page 57
Annual Equity Incentive Awards	Performance-based Restricted Stock Unit (PRU)	Vests at the end of a three-year period	50% of PRUs vest in full at end of FY24 based on achievement of our 3-year relative TSR versus the Nasdaq Composite Index. 50% of PRUs vest in full at end of FY24 based on achievement of CAGR for revenue measured over a multi-year period.	Page 59
	Restricted Stock Unit (RSU)	Vests annually over three years	Service and time-based vesting.	Page 62
Value Creation Program (VCP) Equity Incentive Awards for Top 100 Leaders (Excluding CEO for FY22)	Performance-based Restricted Stock Unit (PRU); 75% of Total VCP Award	Vests at the end of a four-year period	Vests in full at end of FY26 based on achievement of certain challenging share price appreciation targets, ranging from \$35 to \$50 per share, over the performance period, subject to performance gates related to our relative TSR versus the Nasdaq Composite Index.	Page 62
	Restricted Stock Unit (RSU) 25% of Total VCP Award	Cliff Vests at the end of vesting period	Service and time-based cliff vesting on December 1, 2023.	Page 64

Base Salary

Philosophy	Provide fixed compensation to attract and retain key executives.
Considerations	Salary reviewed and set annually by the Compensation Committee. Skill set, experience performance contribution levels, role, positioning relative to peer group and market and our overall salary budget. Annual review by CEO for other executives.

Annual Cash Incentive Award

Philosophy	<p>Establish appropriate, market competitive, short-term performance measures to help drive future growth and profitability.</p> <p>Reward achievement of short-term performance measures consistent with financial plan.</p>
Target Amount Considerations	<p>Relevant market and peer data. Internal pay equity.</p> <p>Desired market position for each NEO.</p>
Operating Metrics Used	<p>Bookings with non-GAAP operating income threshold goal.</p>
Award Design Considerations	<p>We believe these program metrics 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.</p> <p>Direct impact on these metrics through skillful management and oversight.</p> <p>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.</p> <p>Performance payout curves set to substantially drive increased customer subscriptions and profit and in accordance with our FY22 financial plan.</p> <p>CEO award payout is solely based on company financial performance.</p>
Performance Conditions	<p>Bookings with non-GAAP operating income threshold goal.</p> <p>See Annex A for the definition of bookings and a reconciliation of non-GAAP operating income to GAAP operating income.</p>

Annual Equity Incentive Awards

Philosophy	<p>Establish appropriate, market competitive, performance measures to substantially drive future short- and long-term growth and profitability.</p> <p>Multi-year vesting and performance requirements that help align our NEOs' pay with the creation of long-term shareholder return.</p> <p>Provide meaningful and appropriate incentives for our short- and long-term success to attract and retain talent in a highly competitive market.</p> <p>Reward NEOs for creating stockholder value over long term.</p>
Grant Mix	<p>Equity awards are a mix of PRUs and RSUs.</p> <p>For our current NEOs, the mix was 60% PRUs and 40% RSUs.</p>
Target Amount Considerations	<p>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.</p>
Award Consideration Amounts	<p>NEOs' responsibilities and anticipated future contributions.</p> <p>NEOs' past award amounts and amount of unvested equity held by each NEO.</p> <p>Competitive market assessment.</p> <p>Gains recognizable by the NEO from equity awards made in prior years.</p>

Award Design Consideration	<p>NEOs' ability to drive long-term financial performance, including share price appreciation.</p> <p>Metrics should align with long-term financial and operational goals and short-term strategy.</p> <p>Performance of our peers.</p> <p>Attract and retain valuable NEOs.</p>
Vesting Conditions	<p>50% of PRUs vest in full at end of FY24 based on achievement of 3-year relative TSR versus the Nasdaq Composite Index.</p> <p>50% of PRUs vest in full at end of FY24 based on achievement of CAGR for revenue.</p> <p>100% of RSUs are time-based and generally vest annually over three years: (33%/ 33%/34%).</p>

Value Creation Program (VCP) Equity Incentive Awards

Philosophy and Award Design Consideration	<p>Address retention issues and drive business performance related to the highly competitive talent market within which we compete through long-term equity incentive awards with multi-year cliff vesting that is predominantly performance-based.</p> <p>Provide retention incentives to our leadership team in connection with our proposed acquisition of Avast to provide vital leadership through a shared future with Avast and beyond.</p> <p>Apply aggressive share price appreciation hurdles that increase enterprise value and create significant return for shareholders.</p>
Grant Mix	<p>Equity awards are a mix of PRUs and RSUs.</p> <p>The mix was 75% PRUs and 25% RSUs.</p> <p>Our CEO did not participate in the Value Creation Program during FY22.</p>
Award Consideration Amounts	<p>The retentive power of each participating NEO's existing unvested equity award holdings, which was relatively low given the highly competitive talent market and relative to tenure.</p>
Vesting Conditions	<p>100% of PRUs are performance-based and vest in full at end of FY26 based on achievement of certain challenging share price appreciation targets, ranging from \$35 to \$50 per share, subject to performance gates relating to our relative TSR versus the Nasdaq Composite Index.</p> <p>100% of RSUs are time-based and cliff vest on December 1, 2023.</p>

Base Salary

The following table presents each NEO's annual base salary for FY22.

Named Executive Officer	FY21 Annual Salary (\$)	Change in Salary (%)	FY22 Annual Salary (\$)
Vincent Pilette	825,000	9.09%	900,000
Natalie Derse	475,000	5.26%	500,000
Bryan Ko	480,000	4.17%	500,000

As presented in the table above, each of our NEOs received an increase in annual base salary. In March 2021, our Board determined that the increase for Mr. Pilette was appropriate given market compensation data for chief executive officers at comparable companies and Mr. Pilette's exemplary leadership in fostering growth and performance at NortonLifeLock. In March 2021, our Compensation Committee determined that the increases for Ms. Derse and Mr. Ko were appropriate given

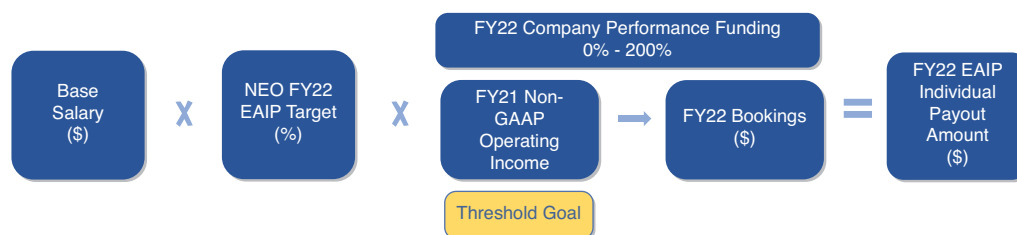
the role, scope and priorities of each NEO, the key strengths and development opportunities of each NEO, and the compensation provided to individuals in comparable positions at peer companies.

Executive Annual Incentive Plan (EAIP)

The following table presents each NEO's target incentive opportunity for FY22 under the FY22 Executive Annual Incentive Plan (the FY22 EAIP) expressed as a percentage of base salary. In March 2021, Mr. Pilette's target incentive opportunity was increased from 120% of base salary for FY21 to 125% of base salary for FY22 based on the same factors that were considered by our Board with respect to Mr. Pilette's annual base salary increase. There was no increase in the target incentive opportunities of our other NEOs for FY22 from FY21.

Named Executive Officer	FY22 Individual Incentive Target (%)	FY22 Target (\$)
Vincent Pilette	125	1,125,000
Natalie Derse	80	400,000
Bryan Ko	80	400,000

The amount of each NEO's actual payout amount under the FY22 EAIP was based on the following formula. The Compensation Committee had discretion to adjust individual awards based on individual performance, except in the case of our CEO, whose compensation would be entirely based on company performance.



Executive Annual Incentive Plan — Company Performance Metrics

The Compensation Committee selected company performance metrics under the FY22 EAIP to create strong alignment between company performance and NEO annual incentive payouts.

Measure	Definition	Purpose
Bookings	“Bookings,” as described in “Appendix A — Reconciliations” in this proxy statement.”	Bookings aligns to NortonLifeLock’s growth objectives by incentivizing our executives to drive new customer subscriptions.
Non-GAAP Operating Income (Threshold Goal)	“Non-GAAP operating income,” as described in “Appendix A — Reconciliations” in this proxy statement.”	Non-GAAP operating income aligns to our long-term business model to increase NortonLifeLock’s profitability.

Actual non-GAAP operating income for FY21 served as the threshold goal for the FY22 EAIP; a minimum of \$1,308 million in non-GAAP operating income would need to be attained before any payout was made. If the minimum non-GAAP operating income threshold goal was attained, payout under the FY22 EAIP still required a threshold level of bookings achievement. The Compensation Committee moved away from non-GAAP operating margin to non-GAAP operating income because it determined that non-GAAP operating income better reflected the true profitability of the company.

The maximum possible payout for the FY22 EAIP was 200%. The Compensation Committee established threshold, target and maximum performance goals for the bookings metric, based primarily on NortonLifeLock’s financial plan for FY22. In addition, except for our CEO, actual individual payouts could be further adjusted by the Compensation Committee solely based on individual performance as assessed against the NEO’s area of responsibility, development and management of employees, leadership and alignment to our values.

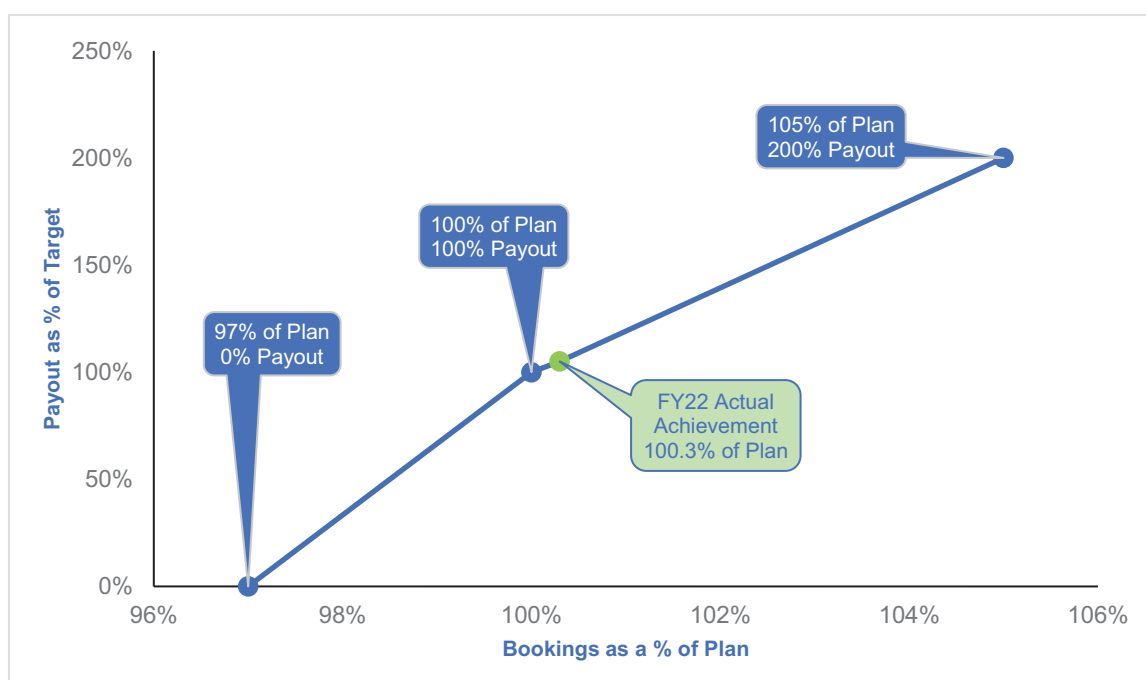
Both the threshold and target booking goals were set above prior year results.

	Bookings Percent of Plan ⁽¹⁾	Funding (%)
Threshold	97%	0%
Target	100%	100%
Max	105%	200%

⁽¹⁾ Funding based on linear interpolation for performance between threshold and target and target and maximum performance. We do not disclose actual dollar performance goals for competitive reasons.

Executive Annual Incentive Plan — Company Results

For FY22, the Compensation Committee confirmed that the non-GAAP operating income goal was achieved at \$1,480 million, which was \$172 million or 13% over the threshold goal. With respect to the bookings metric, the Compensation Committee approved FY22 company achievement at 100.3% of plan, which resulted in funding at 105% and actual bookings was 2.9 billion, up 8% year over year. The following graph shows the threshold, target and maximum payouts under the FY22 EAIP, along with actual company performance and funding:



For FY22, our Compensation Committee determined that the payouts for Ms. Derse and Mr. Ko under the FY22 EAIP would be based solely on NortonLifeLock's FY22 performance under the FY22 EAIP and no adjustments would be made, given that it determined company achievement was well aligned with individual performance.

Executive Annual Incentive Plan — FY22 Payout Results

NEO	Base Salary (\$)	Annual Incentive Target (%)	Company Performance Funding Achievement (%)	Individual Payout Amount (\$)
Vincent Pilette	900,000	125	105	1,181,250
Natalie Derse	500,000	80	105	420,000
Bryan Ko	500,000	80	105	420,000

Equity Incentive Awards

Annual Equity Incentive Awards — Overview

The primary purpose of our annual equity incentive award program is to align the interests of our NEOs with those of our stockholders by rewarding the NEOs for creating stockholder value over the long term. By compensating our NEOs with annual equity incentive awards, our executives have an opportunity to realize a stake in NortonLifeLock's financial future. The gains realized in the long term depend on our NEO's ability to drive the financial performance of NortonLifeLock as reflected in the share price.

We seek to provide annual equity incentive awards that are competitive with companies in our peer group and the market generally. When making annual equity incentive awards to NEOs, we consider NortonLifeLock's performance during the past year, the role, responsibility and performance of the individual NEO, the competitive market assessment described below, prior equity awards, and the level of vested and unvested equity awards then held by each named executive officer. In making annual equity incentive awards, we also generally take into consideration gains recognizable by the executive from equity awards made in prior years.

The Compensation Committee believed that for the FY22 annual equity incentive award program, a mix of PRUs and RSUs was the appropriate annual long-term equity incentive for named executive officers, with approximately 60% of the value of their target annual equity incentive award in the form of PRUs and 40% in the form of RSUs. We believe such a mix motivates our NEOs to contribute to our long-term success and stock price appreciation while also encouraging long-term retention.

Annual Equity Incentive Awards — FY22 Performance-based Restricted Stock Units

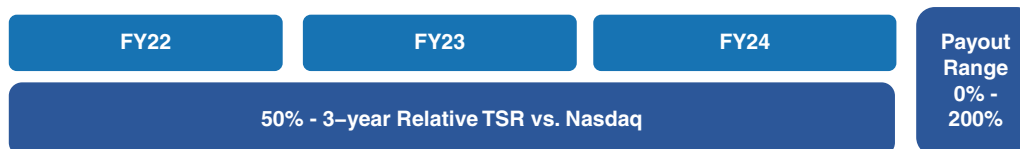
In May 2021, each of our NEOs received a grant of FY22 PRUs, which have the same performance metric structure as applied to the FY21 PRUs. As such, the FY22 PRUs will vest based on the achievement of two equally-weighted metrics:

- Three-year relative-Total Shareholder Return (TSR) measured against the Nasdaq; and
- 5% Compound Annual Growth Rate (CAGR) for revenue measured over the two-fiscal year period ending March 31, 2023, with an additional fiscal year to achieve this goal if it is not satisfied over such two-fiscal year period.

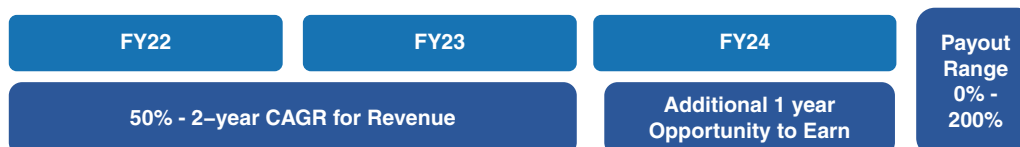
Metric	Measurement Period	Metric Objective (50% of Target)	Vesting Conditions ⁽¹⁾
3-year relative TSR vs. Nasdaq	FY22-FY24	Measures our long-term performance against companies in the Nasdaq to drive enterprise value creation.	Earned portion vests at end of FY24.
2-year CAGR for revenue	Measured over two-year period from FY22-FY23 with an additional fiscal year to achieve this goal if it is not satisfied over such two-fiscal year period.	Measures achievement of our three-year performance growth rate designed to enhance long-term value of the Company.	Earned portion vests at end of FY24.

⁽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.

FY22 PRU Design - TSR Component



FY22 PRU Design - CAGR Component

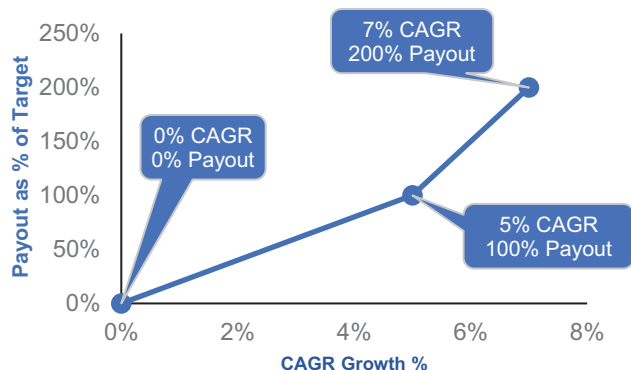


The Compensation Committee believes that TSR promotes stockholder alignment and creates an unambiguous link between the compensation of our NEOs to long-term enterprise value creation since this metric is directly linked to our long-term TSR relative to the Nasdaq Composite Index. The Compensation Committee, based on input from its compensation consultant, concluded that the use of the Nasdaq Composite Index was an appropriate benchmark given the broad-based nature of the index, the inclusion of NortonLifeLock in the index, and because the Nasdaq Composite Index represents a broad representation of the potential opportunity cost of investing in NortonLifeLock from an investor's perspective.

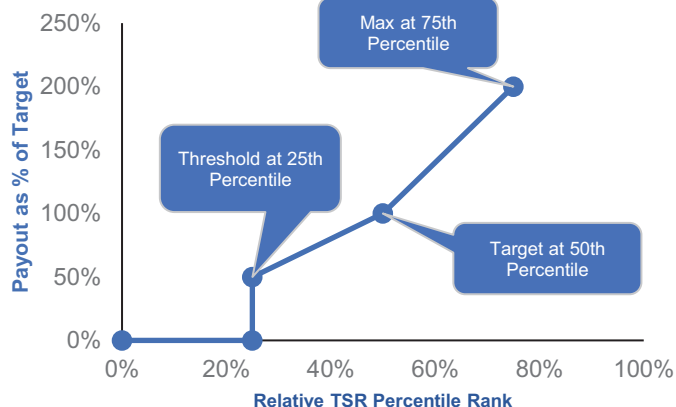
The Compensation Committee also believes that given the strategic importance of sustained top-line growth to our business, using a 2-year CAGR for revenue goal (with an additional year to achieve the goal if it is not satisfied during the initial 2-year period) would help us remain focused on long-term success and retention, while balancing the fact that such a goal may not be achieved during a two-year period due to fluctuating market opportunities and conditions, which may not be directly within our control.

Achievement under the FY22 PRUs will not be certified by the Compensation Committee until the end of fiscal 2024 (FY24). The following charts present the threshold, target and maximum performance levels and payouts of the relative TSR and CAGR for revenue metrics:

FY22 CAGR for Revenue PRU Component



FY22 3-Year Relative TSR PRU Component



The following table summarizes the PRU awards granted to our NEOs in FY22.

NEO	FY22 PRU Award Amount (#)	FY22 PRU Grant Date Fair Value (\$)
Vincent Pilette	266,828	7,687,315
Natalie Derse	82,100	2,365,301
Bryan Ko	82,100	2,365,301

Annual Equity Incentive Awards — Previously Granted FY21 Performance-based Restricted Stock Units

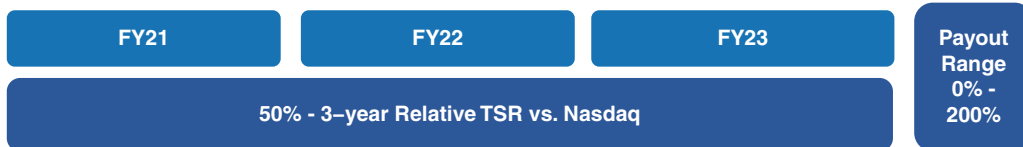
In FY21, each of our NEOs received a grant of FY21 PRUs. The FY21 PRUs will vest based on the achievement of two equally-weighted metrics:

- Three-year relative-TSR measured against the Nasdaq; and
- 3% CAGR for revenue measured over the two-fiscal year period ending April 1, 2022, with an additional fiscal year to achieve this goal if it is not satisfied over such two-fiscal year period.

Metric	Measurement Period	Metric Objective (50% of Target)	Vesting Conditions ⁽¹⁾
3-year relative TSR vs. Nasdaq	FY21-FY23	Measures our long-term performance against companies in the Nasdaq to drive enterprise value creation.	Earned portion vests at end of FY23.
3-year CAGR for revenue	Measured over two-year period from FY21-FY22, with an additional fiscal year to achieve this goal if it is not satisfied over such two-fiscal year period	Measures achievement of our three-year performance growth rate designed to enhance long-term value of the Company.	Earned portion vests at end of FY23.

⁽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.

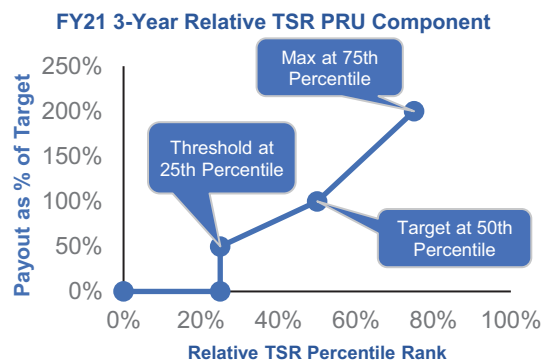
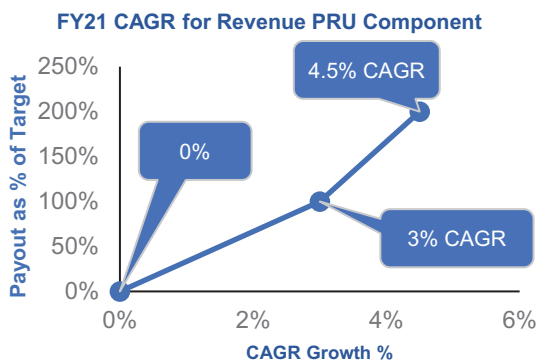
FY21 PRU Design - TSR Component



FY21 PRU Design - CAGR Component



Achievement under the FY21 PRUs will not be certified by the Compensation Committee until the end of fiscal 2023. The following charts present the threshold, target and maximum performance levels and payouts of the relative TSR and CAGR for revenue metrics:



The following table summarizes the PRU awards granted to our NEOs in FY21.

NEO	FY21 PRU Award Amount (#)	FY21 PRU Grant Date Fair Value (\$)
Vincent Pilette	250,166	6,893,324
Natalie Derse	103,912	3,003,576
Bryan Ko	73,578	2,027,442

Annual Equity Incentive Awards — Previously Granted FY20 Performance-based Restricted Stock Units

Of our NEOs, only Mr. Ko holds FY20 PRUs, which were granted in January 2020. The 77,764 FY20 PRUs granted to Mr. Ko were subject to vesting based on the achievement of three-year TSR against the S&P 500. The measurement period for the FY20 PRUs is from FY20 through FY22, with any earned portion vesting at the end of FY22 upon certification of the Compensation Committee.

Metric	Measurement Period	Metric Objective	Vesting Conditions ⁽¹⁾
3-year TSR vs. S&P 500	FY20 – FY22	Measures our longer-term performance against comparable companies to drive enterprise value creation	Earned portion vests at the end of FY22.

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



Following the end of FY22, the Compensation Committee determined the performance criteria applicable to the FY20 PRUs to have been met at 193.06% of the target, resulting in the vesting of 150,132 FY20 PRUs.

Annual Equity Incentive Awards — FY22 Restricted Stock Units

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. The Compensation Committee grants RSU awards for long-term retention purposes as they provide a payout opportunity to the NEOs only if they remain employed through the applicable vesting dates, which extend over multiple years, and because the payout opportunity is directly linked with stockholder value and executive efforts over a multi-year time frame. The following table summarizes the RSU awards granted to our NEOs in FY22.

NEO	FY22 RSU Award Amount (#)	Grant Date Fair Value (\$)	Vesting Criteria ⁽¹⁾
Vincent Pilette	177,885	3,749,816	33%/33%/34%
Natalie Derse	54,734	1,153,793	33%/33%/34%
Bryan Ko	54,734	1,153,793	33%/33%/34%

⁽¹⁾ RSUs vest on each of May 1, 2022, May 1, 2023, and May 1, 2024.

Equity Incentive Awards — Value Creation Program (VCP)

In FY22, we experienced retention issues related to the highly competitive talent market within which we compete, as top 100 leaders were aggressively approached and recruited to work for other companies. These concerns became exacerbated with the announcement of our agreement to acquire Avast plc in August 2021, as it became evident that retention of our leadership team would be vital in leading us through a shared future with Avast in which we merged Avast's strengths in privacy with NortonLifeLock's focus on identity.

In December 2021, the Board, after considering the recommendations of our Compensation Committee and its independent compensation consultant, approved an additional value creation program for our top 100 leaders of the Company to drive performance, support retention, and continue to lead our transformation through the proposed Avast acquisition and beyond (the VCP Program).

As described in more detail below, in addition to the retention element that the award provides, the VCP Program incorporates challenging price hurdles ranging from \$35 to \$50 per share over the performance period (representing 60% to 100% stock appreciation at the time of grant) to emphasize pay for performance and strengthen our commitment to the creation of shareholder value. The Board did not select Mr. Pilette to participate in the VCP Program during FY22 and his equity compensation for FY22 was limited to the awards that he received under our annual equity award program as the Board intended to incorporate components of the VCP Program into Mr. Pilette's annual equity grant for FY23.

Participants in the VCP Program included Ms. Derse and Mr. Ko, who each received an equity award with 75% of the target in the form of PRUs (VCP PRUs), with a performance period ending on the last day of fiscal 2026 (FY26), and 25% of the target in the form of RSUs (VCP RSUs), which will 100% cliff vest on December 1, 2023. This mix of PRUs and RSUs was intended to emphasize pay for performance while balancing retention considerations. In determining the amounts of their respective awards, the Board considered the retentive power of their existing unvested equity award holdings, which was relatively low given the highly competitive talent market and relative to tenure. The number of VCP PRUs and VCP RSUs that Ms. Derse and Mr. Ko received and the grant date fair value of these awards are set forth in the table below.

NEO	VCP PRU Award Amount (#)	Grant Date Fair Value (\$)	VCP RSU Award Amount (#)	Grant Date Fair Value (\$)
Natalie Derse	209,251	5,982,486	69,750	1,696,320
Bryan Ko	209,251	5,982,486	69,750	1,696,320

The key features of such VCP PRUs and VCP RSUs and the rationale for such features are set forth below.

VCP PRUs

The number of VCP PRUs that may be earned during the performance period will range from 0% to 200% of the target shares, based upon the Company's share price appreciation, as measured against certain share price targets (the Share Price Targets) and subject to the achievement of certain relative TSR threshold targets, in each case, as set forth in the following chart (rTSR Gates).

Performance Levels	Share Price Targets	rTSR Gates	VCP PRU Payout %
Below Threshold	Below \$35/per share results in no payout	Below 25 th percentile TSR ranking relative to Nasdaq composite index results in no payout	0%
Threshold	\$35/per share (Equal to ~40% appreciation of our stock at the time of grant)	At least 25 th percentile ranking required for payout from 50% to 100%	50%
Target	\$40/per share (Equal to ~60% appreciation of our stock at the time of grant)	At least 25 th percentile ranking required for payout from 50% to 100%	100%
Maximum	\$50/per share (Equal to ~100% appreciation of our stock at the time of grant)	At least 50 th percentile ranking required for payout over 100%	200%

Achievement of the Share Price Targets and rTSR gates will be determined by measuring the average closing price of the Company's stock and the companies comprising the Nasdaq Composite Index over any 90-calendar day period through the end of FY26. Such targets can be achieved at any time during the performance period, and the highest achievement during the performance period will be utilized to determine the number of VCP PRUs earned. Performance between threshold and target levels of achievement, and between target and maximum levels of achievement, will be determined based on a linear interpolation between the applicable performance levels. However, each participating NEO must be employed through the last day of FY26 to earn any VCP PRUs.

The rationale for the material features of the VCP PRUs is set forth below:

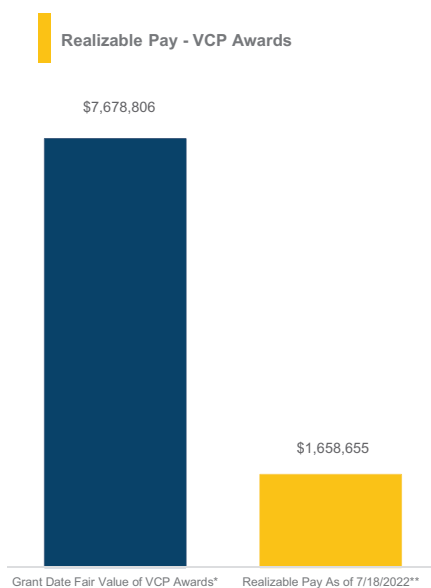
Element	Rationale
Share Price Targets	Drives stock price growth and enterprise value creation by establishing rigorous stock price goals above the grant price Aligns the interests of participating NEOs with the interests of our stockholders by creating significant returns
rTSR Gates using Nasdaq Composite Index as reference group	Even if our stock price appreciates and Share Price Targets are achieved, there is no payout if our stock price is not aligned with the stock price growth of the Nasdaq Composite Index Nasdaq Composite Index represents a broad representation of the potential opportunity cost of investing in NortonLifeLock from an investor's perspective
4-Year Performance Period through End of FY26	Promotes long-term stock price growth and enterprise value creation Aligns the interests of participating NEOs with the interests of our stockholders
100% Cliff Vesting; Service Required through Last Day of the Performance Period	Promotes long-term retention, as no PRUs vest prior to the completion of the 4-year performance period Aligns the interests of participating NEOs with the interests of our stockholders

VCP RSUs

The VCP RSUs 100% cliff vest on December 1, 2023, subject to the participant's continuous employment through the end of the vesting period. The rationale for the material features of the RSUs is set forth below:

Element	Rationale
100% Cliff Vesting; Service Required through Last Day of Vesting Period	Promotes long-term retention, as no PRUs vest prior to the completion of the multi-year service period Aligns the interests of participating NEOs with the interests of our stockholders

As of the date of this proxy statement, none of the share price targets have been achieved and no PRUs have been earned. The realizable compensation of each NEO's combined VCP awards as of July 18, 2022 is set forth in the chart below:



* Reflects aggregate grant date fair value of VCP PRUs and VCP RSUs granted to each of Ms. Derse and Mr. Ko.

** Reflects realizable pay for each of Ms. Derse and Mr. Ko with respect to the VCP PRUs and VCP RSUs, calculated by multiplying the number of outstanding VCP RSUs held by the applicable NEO by \$23.78, which was our closing stock price on July 18, 2022. The VCP PRUs had a realizable pay of \$0 as of July 18, 2022 because none of the share price targets have been achieved.

Benefits

In addition to the compensation components described above, the following benefits are provided.

FY22 Benefit	Philosophy and Rationale
401k Plan with Company matching	Provides our NEOs with competitive broad-based employee benefits on the same terms as are generally available to the majority of our employees.
Health and Dental Coverage	
Life Insurance	
Disability Insurance	
Unlimited Time Off	
Nonqualified deferred compensation plan	Provides our U.S.-based executive officers the opportunity to defer compensation in excess of the amounts that are legally permitted to be deferred. The plan is described further under “Non-Qualified Deferred Compensation in Fiscal 2022,” on page 75.
Reimbursement for up to \$10,000 for financial planning services.	Provides financial planning assistance given the complexity of executive officer compensation and financial arrangements to allow executives to concentrate on responsibilities and our future success.

Severance and Change of Control Benefits

The following table provides information regarding the severance arrangements that we have with our NEOs. Details of each individual NEO’s severance arrangements, including estimates of amounts payable in specified circumstances in effect as of the end of FY22, are disclosed in “FY22 Executive Compensation,” above and under “Potential Payments Upon Termination or Change-in-Control,” below.

Severance and Change of Control Philosophy

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.
At-will Employment	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.
Amount and Conditions for Severance	Severance arrangements should be designed to: (i) provide reasonable compensation to executive officers who leave NortonLifeLock 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.
Acceleration upon Death or Disability	PRU and RSU acceleration is consistent with the practice of many of our peers and encourages our employees to remain employed with us.
Double-Trigger Acceleration	“Double-trigger” provisions promote morale and productivity and encourage executive retention in the event of a corporate transaction.
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.

Key Compensation and Governance Policies

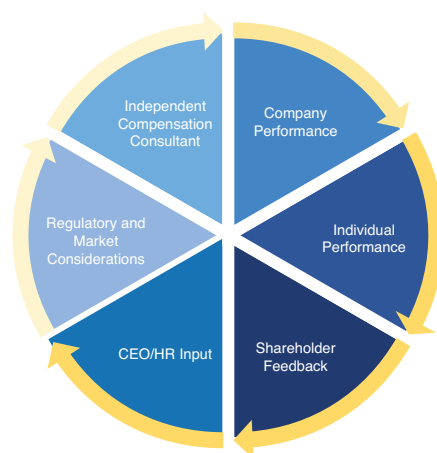
The following table summarizes the key compensation and governance policies applicable to our NEOs:

Policy	Considerations	Material Features
Stock Ownership Guidelines	<p>Promote stock ownership in NortonLifeLock.</p> <p>More closely align the interests of our executive officers with those of our stockholders.</p>	<p>6x base salary for CEO.</p> <p>3x base salary for CFO.</p> <p>2x base salary for other Section 16 officers (except CAO).</p> <p>1x base salary for CEO's extended leadership team.</p> <p>5 years from executive officer designation to comply.</p> <p>During 5-year transition period, must retain at least 50% of net-settled equity award shares until ownership requirement is met.</p> <p>Includes shares owned outright, excludes stock options and unvested PRUs and RSUs.</p> <p>As of June 15, 2022, all continuing NEOs have reached ownership requirements or have remaining time to do so.</p>
Anti-Hedging Policies	<p>Permitting hedging is viewed as a poor pay program practice, as it insulates executives from stock price movement and reduces alignment with stockholders.</p> <p>This policy was established in part to avoid potential or apparent conflict of interests resulting from bets against or hedges regarding our performance.</p>	<p>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.</p> <p>"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.</p> <p>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).</p> <p>Holding and exercising options or other derivative securities granted under NortonLifeLock's equity incentive plans is not prohibited by this policy.</p> <p>Waivers may be granted with respect to arrangements that were in existence before becoming a director or employee.</p>
Anti-Pledging Policies	<p>Pledging raises potential risks to stockholder value, particularly if the pledge is significant.</p>	<p>Covered persons are prohibited from holding company securities in a margin account or pledging company securities as collateral for a loan.</p>
Insider Trading Policy	<p>Prohibit corporate insiders from taking advantage of material non-public information.</p>	<p>CEO, President and CFO must conduct any open market sales of our securities only through use of Rule 10b5-1 stock trading plans.</p> <p>Prohibits the purchase or sale of securities while in possession of material non-public information.</p>

Policy	Considerations	Material Features
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 NortonLifeLock’s code of conduct.
Stockholder Approval Policy for Severance Arrangements	Our Corporate Governance Guidelines were recently amended to formalize the Compensation Committee’s long-standing, self-imposed limit on cash severance benefits.	The Board will seek stockholder approval before the Company enters into any new employment agreement, severance agreement or similar arrangement with any executive officer of the Company, or before the Board or the Compensation Committee establishes any new severance plan or policy covering any executive officer of the Company, in each case, that provides for cash severance benefits exceeding 2.99 times the sum of the executive officer’s base salary plus target bonus.

Approach to Determining Compensation

We are committed to the following pay philosophy and practices described below.



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 Compensation 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 FY22, on a variety of factors, including:

- A focus on pay-for-performance
- A total rewards approach
- An appropriate pay mix

- Appropriate market positioning and competitiveness
- 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
- Internal pay equity
- Retention of Key Executive Talent
- NortonLifeLock'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 FY22, 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 Compensia, Inc. (Compensia), a national compensation consulting firm, to serve as its independent compensation consultant to help the Compensation Committee understand competitive compensation levels and incentive designs. Compensia was solely hired by, and reports directly to, the Compensation Committee. At the Compensation Committee's discretion, Compensia:

- 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. 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, which are provided by its independent compensation consultant. The proxy statements of peer group companies provide detailed pay data for the highest-paid executives. Further, 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.

In FY21, the Compensation Committee reviewed our peer group for FY22 and made certain changes to our peer group for FY22, based on the following criteria:

- Focus on software development, or software and engineering-driven companies (with a preference for software companies focusing on security)
- Are generally comparable in terms of size (~0.5x – 2.0x revenue and ~0.25x – 4.0x market capitalization)
- Are generally comparable in terms of complexity and global reach
- Compete with us for talent

Based on the above criteria, the Compensation Committee, with input from Compensia, its independent compensation consultant, determined that it was appropriate to add Palo Alto Networks, Inc., SS&C Technologies Holdings, Inc., Take-Two Interactive Software, Inc., and McAfee Corp, which have financial characteristics that are similar to NortonLifeLock's, and remove j2 Global, Inc., Teradata Corp., and Verint Systems Inc. due to lagging revenue and market capitalization.

As a result, the Compensation Committee, with input from Compensia, selected the following companies as our FY22 peer group:

Akamai Technologies Inc.	GoDaddy Inc.	Splunk Inc.
Citrix Systems, Inc.	Juniper Networks Inc.	SS&C Technologies Holdings, Inc.*
Dropbox, Inc.	LogMein, Inc.	Take-Two Interactive Software, Inc.*
Equifax Inc.	McAfee Corp.**	TransUnion Corp.
F5 Networks Inc.	NetApp, Inc.	
Fair Isaac Corp.	Palo Alto Networks, Inc.*	
Fortinet, Inc.	PTC Inc.	

* Added in October 2020.

** Added in March 2021.

Compensation Risk Assessment

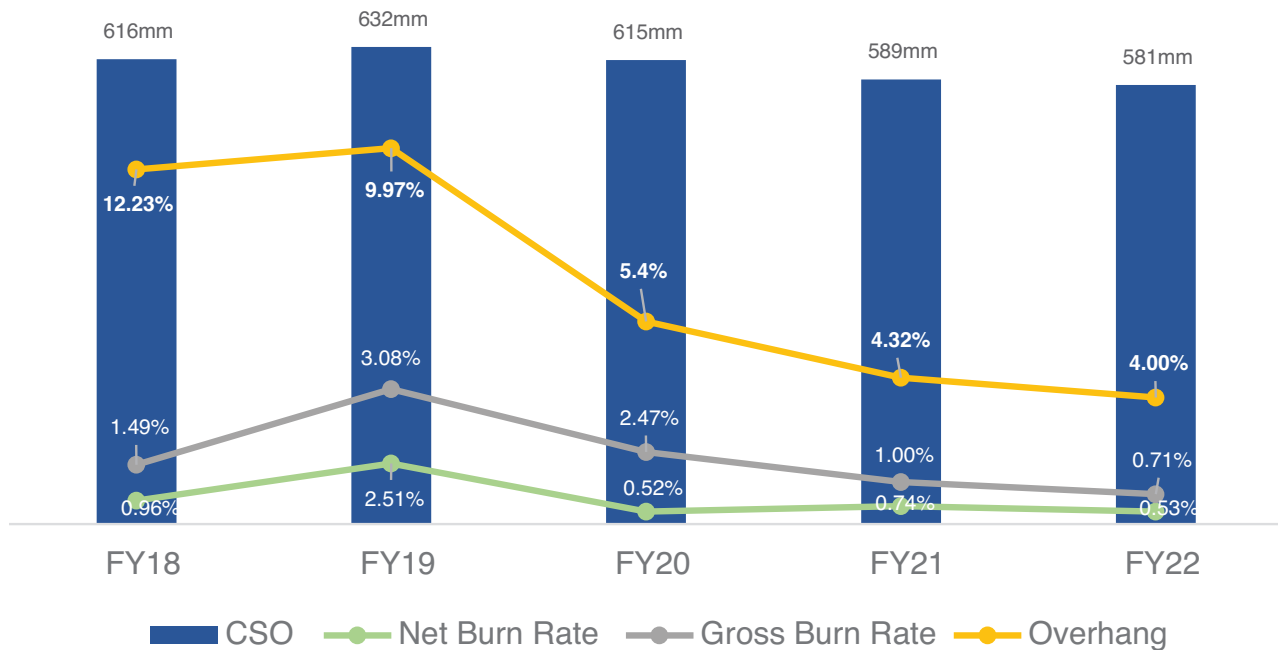
The Compensation Committee, in consultation with Compensia, has conducted its annual risk analysis of NortonLifeLock's compensation policies and practices, and does not believe that our compensation programs encourage excessive or inappropriate risk taking by our executives or are reasonably likely to 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. In FY22, our gross burn rate was 0.71%, our net burn rate was 0.53% and our overhang was 4%. 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.



Gross burn rate = 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.

Net burn rate = 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 = 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.

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 FY22 were Susan P. Barsamian, Nora Denzel and Peter Feld. None of the members of the Compensation Committee in FY22 were at any time during FY22 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 FY22.

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 1, 2022.

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

Executive Compensation Tables

The following table shows for the fiscal year ended April 1, 2022, compensation awarded to or earned by our named executive officers.

Summary Compensation Table for Fiscal 2022

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$) ⁽²⁾	All Other Compensation (\$) ⁽³⁾	Total (\$)
Vincent Pilette	2022	885,577	—	11,437,131	1,181,250	13,547	13,517,505
<i>Chief Executive Officer & President</i>	2021	753,974	1,300,000	10,278,897	1,485,000	11,703	13,829,574
	2020	568,750	—	19,446,262	552,500	28,979	20,596,491
Natalie M. Derse	2022	495,192	—	11,197,900	420,000	8,678	12,121,770
<i>Chief Financial Officer</i>	2021	339,946	—	5,393,552	570,000	8,534	6,312,032
Bryan S. Ko	2022	496,154	—	11,197,900	420,000	16,330	12,130,384
<i>Chief Legal Officer, Secretary and Head of Corporate Affairs</i>	2021	472,615	—	3,023,197	576,000	16,553	4,088,365
	2020	123,333	1,000,000	4,490,760	82,938	4,241	5,701,272

⁽¹⁾ The amounts shown in this column reflect the aggregate grant date fair value of PRUs and RSUs and the incremental fair value as of the modification dates for certain awards that were modified in FY20, calculated, in each case, 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 PRUs and RSUs, see "Equity Incentive Awards" in the Compensation Discussion and Analysis Section, above, and Note 15 of our FY22 Annual Report on Form 10-K. For details of the awards granted in FY22, see the table "Grants of Plan-Based Awards," below.

The table below sets forth the grant date fair value determined in accordance with ASC Topic 718 principles for the performance-related components of FY22, FY21, and FY20 PRU 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 FY22, FY21, and 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 FY22 Annual Report on Form 10-K.

Name	Maximum Outcome of Performance Conditions Fair Value for FY22 (\$)	Market-Related Component Fair Value for FY22 (\$)	Maximum Outcome of Performance Conditions Fair Value for FY21 (\$)	Market-Related Component Fair Value for FY21 (\$)	Maximum Outcome of Performance Conditions Fair Value for FY20 (\$)	Market-Related Component Fair Value for FY20 (\$)
Vincent Pilette	5,624,734	4,874,948	5,078,369	4,354,139	9,243,084	5,184,477
Natalie Derse	1,730,668	1,730,668	2,389,976	1,808,588	—	—
Bryan Ko	1,730,668	1,730,668	1,493,633	1,280,625	—	2,688,301

⁽²⁾ For FY22, represents the named executive officer's annual bonus under the FY22 Executive Annual Incentive Plan, which was earned in FY22 and paid in FY23.

⁽³⁾ The FY22 amounts are comprised of the following:

	Contribution Plans 401(k) and HSA (\$)	Tax Planning Services (\$)	Total (\$)
Vincent Pilette	7,251	6,296	13,547
Natalie M. Derse	8,678	—	8,678
Bryan S. Ko	6,280	10,050	16,330

The following table shows for FY22, certain information regarding grants of plan-based awards to our named executive officers from our incentive plans:

Grants of Plan-Based Awards in Fiscal 2022

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards ⁽²⁾			All Other Stock Awards: Number of Shares of Stock or Units (#) ⁽³⁾	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⁾
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
Vincent Pilette											
EAIP-Cash		—	1,125,000	2,250,000	—	—	—	—	—	—	—
PRU TSR	5/10/21	—	—	—	66,707	133,414	266,828	—	—	—	4,874,948
PRU CAGR	5/10/21	—	—	—	—	133,414	266,828	—	—	—	2,812,367
RSU	5/10/21	—	—	—	—	—	—	177,885	—	—	3,749,816
Natalie M. Derse											
EAIP-Cash		—	400,000	800,000	—	—	—	—	—	—	—
VCP PRU	12/10/21	—	—	—	104,623	209,251	418,502	—	—	—	5,982,486
VCP RSU	12/10/21	—	—	—	—	—	—	69,750	—	—	1,696,320
PRU TSR	5/10/21	—	—	—	20,525	41,050	82,100	—	—	—	1,499,967
PRU CAGR	5/10/21	—	—	—	—	41,050	82,100	—	—	—	865,334
RSU	5/10/21	—	—	—	—	—	—	54,734	—	—	1,153,793
Bryan S. Ko											
EAIP-Cash		—	400,000	800,000	—	—	—	—	—	—	—
VCP PRU	12/10/21	—	—	—	104,623	209,251	418,502	—	—	—	5,982,486
VCP RSU	12/10/21	—	—	—	—	—	—	69,750	—	—	1,696,320
PRU TSR	5/10/21	—	—	—	20,525	41,050	82,100	—	—	—	1,499,967
PRU CAGR	5/10/21	—	—	—	—	41,050	82,100	—	—	—	865,334
RSU	5/10/21	—	—	—	—	—	—	54,734	—	—	1,153,793

- (1) The amounts shown represent potential cash bonus eligible to be earned under the FY22 Executive Annual Incentive Plan (FY22 EAIP). For more information on the FY22 EAIP, see “Compensation Discussion and Analysis — Executive Annual Incentive Plan”.
- (2) The amounts shown in the “VCP PRU,” “PRU TSR” and “PRU CAGR” rows represent the PRUs granted in FY22 under our 2013 Equity Incentive Plan for the company performance portion of PRUs granted in FY22. For more information on the FY22 PRUs reflected in the “PRU TSR” and “PRU CAGR” rows, see “Compensation Discussion and Analysis — Equity Incentive Awards — Annual Equity Incentive Awards — FY22 Performance-based Restricted Stock Units.” For more information on the FY22 PRUs reflected in the “VCP PRU” rows, see “Compensation Discussion and Analysis — Equity Incentive Awards — Value Creation Program (VCP) — VCP PRUs.”
- (3) The amounts shown in the “RSU” and “VCP RSU” rows represent the service-based RSUs granted in FY22 under our 2013 Equity Incentive Plan. The RSUs reflected in the “RSU” rows were granted on May 10, 2021 and become fully vested over three years, with 33% vesting on May 1, 2022, 33% vesting on May 1, 2023, and 34% vesting on May 1, 2024, respectively. The RSUs reflected in the “VCP RSU” rows were granted on December 10, 2021 and become fully vested on December 1, 2023. For information on the FY22 RSUs reflected in the “RSU” rows, see “Compensation Discussion and Analysis — Equity Incentive Awards — Annual Equity Incentive Awards — FY22 Restricted Stock Units.” For information on the FY22 RSUs reflected in the “VCP RSU” rows, see “Compensation Discussion and Analysis — Equity Incentive Awards — Value Creation Program (VCP) — VCP RSUs.”
- (4) Represents the grant date fair value of PRU and RSU awards, in each case, determined in accordance with FASB ASC Topic 718. The grant date fair value for PRU awards granted in FY22 assumes the probable outcome of the performance conditions applicable thereto. The grant date fair value of RSU awards was calculated by multiplying the closing price of the underlying common stock on the date of grant by the number of stock awards granted. The assumptions used in calculating the grant date fair value of the stock awards are incorporated herein by reference to Note 15 to the consolidated financial statements contained in the 2022 Annual Report on Form 10-K.

The following table shows for FY22, certain information regarding outstanding equity awards at fiscal year end for our named executive officers.

Outstanding Equity Awards at Fiscal Year End 2022

Name	Grant Date	Option Awards				Stock Awards				
		Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options (#)	Equity Incentive plan awards: number of securities underlying unexercised 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⁾
Vincent Pilette	5/10/21	—	—	—	—	—	177,885 ⁽²⁾	4,792,222	—	—
	5/10/21	—	—	—	—	—	—	—	266,282 ⁽³⁾	7,188,347
	5/10/21	—	—	—	—	—	—	—	266,282 ⁽⁴⁾	7,188,347
	7/10/20	—	—	—	—	—	111,740 ⁽⁵⁾	3,010,276	—	—
	7/10/20	—	—	—	—	—	—	—	250,166 ⁽⁶⁾	6,739,472
	7/10/20	—	—	—	—	—	—	—	250,166 ⁽⁷⁾	6,739,472
Natalie M. Derse	12/10/21	—	—	—	—	—	69,750 ⁽⁸⁾	1,879,065	—	—
	12/10/21	—	—	—	—	—	—	—	209,251 ⁽⁹⁾	5,637,222
	5/10/21	—	—	—	—	—	54,734 ⁽²⁾	1,474,534	—	—
	5/10/21	—	—	—	—	—	—	—	82,100 ⁽³⁾	2,211,774
	5/10/21	—	—	—	—	—	—	—	82,100 ⁽⁴⁾	2,211,774
	8/10/20	—	—	—	—	—	51,956 ⁽¹⁰⁾	1,399,695	—	—
	8/10/20	—	—	—	—	—	—	—	103,912 ⁽⁶⁾	2,799,390
	8/10/20	—	—	—	—	—	—	—	103,912 ⁽⁷⁾	2,799,390
Bryan S. Ko	12/10/21	—	—	—	—	—	69,750 ⁽⁸⁾	1,879,065	—	—
	12/10/21	—	—	—	—	—	—	—	209,251 ⁽⁹⁾	5,637,222
	5/10/21	—	—	—	—	—	54,734 ⁽²⁾	1,474,534	—	—
	5/10/21	—	—	—	—	—	—	—	82,100 ⁽³⁾	2,211,774
	5/10/21	—	—	—	—	—	—	—	82,100 ⁽⁴⁾	2,211,774
	7/10/20	—	—	—	—	—	32,864 ⁽⁵⁾	885,356	—	—
	7/10/20	—	—	—	—	—	—	—	73,578 ⁽⁶⁾	1,982,192
	7/10/20	—	—	—	—	—	—	—	73,578 ⁽⁷⁾	1,982,192
	1/10/20	—	—	—	—	—	27,217 ⁽¹¹⁾	733,226	—	—

⁽¹⁾ The market value is calculated based on \$26.94 per share, the fair value of our common stock on April 1, 2022.

⁽²⁾ These RSUs vest over three years, with 33%, 33% and 34% vesting on May 1, 2022, May 1, 2023, and May 1, 2024, respectively.

⁽³⁾ These FY22 PRUs (TSR) have a three-year performance period from FY22 through FY24 and will vest based on achievement of certain relative TSR targets against the Nasdaq Composite Index. As of the end of FY22, the aggregate achievement of performance metrics applicable to the FY22 PRUs (TSR) was tracking above target and, as a result, the number of shares reflected as outstanding as of the end of FY22 assumes maximum level of achievement. The earned portion of these FY22 PRUs (TSR) vests at the end of FY24.

⁽⁴⁾ These FY22 PRUs (CAGR) have a two-year performance period from FY22 through FY23 and will vest based on achievement of certain CAGR for revenue goals, with an additional fiscal year to achieve the threshold CAGR for revenue goal if it is not satisfied over such two-fiscal year period. As of the end of FY22, the aggregate achievement of performance metrics applicable to the FY22 PRUs (CAGR) was tracking above target and, as a result, the number of shares reflected as outstanding as of the end of FY22 assumes maximum level of achievement. The earned portion of these FY22 PRUs (CAGR) vests at the end of the applicable performance period.

⁽⁵⁾ These RSUs vest over three years, with 33%, 33% and 34% vesting on June 1, 2021, June 1, 2022, and June 1, 2023, respectively.

⁽⁶⁾ These FY21 PRUs (TSR) have a three-year performance period from FY21 through FY23 and will vest based on achievement of certain relative TSR targets against the Nasdaq Composite Index. As of the end of FY22, the aggregate achievement of performance metrics applicable to the FY21 PRUs (TSR) was tracking above target and, as a result, the number of shares reflected as outstanding as of the end of FY22 assumes maximum level of achievement. The earned portion of these FY21 PRUs (TSR) vests at the end of FY23.

⁽⁷⁾ These FY21 PRUs (CAGR) have a three-year performance period from FY21 through FY23 and will vest based on achievement of certain CAGR for revenue goals. As of the end of FY22, the aggregate achievement of performance metrics applicable to the FY21 PRUs (CAGR) was tracking above target and, as a result, the number of shares reflected as outstanding as of the end of FY22 assumes maximum level of achievement. The earned portion of these FY21 PRUs (CAGR) vests at the end of FY23.

⁽⁸⁾ These VCP RSUs 100% cliff vest on December 1, 2021.

⁽⁹⁾ These VCP PRUs have a performance period from December 1, 2021 through FY26 and will vest based on the Company's share price appreciation,

as measured against certain share price targets, and subject to the achievement of certain relative TSR targets against the Nasdaq Composite Index. The earned portion of these PRUs vests at the end of FY26.

(10) These RSUs vest over three years, with 50%, 25%, and 25% vesting on June 1, 2021, June 2022, and June 1, 2023, respectively.

(11) These RSUs vest over three years, with 30%, 30%, and 40% vesting on December 1, 2020, December 1, 2021, and December 1, 2022, respectively.

The following table shows for FY22, 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 2022

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting ⁽¹⁾ (#)	Value Realized on Vesting ⁽²⁾ (\$)
Vincent Pilette	—	—	55,037	1,534,982
Natalie M. Derse	—	—	51,956	1,449,053
Bryan S. Ko	—	—	186,733	4,982,277

(1) The number of shares and value realized for stock awards set forth above reflect (i) RSUs that vested and settled in FY22 and (ii) PRUs that vested in FY22 and were settled in FY23.

(2) The value realized upon vesting is based on the closing price of our common stock upon vesting in the case of RSUs and the closing price of our common stock on April 1, 2022 in the case of PRUs.

Non-Qualified Deferred Compensation in Fiscal 2022

The table below provides information on the non-qualified deferred compensation of the named executive officers for the fiscal year ended April 1, 2022.

Name	Non-Qualified Deferred Compensation				
	Executive Contributions in Last Fiscal Year (\$) ⁽¹⁾	Registrant Contributions in Last Fiscal Year (\$)	Aggregate Earnings in Last Fiscal Year (\$) ⁽²⁾	Aggregate Withdrawals/Distributions (#)	Aggregate Balance at Last Fiscal Year-End (\$) ⁽³⁾
Vincent Pilette	—	—	—	—	—
Natalie M. Derse	—	—	—	—	—
Bryan S. Ko	93,462	—	4,078	—	204,010

(1) The amount reflected includes FY22 salary contributions which is reported as “Salary” in the “Summary Compensation Table” for FY22.

(2) The amount reflected is not included in the Summary Compensation Table for FY22. This amount consists of dividends, interest and change in market value attributed to Mr. Ko’s entire account balance during FY22, which balance may include deferred compensation from previous periods. The amounts do not include the deferred compensation themselves.

(3) \$94,523 of this amount was previously reported as “Salary” in the Summary Compensation Table in the Proxy Statements for prior Annual Meetings.

In FY22, 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 2022” 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 NortonLifeLock, which has been modified by the Board a number of times, including most recently in January 2021. Under the terms of the plan, all equity compensation awards (including, among others, stock options, PRUs, and RSUs) granted by NortonLifeLock to its 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 NortonLifeLock (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 NortonLifeLock 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, which was amended and restated by the Board in January 2021. 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, COBRA premium for the duration of the severance pay (12 months), 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.

Death and Disability Acceleration under Award Agreements

Consistent with the practice of many of our peers and to encourage our employees to remain employed with us, all of our PRU and RSU grants (including PRUs and RSUs granted to our NEOs), provide for accelerated vesting in full upon death or disability, with PRUs vesting at target.

Vincent Pilette

The following table summarizes the value of the payouts to Mr. Pilette pursuant to the NortonLifeLock Executive Retention Plan and the NortonLifeLock Executive Severance Plan, assuming a qualifying termination as of April 1, 2022 (intrinsic values of equity awards are based upon the closing price for a share of our common stock of \$26.94 on April 1, 2022):

	Severance Pay (\$)	COBRA Premiums (\$)	Option Vesting (\$)	PRU Vesting (\$)	RSU Vesting (\$)
Involuntary Termination Upon Termination Without Cause	1,747,586	32,800	—	—	—
Change of Control Involuntary Termination Without Cause or Constructive Termination Within 12 Months	2,025,000	—	—	13,927,818	7,802,498
Termination Due to Death or Disability	—	—	—	13,927,818	7,802,498

Natalie Derse

The following table summarizes the value of the payouts to Ms. Derse pursuant to the NortonLifeLock Executive Retention Plan and the NortonLifeLock Executive Severance Plan, assuming a qualifying termination as of April 1, 2022 (intrinsic values of equity awards are based upon the closing price for a share of our common stock of \$26.94 on April 1, 2022):

	Severance Pay (\$)	COBRA Premiums (\$)	Option Vesting (\$)	PRU Vesting (\$)	RSU Vesting (\$)
Involuntary Termination Upon Termination Without Cause	803,836	29,390	—	—	—
Change of Control Involuntary Termination Without Cause or Constructive Termination Within 12 Months	900,000	—	—	10,648,385	4,753,294
Termination Due to Death or Disability	—	—	—	10,648,385	4,753,294

Bryan 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 1, 2022 (intrinsic values of equity awards are based upon the closing price for a share of our common stock of \$26.94 on April 1, 2022):

	Severance Pay (\$)	COBRA Premiums (\$)	Option Vesting (\$)	PRU Vesting (\$)	RSU Vesting (\$)
Involuntary Termination Upon Termination Without Cause	803,836	32,120	—	—	—
Change of Control Involuntary Termination Without Cause or Constructive Termination Within 12 Months	900,000	—	—	9,831,187	5,298,785
Termination Due to Death or Disability	—	—	—	9,831,187	5,298,785

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 April 1, 2022, we employed 2,725 employees globally, with approximately 46% based in the United States and 54% based outside of the United States. Our compensation programs and reward offerings are designed to reflect local market practices across our global operations.

Pay Ratio:

- Mr. Pilette's FY22 annual total compensation was \$13,517,505, which was calculated in the same manner as the amounts reported in the "Total" column of the "2022 Summary Compensation Table" in this proxy statement.

- The FY22 annual total compensation of our median employee (other than our CEO) was \$94,195.
- 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 143.5 to 1.

Identification of the Median Employee:

For purposes of identifying our median employee, we used our global employee population as of April 1, 2022, identified based on our global human resources system of record, inclusive of all regular employees employed by NortonLifeLock 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 1, 2022, and the grant date fair value of all equity awards granted during FY22 excluding the value of any modifications. Cash compensation figures were converted from local currency to U.S. dollars using the exchange rate NortonLifeLock used for FY22 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 NortonLifeLock'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 3% 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 NortonLifeLock's common stock and all holders of NortonLifeLock'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 depository 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 or rescind the transaction.

Certain Related Party Transactions

Transactions with Silver Lake

On May 13, 2021, we entered into a Convertible Notes Purchase Agreement with affiliates of Silver Lake Partners (Silver Lake), pursuant to which NortonLifeLock agreed to repurchase \$250,000,000 in aggregate principal amount of 2.50% convertible unsecured senior notes due 2022. These notes are convertible into common stock of NortonLifeLock at a rate of 59.6341 shares for each \$1,000 principal amount of notes, representing a conversion price of approximately \$16.77 per share. Under the terms of the Agreement, NortonLifeLock paid Silver Lake an aggregate of \$365 million, representing \$24.40 per underlying share into which the notes are convertible, accrued and unpaid interest through the date of settlement, and a portion of the cash dividend that was declared by NortonLifeLock on May 10, 2021.

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 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 March 22, 2021. 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 1, 2022 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 applicable requirements of the Public Company Accounting Oversight Board (PCAOB) and the SEC. 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, and has discussed with the independent registered public accounting firm the registered public accounting firm's independence.

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 met 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 1, 2022, 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 2023.

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 1, 2022 for filing with the SEC.

By: The Audit Committee of the Board of Directors:

Eric K. Brandt (Chair)
Frank E. Dangeard
Nora M. Denzel
Emily Heath

**NORTONLIFELOCK INC.
2022 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 13, 2022, 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 Annual 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 the following proposals:

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 2023 fiscal year;
3. An advisory vote to approve executive compensation;
4. Approval of the amendment of the 2013 Plan; and
5. A stockholder proposal to seek stockholder ratification of termination pay, if properly presented at the Annual Meeting.

If any other business properly comes before the Annual Meeting or any adjournment or postponement thereof, you will be voting on those items as well.

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 2022 fiscal year (Proposal No. 2); FOR the approval of compensation to our named executive officers (Proposal No. 3); FOR the approval of the Amendment to the 2013 Equity Incentive Plan (Proposal No. 4); and AGAINST the stockholder proposal (Proposal No. 5).

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, other than Proposal No. 5 which is included in proxy statement. 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 18, 2022, are entitled to vote at the Annual Meeting. At the close of business on the record date, there were 571,366,085 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 Annual Meeting.

Stockholder of Record: Shares Registered in Your Name

If on July 18, 2022 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 18, 2022 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 Annual Meeting — to participate in and vote at the 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 of Proxy Materials 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 12, 2022. 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 Annual 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 Annual 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 Annual 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 2023 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, 4, and 5.* Approval of each of Proposal Nos. 2, 3, 4, and 5 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 of Proxy Materials, 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 approximately \$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 of Proxy Materials, 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 of Proxy Materials 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 Annual 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/NLOK2022. To participate in the Annual Meeting or to submit questions in advance of the Annual Meeting, you will need the 16-digit control number included with your proxy materials, on your proxy card, Notice of Internet Availability of Proxy Materials or on the instructions that accompanied your proxy materials.

What if during the check-in time or during the Annual 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 Annual Meeting. If you encounter any difficulties accessing the virtual meeting during the check-in or meeting time, please call the customer support numbers which will be shown on the virtual shareholder meeting site approximately 30 minutes before the start of the Annual Meeting.

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, we believe the online format allows us to communicate effectively with you via a pre-meeting forum that you can enter by visiting www.virtualshareholdermeeting.com/NLOK2022.

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 SEC in a current report on Form 8-K within four business days of the Annual Meeting.

ADDITIONAL INFORMATION

Stockholder Proposals for the 2023 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 2023 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 16, 2023 and June 15, 2023 (or, if the 2023 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 2022 Annual Meeting, then by no later than 10 calendar days after our public announcement of the date of the 2023 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 2023 annual meeting must be received by us not later than April 5, 2023 in order to be considered for inclusion in NortonLifeLock's proxy materials for that meeting. In addition to satisfying advance notice requirements under our bylaws, to comply with the universal proxy rules under the Exchange Act, stockholders who intend to solicit proxies in support of director nominees other than those nominees nominated by NortonLifeLock must provide notice that sets forth the information required by Rule 14a-19 under the Exchange Act no later than July 15, 2023, which is 60 calendar days prior to the anniversary date of the Annual 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 2022, 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) 540-7095, 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 Annual Meeting and, so far as is known to the Board, no matters are to be brought before the Annual Meeting except as specified in the notice of the Annual Meeting. As to any business that may arise and properly come before the Annual 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, NortonLifeLock 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. 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 business strategy, governance practices, ESG initiatives and executive compensation program. 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.

ANNEX A

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES AND EXPLANATION OF KEY PERFORMANCE INDICATORS

This proxy statement contains references to non-GAAP EPS, non-GAAP operating income, non-GAAP operating margin, and free cash flow which are adjusted from results based on GAAP, as well as references to certain key performance indicators. These measures are provided to enhance the user's understanding of our prospects for the future. Our management team uses these measures in assessing NortonLifeLock's performance, as well as in planning and forecasting future periods.

Reconciliation of GAAP to non-GAAP measures (in millions, except per share amounts)

Non-GAAP EPS, non-GAAP operating income, non-GAAP operating margin and free cash flow are not computed according to GAAP and the method we use to compute these non-GAAP financial measures may differ from the method used by other companies. Such measures are supplemental, should not be considered a substitute for financial information presented in accordance with GAAP and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. Please see below for the GAAP to non-GAAP reconciliation of these measures.

	Year Ended	
	April 1, 2022	April 2, 2021
Diluted net income per share (GAAP)	\$ 1.41	\$ 0.92
Adjustments to diluted net income per share		
Contract liabilities fair value adjustment	\$ 0.02	\$ 0.01
Stock-based compensation	\$ 0.12	\$ 0.12
Amortization of intangible assets	\$ 0.21	\$ 0.18
Restructuring and other costs	\$ 0.05	\$ 0.27
Acquisition and integration costs	\$ 0.06	\$ 0.01
Litigation settlement charges	\$ 0.34	\$ 0.05
Other	\$ 0.01	\$ 0.00
Non-cash interest expense	\$ 0.01	\$ 0.02
Loss (gain) on extinguishment of debt	\$ 0.01	\$ (0.03)
Gain on sale of properties	\$ (0.30)	\$ (0.16)
Total adjustments to GAAP income from continuing operations before income taxes	\$ 0.54	\$ 0.45
Adjustment to GAAP provision for income taxes	\$ (0.20)	\$ (0.16)
Total adjustment to continuing operations, net of taxes	\$ 0.34	\$ 0.28
Discontinued operations	—	\$ 0.24
Diluted net income per share (Non-GAAP)	\$ 1.75	\$ 1.44
Operating income	\$1,005	\$ 896
Contract liabilities fair value adjustment	\$ 11	\$ 5
Stock-based compensation	\$ 70	\$ 71
Amortization of intangible assets	\$ 124	\$ 105
Restructuring and other costs	\$ 31	\$ 161
Acquisition and integration costs	\$ 37	\$ 4
Litigation settlement charges	\$ 202	\$ 29
Operating income (Non-GAAP)	\$1,480	\$1,271
Net Revenues	\$2,796	\$2,551
Operating margin	35.9%	35.1%
Operating margin (Non-GAAP)	52.7%	49.7%
Operating cash flow (GAAP)	\$ 974	\$ 706
Purchases of property and equipment	\$ (6)	\$ (6)
Free cash flow (Non-GAAP)	\$ 968	\$ 712

Explanation of key performance indicators

Bookings: Bookings are defined as customer orders received that are expected to generate net revenues in the future. We present the operational metric of bookings because it reflects customers' demand for our products and services and to assist readers in analyzing our performance in future periods.

Direct customer count: Direct customers are defined as active paid users of our consumer solutions who have a direct billing relationship with us at the end of the reported period. Users with multiple products or entitlements are counted for based on which solutions they are subscribed. We exclude users on free trials and promotions and users who have indirectly purchased our product or services through partners unless such users convert or renew their subscription directly with us. Full Year Average Direct Customer Count is calculated as an average across the quarters.

Average revenues per user (ARPU): 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. We monitor ARPU because it helps us understand the rate at which we are monetizing our consumer customer base.

Annual retention rate: 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.

ANNEX B

NORTONLIFELOCK INC. 2013 EQUITY INCENTIVE PLAN

1. *Purpose.* The purpose of this Plan is to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company, its Parent, Subsidiaries and Affiliates, by offering them an opportunity to participate in the Company's future performance through awards of Options, Stock Appreciation Rights, Restricted Stock Units, and Restricted Stock Awards. Capitalized terms not defined in the text are defined in Section 29.

2. *Shares Subject to the Plan.*

2.1 *Number of Shares Available.* Subject to Sections 2.2 and 19, the total number of Shares reserved and available for grant and issuance pursuant to this Plan will be 82,000,000 Shares.

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

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

In the event of an extraordinary cash dividend by the Company, the Committee, in its sole discretion, may, in lieu of the any of the methods of adjustments set forth above, determine that: (a) Participants holding outstanding RSUs will be entitled to receive a cash payment, with respect to each Share subject to such Awards, in an amount equal to the per-Share extraordinary cash dividend amount, provided, however, that unless determined otherwise by the Committee, any cash payment or new, substituted or additional securities or other property (including money paid other than as a regular cash dividend) that the Participant has the right to receive with respect to the Participant's unvested RSUs pursuant to this clause (a) shall be issued subject to (i) the same vesting requirements applicable to the Participant's unvested RSUs and (ii) may be issued subject to such escrow arrangements as the Committee may deem appropriate, and/or (b) the Exercise Price of outstanding Options and SARs may be reduced by an amount equal to the per-Share extraordinary cash dividend amount, provided, however, that the Committee may, in its sole discretion, determine that a cash payment shall be made to a Participant holding an Option or SAR partially or entirely in lieu of such a reduction in Exercise Price on a per-Share cent-for-cent basis.

3. *Eligibility.* ISOs (as defined in Section 5 below) may be granted only to employees (including officers and directors who are also employees) of the Company or of a Parent or Subsidiary of the Company. All other Awards may be granted to employees, officers, directors, consultants, independent contractors and advisors (each an "Eligible Individual") of the

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

4. Administration.

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

- (a) construe and interpret this Plan, any sub-plan, Award Agreement and any other agreement or document executed pursuant to this Plan;
- (b) prescribe, amend and rescind rules and regulations relating to this Plan or any Award;
- (c) select Eligible Individuals to receive Awards;
- (d) determine the form and terms of Awards;
- (e) grant Awards and determine the number of Shares or other consideration subject to Awards;
- (f) determine whether Awards will be granted singly, in combination with, in tandem with, in replacement of, or as alternatives to, other Awards under this Plan or any other incentive or compensation plan of the Company or any Parent, Subsidiary or Affiliate of the Company;
- (g) grant waivers of Plan or Award conditions;
- (h) determine the vesting, exercisability and payment of Awards;
- (i) correct any defect, supply any omission or reconcile any inconsistency in this Plan, any Award or any Award Agreement;
- (j) amend any Award Agreements executed in connection with this Plan;
- (k) determine whether the performance goals under any performance-based Award have been met and whether a performance-based Award has been earned;
- (l) determine whether, to what extent an Award may be canceled, forfeited, or surrendered;
- (m) adjust Performance Factors to take into account changes in law and accounting or tax rules as the Committee deems necessary or appropriate to reflect the impact of unusual or infrequent items, events or circumstances to avoid windfalls or hardships, including without limitation (i) restructurings, discontinued operations, unusual or infrequent charges, (ii) an event either not directly related to the operations of the Company or not within the reasonable control of the Company's management, or (iii) a change in accounting standards required by generally accepted accounting principles;
- (n) adopt terms and conditions, rules and/or procedures (including the adoption of any subplan under this Plan) relating to the operation and administration of the Plan to accommodate requirements of local law and procedures outside of the United States;
- (o) make all other determinations necessary or advisable for the administration of this Plan, any sub-plan or Award Agreement;
- (p) delegate any of the foregoing as permitted by applicable law to one or more executive officers pursuant to a

specific delegation, in which case references to “Committee” in this Section 4.1 will refer to such delegate(s), except with respect to Insiders.

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

4.3 *Section 16 of the Exchange Act.* Awards granted to Participants who are subject to Section 16 of the Exchange Act must be approved by two or more “non-employee directors” (as defined in the regulations promulgated under Section 16 of the Exchange Act).

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

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

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

5.3 *Exercise Period.* Options will be exercisable within the times or upon the events determined by the Committee as set forth in the Stock Option Agreement governing such Option; provided, however, that no Option will be exercisable after the expiration of ten (10) years from the date the Option is granted; and provided further that no ISO granted to a person who directly or by attribution owns more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any Parent or Subsidiary of the Company (“Ten Percent Stockholder”) will be exercisable after the expiration of five (5) years from the date the ISO is granted. The Committee also may provide for the exercise of Options to become exercisable at one time or from time to time, periodically or otherwise (including, without limitation, the attainment during a Performance Period of performance goals based on Performance Factors), in such number of Shares or percentage of Shares as the Committee determines.

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

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

Section 2.2. Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

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

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

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

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

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

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

5.11 *Minimum Vesting.* At the time of grant, no Option will be granted that vests (or, if applicable, is exercisable) until at least twelve (12) months following the date of grant of the Option; provided, however, that up to five percent (5%) of the Shares authorized for issuance under this Plan may be subject to Options and/or SARs that do not meet the foregoing vesting (and, if applicable, exercisability) requirements.

6. *Non-Employee Director Equity Awards.*

6.1 *Types of Awards.* All Awards other than ISOs may be granted to non-employee directors under this Plan. Awards granted pursuant to this Section 6 may be automatically made pursuant to a policy adopted by the Board (as such policy may be amended from time to time by the Board) or made from time to time as determined in the discretion of the Board, or, if the authority to grant Awards to non-employee directors has been delegated by the Board, the Committee. No non-employee director may receive cash compensation and Awards under the Plan exceeding \$900,000 in total combined value (as described below) in the aggregate in any calendar year. The value of Awards for purposes of complying with this maximum shall be determined as follows: (a) for Options and SARs, grant date fair value will be calculated using the Black-Scholes valuation methodology on the date of grant of such Option or SAR and (b) for all other Awards other than Options and SARs, grant date fair value will be determined by either (i) calculating the product of the Fair Market Value per Share on the date of grant and the aggregate number of Shares subject to the Award or (ii) calculating the product using an average of the Fair Market Value over a number of trading days and the aggregate number of Shares subject to the Award as determined by the Committee. Awards granted or cash payments made to an individual while he or she was serving in the capacity as an employee or while he or she was a consultant but not a non-employee director will not count for purposes of the limitations set forth in this Section 6.1.

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

6.3 *Vesting, Exercisability and Settlement.* Except as set forth in Section 19, Awards granted pursuant to Section 6 shall vest, become exercisable and be settled as determined by the Board and consistent with Section 5.11 and Section 9.4 or, if the authority to make such determinations has been delegated by the Board, the Committee. With respect to Options and SARs, the Exercise Price of such Award granted to non-employee directors shall not be less than the Fair Market Value of the Shares at the time such Award is granted.

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

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

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

7.3 *Terms of Restricted Stock Awards.* Restricted Stock Awards will be subject to all restrictions, if any, that the Committee may impose. These restrictions may be based on completion of a specified period of service with the Company and/or upon completion of performance goals as may be set forth in the Restricted Stock Agreement, which shall be in such form and contain such provisions (which need not be the same for each Participant) as the Committee shall from time to time approve, and which will comply with and be subject to the terms and conditions of this Plan. Prior to the grant of a Restricted Stock Award, the Committee shall: (a) determine the nature, length and starting date of any Performance Period for the Restricted Stock Award; (b) select performance criteria, including from among the Performance Factors, to be used to measure performance goals, if any; and (c) determine the number of Shares that may be awarded to the Participant. Performance Periods may overlap and a Participant may participate simultaneously with respect to Restricted Stock Awards that are subject to different Performance Periods and having different performance goals and other criteria.

7.4 *Termination of Participant.* Except as may be set forth in the Participant's Award Agreement, Restricted Stock Awards shall cease to vest immediately if a Participant is Terminated during the vesting period or Performance Period applicable

to the Award for any reason, unless the Committee determines otherwise, and any unvested Shares subject to such Restricted Stock Awards shall be subject to the Company's right to repurchase such Shares or otherwise to any forfeiture condition applicable to the Award, as described in Section 14 of this Plan, if and as set forth in the applicable Restricted Stock Agreement.

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

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

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

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

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

9.1 *Terms of SARs.* SARs may vary from Participant to Participant and between groups of Participants, and may be based upon the achievement of the Company, Parent or Subsidiary and/or individual performance goals or upon such other criteria as the Committee may determine. The Committee will determine all terms of each SAR including, without limitation: the number of Shares deemed subject to each SAR, the time or times during which each SAR may be settled, the consideration to be distributed on settlement, and the effect on each SAR of its holder's Termination. All SARs will be evidenced by an Award Agreement (the "SAR Agreement"), which will be in such form and contain such provisions (which need not be the same for each Participant) as the Committee may from time to time approve, and which will comply with and be subject to the terms and conditions of this Plan. The Exercise Price of a SAR will be determined by the Committee when the SAR is granted and may not be less than 100% of the Fair Market Value of the Shares on the date of grant. A SAR may be awarded upon satisfaction of such performance goals as are set out in advance in the Participant's individual Award Agreement (the "Performance SAR Agreement") that will be in such form (which need not be the same for each Participant) as the Committee may from time to time approve, and which will comply with and be subject to the terms and conditions of this Plan. If the SAR is being earned upon the satisfaction of performance goals pursuant to a Performance SAR Agreement, then the Committee will: (a) determine the nature, length and starting date of any Performance Period

for each SAR; (b) select performance criteria, including from among the Performance Factors, to be used to measure performance goals, if any; and (c) determine the number of Shares deemed subject to the SAR. Prior to exercise of any SAR earned upon the satisfaction of performance goals pursuant to a Performance SAR Agreement, the Committee shall determine the extent to which such SAR has been earned. Performance Periods may overlap and Participants may participate simultaneously with respect to SARs that are subject to different Performance Periods and different performance goals and other criteria. The number of Shares may be fixed or may vary in accordance with such performance goals and criteria as may be determined by the Committee. The Committee may adjust the performance goals applicable to the SARs to take into account changes in law and accounting or tax rules and to make such adjustments as the Committee deems necessary or appropriate to reflect the impact of extraordinary or unusual items, events or circumstances to avoid windfalls or hardships. Notwithstanding anything to the contrary elsewhere in the Plan, the Company is subject to Section 22.2 below with respect to any proposal to reprice outstanding SARs. The term of a SAR shall be ten (10) years from the date the SAR is awarded or such shorter term as may be provided in the Award Agreement.

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

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

9.4 *Minimum Vesting.* At the time of grant, no SAR will be granted that vests (or, if applicable, is exercisable) until at least twelve (12) months following the date of grant of the SAR; provided, however, that up to five percent (5%) of the Shares authorized for issuance under this Plan may be subject to SARs and/or Options that do not meet the foregoing vesting (and, if applicable, exercisability) requirements.

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

- (a) by cancellation of indebtedness of the Company to the Participant;
- (b) by surrender of shares of the Company held by the Participant that have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which said Award will be exercised or settled;
- (c) cashless "net exercise" arrangement pursuant to which the Company will reduce the number of Shares issued upon exercise by the largest whole number of Shares having an aggregate Fair Market Value that does not exceed the aggregate Exercise Price plus any Tax-Related Items; provided that the Company shall accept a cash or other payment from the Participant to the extent of any remaining balance of the Exercise Price not satisfied by such reduction in the number of whole Shares to be issued;
- (d) by waiver of compensation due or accrued to the Participant for services rendered;
- (e) with respect only to purchases upon exercise of an Option, and provided that a public market for the Company's stock exists, through a "same day sale" commitment from the Participant and a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "FINRA Dealer") whereby the Participant irrevocably elects to exercise the Option and to sell all or a portion of the Shares so purchased to pay for the Exercise Price and any applicable Tax-Related Items, and whereby the FINRA Dealer irrevocably commits upon receipt of such Shares to forward the Exercise Price directly to the Company;
- (f) by such other consideration and method of payment as permitted by the Committee and applicable law; or
- (g) by any combination of the foregoing.

11. *Withholding Taxes.*

11.1 *Withholding Generally.* The Company, its Parent, Subsidiaries and Affiliates, as appropriate, shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, its Parent, Subsidiaries and Affiliates,

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

11.2 *Stock Withholding.* When, under applicable tax laws, a Participant incurs tax liability in connection with the grant, exercise or vesting of any Award that is subject to tax withholding and the Participant is obligated to pay the Company the amount required to be withheld, the Committee may allow the Participant to satisfy the minimum withholding tax obligation by electing to have the Company withhold from the Shares to be issued that number of Shares having a Fair Market Value equal to the minimum amount required to be withheld, determined on the date that the amount of tax to be withheld is to be determined. All elections by a Participant to have Shares withheld for this purpose will be made in writing in a form and during a period acceptable to the Committee.

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

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

14. *Restrictions on Shares.* At the discretion of the Committee, the Company may reserve to itself and/or its assignee(s) in the Award Agreement a right to repurchase a portion of or all Shares that are not vested held by a Participant following such Participant's Termination at any time specified after the Participant's Termination Date, for cash and/or cancellation of purchase money indebtedness, at the Participant's original Exercise Price or Purchase Price, as the case may be. Alternatively, at the discretion of the Committee, Award Shares issued to the Participant for which the Participant did not pay any Exercise or Purchase Price may be forfeited to the Company on such terms and conditions as may be specified in

the Award Agreement. All certificates for Shares or other securities delivered under this Plan will be subject to such stock transfer orders, legends and other restrictions as the Committee may deem necessary or advisable, including restrictions under any applicable federal, state or foreign securities law, or any rules, regulations and other requirements of the SEC or any stock exchange or automated quotation system upon which the Shares may be listed or quoted.

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

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

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

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

19. *Corporate Transactions.*

19.1 *Assumption or Replacement of Awards by Successor.* In the event of (a) a dissolution or liquidation of the Company, (b) the consummation of a merger or consolidation in which the Company is not the surviving corporation (other than a merger or consolidation with a wholly-owned subsidiary, a reincorporation of the Company in a different jurisdiction, or other transaction in which there is no substantial change in the stockholders of the Company or their relative stock holdings and the Awards granted under this Plan are assumed, converted or replaced by the successor corporation, which assumption will be binding on all Participants), (c) the consummation of a merger in which the Company is the surviving corporation

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

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

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

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

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

22. *Certain Stockholder Approval Matters.*

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

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

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

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

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

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

27. *Insider Trading Policy.* Each Participant who receives an Award shall comply with any policy adopted by the Company from time to time covering transactions in the Company’s securities by Employees, officers and/or directors of the Company.

28. *All Awards Subject to Company Clawback or Recoupment Policy.* All Awards held by an executive officer shall be subject to clawback, recoupment or forfeiture (i) to the extent that such executive officer is determined to have engaged in fraud or intentional illegal conduct materially contributing to a financial restatement, as determined by the Board in its sole discretion, (ii) as provided under any clawback, recoupment or forfeiture policy adopted by the Board or (iii) required by law. Such clawback, recoupment or forfeiture policy, in addition to any other remedies available under applicable law, may require the cancellation of outstanding Awards and the recoupment of any gains realized with respect to Awards.

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

“Affiliate” means any corporation that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, another corporation, where “control” (including the terms “controlled by” and “under common

control with”) means the possession, direct or indirect, of the power to cause the direction of the management and policies of the corporation, whether through the ownership of voting securities, by contract or otherwise.

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

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

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

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

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

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

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

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

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

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

- (a) if such Common Stock is then quoted on the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market (collectively, the “Nasdaq Market”), its closing price on the Nasdaq Market on the date of determination as reported in The Wall Street Journal or such other source as the Board or the Committee deems reliable;
- (b) if such Common Stock is publicly traded and is then listed on a national securities exchange, its closing price on the date of determination on the principal national securities exchange on which the Common Stock is listed or admitted to trading as reported in The Wall Street Journal or such other source as the Board or the Committee deems reliable;
- (c) if such Common Stock is publicly traded but is not quoted on the Nasdaq Market nor listed or admitted to trading on a national securities exchange, the average of the closing bid and asked prices on the date of determination as reported in The Wall Street Journal or such other source as the Board or the Committee deems reliable; or
- (d) if none of the foregoing is applicable, by the Board or the Committee in good faith.

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

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

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

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

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

1. Profit Before Tax;
2. Billings;
3. Revenue;
4. Net revenue;
5. Earnings (which may include earnings before interest and taxes, earnings before taxes, and net earnings);
6. Operating income;
7. Operating margin;
8. Operating profit;
9. Controllable operating profit, or net operating profit;
10. Net Profit;
11. Gross margin;
12. Operating expenses or operating expenses as a percentage of revenue;
13. Net income;
14. Earnings per share;
15. Total stockholder return;
16. Market share;
17. Return on assets or net assets;
18. The Company's stock price;
19. Growth in stockholder value relative to a pre-determined index;
20. Return on equity;
21. Return on invested capital;
22. Cash Flow (including free cash flow or operating cash flows);
23. Cash conversion cycle;
24. Economic value added;
25. Individual confidential business objectives;
26. Contract awards or backlog;
27. Overhead or other expense reduction;
28. Credit rating;
29. Strategic plan development and implementation;
30. Succession plan development and implementation;
31. Improvement in workforce diversity;
32. Customer indicators;
33. New product invention or innovation;
34. Attainment of research and development milestones;

35. Improvements in productivity;
36. Bookings;
37. Attainment of objective operating goals and employee metrics; and
38. Any other metric that is capable of measurement as determined by the Committee.

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

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

"Plan" means this NortonLifeLock Inc. 2013 Equity Incentive Plan, as amended from time to time.

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

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

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

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

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

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

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

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

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

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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 1, 2022

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)*

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

(Address of principal executive offices)

77-0181864

*(I.R.S. Employer
Identification No.)*

85281

(Zip code)

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

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

<i>Title of each class</i>	<i>Trading symbol(s)</i>	<i>Name of each exchange on which registered</i>
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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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 1, 2021 as reported on the Nasdaq Global Select Market: \$9,832,405,362. 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 19, 2022 was 580,064,068 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for the 2022 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 1, 2022.

NORTONLIFELOCK INC.
FORM 10-K
For the Fiscal Year Ended April 1, 2022

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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 operations and financial performance; 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*

Vision & Mission

Our vision is to protect and empower people to live their digital lives safely.

Our mission is to build a comprehensive and easy-to-use integrated portfolio that prevents, detects and responds to cyber threats and cybercrimes in today's digital world.

Our Values

Protecting people is what inspires us, and our people are at the core of what we do. We seek to attract talent that embraces the following values:

- **Advocate: Think Consumer First** — ensure the customer's voice is heard and consider how our actions benefit our customers' digital lives.
- **Be Empowered: Own It** — take the initiative to lead and speak up when we see an opportunity to delight our customers or improve the business, regardless of job title.
- **Communicate: Be Open and Authentic** — being true to ourselves and our mission; we build cross-functional and inclusive connections to stay aligned and move faster, and we operate with integrity.
- **Execute: Smart and Scrappy** — be a leader, quick to adapt, willing to take risks and put yourself out there; be agile in adapting to meet new challenges and continue a constant learning journey.
- **Win Together: Innovate and Grow** — welcome diverse perspectives and seek and act on feedback; champion the unique value of every individual; diversity fuels innovation.

Company Overview

NortonLifeLock has the largest consumer Cyber Safety platform in the world, empowering nearly 80 million users in more than 150 countries.

Our business is built around consumers, we are a trusted brand for customers, and we are number one top of mind company in consumer Cyber Safety, according to the 2021 NortonLifeLock brand tracking study.

Today's world is increasingly digital, and this digital world has changed the way we live our lives every day. Between the massive shift to working and learning from home, and the ever-growing utility and opportunities to play and transact online, people's digital lives have become the norm. With each new digital interaction comes increased risk for consumers, as cybercriminals look to take advantage of these accelerating trends. This is why we view ourselves as a trusted ally for our customers in a complex digital world and are committed to advancing our vision of protecting and empowering each element of their digital lives.

We are uniquely positioned for driving the awareness of Cyber Safety for individuals, fueled by an increasingly connected world. We maintain a global, multi-channel direct acquisition and brand marketing program. This program is designed to grow our customer base by increasing brand awareness and understanding of our products and services and maximizing our global reach to prospective customers.

We help prevent, detect and restore potential damages caused by many cyber criminals. We also make it easy for consumers to find, buy and use our products and services. To this end, we sell subscription-based Cyber Safety solutions primarily direct-to-consumer through our portfolio of websites and indirectly through partner relationships with retailers, telecom service providers, hardware original equipment manufacturers (OEMs), strategic partners and employee benefit providers. Most of our subscriptions are sold on annual terms, but we also offer monthly subscriptions. As of April 1, 2022, we

have nearly 80 million total users, which come from direct, indirect and freemium channels. Of the total users, we have over 23 million direct customers with whom we have a direct billing relationship.

- **Direct-to-consumer channel:** We use advertising and direct response marketing to elevate our brand, attract new customers and generate significant demand for our services. We have a direct billing relationship with these customers.
- **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 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, employee benefit providers, mobile app stores and strategic partners. Physical retail and OEM partners represent a small portion of our distribution, which minimizes the impact of supply chain disruptions.
- **Freemium channel:** With the acquisition of Avira, we have expanded our go-to-market with a freemium channel. We use free versions of our products to reach the broadest set of customers globally and bring Cyber Safety to a larger audience, especially in international markets. The free solution offers a baseline of protection and presents premium functionalities based on the risk profile and device-type of the user. The user can become a member of our paid customer base if they choose to add specific premium solutions or upgrade to Avira Prime, a suite of security and privacy solutions across multiple platforms and devices.

Seasonality

As is typical for many consumer technology companies, portions of our business are impacted by seasonality. However, we believe the net impact on our business is limited. Seasonal behavior in orders primarily reflects consumer spending patterns where our fiscal third and fourth quarters are higher due to the holidays in our third quarter, as well as follow-on holiday purchases and the U.S. tax filing season which typically is in our fourth quarter. Revenue generally reflects similar seasonal patterns but to a lesser extent than orders because of our subscription business model, as a large portion of our in-period revenues are recognized ratably from our deferred revenue balance.

Our Strategy

Our strategy is focused on profitable growth, allowing consumers to experience Cyber Safety. To fuel our growth, our consumer-centric strategy is to provide a comprehensive and easy-to-use integrated platform, which we have built in-house. By combining and leveraging our entire brand portfolio, including offerings from Norton, LifeLock, Avira and others, we are able to deliver an industry-leading set of Cyber Safety solutions.

The key elements of our strategy include the following:

- **Extend our leadership position through continued enhancement of our solutions and services:** The Cyber Safety industry is large and expanding, which we believe provides a significant growth opportunity. Our strategy is to grow our business by investing in research and development and pursuing acquisitions, where appropriate, 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 and our integrated platform to reach new customers and markets globally.
- **Grow our customer base through multiple channels:** We have multiple go-to-market channels to reach new customers globally, including direct-to-customer, indirect partnerships and freemium. 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 brands 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 to customers. We aim to continue to increase customer engagements through actionable alerts, education on timely topics and introducing new product capabilities. We plan to also continue investing in enhancing both desktop and mobile customer experiences throughout a customer's journey with NortonLifeLock, from purchase, to onboarding and beyond. We aim to build long-term relationships with our customers and to provide our customers with the peace of mind and confidence they need to protect their digital lives.
- **Increase value to existing customers:** We believe strong customer satisfaction will provide us with the opportunity to engage customers in new services offerings. We maintain the Norton 360 platform, with multiple tiers of membership, and we are actively engaging with customers of standalone products to offer 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 drive further growth as we add additional offerings and services for our customers.
- **Draw strength from our world-class customer service support:** We have the largest consumer Cyber Safety customer support organization in the world. Our global support team seeks to ensure the voice of the consumer is heard and that we put our customers first. We leverage frequent communication and feedback from our customers to continually improve our solutions and services. We embrace end-to-end customer experience and aim to continue to improve our Net Promoter Scores and overall customer satisfaction.
- **Leverage our global brands to drive growth:** We will work to keep building our trusted brands in markets globally as we strive to bring protection and empowerment to all consumers when it comes to their digital lives. According to our most recent research, Norton has 87% global brand awareness and 82% for device security. We are best positioned and number one top of mind in consumer Cyber Safety, according to the 2021 NortonLifeLock Brand Impact study.

Our Cyber Safety Solutions and Services

Our vast portfolio of products and services are developed from consumer insights to help us bring to market real solutions to real problems and to raise the overall awareness of consumer Cyber Safety across all audiences. We continuously target to release new products and features at an accelerated pace and find synergies to integrate current and future technology acquisitions.

Our full portfolio provides protection across three Cyber Safety categories in multiple channels and geographies, including security, identity protection, and online privacy. We have built a technology platform that brings together software and service capabilities into a comprehensive and easy-to-use integrated platform — it is called Norton 360. The Norton 360 integrated platform provides extensive Cyber Safety coverage to our members, delivering Cyber Safety subscription solutions with industry leading features, coupled with an integrated user experience. Through our platform, we aim for simplicity and peace of mind for the consumers. We also complement this Cyber Safety platform by offering adjacent trust-based solutions, which enables people to live their digital lives without compromising their security, identity or privacy.

We protect and empower consumers by providing solutions and services in two main ways:

- **Comprehensive membership plans:** Providing a complete Cyber Safety portfolio of solutions for a membership fee. Plans are offered through Norton 360 subscriptions, which include multiple levels of membership tiers that incorporate solutions from each of our key Cyber Safety categories: Security, Identity Protection and Online Privacy. We also offer solutions that target specific needs of consumers such as Norton Family and Norton 360 for Gamers. Norton Family brings the protection and security of our products to every member of the family across multiple devices and platforms. Norton 360 for Gamers is designed by gamers to help protect gamers; we aim to provide the protection and features gamers need the most, while minimizing interruptions to gaming.
- **Point solutions:** Providing individual, stand-alone products and services in security, identity and privacy, which offers flexibility for consumers to choose between free or paid solutions.

We are positioned across three key Cyber Safety categories:

Cyber Safety is an evolving market



- **Security (Norton and Avira offerings):** Our Norton 360 and Avira offerings provide real-time protection for PCs, Macs and mobile devices against malware, viruses, adware, ransomware and other online threats. These offerings monitor and block unauthorized traffic from the internet to the device to help protect private and sensitive information when customers are online. For mobile devices, Norton 360 for Mobile 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 360 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. We also have Norton Utilities Ultimate, a performance offering that optimizes Windows PC capabilities for faster, smoother and more secure internet browsing, gaming or content streaming. This offering helps boost PC performance while also recovering lost files and protecting sensitive information.
- **Identity Protection (Norton and LifeLock Identity Theft Protection, Dark Web Monitoring, Home Title Protect, Social Media Monitoring):** Our Norton and LifeLock identity theft protection solution includes monitoring, alerts and restoration services to help safeguard our customers' personal information. 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. Our Dark Web Monitoring product looks for personal information of our Norton 360 members on the Dark Web. We currently offer this product in many countries internationally and continue to add new countries each year. Our Home Title Protect product detects fraud and notifies members if we find changes made to their Home Title. Our Social Media Monitoring features help keep customers' social media accounts safer by monitoring them for account takeovers, risky activity and inappropriate content. Social Media Monitoring keeps a pulse on customers' social media accounts, notifying them of suspected account compromise or potentially risky links in their account feed.
- **Online Privacy (VPN, Privacy Monitor Assistant, AntiTrack, Online Reputation Management):** As people are exchanging more sensitive information through digital channels,

such as personal healthcare information to enable tele-health or financial information for personal accounting, having a VPN has become even more crucial. Our VPN solution enhances 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. Our Privacy Monitor Assistant is an on-demand, white glove service where our agents help our members delete personal information from Data brokers online. Our AntiTrack product helps keep personal information and browsing activity private by blocking trackers and disguising digital fingerprints online. This allows customers to browse anonymously and go beyond clearing cookies to obscure digital fingerprints. Our Online Reputation Management solutions help extend and strengthen NortonLifeLock's privacy capabilities and functionalities, such as the ability to manage online search results, personal branding and digital privacy. These solutions can help our customers control their search results by promoting positive search results or suppressing incorrect search results, or help our customers protect their family's privacy by hiding or removing sensitive personal information.

Innovation and Research & Development

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

As cyber threats evolve, we are focused on delivering a portfolio that protects each element of our customers' digital lives. To do this, we engage and listen to our customers, and we embrace innovation by deploying 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 are committed to our innovation and research & development efforts. Norton Labs, a global team of experts, is leading the company's future technology and helping guide the consumer cybersecurity industry. Within Norton Labs, our global technology research organization is 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 and identity. We also have a global threat response and security technology organization that is comprised of leading threat and security researchers, supported by advanced systems to innovate security technology and threat intelligence.

Industry Overview & Market Opportunity

Cyber Safety is a growing market, fueled by the increase in activities online over the years as well as the years ahead. The core markets that we participate in are security, identity and privacy. We believe the Cyber Safety market will continue to expand beyond these core markets and grow significantly, driven by the growing number of people connected to the Internet who have a digital life.

The cyber threat landscape is larger and more complicated than ever before, exposing consumers to an increased risk to their digital lives. The digitization of the world and the overlap between the physical and digital world is growing at a fast pace. New technologies, smart devices, digital identities and an increasingly more connected world means consumers will encounter a range of new Cyber Safety challenges. Consumer demands and behaviors are rapidly changing and driving more activities online, from shopping, socializing, working, banking, to other activities in healthcare, entertainment and so much more. Almost every aspect of a person's life has a digital component. Unfortunately, many of those activities are left unprotected, and attackers are exploiting this larger opportunity and the inherent security and privacy vulnerabilities. Cybercriminals have not only expanded their reach, but the sophistication of digital threats and attacks are becoming increasingly more consumer-related.

Cybercrime, and the ways in which cybercriminals target consumers, continue to evolve along with behaviors and technology. Cybercrime encompasses any crime committed with devices over the internet and includes crimes where (i) malicious software or unauthorized access is detected on a device, network or online account (such as email, social media, online banking, crypto currency, online retail, gaming, online entertainment, etc.), and unauthorized access or connection to cloud service accounts; (ii) an individual is digitally victimized through a data breach, cyber theft, cyber extortion, or fraud (stolen personally identifiable information, identity theft, etc.); (iii) online stalking, bullying, or harassment is inflicted; or (iv) attacks related to privacy or disinformation (such as online tracking protection, identity impersonation, disinformation on social media, DeepFakes, non-trustworthy WiFi network, EvilTwin attacks, etc.).

As cybercrime becomes an intensifying threat to our world, consumers are increasingly concerned. Our annual Norton Cyber Safety Insights Report examines the impact of cybercrime and consumers' online behaviors and concerns related to their online security, privacy and identity. According to the 2022 report, which is based on research conducted online by The Harris Poll on behalf of us, more than 415 million people across 10 countries were victims of cybercrime and more than 81 million people were victims of identity theft over the past year. Cybercrime victims collectively spent nearly 4.4 billion hours trying to resolve their issues and half of these victims were impacted financially. For more insights or information related to our Norton Cyber Safety Insights Report, please visit <https://www.nortonlifelock.com/us/en/norton-cyber-safety-center>.

Competitive Landscape

We operate in a highly competitive and dynamic environment. We face global competition from a broad range of companies, including software vendors focusing on Cyber Safety solutions, operating system providers such as Apple, Google and Microsoft, and 'pure play' companies that currently specialize in one or a few particular segments of the market and many of which are expanding their product portfolios into different segments. We believe the competitive factors in our market include innovation, 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 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 may vary by offering, geography, business model and channel.

Our principal competitors are set forth below:

- **Security:** Our principal competitors in this segment include Apple, Avast, Bitdefender, Google, Kaspersky, McAfee, Microsoft and Trend Micro.
- **Identity Protection:** Our principal competitors in this segment include credit bureaus such as Equifax, Experian and TransUnion, as well as certain credit monitoring and identity theft protection solutions from others such as Allstate, Aura and Credit Karma.
- **Online Privacy:** Our principal competitors in this segment include Aura (which recently acquired Pango), Avast, Kape (which recently purchased ExpressVPN), NordVPN (now NordSecurity), Life360 and Bark.
- **Other Competitors:** In addition to competition from independent software vendors such as Avast, Bitdefender, Kaspersky, McAfee and Trend Micro, and from OS providers such as Apple, Google and Microsoft, we also face competition from other companies that currently focus on one or a few Cyber Safety or adjacent segments but are developing additional competing products and expanding their portfolios into new segments, such as 'pure play' companies, ISPs, big tech platform providers, insurance companies and financial service organizations.

We believe we compete favorably with our competitors on the strength of our technology, people, product offerings and presence in all of the current key Cyber Safety categories. However, some of our competitors have greater financial, technical, marketing, distribution or other resources than we do, including in new Cyber Safety and digital life segments we may enter, which consequently affords 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 and preferences more quickly or cost effectively than we can. In addition, for individual solutions or features, smaller, well-funded competitors may be able to innovate and adapt more nimbly to the dynamic nature of the market and shift consumer needs.

For more information on the risks associated with our competitors, please see “Risk Factors” — Risks Related to Our Business Strategy and Industry — “We operate in a highly competitive and dynamic environment, and if we are unable to compete effectively, we could experience a loss in market share and a reduction in revenue” and “We may need to change our pricing models to compete successfully,” in Item 1A included in this Annual Report on Form 10-K.

Environmental, Social and Governance (ESG)

Building a brand centered on trust is critically important, and our focus on corporate responsibility helps us earn trust from our users, employees, investors and shareholders. As such, environmental, social and governance topics are core to our business strategy:

- **Environment:** Protecting our planet is fundamental to ensuring a safe and sustainable future. We work to reduce greenhouse gas emissions from our operations through operational efficiencies, reduce the environmental footprint of our products across their lifecycle through innovative approaches to product development and packaging, promote high standards for environmental stewardship in our supply chain and engage with employees and environmental partners to amplify our work. We believe we can contribute to a future where the natural world is thriving and call these efforts Environmental Stewardship.
- **Social:** We are proud to support the communities where our team members live and work. Our community impact programs include employee volunteering and giving, product donations, signature programs that leverage our unique expertise in increasing digital safety literacy, and corporate philanthropic giving focused on digital safety education; diversity, equity, and inclusion; environmental action; and disaster response. We also support diversity, equity, and inclusion and employee engagement, discussed in more detail in the Human Capital Management subsection.
- **Governance:** Governance covers many core operating principles overseen by the Nominating and Governance Committee of our Board of Directors. This committee has oversight of Corporate Responsibility issues and receives quarterly updates on topics such as diversity, ethics, environmental stewardship and community investment. Our global culture of responsibility, and the positive contributions we make to the customers, employees, communities, and other stakeholders that we serve drives value for our business.

Setting strategic, achievable, and business-aligned corporate responsibility objectives helps to guide our work and improves our company performance. We align our objectives with the company’s financial goals and focus on the unique positive social and environmental impacts that our business model can have on the world.

Our objectives include:

- **Data Privacy and Protection:** We safeguard our customer, partner and employee data and offer products, including Norton Privacy Monitor Assistant that help consumers protect their personal data wherever it is found.
- **Cyber Safety:** We leverage our leading expertise and technology in Cyber Safety to protect communities. Malicious phone and computer applications, known as stalkerware, are used to harass, control and harm people. We are a founding member of the Coalition Against Stalkerware and donate products to victims to help keep their personal data protected. We also provide Cyber Safety training to help empower victims and survivors to reduce their vulnerability. Additional examples of our efforts include our partnership with the World Association of Girl Guides and Girl Scouts on the Surf Smart program to empower girls to keep themselves and others safe online and The Smart Talk, a free tool co-created in partnership with National PTA.

- **Diversity, Equity & Inclusion in Technology:** We are focused on bringing more women and under-represented groups into cybersecurity and tech. We do this by investing in high-impact, nonprofit organizations. We have made a three-year commitment to the Reboot Representation tech coalition, which is dedicated to doubling the number of Black, Latina and Native American women graduating with computing degrees by 2025. We also support Women4Cyber in Europe and the NASSCOM Foundation's Cyber Security Skills Development Initiative for Women in India. In fiscal 2022, approximately 62% of NortonLifeLock Foundation grants across all objectives had a focus on Diversity, Equity and Inclusion.
- **Employee Volunteering & Giving:** We have created a variety of opportunities for employee volunteering and giving and work to increase employee participation rates. In fiscal 2021, we launched a virtual volunteer program with team building opportunities and joint events with our Diversity and Inclusion Communities. We offer employees paid time off to volunteer, have an employee matching gift program and provide dollars-for-doers grants to encourage volunteer service. Our employee participation rate in our volunteering and giving program was 41% in fiscal 2022.
- **Environmental Stewardship:** We finalized and launched our new environmental strategy, which focuses on climate and energy, sustainable products, our supply chain, engagement with employees and nonprofit partners and being transparent about our progress and commitments.

Our annual ESG and Corporate Responsibility Report can be found via the NortonLifeLock website at <https://www.nortonlifelock.com/about/corporate-responsibility>.

Human Capital Management

Our human capital management strategy reflects our unique values and growth mindset. Working in close partnership with our Board of Directors on our talent management strategy, we work hard to lead, develop and grow our diverse team. We strive to be a diverse, vibrant community with strong values and a shared commitment to each other, the work we do and the world we all share.

At NortonLifeLock, our mission is to build a comprehensive and easy-to-use integrated portfolio that prevents, detects and responds to cyber threats and cybercrimes in today's digital world. Our success in helping achieve this mission depends, in large part, on the success of our employees.

- **General Employee Demographics:** As of April 1, 2022, we employed nearly 2,700 employees in 24 countries worldwide, with approximately 1,200 located in the U.S. None of our U.S. employees are represented by a labor union or covered by a collective bargaining agreement. We are focused on attracting, developing, rewarding and retaining a diverse and truly global team. The Compensation and Leadership Development Committee of our Board of Directors oversees senior management compensation and development, and our Board is invested in our talent management strategies, including DEI, culture and engagement.
- **Diversity, Equity and Inclusion (DEI):** Our mission is to increase our global representation of underrepresented groups at all levels (diversity), where everyone has an opportunity for development and advancement (equity) and is able to bring their whole selves to work and feel valued every day (inclusion). This mission is built upon four foundational pillars: (1) measurement and accountability; (2) fostering an inclusive environment; (3) diversifying our workforce; and (4) employee development and retention, which are designed to support, attract, retain and develop the best talent.

Clear and actionable multi-year representation goals are set at the leadership level, and tracking the data regularly to assess our progress and drive accountability go hand in hand. We ask applicants, new hires and employees to self-identify not only their demographics, but also important characteristics to help us better measure the diversity of our applicant pool and of our team to derive insights and actionable people strategies. In fiscal 2022, we publicly disclosed our most recent US Equal Employment Opportunity Commission EEO-1 Component 1 Data Collection Report on our investor relations website located at <https://investor.nortonlifelock.com/governance/governance-documents/>.

Inclusion is something we strive for and invest in every day. Raising awareness and appreciation of various diversity topics via our learning curriculum, global all employee conversations, published Blogs and active employee engagement. We measure belonging as a key metric in our quarterly NGage employee surveys. We are proud to support our several employee resource groups communities for people to come together as allies, to learn, support, mentor, and celebrate with one another and to provide an environment where everyone feels seen, heard, respected and valued.

Diversity is a key pillar of our talent management strategy. As of April 1, 2022, women represented 33% of our workforce and held positions in 33% of our leadership. In addition, as of April 1, 2022, women represented 44% of our Board of Directors and half of our independent board membership. We partner with Work180, a women-focused recruitment site that only lists career opportunities from employers that support diversity, inclusion and flexibility. We post positions on several diverse recruiting sites, including Black Tech Jobs, Jobs for Her and Women Who Code.

As part of our ongoing focus on employee development, we extended our participation in McKinsey & Company's Connected Leaders Academy for our Asian, Black and Hispanic-Latino leaders. Additionally, we had women globally attend the Women in Tech conference and several employees attended the Out & Equal Global Workplace Summit.

- **Employee Development, Engagement and Training:** We increased our investment in learning and development in fiscal 2022, launching Nvest Learning programs for all employees leveraging an extensive breadth of content and learning opportunities. This umbrella of offerings includes Nvest Mentorship, Nvest eLearning and Nvest NLOK University.

Our homegrown Nvest Mentorship program and platform continued to grow and now boasts over 200 active mentors and mentees. Nvest eLearning, a collection of digital, on-demand modules categorized around leadership, health and wellness, business skills, and technical skills, launched in the second quarter of fiscal 2022 with a steady increase in participation during the year with over 600 individual learners. We also provide group learning designed around TED Talks on topics including leadership, change management and further diversity, equity and inclusion efforts.

Nvest NLOK University (Nvest NU) launched in the third quarter of fiscal 2022 and is a leadership program that offers best-in-class content from Harvard ManageMentor that inspires, engages and invests in current and emerging leaders by leveraging 42 course options and group learning opportunities. Hundreds of recognition badges and certificates have been awarded to recognize various levels of achievement.

Feedback from our employees is critical, and we have developed an ongoing dialogue with our teams via our quarterly Ngage pulse survey on a targeted topic that drives actions and improvements.

- **Human Capital Governance:** We partner closely with our Board of Directors and the Compensation and Leadership Development Committee on our strategies and objectives related to talent management, talent acquisition, leadership development, retention and succession, DEI and employee engagement.

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 2,100 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.

In addition, 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.

For more information on the risks associated with our intellectual property, please see “Risk Factors” in Item 1A included in this Annual Report on Form 10-K.

Information Security and Risk Oversight

We maintain a comprehensive technology and cybersecurity program to ensure our systems are effective and prepared for information security risks, including regular oversight of our programs for security monitoring for internal and external threats to ensure the confidentiality and integrity of our information assets. We regularly perform evaluations of our security program and continue to invest in our capabilities to keep customers, employees and critical assets safe. Our Head of Cyber Security is ultimately responsible for our cybersecurity program, which includes the implementation of controls aligned with industry guidelines and applicable statutes and regulations to identify threats, detect attacks and protect these information assets. We have implemented security monitoring capabilities designed to alert us to suspicious activity and developed an incident response program that includes periodic testing and is designed to restore business operations as quickly and as orderly as possible in the event of a breach. In addition, employees participate in an ongoing program of mandatory annual training and receive communications regarding the cybersecurity environment to increase awareness throughout the company. We also implemented an enhanced annual training program for specific specialized employee populations, including secure coding training.

Recently, our Board of Directors established a Technology and Cybersecurity Committee of the Board with direct oversight to the Company’s (1) technology strategy, initiatives and investments and (2) key cybersecurity information technology risks against both internal and external threats. The Technology and Cybersecurity Committee is comprised entirely of independent directors, two of whom have significant work experience related to information security issues or oversight. Management will report security instances to the committee as they occur, if material, and will provide a summary multiple times per year to the Committee. Additionally, our Head of Cyber Security meets regularly with the Board of Directors or the Audit Committee of the Board of Directors to brief them on technology and information security matters. We carry insurance that provides protection against the potential losses arising from a cybersecurity incident. In the last three years, the expenses we have incurred from information security breach incidences were immaterial. This includes penalties and settlements, of which there were none.

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 included in this Annual Report on Form 10-K.

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>. The information contained, or referred to, on our website, including in any reports that are posted 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 THE PROPOSED MERGER

We may fail to consummate the Proposed Merger with Avast plc, may not consummate the Proposed Merger on the expected terms, or may not achieve the anticipated benefits.

It is currently anticipated that the Proposed Merger will be consummated in mid-to-late calendar 2022. Completion of the Proposed Merger is subject to, among other things, approval from the U.K. Competition and Markets Authority (the "CMA") and other customary closing conditions for the acquisition of a UK public company, including the sanction of the UK's High Court. All necessary regulatory approvals have been satisfied, with the exception of approval required from the CMA, which has referred the Proposed Merger to a Phase 2 investigation. As a result, the possible timing and likelihood of completion are uncertain, and, accordingly, there can be no assurance that the Proposed Merger will be completed on the expected terms, on the anticipated schedule or at all. In addition, the CMA may require, in connection with granting its approval of the transaction, divestitures or ongoing restrictions on the operation of the combined business, each of which could have a material impact on the anticipated strategic benefits and synergies from the combination. Any delay in consummation of the Proposed Merger will result in greater transaction costs and professional fees and continue to expose us to market risk. If we fail to receive approval from the CMA and cannot consummate the Proposed Merger, we may be required to pay Avast a break fee of up to \$200 million under the Co-operation Agreement. If consummated, the success of the Proposed Merger will depend, in significant part, on our ability to successfully integrate Avast and its subsidiaries, grow the revenue of the combined company and realize the anticipated strategic benefits and synergies from the combination. We believe that the addition of Avast and its subsidiaries represents an attractive opportunity to create a new, industry leading consumer Cyber Safety business, leveraging the established brands, technical expertise and innovation of both groups to deliver substantial benefits to consumers, shareholders and other stakeholders. Achieving these goals requires growth of the revenue of the combined company and realization of the targeted synergies expected from the Proposed Merger. This growth and the anticipated benefits of the Proposed Merger may not be realized fully or at all, or may take longer to realize than we expect. Actual operating, technological, strategic and revenue opportunities, if achieved at all, may be less significant than we expect or may take longer to achieve than anticipated. If we are not able to achieve these objectives and realize the anticipated benefits and synergies expected from the Proposed Merger within a reasonable time, our business, financial condition and operating results may be adversely affected.

Litigation filed against us could prevent or delay the completion of the Proposed Merger or result in the payment of damages following completion of the Proposed Merger.

As previously reported in our Form 8-K dated October 29, 2021, we received letters on behalf of our purported stockholders, in each case stating the stockholder's belief that the proxy statement filed by us on October 4, 2021 omitted material information with respect to the Merger and demanding that we make additional and supplemental disclosures regarding the Merger. Additionally, six complaints have been filed by our purported stockholders in connection with the Merger (collectively, the Merger Complaints). The Merger Complaints were brought by the plaintiffs individually and also allege that the proxy statement omitted material information with respect to the Merger. After the Company issued its October 29, 2021 Form 8-K, the plaintiffs in the Merger Complaints dismissed their actions as moot while reserving the right to seek a fee in connection with their respective litigations.

RISKS RELATED TO COVID-19

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 has had widespread, rapidly evolving, and unpredictable impacts on global society, economies, financial markets, and business practices. At the onset of the pandemic, to protect the health and well-being of our employees, partners and third-party service providers, we facilitated a work-from-home requirement for most employees and established site-specific COVID-19 prevention protocols. We continue to monitor the situation and over the past several months have adjusted our policies and protocols to reflect changes to public health regulations and guidance. A majority of our offices are now open to employees on a voluntary return basis, and we anticipate opening the remaining offices on a voluntary return basis within the first quarter of fiscal 2023. To date, we have not seen any meaningful negative impact on our customer success efforts, sales and marketing efforts, or employee productivity. Nevertheless, as more 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.

While the COVID-19 pandemic has negatively impacted many sectors of the U.S. and global economies, the consumer Cyber Safety market experienced increased demand as the pandemic greatly accelerated the digital lives of people around the world. However, with the extended duration of the pandemic and the easing of prevention protocols and restrictions, we are seeing decreasing demand and increased competition. In addition, should the negative macroeconomic impacts of the COVID-19 pandemic persist or worsen, we may experience continued slowdowns in our business activity and an increase in cancellations by customers or a material reduction in our retention rate in the future, especially in the event of a prolonged recession. A prolonged recession could 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 new variants of the disease, the extent, effectiveness and acceptance of containment actions, such as vaccination programs, and the impact of these and other factors on our employees, customers and the overall demand for our products, 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.

RISKS RELATED TO OUR BUSINESS STRATEGY AND INDUSTRY

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 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 focus on organic growth through internal innovation. We believe that we also must continue to dedicate a significant amount of resources to our research and development efforts to decrease our reliance on third parties. 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 attract new customers. A loss of customers would adversely impact our business and 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;
- Product and service interoperability challenges with customer's technology and third-party vendors;
- The integration of products and solutions from acquired companies;
- Entering into new or unproven market segments; and
- Executing new product and service strategies.

In addition, third parties, including operating systems and internet browser companies, may take steps to further limit the interoperability of our solutions with their own products and services, in some cases to promote their own offerings. This could delay the development of our solutions or our solutions may be unable to operate effectively. This could also result in decreased demand for our solutions, decreased revenue, and harm to our reputation, and adversely affect our business, financial condition, results of operations, and cash flows.

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 and dynamic environment, and if we are unable to compete effectively, we could experience a loss in market share and a reduction in revenue.

We operate in intensely competitive and dynamic markets that experience frequent and rapid technological developments, changes in industry and regulatory standards, changes in customer requirements and preferences, and frequent new product introductions and improvements. If we are unable to anticipate or react to these continually evolving conditions, we could experience a loss of market share and a reduction in our revenues, which could materially and adversely affect our business and financial 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 as well as the ways our information is accessed, used and stored by our customers, and appropriately respond to competitive strategies.

We face competition from a broad range of companies, including software vendors focusing on Cyber Safety solutions, operating system providers such as Apple, Google and Microsoft, and 'pure play' companies that currently specialize in one or a few particular segments of the market and many of which are expanding their product portfolios into different segments. Many of these competitors offer solutions or are currently developing solutions that directly compete with our offerings. We also face growing competition from other technology companies, as well as from companies in the identity threat protection space such as credit bureaus. Further, many of our competitors are increasingly developing and incorporating into their products data protection software and other competing Cyber Safety products such as antivirus protection or VPN, often free of charge, that compete with our offerings. Our competitive position could be adversely affected by the functionality incorporated into these products rendering our existing solutions obsolete. In addition, the introduction of new products or services by

competitors, and/or market acceptance of products or services based on emerging or alternative technologies, could make it easier for other products or services to compete with our solutions.

We anticipate facing additional competition as new participants continue to enter the Cyber Safety market and as our current competitors seek to increase their market share and expand their existing offerings. Some of our competitors have greater financial, technical, marketing, or other resources than we do, including in new Cyber Safety and digital life segments, and consequently, may have the ability to influence customers to purchase their products instead of ours, including through investing more in internal innovation than we can and through benefiting from unique access to customer engagement points. Further consolidation among our competitors and within our industry or, in addition to other changes in the competitive environment, such as greater vertical integration from key computing and operating system suppliers could result in larger competitors that compete more frequently with us.

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 with their own solutions; similarly, they could gain market share from us if these partners more actively promote our competitors' solutions or their own solutions than our solutions. 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 operating results.

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 pricing practices. If our competitors offer deep discounts on certain solutions or provide offerings, or offer free introductory products that compete with ours, we may need to lower prices or offer similar free introductory products in order to compete successfully. Similarly, if external factors, such as economic conditions or market trends, require us to raise our 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 did not experience a material increase in cancellations by customers or a material reduction in our retention rate in fiscal 2021 or fiscal 2022, we may experience such an increase or reduction in the future, especially in the event of a prolonged recession or a worsening of current conditions as a result of the COVID-19 pandemic. In addition, during a recession, 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.

In addition, in January 2021, we acquired Germany-based Avira. Many of Avira's users are freemium subscribers, meaning they do not pay for its basic services. Much of our anticipated growth in connection with the Avira acquisition is attributable to attracting and converting Avira's freemium users to a paid subscription option. Numerous factors, however, may impede our ability to attract, retain and convert these users into paying customers.

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 competing 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, or cause our partners to suffer financial difficulty which could delay payments to us, affecting our operating results.

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.

Our revenue and operating results depend significantly on our ability to retain our existing customers, convert existing non-paying customers to paying customers, and add new customers.

We generally sell our solutions to our customers on a monthly or annual subscription basis. Customers may choose not to renew their membership with us at any time. Renewing customers may require additional incentives to renew, may not renew for the same contract period, or may change their subscriptions. 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 accurately predict or anticipate 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 and the value they place on 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; including increasing availability and efficacy of free solutions;
- Disruption by new services or changes in law or regulations that impact the need for efficacy of our products and services;
- Changes in auto-renewal regulations;
- Our customers' dissatisfaction with our efforts to market additional products and services;
- Our customer service and responsiveness to the needs of our customers; and

- Changes in our target customers' spending levels as a result of general economic conditions, inflationary pressures or other factors.

Declining customer retention rates could cause our revenue to grow more slowly than expected or decline; and our operating results, gross margins and business will be harmed.

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, in 2019 we completed the sale of certain of our enterprise security assets to Broadcom Inc. (the Broadcom sale) and in January 2021, we completed the acquisition of Avira. 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;
- Challenges in retaining customers of acquired businesses, or providing the same level of service to existing customers with reduced resources;
- 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;
- Difficulty in entering into or expanding in new markets or geographies;
- Increased or unexpected costs and working capital requirements;
- Dilution of stock ownership of existing stockholders;
- Unanticipated delays or failure to meet contractual obligations;
- Substantial accounting charges for acquisition-related costs, asset impairments, amortization of intangible assets, and higher levels of stock-based compensation expense; and
- Difficulty in realizing potential benefits, including cost savings and operational efficiencies, synergies and growth prospects from integrating acquired businesses.

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. 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.

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, 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 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

We are dependent upon Broadcom for certain engineering and threat response services, which are critical to our products and business.

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 substantially to the same extent and in substantially the same manner, as has been historically provided under a license agreement with a limited term.

As a result, we are dependent on Broadcom for services and technology that are critical to our Norton 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, if our current sources become unavailable, and if we are unable to develop or obtain alternatives to integrate or deploy them in time, our ability to compete effectively could be impacted and have a material adverse effect on our business. Additionally, in connection with the Broadcom sale, we lost 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.

Our future success depends on our ability to attract and retain personnel in a competitive marketplace.

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. Competition for people with the specific skills that we require is significant. While we continue to monitor the competitive environment, it is possible that the COVID-19 pandemic may affect the productivity of our employees and our ability to attract and retain key talent. As a result of the pandemic, in March 2020, we transitioned to a remote working environment for the substantial majority of our employees. While our employees have transitioned effectively to working from home, over time such remote operations may decrease the cohesiveness of our employees and our ability to maintain our culture, both of which are integral to our success. Additionally, a remote working environment may impede our ability to undertake new business projects, to foster a creative environment, to hire new employees and to retain existing employees.

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, retain and motivate new or existing 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 not have an adequate number of shares reserved under our equity compensation plans, forcing us to reduce awards of equity-based compensation, which could impair our efforts to attract, retain and motivate 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 have widely varied and have, in the past, resulted in significant changes to our executive leadership team. 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 personnel can 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 while we require them to maintain formal service level agreements around availability, 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 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, 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, cyber-attack or other business continuity event, such as the 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. 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.

If we fail to offer high-quality customer support, our customer satisfaction may suffer and have a negative impact on our business and reputation.

Many of our customers rely on our customer support services to resolve issues, including technical support, billing and subscription issues, that may arise. If demand increases, or our resources decrease, we may be unable to offer the level of support our customers expect. Any failure by us to maintain the expected level of support could reduce customer satisfaction and negatively impact our customer retention and our business.

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, finance, 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.

RISKS RELATED TO OUR SOLUTIONS

Our solutions, systems, websites 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 leading cyber security 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 products and services. 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 the impact 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 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 or damage to our brand, 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 as well as undermine our ability to remain compliant with relevant laws and regulations. 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, including a large-scale attack on SolarWinds customers by a foreign nation state actor and a significant uptick in ransomware/extortion attacks 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. In December 2021, a critical remote code execution (RCE) vulnerability was identified in the Apache Software Foundation's Log4j software library (Log4j), which if exploited could result in unauthorized access to Company systems and data, and acquisition of the same. We are taking, and have taken, steps to remediate all known Log4j vulnerabilities within our environment, deployed compensating controls, and implemented additional changes to protect against an exploit of those vulnerabilities. A threat actor could exploit a Log4j vulnerability or newly discovered vulnerabilities before we complete our remediation work or identify a vulnerability that we did not effectively remediate. If that happens, there could be unauthorized access to, or acquisition of, data we maintain, and damage to Company systems. We could also face legal action from individuals, business partners, and regulators in connection with exploitation of those vulnerabilities, which would result in increased costs and fees incurred in our defense against those proceedings.

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.

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, 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.

Negative publicity regarding our brand, solutions and business could harm our competitive position.

Our brand recognition and reputation as a trusted service provider are critical aspects of our business and key to retaining existing customers and attracting new customers. Our business could be harmed due to errors, defects, disruptions or other performance problems with our solutions causing our customers and potential customers to believe our solutions are unreliable. Furthermore, negative publicity, whether or not justified, including intentional brand misappropriation, 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. In addition, the rapid rise and use of social media has the potential to harm our brand and reputation. We may be unable to timely respond to and resolve negative and inaccurate social media posts regarding our company, solutions and business in an appropriate manner. 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.

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 our 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) requires, among other things, covered companies to provide new disclosures to California consumers regarding the use of personal information, gives California residents expanded rights to access their personal information that has been collected and allows such consumers new abilities to opt-out of certain sales of personal information. Further, the new California Privacy Rights Act (the CPRA) significantly modifies the CCPA. These modifications may result in additional uncertainty and require us to incur additional costs and expenses in our effort to comply. 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, CPRA 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, adapt our goods and services and 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 expose us to compromised data or technology, or be the target of cyberattack and other data breaches which could impact our systems or our customers' records. Further, we could be the target of a cyberattack or other action that impacts our systems and results in a data breach of our customers' records. This could have an adverse effect on our reputation and business.

LEGAL AND COMPLIANCE RISKS

Matters relating to or arising from our completed Audit Committee Investigation, including 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 with which we cooperated. In April 2022, the SEC Staff informed the Company that it concluded its investigation and does not intend to recommend an enforcement action by the Commission against us.

We have incurred, and may continue to incur, significant expenses related to legal and other professional services in connection with or relating to the 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, certain current and former directors, and former officers. The outcome of the securities class actions and other litigation is difficult to predict, and the cost to defend, settle, or otherwise resolve these matters may be significant. Plaintiffs in these matters may seek recovery of very large or indeterminate amounts. 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. NortonLifeLock signed an Undertaking, effective June 14, 2021, with the United Kingdom's Competition and Markets Authority (CMA) requiring NortonLifeLock to make certain changes to its policies and practices related to automatically renewing subscriptions in the United Kingdom as part of the CMA's investigation into auto-renewal practices in the antivirus sector it launched in December 2018. 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, through the oversight of 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 the 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.

We are frequently involved in litigation and other proceedings, including, but not limited to, patent litigation, class actions, and governmental claims or investigations, some of which may be material initially or become material over time. The expense of initiating and defending, and in some cases settling, such matters may be costly and divert management's attention from the day-to-day operations of our business, which could have a materially adverse effect on our business, results of operations, and cash flows. In addition, such matters may thru the course of litigation or other proceedings incur an unfavorable change which could alter the profile of the matter and create potential material risk to the company. Any unfavorable outcome in a matter could result in significant fines, settlements, monetary damages, or injunctive relief that could negatively and materially impact our ability to conduct our business, results of operations, and cash flows. Additionally, in the event we did not previously accrue for such litigation or proceeding in our financial statements, we may be required to record retrospective accruals that adversely affect our results of operations and financial condition.

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 partners. 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. 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 may not or cannot be eliminated and could, if not properly addressed, negatively affect our business.

RISKS RELATED TO OUR LIQUIDITY AND INDEBTEDNESS

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

As of April 1, 2022, we had an aggregate of \$3,747 million of outstanding indebtedness that will mature in calendar years 2022 through 2030, and \$1,000 million available for borrowing under our revolving credit facility. See Note 10 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K for further information on our outstanding debt. Our ability to meet expenses, remain in compliance with the covenants under our debt instruments, 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 secured 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 or recession 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 note 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. 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,

which may not always be possible. 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.

The elimination of LIBOR after June 2023 may affect our financial results.

All LIBOR tenors relevant to us will cease to be published or will no longer be representative after June 30, 2023. This means that any of our LIBOR-based borrowings that extend beyond June 30, 2023 will need to be converted to a replacement rate. In the U.S., the Alternative Reference Rates Committee, a committee of private sector entities convened by the Federal Reserve Board and the Federal Reserve Bank of New York, has recommended the Secured Overnight Financing Rate (SOFR) plus a recommended spread adjustment as LIBOR's replacement. There are significant differences between LIBOR and SOFR, such as LIBOR being an unsecured lending rate while SOFR is a secured lending rate, and SOFR is an overnight rate while LIBOR reflects term rates at different maturities. If our LIBOR-based borrowings are converted to SOFR, the differences between LIBOR and SOFR, plus the recommended spread adjustment, could result in interest costs that are higher than if LIBOR remained available, which could have a material adverse effect on our operating results. Although SOFR is the ARRC's recommended replacement rate, it is also possible that lenders may instead choose alternative replacement rates that may differ from LIBOR in ways similar to SOFR or in other ways that would result in higher interest costs for us. It is not yet possible to predict the magnitude of LIBOR's end on our borrowing costs given the remaining uncertainty about which rates will replace LIBOR.

Our term loan and revolving credit facility agreement impose operating and financial restrictions on us.

Our term loan and revolving credit facility agreement 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.

GENERAL RISKS

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.

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 or free offerings that compete with 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 and cyber security incidents;
- 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;
- 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 and interest rates;
- The publication of unfavorable or inaccurate research reports about our business by cybersecurity industry analysts;
- The success of our corporate responsibility initiatives;
- 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 the potential for federal tax law changes put forward by Congress and the Biden administration including potentially increased corporate tax rates, new minimum taxes and other changes to the way that our US tax liability has been calculated following the 2017 Tax Cuts and Jobs Act. Certain of these proposals could have significant retroactive adjustments adding cash tax payments/liabilities if adopted;
- 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 (OECD) base erosion and profit shifting project including recent proposals for a global minimum tax rate, proposed actions by international bodies such as digital services taxation, as well as the requirements of certain tax rulings. In October 2021, the OECD/G20 inclusive framework on Base Erosion and Profit Shifting (the Inclusive Framework) published a statement updating and finalizing the key components of a two-pillar plan on global tax reform which has

now been agreed upon by the majority of OECD members. Pillar One allows countries to reallocate a portion of residual profits earned by multinational enterprises (MNE), with an annual global turnover exceeding €20 billion and a profit margin over 10%, to other market jurisdictions. Pillar Two requires MNEs with an annual global turnover exceeding €750 million to pay a global minimum tax of 15%. Additional guidance is expected to be published in 2022. We will continue to monitor the implementation of the Inclusive Framework agreement by the countries in which we operate. We are unable to predict if and how these legislative changes will be enacted into law, and it is possible that they could have a material effect on our corporate tax liability and our global effective tax rate;

- 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; and
- Taxes arising in connection to changes in our workforce, corporate entity structure or operations as they relate to tax incentives and tax rates.

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.

Item 1B. *Unresolved Staff Comments*

There are no unresolved issues with respect to any Commission staff's written comments that were received at least 180 days before the end of our fiscal year to which this report relates and that relate to our periodic or current reports under the Exchange Act.

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 of the Notes 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*

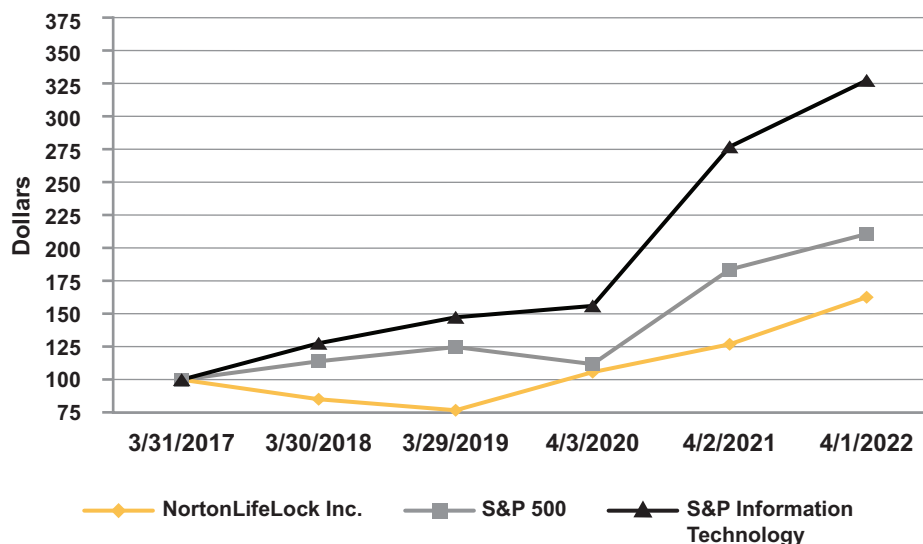
Stock symbol and stockholders of record

Our common stock is traded on the Nasdaq Global Select Market under the symbol "NLOK". As of April 1, 2022, there were 1,484 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 1, 2022 (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 2017 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.

Repurchases of our equity securities

Under our stock repurchase programs, shares may be repurchased on the open market and through accelerated stock repurchase transactions. On May 4, 2021, our Board of Directors approved an incremental share repurchase authorization of \$1,500 million. As of April 1, 2022, we had \$1,774 million remaining authorized to be completed in future periods with no expiration date. No shares were repurchased during the three months ended April 1, 2022.

Item 6. *[Reserved]*

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

NortonLifeLock Inc. has the largest consumer Cyber Safety platform in the world, empowering nearly 80 million users in more than 150 countries. We are the trusted and number one top of mind brand in consumer Cyber Safety, according to the 2022 NortonLifeLock brand tracking study. We help prevent, detect and restore potential damages caused by many cybercriminals.

Fiscal Year Highlights

- In May 2021, we entered into the first amendment to our credit agreement (the First Amendment), which provided for an incremental increase under the Initial Term Loan, and extended the maturity date of the Initial Term Loan, the Delayed Draw Term Loan and revolving credit facility from November 2024 to May 2026. We borrowed \$525 million under the First Amendment of our Initial Term Loan.
- In May 2021, we settled the \$250 million principal and conversion rights of the New 2.5% Convertible Senior Notes in cash. The aggregate settlement amount of \$364 million was based on \$24.40 per underlying share into which the 2.5% Convertible Notes were convertible. The extinguishment resulted in an adjustment to stockholders' equity of \$112 million and a loss on extinguishment of \$2 million.
- In July 2021, we completed the sale of certain land and buildings in Mountain View, California for cash consideration of \$355 million, net of selling costs. We recognized a gain of \$175 million on the sale. In conjunction with the sale, we signed a 7-year leaseback agreement for a portion of the property.
- In September 2021, we completed an acquisition of an online reputation management and digital privacy solutions company for total aggregate consideration of \$39 million, net of \$1 million cash acquired.
- In March 2022, we completed our restructuring plan (the December 2020 Plan) to consolidate facilities and reduce operating costs in connection with our acquisition of Avira during fiscal 2021. We incurred total costs of \$24 million since the inception of the December 2020 Plan, primarily related to severance and termination costs.

Proposed Merger with Avast

On August 10, 2021, we announced a transaction under which we intend to acquire the entire issued and to be issued ordinary share capital of Avast plc, a public company incorporated in England and Wales and a global leader of digital security and privacy headquartered in Prague, Czech Republic (Avast and such transaction, the Proposed Merger). The Proposed Merger will be implemented by means of a court-sanctioned scheme of arrangement under the UK Companies Act 2006, as amended (the Scheme), and remains subject to a certain number of conditions. Under the terms of the Proposed Merger, Avast shareholders will be entitled to elect to receive, for each ordinary share of Avast held, in respect of their entire holding of Avast shares, either: (i) \$7.61 in cash and 0.0302 of a new share of our common stock (such option, the Majority Cash Option); or (ii) \$2.37 in cash and 0.1937 of a new share of our common stock (such option, the Majority Stock Option). Based on our undisturbed closing share price of \$27.20 on July 13, 2021, and depending on the Avast shareholder elections, the estimated purchase price range for the Avast shares under the Proposed Merger is \$8.1 billion to \$8.6 billion. Each of the directors of Avast who holds shares has undertaken to elect for the Majority Stock Option in respect of their entire beneficial holdings of Avast shares. We plan to finance the Proposed Merger with existing cash, cash to be generated by operations and new debt financing.

In conjunction with the Proposed Merger, on August 10, 2021, we entered into an agreement (as amended, the Interim Facilities Agreement) with certain financial institutions, in which they agreed to provide us with (i) a \$3,600 million term loan interim facility B (the Interim Facility B), (ii) \$750 million term loan interim facility A1 (the Interim Facility A1) and \$3,500 million term loan interim facility A2 (the Interim Facility A2), and (iii) a \$1,500 million interim revolving facility (the Interim Revolving Facility) (collectively, the Interim Facilities) and a commitment letter (as amended, the Commitment Letter) with certain financial institutions, in which they agreed to provide us with financing no less than the financing

available under the Interim Facilities (the Definitive Facilities and, together with the Interim Facilities, the Facilities) to finance the cash consideration payable in connection with the Proposed Merger. The Definitive Facilities will be financed by a syndicate of lenders led by Bank of America, N.A. and Wells Fargo Bank N.A. On January 28, 2022, Bank of America, N.A. and Wells Fargo Bank N.A. agreed to arrange, on a best efforts basis, additional term loans under the Definitive Facilities in an amount up to \$500 million. The Interim Facilities Agreement contains, and any definitive financing documentation for the Definitive Facilities entered into in connection with the Commitment Letter (the Facilities Agreement) will contain, customary representations and warranties, events of default and covenants for transactions of this type. The Facilities Agreement will replace the existing credit facility agreement upon the close of the transaction.

In conjunction with the Proposed Merger, on August 10, 2021, we entered into a Co-operation Agreement (the Co-operation Agreement) with Nitro Bidco Limited, our wholly-owned subsidiary (Bidco), and Avast, pursuant to which we and Bidco agreed to, among other things, use all reasonable endeavors for the purposes of obtaining any regulatory authorizations which are required to implement the Proposed Merger, and we, Bidco and Avast agreed to cooperate with each other in preparing required transaction documents and certain other matters in connection with the Proposed Merger. The Co-operation Agreement also contains certain termination rights. The Co-operation Agreement also provides that, if we fail to receive approval from the U.K Competition and Markets Authority and cannot consummate the Proposed Merger, we may be required to pay Avast a break fee of up to \$200 million.

The Proposed Merger was approved by our Board of Directors and by our shareholders, the Board of Directors and shareholders of Avast and regulators including the Federal Trade Commission under the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the “HSR” Act) and in Europe, the German Federal Cartel Office and the Spanish National Markets and Competition Commission. On March 25, 2022, the U.K Competition and Markets Authority referred the Proposed Merger to a Phase 2 review investigation. The Proposed Merger is currently expected to close mid-to-late calendar year 2022, subject to regulatory approvals and the satisfaction or waiver of other customary closing conditions.

Fiscal calendar and basis of presentation

We have a 52/53-week fiscal year ending on the Friday closest to March 31. Fiscal 2022, 2021 and 2020 in this report refers to fiscal years ended April 1, 2022, April 2, 2021 and April 3, 2020, respectively. Fiscal 2020 was a 53-week year, whereas fiscal 2022 and 2021 each consisted of 52 weeks.

Key financial metrics

The following table provides our key financial metrics for fiscal 2022 compared with fiscal 2021:

(In millions, except for per share amounts)	Fiscal Year	
	2022	2021
Net revenues	\$ 2,796	\$ 2,551
Operating income (loss)	\$ 1,005	\$ 896
Income (loss) from continuing operations	\$ 836	\$ 696
Income (loss) from discontinued operations	\$ —	\$ (142)
Net income (loss)	\$ 836	\$ 554
Net income (loss) per share from continuing operations – diluted	\$ 1.41	\$ 1.16
Net income (loss) per share from discontinued operations – diluted	\$ —	\$ (0.24)
Net income (loss) per share – diluted	\$ 1.41	\$ 0.92
Net cash provided by (used in) operating activities	\$ 974	\$ 706

(in millions)	As of	
	April 1, 2022	April 2, 2021
Cash, cash equivalents and short-term investments	\$ 1,891	\$ 951
Contract liabilities	\$ 1,306	\$ 1,265

- Net revenues increased \$245 million, due to higher sales in both of our consumer security products and our identity and protection products. This was driven by an increase in our direct customer count year-over-year and revenue attributable to Avira, which was acquired during the fourth quarter of fiscal 2021.
- Operating income (loss) increased \$109 million, primarily due to the increase in revenue and a decrease in restructuring costs for which the related activities were completed in fiscal 2021. This is partially offset by an increase in related cost of revenue, a legal accrual relating to an ongoing patent infringement lawsuit and our investment in advertising during fiscal 2022.
- Income (loss) from continuing operations increased \$140 million, primarily due to the increase in operating income as well as other income (expense), net, which was driven by the gain on sale of certain land and buildings in Mountain View, California. This is partially offset by an increase in income tax expense.
- Income (loss) from discontinued operations, increased from a loss of \$142 million, primarily due to the completion of the discontinued operations activities during fiscal 2021.
- Net income (loss) increased \$282 million and net income per share increased \$0.49, primarily due to the increase in income from continuing operations and the completion of discontinued operations activities during fiscal 2021 as discussed above.
- Cash, cash equivalents and short-term investments increased by \$940 million compared to April 2, 2021, primarily due to cash generated by operations during fiscal 2022.
- Contract liabilities increased \$41 million, primarily due to higher billings than recognized revenue, partially offset by unfavorable foreign currency fluctuations of the Euro and Japanese Yen.

COVID-19 UPDATE

The COVID-19 pandemic has had widespread, rapidly evolving, and unpredictable impacts on global society, economies, financial markets, and business practices. At the onset of the pandemic, to protect the health and well-being of our employees, partners and third-party service providers, we facilitated a work-from-home requirement for most employees and established site-specific COVID-19 prevention protocols. We continue to monitor the situation and over the past several months have adjusted our policies and protocols to reflect changes to public health regulations and guidance. A majority of our offices are now open to employees on a voluntary return basis, and we anticipate opening the remaining offices on a voluntary return basis within the first quarter of fiscal 2023. To date, we have not seen any meaningful negative impact on our employee productivity. Nevertheless, as more 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.

While the COVID-19 pandemic has negatively impacted many sectors of the U.S. and global economies, the consumer Cyber Safety market experienced increased demand as the pandemic greatly accelerated the digital lives of people around the world. However, with the extended duration of the pandemic and the easing of prevention protocols and restrictions, we are seeing decreasing demand and increased competition. In addition, while we did not experience a material increase in cancellations by customers or a material reduction in retention rate in fiscal 2021 or fiscal 2022, should the negative macroeconomic impacts of the COVID-19 pandemic persist or worsen, we may experience continued slowdowns in our business activity and an increase in cancellations by customers or a material reduction in our retention rate in the future, especially in the event of a prolonged recession. A prolonged recession could 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 new variants of the disease, the extent, effectiveness and acceptance of containment actions, such as vaccination programs, 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, and a description of recently adopted accounting pronouncements and the Company’s expectations of the impact on our Consolidated Financial Statements and disclosures is included in Note 2 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. Third-party valuation specialists are also utilized for certain estimates. 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.

RESULTS OF OPERATIONS

We have elected to omit discussion on the earliest of the three years presented in the Consolidated Financial Statements of this Annual Report on Form 10-K. Refer to *Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* of our Annual Report on Form 10-K for the fiscal year ended April 2, 2021 for year-over-year comparisons of the results of operation between fiscal 2021 and fiscal 2020 as well as discussion of fiscal 2020 performance metrics and cash flow activity, all of which are incorporated herein by reference.

The following table sets forth our Consolidated Statements of Operations data as a percentage of net revenues for the periods indicated:

	Fiscal Year	
	2022	2021
Net revenues	100%	100%
Cost of revenues	15%	14%
Gross profit	85%	86%
Operating expenses:		
Sales and marketing	22%	23%
Research and development	9%	10%
General and administrative	14%	8%
Amortization of intangible assets	3%	3%
Restructuring and other costs	1%	6%
Total operating expenses	49%	51%
Operating income (loss)	36%	35%
Interest expense	(5)%	(6)%
Other income (expense), net	6%	5%
Income (loss) from continuing operations before income taxes	37%	34%

	Fiscal Year	
	2022	2021
Income tax expense (benefit)	7%	7%
Income (loss) from continuing operations	30%	27%
Income (loss) from discontinued operations	—%	(6)%
Net income (loss)	30%	22%

Note: The percentages may not add due to rounding.

Net revenues

(In millions, except for percentages)	Fiscal Year		% Change
	2022	2021	2022 vs. 2021
Net revenues	\$ 2,796	\$ 2,551	10%

Fiscal 2022 compared to fiscal 2021

Net revenues increased \$245 million, primarily due to a \$156 million increase in sales of our consumer security products and a \$89 million increase in sales of our identity and protection products. This was driven by the increase in our direct customer count year-over-year and revenue attributable to Avira, which was acquired during the fourth quarter of fiscal 2021.

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:

(In millions, except for per user amounts and percentages)	Fiscal Year	
	2022	2021
Direct customer revenue ⁽¹⁾	\$ 2,476	\$ 2,286
Partner revenues	\$ 331	\$ 270
Average direct customer count ⁽²⁾	23.3	21.2
Direct customer count (at quarter-end)	23.5	23.0
Direct average revenue per user (ARPU)	\$ 8.87	\$ 9.01
Annual retention rate	85%	85%

⁽¹⁾ Direct customer revenues in fiscal 2022 and 2021 excludes a \$11 million and \$5 million, respectively, reduction of revenue from a contract liability purchase accounting adjustment, which was recognized in the fourth quarter of fiscal 2021. We believe that eliminating the impact of this adjustment improves the comparability of revenues between periods. In addition, although the adjustment amounts will never be recognized in our GAAP financial statements, we do not expect the acquisitions to affect the future renewal rates of revenues excluded by the adjustments.

⁽²⁾ The average direct customer count for the fourth fiscal quarter of fiscal 2021 was pro-rated to include 1.6 million customers from the Avira acquisition.

We define direct customer revenues as revenues from sales of our consumer solutions to direct customers, which we define as active paid users who have a direct billing relationship with us at the end of the reported period. We exclude users on free trials and promotions and users who have indirectly purchased our product or services through partners unless such users convert or renew their subscriptions directly with us, or sign up for a paid membership through our web store.

From time to time, we update our methodology due to changes in the business. In fiscal 2021, the average direct customer count calculation was refined primarily to pro-rate for acquisitions that happen

during a quarter, such as Avira, which was acquired in January 2021. The full year average direct customer count is calculated as an average across the quarters.

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. We monitor ARPU 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	
	2022	2021
Americas	70%	72%
EMEA	18%	16%
APJ	12%	12%

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 remained consistent in fiscal 2022 and 2021.

Cost of revenues

(In millions, except for percentages)	Fiscal Year		% Change
	2022	2021	2022 vs. 2021
Cost of revenues	\$ 408	\$ 362	13%

Fiscal 2022 compared to fiscal 2021

Our cost of revenues increased \$46 million, primarily due to higher revenue share costs, payment processing fees and technical support costs associated with year-over-year business growth and costs attributable to Avira, which was acquired during the fourth quarter of fiscal 2021.

Operating expenses

(In millions, except for percentages)	Fiscal Year		% Change
	2022	2021	2022 vs. 2021
Sales and marketing	\$ 622	\$ 576	8%
Research and development	253	267	(5)%
General and administrative	392	215	82%
Amortization of intangible assets	85	74	15%
Restructuring and other costs	31	161	(81)%
Total	<u>\$ 1,383</u>	<u>\$ 1,293</u>	7%

Fiscal 2022 compared to fiscal 2021

Sales and marketing expense increased \$46 million, primarily due to a \$70 million increase in advertising and promotional expenses as a result of increased investment in advertising. This is

partially offset by a \$20 million decrease in IT and related support costs from corporate restructuring and cost reduction efforts in fiscal 2021.

Research and development expense decreased \$14 million, primarily due to a \$13 million decrease in shared facility and IT costs.

General and administrative expense increased \$177 million, primarily due to a \$185 million legal accrual relating to an ongoing patent infringement lawsuit, partially offset by a decrease in compensation and benefits.

Amortization of intangible assets increased \$11 million as a result of the Avira acquisition.

Restructuring and other costs decreased \$130 million, in connection with the November 2019 Plan, which was substantially completed in the second quarter of fiscal 2021. See Note 12 of the Notes to the Consolidated Financial Statements for details of the fiscal 2022 restructuring activities.

Non-operating income (expense), net

(In millions)	Fiscal Year		\$ Change
	2022	2021	2022 vs. 2021
Interest expense	\$ (126)	\$ (144)	\$ 18
Interest income	—	4	(4)
Foreign exchange gain (loss)	(2)	1	(3)
(Loss) gain on early extinguishment of debt	(3)	20	(23)
Gain on sale of properties	175	98	77
Transition service expense, net	—	(9)	9
Other	(7)	6	(13)
Non-operating income (expense), net	<u>\$ 37</u>	<u>\$ (24)</u>	<u>\$61</u>

Fiscal 2022 compared to fiscal 2021

Non-operating income (expense), net, increased \$61 million, primarily due to a \$175 million gain on the sale of certain land and buildings in Mountain View, California during fiscal 2022 compared to an aggregate \$98 million gain on the sale of two properties during fiscal 2021. This is partially offset by the absence of a \$20 million gain on early extinguishment of debt during the first quarter of fiscal 2021, as well as a \$7 million impairment of long-term assets primarily associated with one of our equity investments, which is measured at cost minus impairment.

Provision for income taxes

We are a U.S.-based multinational company subject to tax in multiple U.S. and international tax jurisdictions. 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	
	2022	2021
Income (loss) from continuing operations before income taxes	\$ 1,042	\$ 872
Provision for income taxes	\$ 206	\$ 176
Effective tax rate on income (loss) from continuing operations	20%	20%

Fiscal 2022 compared to fiscal 2021

Our effective tax rate is consistent with prior year.

Discontinued operations

(In millions, except for percentages)	Fiscal Year	
	2021	
Net revenues	\$	1
Gross profit	\$	1
Operating income (loss)	\$	(177)
Income (loss) before income taxes	\$	(176)
Income tax expense (benefit)	\$	(34)
Income (loss) from discontinued operations, net of taxes	\$	(142)

Fiscal 2022 compared to fiscal 2021

Income (loss) from discontinued operations, net of tax, decreased primarily due to the completion of the discontinued operations activities in fiscal 2021. There was no discontinued operations activity during the year ended April 1, 2022.

LIQUIDITY, CAPITAL RESOURCES AND CASH REQUIREMENTS

Liquidity and Capital Resources

We have historically relied on cash generated from operations, borrowings under credit facilities, issuances of debt and proceeds from divestitures for our liquidity needs.

Our capital allocation strategy is to balance driving stockholder returns, managing financial risk and preserving our flexibility to pursue strategic options, including acquisitions and mergers. Historically, this has included a quarterly cash dividend, the repayment of debt and the repurchase of our common stock.

Cash flows

The following table summarizes our cash flow activities in fiscal 2022 and 2021:

(In millions)	Fiscal Year	
	2022	2021
Net cash provided by (used in):		
Operating activities	\$ 974	\$ 706
Investing activities	\$ 326	\$ (69)
Financing activities	\$ (333)	\$ (1,903)
Increase (decrease) in cash and cash equivalents	\$ 954	\$ (1,244)

Cash from operating activities

Our cash flows provided by operating activities in fiscal 2022 increased \$268 million, primarily due to higher profit before taxes adjusted by non-cash items compared to fiscal 2021.

Cash from investing activities

Our cash flows provided by investing activities in fiscal 2022 increased \$395 million, primarily due to higher proceeds from the sale of properties and fewer payments for business acquisitions, partially offset by a decrease in proceeds from the maturities and sales of short-term investments.

Cash from financing activities

Our cash flows used in financing activities in fiscal 2022 decreased \$1,570 million, primarily due to a decrease in repayments of debt and no repurchases of common stock. Fiscal 2022 reflects the

settlement of our New 2.5% Convertible Notes of \$364 million and partial settlement of our New 2.0% Convertible Notes of \$139 million, compared to the settlement of our 2.0% Convertible Notes and repayment of our 4.2% Senior Notes of \$1,941 million as well as repurchases of common stock of 304 million during fiscal 2021.

Cash and cash equivalents

As of April 1, 2022, we had cash, cash equivalents and short-term investments of approximately \$1,891 million, of which \$671 million 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.

Debt

We have an undrawn revolving credit facility of \$1 billion, which expires in May 2026.

On May 7, 2021, we entered into the first amendment to our credit agreement (the First Amendment), which provided for an incremental increase under the Initial Term Loan, and extended the maturity date of the Initial Term Loan, the Delayed Draw Term Loan, and revolving credit facility from November 2024 to May 2026. We borrowed \$525 million under the First Amendment of our Initial Term Loan. For additional discussion on the amendment, see Note 10 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K.

On May 20, 2021, we settled the \$250 million principal and conversion rights of the New 2.5% Convertible Senior Notes in cash. The aggregate settlement amount of \$364 million was based on \$24.40 per underlying share into which the 2.5% Convertible Notes were convertible. In addition, we paid \$1 million of accrued and unpaid interest through the date of settlement and \$1 million of cash dividends that we declared on May 10, 2021.

On March 18, 2022, we settled \$100 million of principal and conversion rights of the New 2.0% Convertible Senior Notes in cash. The aggregate settlement amount of \$139 million was based on \$28.32 per underlying shares into which the 2.0% Convertible Notes were convertible.

Sale of certain assets

On July 14, 2021, we completed the sale of certain land and buildings in Mountain View, California for cash consideration of \$355 million, net of selling costs.

Cash Requirements

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, payment of contractual obligations, funding capital expenditures, servicing existing debt, repurchasing our common stock and investing in business acquisitions and mergers.

Proposed Merger with Avast

On August 10, 2021, the Company announced a transaction under which we intend to acquire the entire issued and to be issued ordinary share capital of Avast plc, a public company incorporated in England and Wales and a global leader of digital security and privacy headquartered in Prague, Czech Republic (Avast and such transaction, the Proposed Merger). Based on our undisturbed closing share price of \$27.20 on July 13, 2021, and depending on the Avast shareholder elections, the estimated purchase price range for the Avast shares under the Proposed Merger is \$8.1 billion to \$8.6 billion. In conjunction with the Proposed Merger, we and certain financial institution parties entered into an Interim Facilities Agreement, under which Bank of America, N.A. and Wells Fargo Bank N.A., as interim lenders, agreed to provide us with certain term loan and revolving facilities in order to finance the cash

consideration payable and based on the terms and conditions set forth in a commitment letter. The Interim Facilities Agreement includes (i) the Interim Facility B, (ii) the Interim Facility A1 and the Interim Facility A2, and (iii) the Interim Revolving Facility which, on or before the final repayment date, are to be repaid/replaced in full by loans made under the definitive financing documentation for the Definitive Facilities (the Facilities Agreement). The obligations under the Facilities Agreement will be guaranteed, jointly and severally, by all of our present and future domestic subsidiaries, with certain exceptions, as applicable. The Facilities Agreement will replace the existing credit facility agreement upon the close of the transaction.

Dividends

On May 5, 2022, we announced a cash dividend of \$0.125 per share of common stock to be paid in June 2022. We currently expect to continue to pay quarterly cash dividends to stockholders in the future, but such payments will be subject to the approval of our Board of Directors and will depend on our financial condition, results of operations, capital requirements, general business and market conditions and other investment opportunities.

Share repurchase program

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 1, 2022, the remaining balance of our stock repurchase authorization is \$1,774 million and does not have an expiration date. We currently expect to repurchase shares in the future, but 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.

Subsequent to April 1, 2022, we executed repurchases of 4 million shares of our common stock for an aggregate amount of \$107 million. As a result, we have \$1,667 million remaining under our existing share repurchase program.

Contractual obligations

The following is a schedule of our significant contractual obligations and commitments as of April 1, 2022. The expected timing and amount of short-term and long-term 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 certain obligations.

(In millions)	<u>Short-Term Payments</u>	<u>Long-Term Payments</u>	<u>Total</u>
Contractual obligations:			
Debt (principal payments) ⁽¹⁾	\$1,001	\$2,746	\$3,747
Interest payments on debt ⁽²⁾	106	250	356
Purchase obligations ⁽³⁾	353	73	426
Deemed repatriation taxes ⁽⁴⁾	68	437	505
Operating leases ⁽⁵⁾	22	80	102
Total	<u>\$1,550</u>	<u>\$3,586</u>	<u>\$5,136</u>

⁽¹⁾ As of April 1, 2022, our total outstanding principal amount of indebtedness is comprised of \$1,713 million in Term Loans, \$1,500 million in Senior Notes, \$525 million in Convertible Senior Notes and \$9 million in Mortgage Loans. See Note 10 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K for further information about our debt and debt covenants.

The credit agreement we entered into in November 2019, which was amended and extended through May 2026 on May 7, 2021, 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 1, 2022, we were in compliance with all debt covenants.

- (2) Interest payments 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 1, 2022. See Note 10 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K for further information on the Senior Notes, Convertible Senior Notes and Term loans.
- (3) Agreements for purchases of goods or services, with terms that are enforceable and legally binding and 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. These amounts include agreements to purchase goods or services that have cancellation provisions requiring little or no payment. The amounts under such contracts are included 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) Transition tax payments on previously untaxed foreign earnings of foreign subsidiaries under the Tax Cuts and Jobs Act, which may be paid through July 2025.
- (5) Payments for 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 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K 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 1, 2022, we are unable to make reasonably reliable estimates of the period of cash settlement with the respective taxing authorities. Therefore, \$556 million in long-term income taxes payable has been excluded from the contractual obligations table. See Note 13 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K for further information.

Under the terms of the Proposed Merger, we expect to pay a purchase price for the Avast shares, ranging from \$8.1 billion to \$8.6 billion, upon the completion of the transaction in mid-to-late calendar year 2022. In conjunction with the Proposed Merger, we have secured debt under the Interim Facilities which will be available upon the close of the transaction. If the Proposed Merger is completed, our debt obligations will include principal and interest payments related to these credit facilities. See Note 4 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K for further information regarding this business combination and the related debt instruments.

Based on past performance and current expectations, we believe that our existing cash and cash equivalents, together with cash generated from operations and amounts available under our credit facility, will be sufficient to meet our working capital needs and support on-going business activities through at least the next 12 months and to satisfy our known long-term contractual obligations. We plan to finance the cash consideration payable to Avast primarily with borrowings under our Definitive Facilities. We believe that our existing cash and cash to be generated by operations, along with amounts available under the new credit facility, will satisfy our long-term cash requirements for this transaction. However, our future liquidity and capital requirements may vary materially from those as of April 1, 2022 depending on several factors, including, but not limited to, economic conditions; political climate; the expansion of sales and marketing activities; the costs to acquire or invest in businesses; and the risks and uncertainties discussed in "Risk Factors" in Item 1A.

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. 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. Refer to Note 18 of the Notes to the

Consolidated Financial Statements included in this Annual Report on Form 10-K 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 1, 2022, the carrying value and fair value of our short-term investments and cash equivalents was \$4 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 1, 2022, we had \$2.0 billion in aggregate principal amount of fixed-rate Senior Notes and convertible debt outstanding, with a carrying amount and a fair value of \$2.0 billion, based on Level 2 inputs. The fair value of these notes fluctuates when interest rates change. Since these notes bear interest at fixed rates, financial statement risk associated with changes in interest rates is limited to future refinancing of current debt obligations. If these notes were refinanced at higher interest rates prior to maturity, our total interest payments could increase by a material amount; however, this risk is mitigated by our strong cash position and expected future cash generated from operations, which will be sufficient to satisfy this increase in obligation.

As of April 1, 2022, we also had \$1.7 billion outstanding debt with variable interest rates based on the London InterBank Offered Rate (LIBOR). A reasonably possible hypothetical adverse change of 200 basis points in LIBOR would not result in a significant increase in interest expense on an annualized basis.

In addition, we have a \$1 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, Singapore Dollar, British Pound and Australian Dollar. 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 monthly foreign exchange forward contracts on our assets and liabilities denominated in currencies other than the functional currency of our subsidiaries. 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 Other income (expense), net in the Consolidated Statements of Operations.

As of April 1, 2022 and April 2, 2021, we had open foreign currency forward contracts with notional amounts of \$346 million and \$338 million, respectively, to hedge foreign currency balance

sheet exposure, with an insignificant fair value. A hypothetical ten percent depreciation of foreign currency would not result in a significant reduction in fair value of our forward contracts. 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 11 of the Notes 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. In addition, there were no material retrospective changes to any quarters in the two most recent fiscal years that would require supplementary disclosure.

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 Annual Report on Form 10-K.

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 1, 2022, 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 1, 2022, 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 1, 2022, 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 was no change in our internal control over financial reporting that occurred during the quarter ended April 1, 2022, that has materially affected, or is 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*

None.

Item 9C. *Disclosure Regarding Foreign Jurisdictions that Prevent Inspections*

Not applicable.

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 2022 Annual Meeting to be filed with the SEC within 120 days of the fiscal year ended April 1, 2022 (the 2022 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 2022 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 2022 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 2022 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 2022 Proxy Statement and is incorporated herein by reference.

Item 14. *Principal Accountant Fees and Services*

Our independent registered public accounting firm is KPMG, LLC, Santa Clara, CA, Auditor Firm ID: 185.

The information required by this item will be included under the caption “Principal Accountant Fees and Services” in our 2022 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:

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Financial statement schedules have been omitted since they are either not required, not applicable, or the information is otherwise included.	
2. Exhibits: The information required by this Item is set forth in the Exhibit Index that precedes the signature page of this Annual Report.	94

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 1, 2022 and April 2, 2021, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity (deficit), and cash flows for each of the years in the three-year period ended April 1, 2022, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of April 1, 2022, 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 1, 2022 and April 2, 2021, and the results of its operations and its cash flows for each of the years in the three-year period ended April 1, 2022, 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 1, 2022 based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

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. 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 matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was 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 matter 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 matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

Assessment of uncertain tax positions

As discussed in Notes 1 and 13 to the consolidated financial statements, as of April 1, 2022 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 1, 2022, the Company has recorded a liability for gross unrecognized tax benefits, of \$527 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 following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of 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 changes in 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.

/s/ KPMG LLP

We have served as the Company's auditor since 2002.

Santa Clara, California

May 20, 2022

NORTONLIFELOCK INC.
CONSOLIDATED BALANCE SHEETS
(In millions, except par value per share amounts)

	<u>April 1, 2022</u>	<u>April 2, 2021</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,887	\$ 933
Short-term investments	4	18
Accounts receivable, net	120	117
Other current assets	193	237
Assets held for sale	56	233
Total current assets	<u>2,260</u>	<u>1,538</u>
Property and equipment, net	60	78
Operating lease assets	74	76
Intangible assets, net	1,023	1,116
Goodwill	2,873	2,867
Other long-term assets	653	686
Total assets	<u>\$ 6,943</u>	<u>\$ 6,361</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	\$ 63	\$ 52
Accrued compensation and benefits	81	107
Current portion of long-term debt	1,000	313
Contract liabilities	1,264	1,210
Current operating lease liabilities	18	26
Other current liabilities	639	428
Total current liabilities	<u>3,065</u>	<u>2,136</u>
Long-term debt	2,736	3,288
Long-term contract liabilities	42	55
Deferred income tax liabilities	75	137
Long-term income taxes payable	996	1,119
Long-term operating lease liabilities	75	66
Other long-term liabilities	47	60
Total liabilities	<u>7,036</u>	<u>6,861</u>
Commitments and contingencies (Note 18)		
Stockholders' equity (deficit):		
Common stock and additional paid-in capital, \$0.01 par value: 3,000 shares authorized; 582 and 580 shares issued and outstanding as of April 1, 2022 and April 2, 2021, respectively	1,851	2,229
Accumulated other comprehensive income	(4)	47
Retained earnings (accumulated deficit)	<u>(1,940)</u>	<u>(2,776)</u>
Total stockholders' equity (deficit)	<u>(93)</u>	<u>(500)</u>
Total liabilities and stockholders' equity (deficit)	<u>\$ 6,943</u>	<u>\$ 6,361</u>

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 1, 2022	April 2, 2021	April 3, 2020
Net revenues	\$ 2,796	\$ 2,551	\$ 2,490
Cost of revenues	408	362	393
Gross profit	<u>2,388</u>	<u>2,189</u>	<u>2,097</u>
Operating expenses:			
Sales and marketing	622	576	701
Research and development	253	267	328
General and administrative	392	215	368
Amortization of intangible assets	85	74	79
Restructuring and other costs	31	161	266
Total operating expenses	<u>1,383</u>	<u>1,293</u>	<u>1,742</u>
Operating income (loss)	1,005	896	355
Interest expense	(126)	(144)	(196)
Other income (expense), net	163	120	660
Income (loss) from continuing operations before income taxes	<u>1,042</u>	<u>872</u>	<u>819</u>
Income tax expense (benefit)	206	176	241
Income (loss) from continuing operations	<u>836</u>	<u>696</u>	<u>578</u>
Income (loss) from discontinued operations	<u>—</u>	<u>(142)</u>	<u>3,309</u>
Net income (loss)	<u><u>\$ 836</u></u>	<u><u>\$ 554</u></u>	<u><u>\$ 3,887</u></u>
Income (loss) per share – basic:			
Continuing operations	\$ 1.44	\$ 1.18	\$ 0.94
Discontinued operations	\$ —	\$ (0.24)	\$ 5.38
Net income per share – basic	\$ 1.44	\$ 0.94	\$ 6.32
Income (loss) per share – diluted:			
Continuing operations	\$ 1.41	\$ 1.16	\$ 0.90
Discontinued operations	\$ —	\$ (0.24)	\$ 5.15
Net income per share – diluted	\$ 1.41	\$ 0.92	\$ 6.05
Weighted-average shares outstanding:			
Basic	581	589	615
Diluted	591	600	643

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 1, 2022	April 2, 2021	April 3, 2020
Net income	\$ 836	\$ 554	\$ 3,887
Other comprehensive income (loss), net of taxes:			
Foreign currency translation adjustments	(51)	63	(11)
Unrealized gain (loss) on available-for-sale securities	—	—	1
Other comprehensive income (loss) from equity method investee	—	—	1
Other comprehensive income (loss), net of taxes	<u>(51)</u>	<u>63</u>	<u>(9)</u>
Comprehensive income	<u>\$ 785</u>	<u>\$ 617</u>	<u>\$ 3,878</u>

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

NORTONLIFELOCK INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(In millions, except share amounts)

	Common Stock and Additional Paid-In Capital		Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Accumulated Deficit)	Total Stockholders' Equity (Deficit)
	Shares	Amount			
Balance as of March 29, 2019	630	\$ 4,812	\$ (7)	\$ 933	\$ 5,738
Net income	—	—	—	3,887	3,887
Other comprehensive income (loss), net of taxes	—	—	(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
Net income	—	—	—	554	554
Other comprehensive income (loss), net of taxes	—	—	63	—	63
Common stock issued under employee stock incentive plans	8	24	—	—	24
Shares withheld for taxes related to vesting of restricted stock units	(2)	(49)	—	—	(49)
Repurchases of common stock	(15)	(304)	—	—	(304)
Cash dividends declared (\$0.50 per share of common stock) and dividend equivalents accrued	—	(301)	—	—	(301)
Stock-based compensation	—	81	—	—	81
Extinguishment of convertible debt	—	(578)	—	—	(578)
Balance as of April 2, 2021	580	2,229	47	(2,776)	(500)
Net income	—	—	—	836	836
Other comprehensive income (loss), net of taxes	—	—	(51)	—	(51)
Common stock issued under employee stock incentive plans	3	14	—	—	14
Shares withheld for taxes related to vesting of restricted stock units	(1)	(16)	—	—	(16)
Cash dividends declared (\$0.50 per share of common stock) and dividend equivalents accrued	—	(294)	—	—	(294)
Stock-based compensation	—	70	—	—	70
Extinguishment of convertible debt	—	(152)	—	—	(152)
Balance as of April 1, 2022	582	\$ 1,851	\$ (4)	\$ (1,940)	\$ (93)

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 1, 2022	April 2, 2021	April 3, 2020
OPERATING ACTIVITIES:			
Net income	\$ 836	\$ 554	\$ 3,887
Adjustments:			
Amortization and depreciation	140	150	361
Impairments and write-offs of current and long-lived assets	13	90	74
Stock-based compensation expense	70	81	312
Deferred income taxes	(81)	42	16
Loss (gain) on extinguishment of debt	3	(20)	—
Loss from equity interest	—	—	31
Gain on divestitures	—	—	(5,684)
Gain on sale of equity method investment	—	—	(379)
Gain on sale of property	(175)	(98)	—
Non-cash operating lease expense	20	22	40
Other	1	52	(4)
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable, net	(9)	3	583
Accounts payable	10	(44)	(61)
Accrued compensation and benefits	(26)	(10)	(117)
Contract liabilities	67	118	(121)
Income taxes payable	(78)	(299)	383
Other assets	(7)	144	(81)
Other liabilities	190	(79)	(101)
Net cash provided by (used in) operating activities	974	706	(861)
INVESTING ACTIVITIES:			
Purchases of property and equipment	(6)	(6)	(89)
Payments for acquisitions, net of cash acquired	(39)	(344)	—
Proceeds from divestitures, net of cash contributed and transaction costs	—	—	10,918
Proceeds from the maturities and sales of short-term investments	15	68	167
Proceeds from the sale of property	355	218	—
Proceeds from sale of equity method investment	—	—	380
Other	1	(5)	3
Net cash provided by (used in) investing activities	326	(69)	11,379
FINANCING ACTIVITIES:			
Repayments of debt and related equity component	(541)	(1,941)	(868)
Proceeds from issuance of debt, net of issuance costs	512	750	300
Net proceeds from sales of common stock under employee stock incentive plans	14	24	123
Tax payments related to restricted stock units	(15)	(58)	(78)
Dividends and dividend equivalents paid	(303)	(373)	(7,481)
Repurchases of common stock	—	(304)	(1,581)
Cash consideration paid in exchange of convertible debt	—	—	(546)
Short-swing profit disgorgement	—	—	9

NORTONLIFELOCK INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(In millions)

	Year Ended		
	April 1, 2022	April 2, 2021	April 3, 2020
Other	—	(1)	(1)
Net cash provided by (used in) financing activities	(333)	(1,903)	(10,123)
Effect of exchange rate fluctuations on cash and cash equivalents	(13)	22	(9)
Change in cash and cash equivalents	954	(1,244)	386
Beginning cash and cash equivalents	933	2,177	1,791
Ending cash and cash equivalents	<u>\$ 1,887</u>	<u>\$ 933</u>	<u>\$ 2,177</u>

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

NortonLifeLock, Inc. is a global, leading provider of consumer Cyber Safety solutions. Our portfolio provides protection across three Cyber Safety categories, including security, identity protection and online privacy. We help customers protect their computer and mobile devices from online threats, safeguard their identity and personal information and strengthen online privacy capabilities and functionalities.

Basis of presentation

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. Fiscal 2022, 2021 and 2020 in this report refers to fiscal years ended April 1, 2022, April 2, 2021, and April 3, 2020, respectively. Fiscal 2020 was a 53-week year, whereas fiscal 2022 and 2021 each consisted of 52 weeks.

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. Such estimates include, but are not limited to, 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. On an ongoing basis, management determines these estimates and assumptions based on historical experience and on various other assumptions that are believed to be reasonable. Third-party valuation specialists are also utilized for certain estimates. 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, and such differences may be material to the Consolidated Financial Statements.

Significant Accounting Policies

With the exception of those discussed in Note 2, there were no material changes in accounting pronouncements issued by the Financial Accounting Standards Board (FASB) that were applicable or adopted by us during fiscal 2022.

Revenue recognition

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 \$5 million and \$6 million as of April 1, 2022 and April 2, 2021, 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 are 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 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 income (AOCI). We regularly review our investment portfolio to identify and evaluate investments that have indications of impairment. Available-for-sale debt securities with an amortized cost basis in excess of estimated fair value are assessed to determine what amount of that difference, if any, is caused by expected credit losses. Factors considered in determining if a credit loss exists include: the extent to which the fair value has been lower than the cost basis, any changes to the rating of the security by a rating agency and any adverse financial conditions specifically related to the security. Expected credit losses on available-for-sale debt securities are recognized in Other income (expense), net in our Consolidated Statements of Operations, and any remaining unrealized losses, net of taxes, are included in AOCI in our Consolidated Statements of Stockholders' Equity (Deficit).

Non-marketable investments

Our non-marketable investments consist of equity investments in privately-held companies without a readily determinable fair value. We primarily 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. We may elect to measure certain investments at fair value, for which we utilize third-party valuation specialists at least annually in the fourth quarter of each fiscal year, or more frequently if events or changes in circumstances indicate a change in the fair value of the investment. Gains and losses on these investments, whether realized or unrealized, are recognized in Other income (expense), net in our Consolidated Statements of Operations.

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 or expected credit losses 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 as well as reasonable and supportable forecasts of future economic conditions.

Assets held for sale

Long-lived assets held for sale are recorded as the lower of its carrying value or fair value less costs 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 years. We expense costs incurred related to the planning and post-implementation phases of development as incurred. As of April 1, 2022 and April 2, 2021, capitalized costs, net of amortization, were \$6 million and \$9 million, respectively.

Leases

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 2022, 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 of goodwill, 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 8 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 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.

In fiscal 2022, 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 of long-lived assets, and further quantitative testing was not required.

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 Additional 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 weighting positive and negative evidence, we will assess and determine the need for 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 Consolidated 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.

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 in our Consolidated Statements of Operations.

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:

	<u>April 1, 2022</u>	<u>April 2, 2021</u>
Customer A	41%	46%
Customer B	13%	9%

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 \$423 million, \$353 million, and \$343 million for fiscal 2022, 2021 and 2020, 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

Income Taxes. In December 2019, the FASB issued new guidance that simplifies the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The guidance also clarifies and amends existing guidance to improve consistent application. On April 3, 2021, the first day of fiscal 2022, we adopted this guidance prospectively. The adoption of this guidance did not have a material impact on our Consolidated Financial Statements and disclosures.

Business Combinations, Accounting for Contract Assets and Contract Liabilities from Contracts with Customers. In October 2021, the FASB issued new guidance which requires contract assets and contract liabilities acquired in a business combination to be recognized and measured by the acquirer on the acquisition date in accordance with ASC 606, *Revenue from Contracts with Customers*. Historically, such amounts were recognized by the acquirer at fair value in acquisition accounting. This new guidance results in the acquirer recognizing contract assets and contract liabilities at the same amounts recorded by the acquiree. On October 2, 2021, the first day of the third quarter of fiscal 2022, we elected to early adopt this guidance retrospectively for all acquisitions in fiscal 2022 and going forward. The adoption of this guidance did not have a material impact on our quarterly fiscal periods prior to adoption or our Consolidated Financial Statements and disclosures.

Recently issued authoritative guidance not yet adopted

Debt with Conversion and Other Options. In August 2020, the FASB issued new guidance that simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments. The new guidance removes from GAAP the separation models for convertible debt with embedded conversion features. As a result, after adopting the guidance, entities will no longer separately present embedded conversion features in equity. Instead, they will account for the convertible debt wholly as debt. The new guidance also requires use of the if-converted method when calculating the dilutive impact of convertible debt on earnings per share. The standard will be effective during our first quarter of fiscal 2023. It may be applied retrospectively to each prior period presented or retrospectively with cumulative effect recognized in retained earnings as of the date of adoption. We are currently evaluating the impact of the adoption of this guidance on our Consolidated Financial Statements and disclosures.

Reference Rate Reform. In March 2020, the FASB issued new guidance providing temporary optional expedients and exceptions to ease the financial reporting burden of the expected market transition from the London Interbank Offered Rate (LIBOR) and other interbank offered rates to alternative reference rates, such as the Secured Overnight Financing Rate. The standard was effective upon issuance and may generally be applied through December 31, 2022, to any new or amended contracts, hedging relationships and other transactions that reference LIBOR. We continue to evaluate our contractual arrangements and hedging relationships that reference LIBOR.

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, Discontinued Operations and Assets Held for Sale

Divestitures

Enterprise Security assets

On November 4, 2019, we completed the sale of certain of our Enterprise Security assets and certain liabilities to Broadcom Inc. (the Broadcom sale) for a purchase price of \$10.7 billion. As a result of the sale, the majority of the results of our Enterprise Security business and certain related costs 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. During fiscal 2020, we recognized a gain on sale of \$5,434 million, which was included in Income (loss) from discontinued operations in our Consolidated Statements of Operations. Total net assets sold was \$5,211 million, consisting of goodwill, net intangible assets and other assets of \$7,121 million, net of contract and other liabilities of \$1,910 million. During fiscal 2021, in connection with Broadcom sale, we recognized costs for severance and termination benefits as part of our November 2019 restructuring plan. These activities were completed during fiscal 2021. See Note 12 for information associated with our restructuring activities.

On October 1, 2020, we entered into multiple agreements with Broadcom for an aggregate amount of \$200 million. We licensed Broadcom's enterprise software, multiple security engines and related telemetry for 5.6 years, which will be amortized to continuing operations over the term of the license. In addition, we resolved all outstanding payments and certain claims related to the asset purchase and transition services agreements, which were included in discontinued operations.

In connection with the Broadcom sale, we entered into a transition services agreement under which we provided assistance to Broadcom including, but not limited to, business support services and information technology services. During fiscal 2021, the transition services were completed. Dedicated direct costs, net of charges to Broadcom, for these transition services were \$9 million and \$19 million during fiscal 2021 and 2020, respectively. These direct costs were presented as part of Other income (expense), net in the 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 other assets, net of other liabilities, of \$11 million. We incurred tax expense of \$86 million related to the gain.

Discontinued Operations

The following table presents information regarding certain components of income (loss) from discontinued operations, net of income taxes during the years ended April 2, 2021 and April 3, 2020. There was no discontinued operations activity during the year ended April 1, 2022.

(In millions)	Year Ended	
	April 2, 2021	April 3, 2020
Net revenues	\$ 1	\$ 1,368
Gross profit	\$ 1	\$ 1,035
Operating income (loss)	\$ (177)	\$ 4
Gain on sale	\$ —	\$ 5,434
Income (loss) before income taxes	\$ (176)	\$ 5,431
Income tax expense (benefit)	\$ (34)	\$ 2,122
Income (loss) from discontinued operations, net of taxes	\$ (142)	\$ 3,309

The following table presents significant non-cash items and capital expenditures of discontinued operations during the years ended April 2, 2021 and April 3, 2020. There was no discontinued operations activity during the year ended April 1, 2022.

(In millions)	Year Ended	
	April 2, 2021	April 3, 2020
Amortization and depreciation	\$ —	\$ 130
Stock-based compensation expense	\$ 1	\$ 172
Purchases of property and equipment	\$ —	\$ 43

Assets Held for Sale

During fiscal 2020, we reclassified certain land and buildings previously reported as property and equipment to assets held for sale when the properties were approved for immediate sale in their present condition and the sale was expected to be completed within one year. 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.

On July 27, 2020, we completed the sale of our Culver City, California property, which was previously classified as held for sale during the first quarter of fiscal 2021, for cash consideration of \$118 million, net of selling costs, and recognized a gain on sale of \$35 million.

On April 1, 2021, we completed the sale of certain land and buildings in Mountain View, California, which was previously classified as held for sale as of April 3, 2020, for cash consideration of \$100 million, net of selling costs, and recognized a gain on sale of \$63 million.

On July 14, 2021, we completed the sale of certain land and buildings in Mountain View, California for cash consideration of \$355 million, net of selling costs. We recognized a gain of \$175 million on the sale. In conjunction with the sale, we signed a 7-year leaseback agreement for a portion of the property. See Note 9 for further information related to the sale leaseback.

We continue to actively market the remaining properties for sale; however, during fiscal 2022, the commercial real estate market continues to be adversely affected by the COVID-19 pandemic, which delayed the expected timing of sale. As of April 1, 2022, these assets are classified as assets held for sale. We have taken into consideration the current real estate values and demand and continue to execute plans to sell these properties. As a result, we recognized an impairment of \$2 million, which was included in restructuring costs, representing the difference between the estimated net sales price and the carrying value of one of our properties. During fiscal 2022, there were no other impairments because the fair value of the other properties less costs to sell either equals or exceeds their carrying value.

Note 4. Business Combinations

Proposed Merger with Avast

On August 10, 2021, we announced a transaction under which we intend to acquire the entire issued and to be issued ordinary share capital of Avast plc, a public company incorporated in England and Wales and a global leader of digital security and privacy headquartered in Prague, Czech Republic (Avast and such transaction, the Proposed Merger). The Proposed Merger will be implemented by means of a court-sanctioned scheme of arrangement under the UK Companies Act 2006, as amended (the Scheme), and remains subject to a certain number of conditions. Under the terms of the Proposed Merger, Avast shareholders will be entitled to elect to receive, for each ordinary share of Avast held, in respect of their entire holding of Avast shares, either: (i) \$7.61 in cash and 0.0302 of a new share of our common stock (such option, the Majority Cash Option); or (ii) \$2.37 in cash and 0.1937 of a new share of our common stock (such option, the Majority Stock Option). Based on our undisturbed closing share price of \$27.20 on July 13, 2021, and depending on the Avast shareholder elections, the estimated purchase price range for the Avast shares under the Proposed Merger is \$8.1 billion to \$8.6 billion. Each of the directors of Avast who holds shares has undertaken to elect for the Majority Stock Option in respect of their entire beneficial holdings of Avast shares. We plan to finance the Proposed Merger with existing cash, cash to be generated by operations and new debt financing.

In conjunction with the Proposed Merger, on August 10, 2021, we entered into an agreement (as amended, the Interim Facilities Agreement) with certain financial institutions, in which they agreed to provide us with (i) a \$3,600 million term loan interim facility B (the Interim Facility B), (ii) \$750 million term loan interim facility A1 (the Interim Facility A1) and \$3,500 million term loan interim facility A2 (the Interim Facility A2), and (iii) a \$1,500 million interim revolving facility (the Interim Revolving Facility) (collectively, the Interim Facilities) and a commitment letter (as amended, the Commitment Letter) with certain financial institutions, in which they agreed to provide us with financing no less than the financing available under the Interim Facilities (the Definitive Facilities and, together with the Interim Facilities, the Facilities) to finance the cash consideration payable in connection with the Proposed Merger. The Definitive Facilities will be financed by a syndicate of lenders led by Bank of America, N.A. and Wells Fargo Bank N.A. On January 28, 2022, Bank of America N.A. and Wells Fargo Bank N.A. agreed to arrange, on a best efforts basis, additional term loans under the Definitive Facilities in an amount up to \$500 million. The Interim Facilities Agreement contains, and any definitive financing documentation for the Definitive Facilities entered into in connection with the Commitment Letter (the Facilities Agreement) will contain, customary representations and warranties, events of default and covenants

for transactions of this type. The Facilities Agreement will replace the existing credit facility agreement upon the close of the transaction.

In conjunction with the Proposed Merger, on August 10, 2021, we entered into a Co-operation Agreement (the Co-operation Agreement) with Nitro Bidco Limited, our wholly-owned subsidiary (Bidco), and Avast, pursuant to which we and Bidco agreed to, among other things, use all reasonable endeavors for the purposes of obtaining any regulatory authorizations which are required to implement the Proposed Merger, and we, Bidco and Avast agreed to cooperate with each other in preparing required transaction documents and certain other matters in connection with the Proposed Merger. The Co-operation Agreement also contains certain termination rights. The Co-operation Agreement also provides that, subject to certain exceptions, if we fail to receive approval from the U.K Competition and Markets Authority and cannot consummate the Proposed Merger, we may be required to pay Avast a break fee of up to \$200 million.

The Proposed Merger was approved by our Board of Directors and by our shareholders, the Board of Directors and shareholders of Avast and regulators including the Federal Trade Commission under the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the “HSR” Act) and in Europe, the German Federal Cartel Office and the Spanish National Markets and Competition Commission. On March 25, 2022, the U.K Competition and Markets Authority referred the Proposed Merger to a Phase 2 review investigation. The Proposed Merger is currently expected to close mid-to-late calendar year 2022, subject to regulatory approvals and the satisfaction or waiver of other customary closing conditions.

Fiscal 2022 acquisition

On September 15, 2021, we completed an acquisition of an online reputation management and digital privacy solutions company for total aggregate consideration of \$39 million, net of \$1 million cash acquired. The purchase price was primarily allocated to intangible assets and goodwill during the year ended April 1, 2022.

Fiscal 2021 acquisition

On January 8, 2021, we completed our acquisition of Avira. Avira provides a consumer-focused portfolio of cybersecurity and privacy solutions primarily in Europe and key emerging markets. The total aggregate consideration for the acquisition was \$344 million, net of \$32 million cash acquired.

Our final allocation of the aggregate purchase price for the acquisition as of January 8, 2021, is as follows:

(In millions)	<u>January 8, 2021</u>
Assets:	
Current assets	\$ 12
Intangible assets	162
Goodwill	261
Other long-term asset	21
Total assets acquired	<u>456</u>
Liabilities:	
Current liabilities	29
Contract liabilities	54
Other long-term obligations	29
Total liabilities assumed	<u>112</u>
Total purchase price	<u><u>\$ 344</u></u>

The allocation of the purchase price reflects adjustments during the year ended April 1, 2022. Our estimates and assumptions were subject to refinement within the measurement period, which was up

to one year from the acquisition date. Adjustments to the purchase price during the measurement period required adjustments to be made to goodwill. The measurement period ended on January 7, 2022.

Note 5. Revenues

Contract liabilities

During fiscal 2022 and 2021, we recognized \$1,187 million and \$1,050 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 1, 2022, we had \$785 million of remaining performance obligations, excluding customer deposit liabilities of \$521 million, of which we expect to recognize approximately 94% as revenue over the next 12 months.

See Note 1 for a description of our revenue recognition policy and Note 17 for tabular disclosures of disaggregated revenue by solution and geographic region.

Note 6. Goodwill and Intangible Assets

Goodwill

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

(In millions)

Balance as of April 3, 2020	\$ 2,585
Acquisitions	269
Translation adjustments	13
Balance as of April 2, 2021	<u>2,867</u>
Acquisitions	25
Purchase accounting adjustments	(7)
Translation adjustments	(12)
Balance as of April 1, 2022	<u><u>\$ 2,873</u></u>

Intangible assets, net

(In millions)	April 1, 2022			April 2, 2021		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	\$ 583	\$ (382)	\$ 201	\$ 556	\$ (299)	\$ 257
Developed technology	217	(143)	74	210	(104)	106
Other	8	(3)	5	7	(1)	6
Total finite-lived intangible assets	<u>808</u>	<u>(528)</u>	<u>280</u>	<u>773</u>	<u>(404)</u>	<u>369</u>
Indefinite-lived trade names	743	—	743	747	—	747
Total intangible assets	<u><u>\$ 1,551</u></u>	<u><u>\$ (528)</u></u>	<u><u>\$ 1,023</u></u>	<u><u>\$ 1,520</u></u>	<u><u>\$ (404)</u></u>	<u><u>\$ 1,116</u></u>

Amortization expense for purchased intangible assets is summarized below:

(In millions)	Year Ended			Consolidated Statements of Operations Classification
	April 1, 2022	April 2, 2021	April 3, 2020	
Customer relationships and other	\$ 85	\$ 74	\$ 79	Operating expenses
Developed technology	39	31	30	Cost of revenues
Total	<u>\$ 124</u>	<u>\$ 105</u>	<u>\$ 109</u>	

As of April 1, 2022, future amortization expense related to intangible assets that have finite lives is as follows by fiscal year:

(In millions)	April 1, 2022
2023	\$ 105
2024	93
2025	32
2026	26
2027	12
Thereafter	12
Total	<u>\$ 280</u>

Note 7. Supplementary Information

Cash and cash equivalents:

(In millions)	April 1, 2022	April 2, 2021
Cash	\$ 609	\$ 650
Cash equivalents	1,278	283
Total cash and cash equivalents	<u>\$ 1,887</u>	<u>\$ 933</u>

Accounts receivable, net:

(In millions)	April 1, 2022	April 2, 2021
Accounts receivable	\$ 121	\$ 118
Allowance for doubtful accounts	(1)	(1)
Accounts receivable, net	<u>\$ 120</u>	<u>\$ 117</u>

Other current assets:

(In millions)	April 1, 2022	April 2, 2021
Prepaid expenses	\$ 107	\$ 95
Income tax receivable and prepaid income taxes	35	96
Other tax receivable	27	31
Other	24	15
Total other current assets	<u>\$ 193</u>	<u>\$ 237</u>

Property and equipment, net:

(In millions)	April 1, 2022	April 2, 2021
Land	\$ 2	\$ 3
Computer hardware and software	462	479
Office furniture and equipment	27	63
Buildings	27	29
Leasehold improvements	56	58
Construction in progress	1	1
Total property and equipment, gross	<u>575</u>	<u>633</u>
Accumulated depreciation and amortization	(515)	(555)
Total property and equipment, net	<u>\$ 60</u>	<u>\$ 78</u>

Depreciation and amortization expense of property and equipment was \$16 million, \$45 million, and \$122 million in fiscal 2022, 2021 and 2020, respectively.

Other long-term assets:

(In millions)	April 1, 2022	April 2, 2021
Non-marketable equity investments	\$ 178	\$ 185
Long-term income tax receivable and prepaid income taxes	25	30
Deferred income tax assets	351	355
Long-term prepaid royalty	53	70
Other	46	46
Total other long-term assets	<u>\$ 653</u>	<u>\$ 686</u>

Short-term contract liabilities:

(In millions)	April 1, 2022	April 2, 2021
Deferred revenue	\$ 743	\$ 795
Customer deposit liabilities	521	415
Total short-term contract liabilities	<u>\$ 1,264</u>	<u>\$ 1,210</u>

Other current liabilities:

(In millions)	April 1, 2022	April 2, 2021
Income taxes payable	\$ 109	\$ 111
Other taxes payable	87	82
Accrued legal fees	273	66
Accrued royalties	49	46
Other accrued liabilities	121	123
Total other current liabilities	<u>\$ 639</u>	<u>\$ 428</u>

Long-term income taxes payable:

(In millions)	April 1, 2022	April 2, 2021
Deemed repatriation tax payable	\$ 437	\$ 525
Other long-term income taxes	3	29
Uncertain tax positions (including interest and penalties)	556	565
Total long-term income taxes payable	<u>\$ 996</u>	<u>\$ 1,119</u>

Other income (expense), net:

(In millions)	Year Ended		
	April 1, 2022	April 2, 2021	April 3, 2020
Interest income	\$ —	\$ 4	\$ 80
Loss from equity interest	—	—	(31)
Foreign exchange gain (loss)	(2)	1	(6)
Gain on divestitures	—	—	250
Gain on sale of equity method investment	—	—	379
(Loss) gain on early extinguishment of debt	(3)	20	—
Gain on sale of properties	175	98	—
Transition service expense, net	—	(9)	(19)
Other	(7)	6	7
Total other income (expense), net	<u>\$ 163</u>	<u>\$ 120</u>	<u>\$ 660</u>

Supplemental cash flow information:

(In millions)	Year Ended		
	April 1, 2022	April 2, 2021	April 3, 2020
Income taxes paid, net of refunds	\$ 356	\$ 341	\$ 1,985
Interest expense paid	\$ 120	\$ 139	\$ 179
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 27	\$ 34	\$ 51
Non-cash operating activities:			
Operating lease assets obtained in exchange for operating lease liabilities	\$ 35	\$ 34	\$ 15
Reduction of operating lease assets as a result of lease terminations and modifications	\$ 17	\$ 26	\$ 34
Non-cash investing and financing activities:			
Purchases of property and equipment in current liabilities	\$ 1	\$ —	\$ —
Extinguishment of debt with borrowings from same creditors	\$ 494	\$ —	\$ 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:

(In millions)	April 1, 2022			April 2, 2021		
	Fair Value	Level 1	Level 2	Fair Value	Level 1	Level 2
Assets:						
Money market funds	\$ 1,278	\$ 1,278	\$ —	\$ 284	\$ 284	\$ —
Certificates of deposit	—	—	—	1	—	1
Corporate bonds	4	—	4	17	—	17
Total	<u>\$ 1,282</u>	<u>\$ 1,278</u>	<u>\$ 4</u>	<u>\$ 302</u>	<u>\$ 284</u>	<u>\$ 18</u>

The following table presents the contractual maturities of our investments in debt securities as of April 1, 2022:

(In millions)	Fair Value
Due in one year or less	\$ 4
Total	<u>\$ 4</u>

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 1, 2022 and April 2, 2021, the carrying value of our non-marketable equity investments was \$178 million and \$185 million, respectively.

Equity method investment

Our investment in equity securities that was accounted for using the equity method was divested during fiscal 2020 and consisted of our equity investment in DigiCert. 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 in fiscal 2020.

We recorded a loss from our equity interest of \$31 million during fiscal 2020 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)
Revenue	\$ 350
Gross profit	\$ 293
Net loss	\$ (102)

Current and long-term debt

As of April 1, 2022 and April 2, 2021, the total fair value of our current and long-term fixed rate debt was \$2,021 million and \$2,400 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 8 years for our facilities, 1 year to 3 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.

On July 14, 2021, we completed the sale of certain land and buildings in Mountain View, California for cash consideration of \$355 million, net of selling costs. In conjunction with the sale, we signed a

7-year leaseback agreement for a portion of the property, with an option to extend the lease for an additional 5 years. The leaseback agreement is effective as of the date of sale. The sale transaction and immediate leaseback qualified as a completed sale and we recognized a gain of \$175 million on the sale.

The following summarizes our lease costs for fiscal 2022, 2021 and 2020:

(In millions)	Year Ended		
	April 1, 2022	April 2, 2021	April 3, 2020
Operating lease costs	\$ 16	\$ 17	\$ 34
Short-term lease costs	2	4	8
Variable lease costs	6	6	21
Total lease costs	<u>\$ 24</u>	<u>\$ 27</u>	<u>\$ 63</u>

Other information related to our operating leases for fiscal 2022, 2021 and 2020 was as follows:

	Year Ended		
	April 1, 2022	April 2, 2021	April 3, 2020
Weighted-average remaining lease term	4.7 years	4.4 years	4.5 years
Weighted-average discount rate	4.04%	4.07%	4.05%

See Note 7 for cash flow information related to our operating leases.

As of April 1, 2022, the maturities of our lease liabilities by fiscal year are as follows:

(In millions)	
2023	\$ 22
2024	26
2025	21
2026	15
2027	15
Thereafter	3
Total lease payments	102
Less: Imputed interest	(9)
Present value of lease liabilities	<u>\$ 93</u>

Note 10. Debt

The following table summarizes components of our debt:

(In millions, except percentages)	April 1, 2022		April 2, 2021	
	Amount	Effective Interest Rate	Amount	Effective Interest Rate
New 2.50% Convertible Senior Notes due April 1, 2022	\$ —	2.63%	\$ 250	2.63%
3.95% Senior Notes due June 15, 2022	400	4.05%	400	4.05%
New 2.00% Convertible Unsecured Notes due August 15, 2022	525	2.62%	625	2.62%
5.0% Senior Notes due April 15, 2025	1,100	5.00%	1,100	5.00%
Initial Term Loan due May 7, 2026	1,010	LIBOR plus ⁽¹⁾	494	LIBOR plus ⁽¹⁾
Delayed Term Loan due May 7, 2026	703	LIBOR plus ⁽¹⁾	741	LIBOR plus ⁽¹⁾
0.95% Avira Mortgage due December 30, 2030	4	0.95%	5	0.95%
1.29% Avira Mortgage due December 30, 2029	5	1.29%	5	1.29%
Total principal amount	3,747		3,620	
Less: unamortized discount and issuance costs	(11)		(19)	
Total debt	3,736		3,601	
Less: current portion	(1,000)		(313)	
Total long-term portion	<u>\$ 2,736</u>		<u>\$ 3,288</u>	

⁽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 1, 2022	April 2, 2021
Initial Term Loan due May 7, 2026	1.75%	1.50%
Delayed Term Loan due May 7, 2026	1.75%	1.50%

As of April 1, 2022, the future contractual maturities of debt by fiscal year are as follows:

(In millions)	
2023	\$ 1,001
2024	89
2025	89
2026	1,189
2027	1,376
Thereafter	3
Total future maturities of debt	<u>\$ 3,747</u>

Credit Facility

On November 4, 2019, we entered into a credit agreement with financial institutions, which provides a revolving line of credit of \$1 billion, a 5-year term loan of \$500 million (the Initial Term Loan), and a delayed draw 5-year term loan commitment of \$750 million (the Delayed Draw Term Loan). On September 14, 2020, we drew \$750 million on the Delayed Draw Term Loan.

On May 7, 2021, we entered into the first amendment to the credit agreement with financial institutions (the First Amendment), which extends the maturity of all term loan and revolver credit facilities from November 2024 to May 2026. The First Amendment also provided for an incremental

increase under the Initial Term Loan of \$525 million. This transaction was accounted for as a debt extinguishment of the Initial Term Loan and resulted in accelerated recognition of interest expense for unamortized debt issuance costs, which was immaterial. At the closing of the First Amendment, we did not borrow any funds under the revolving line of credit and fully borrowed the First Amendment under the Initial Term Loan, such that loans in an aggregate principal amount of \$1,741 million were outstanding. The credit facilities remain senior secured.

The principal amount of the Initial Term Loan and the additional borrowings under the First Amendment must be repaid in quarterly installments on the last business day of each calendar quarter commencing with the quarter ended September 30, 2022 in an amount equal to 1.25% of the aggregate principal amount, as of the date of the first amendment. The principal amount of the Delayed Draw Term Loan must be repaid in quarterly installments on the last business day of each calendar quarter commencing with the later of (i) the quarter ended March 31, 2021 and (ii) the first full fiscal quarter ended following the Borrowing of the Delayed Draw Term Loans in an amount equal to 1.25% of aggregate principal amount that are outstanding immediately after the borrowing of the Delayed Draw Term Loan. We may voluntarily repay outstanding principal balances without penalty. As of April 1, 2022, there were no borrowings outstanding under our revolving credit facilities.

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 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 1, 2022, we were in compliance with all debt covenants.

Interim Facilities

On August 10, 2021, in conjunction with the Proposed Merger, we entered into the Interim Facilities Agreement with certain financial institutions, in which they agreed to provide us with (i) a 7-year term loan interim facility B of \$3,600 million (the Interim Facility B), (ii) a 60-day term loan interim facility A1 of \$750 million (the Interim Facility A1) and 5-year term loan interim facility A2 of \$3,500 million (the Interim Facility A2), and (iii) a 5-year interim revolving facility of \$1,500 million (the Interim Revolving Facility) (collectively, the Interim Facilities) and a commitment letter (as amended, the Commitment Letter) with certain financial institutions, in which they agreed to provide us with financing no less than the financing available under the Interim Facilities (the Definitive Facilities and, together with the Interim Facilities, the Facilities) to finance the cash consideration payable in connection with the Proposed Merger. The Definitive Facilities will be financed by a syndicate of lenders led by Bank of America, N.A. and Wells Fargo Bank N.A. On January 28, 2022, Bank of America N.A. and Wells Fargo Bank N.A. agreed to arrange, on a best efforts basis, additional term loans under the Definitive Facilities in an amount up to \$500 million. The Interim Facilities Agreement contains, and any definitive financing documentation for the Definitive Facilities entered into in connection with the Commitment Letter (the Facilities Agreement) will contain, customary representations and warranties, events of default and covenants for transactions of this type. The Facilities Agreement will replace the existing credit facility agreement upon the close of the transaction.

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.

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 had 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.

On September 15, 2020, we fully repaid the principal and accrued interest under the 4.2% Senior Notes due September 2020, which had an aggregate principal amount outstanding of \$750 million.

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 and collectively, Convertible Senior 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 four 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).

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, maturing 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 new Notes are convertible into cash, shares of common stock or a combination of cash and common stock, at the Company's option, at an initial conversion rate for the New 2.50% Convertible Notes of 59.6341 per \$1,000 principal amount of the New 2.50% Convertible Notes (which represents an initial conversion price of approximately \$16.77 per share) and an initial conversion rate for the New 2.00% Convertible Notes of 48.9860 per \$1,000 principal amount of the New 2.00% Convertible Notes (which represents an initial conversion price of approximately \$20.41 per share), in each case subject to certain limitations and certain adjustments. 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.

On May 26, 2020, we settled the \$625 million principal and conversion rights of the 2.0% Convertible Senior Notes in cash. The aggregate settlement amount of \$1,176 million was based on \$19.25 per underlying share into which the 2.0% Convertible Notes were convertible. In addition, we paid \$3 million of accrued and unpaid interest through the date of settlement. The extinguishment resulted in an adjustment to stockholders' equity of \$578 million and a gain on extinguishment of \$20 million.

On May 20, 2021, we settled the \$250 million principal and conversion rights of the New 2.5% Convertible Senior Notes in cash. The aggregate settlement amount of \$364 million was based on \$24.40 per underlying share into which the 2.5% Convertible Notes were convertible. In addition, we paid \$1 million of accrued and unpaid interest through the date of settlement and \$1 million of cash dividends that we declared on May 10, 2021. The extinguishment resulted in an adjustment to stockholders' equity of \$112 million and a loss on extinguishment of \$2 million.

On March 18, 2022, we settled \$100 million of principal and conversion rights of the New 2.0% Convertible Senior Notes in cash. The aggregate settlement amount of \$139 million was based on \$28.32 per underlying share into which the New 2.0% Convertible Notes were convertible. The extinguishment resulted in an adjustment to stockholders' equity of \$40 million and a gain on extinguishment of \$1 million.

As of April 1, 2022 and April 2, 2021, the Convertible Senior Notes consisted of the following:

(In millions)	April 1, 2022	April 2, 2021	
	New 2.0% Convertible Notes	New 2.5% Convertible Notes	New 2.0% Convertible Notes
Liability component:			
Principal	\$ 525	\$ 250	\$ 625
Unamortized discount and issuance costs	(1)	—	(5)
Net carrying amount	<u>\$ 524</u>	<u>\$ 250</u>	<u>\$ 620</u>
Equity component, net of tax	\$ 56	\$ 43	\$ 56

Based on the closing price of our common stock of \$26.94 on the last trading date closest to April 1, 2022, the if-converted values of the New 2.0% Convertible Notes exceeded the principal amount by approximately \$168 million.

The following table sets forth total interest expense recognized related to our convertible notes:

(In millions)	Year Ended		
	April 1, 2022	April 2, 2021	April 3, 2020
Contractual interest expense	\$ 12	\$ 20	\$ 37
Amortization of debt discount and issuance costs	\$ 4	\$ 4	\$ 13
Payments in lieu of conversion price adjustments ⁽¹⁾	\$ 8	\$ 12	\$ 11

⁽¹⁾ Payments in lieu of conversion price adjustments consist of amounts paid to holders of the Convertible Senior Notes when our quarterly dividend to our common stockholders exceeds the amounts defined in the Convertible Senior Notes agreements.

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 monthly foreign exchange forward contracts. 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.

We 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 1, 2022 and April 2, 2021, the fair value of these contracts was immaterial. The related gain (loss) recognized in Other income (expense), net in our Consolidated Statements of Operations was as follows:

(In millions)	Year Ended		
	April 1, 2022	April 2, 2021	April 3, 2020
Foreign exchange forward contracts gain (loss)	\$ (7)	\$ 15	\$ (22)

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 1, 2022 and April 2, 2021.

The notional amount of our outstanding foreign exchange forward contracts in U.S. dollar equivalent was as follows:

(In millions)	April 1, 2022	April 2, 2021
Foreign exchange forward contracts purchased	\$ 155	\$ 270
Foreign exchange forward contracts sold	\$ 191	\$ 68

Note 12. Restructuring and Other Costs

Our restructuring and other costs consist primarily of severance, contract cancellations, separation and other related costs. Severance costs generally include severance payments, outplacement services, health insurance coverage, and legal costs. Contract cancellation charges primarily include penalties for early termination of contracts and write-offs of related prepaid assets. Other exit and disposal costs include costs to exit and consolidate facilities and advisory fees incurred in connection with restructuring events. Separation costs primarily consist of consulting costs incurred in connection with our divestitures.

December 2020 Plan

In December 2020, our Board of Directors approved a restructuring plan (the December 2020 Plan) to consolidate facilities and reduce operating costs in connection with our acquisition of Avira. These actions were completed in fiscal 2022. Any remaining costs or adjustments are immaterial. We incurred total costs of \$24 million under the December 2020 Plan.

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 included the reduction of our workforce as well as asset write-offs and impairments, contract terminations, facilities closures and the sale of underutilized facilities. These actions were completed in fiscal 2021. Any remaining costs or adjustments are immaterial. We incurred total costs of \$528 million, excluding stock-based compensation expense, under the November 2019 Plan.

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. As of April 1, 2022, we have incurred \$127 million of stock-based compensation related to our equity-based severance program. See Note 15 for further 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, and we incurred total costs of \$53 million, primarily consisting of severance and termination benefits.

Restructuring and other costs summary

Our restructuring and other costs attributable to continuing operations are presented in the table below:

(In millions)	Year Ended		
	April 1, 2022	April 2, 2021	April 3, 2020
Severance and termination benefit costs	\$ 5	\$ 31	\$ 90
Contract cancellation charges	3	51	101
Stock-based compensation charges	—	10	20
Asset write-offs and impairments	5	58	47
Other exit and disposal costs	18	11	7
Separation costs	—	—	1
Total restructuring and other	<u>\$ 31</u>	<u>\$ 161</u>	<u>\$ 266</u>

In connection with the agreement to sell certain assets of our Enterprise Security business, a portion of our restructuring and other costs were classified to discontinued operations for all periods presented. Our restructuring and other costs attributable to discontinued operations are presented in the table below. There was no discontinued operations activity during the year ended April 1, 2022.

(In millions)	Year Ended	
	April 2, 2021	April 3, 2020
Severance and termination benefit costs	\$ 64	\$ 121
Contract cancellation charges	—	5
Stock-based compensation charges	—	97
Asset write-offs and impairments	—	13
Separation costs	2	25
Total restructuring and other	<u>\$ 66</u>	<u>\$ 261</u>

Restructuring summary

Our activities and liability balances related to our December 2020 Plan are presented in the tables below:

(In millions)	Liability Balance as of April 2, 2021	Net Charges	Cash Payments	Non-Cash Items	Liability Balance as of April 1, 2022
Severance and termination benefit costs	\$ 3	\$ 5	\$ (8)	\$ —	\$ —
Other exit and disposal costs	—	7	(1)	(6)	—
Total	<u>\$ 3</u>	<u>\$ 12</u>	<u>\$ (9)</u>	<u>\$ (6)</u>	<u>\$ —</u>

The restructuring liabilities are included in Other current liabilities in our Consolidated Balance Sheets.

Note 13. Income Taxes

The components of our income (loss) from continuing operations before income taxes are as follows:

(In millions)	Year Ended		
	April 1, 2022	April 2, 2021	April 3, 2020
Domestic	\$ 791	\$ 607	\$ 667
International	251	265	152
Income (loss) before income taxes	<u>\$ 1,042</u>	<u>\$ 872</u>	<u>\$ 819</u>

The components of income tax expense (benefit) from continuing operations are as follows:

(In millions)	Year Ended		
	April 1, 2022	April 2, 2021	April 3, 2020
Current:			
Federal	\$ 217	\$ 133	\$ 208
State	50	36	33
International	20	(13)	3
Total	<u>287</u>	<u>156</u>	<u>244</u>
Deferred:			
Federal	(42)	(6)	(23)
State	(6)	(5)	3
International	(33)	31	17
Total	<u>(81)</u>	<u>20</u>	<u>(3)</u>
Income tax expense	<u>\$ 206</u>	<u>\$ 176</u>	<u>\$ 241</u>

The U.S. federal statutory income tax rates we have applied for fiscal 2022, 2021 and 2020 are as follows:

	Year Ended		
	April 1, 2022	April 2, 2021	April 3, 2020
U.S. federal statutory income tax rate	21.0%	21.0%	21.0%

The difference between our effective income tax and the federal statutory income tax is as follows:

(In millions)	Year Ended		
	April 1, 2022	April 2, 2021	April 3, 2020
Federal statutory tax expense (benefit)	\$ 219	\$ 183	\$ 172
State taxes, net of federal benefit	33	25	22
Foreign earnings taxed at other than the federal rate	(47)	(10)	(2)
Federal research and development credit	(4)	(1)	(2)
Valuation allowance increase (decrease)	2	1	(57)
Change in uncertain tax positions	11	3	60
Stock-based compensation	7	5	5
Nondeductible goodwill	—	—	18
Favorable ruling on foreign withholding tax	—	(35)	—
US tax on foreign earnings	12	(15)	(4)
Return to provision adjustment	(8)	1	12
Other, net	—	2	17
Irish FX remeasurement	(19)	17	—
Income tax expense	<u>\$ 206</u>	<u>\$ 176</u>	<u>\$ 241</u>

The principal components of deferred tax assets and liabilities are as follows:

(In millions)	April 1, 2022	April 2, 2021
Deferred tax assets:		
Tax credit carryforwards	\$ 7	\$ 2
Net operating loss carryforwards of acquired companies	16	23
Other accruals and reserves not currently tax deductible	84	54
Operating lease liabilities	28	29
Property and equipment	13	17
Intangible assets	123	103
Stock-based compensation	8	7
Other	54	36
Gross deferred tax assets	<u>333</u>	<u>271</u>
Valuation allowance	(11)	(7)
Deferred tax assets, net of valuation allowance	<u>322</u>	<u>264</u>
Deferred tax liabilities:		
Operating lease assets	(21)	(25)
Goodwill	(6)	(1)
Deferred revenue	(2)	(1)
Unremitted earnings of foreign subsidiaries	(16)	(15)
Prepays and deferred expenses	(1)	(2)
Discount on convertible debt	—	(2)
Deferred tax liabilities	<u>(46)</u>	<u>(46)</u>
Net deferred tax assets (liabilities)	<u>\$ 276</u>	<u>\$ 218</u>

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their basis for income tax purposes and the tax effects of net operating losses and tax credit carryforwards.

The valuation allowance provided against our deferred tax assets as of April 1, 2022, increased primarily due to a valuation allowance on capital loss carryforwards. The ending valuation allowance of \$11 million is provided primarily against tax attributes.

As of April 1, 2022, we have U.S. federal net operating losses attributable to various acquired companies of approximately \$52 million, which, if not used, will expire between fiscal 2023 and 2039. The 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 \$12 million. If not used, our U.S. state net operating losses will expire between fiscal 2023 and 2038. In addition, we have foreign net operating loss carryforwards attributable to various foreign companies of approximately \$14 million.

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; 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 1, 2022, are realizable on a “more likely than not” basis.

The aggregate changes in the balance of gross unrecognized tax benefits were as follows:

(In millions)	Year Ended		
	April 1, 2022	April 2, 2021	April 3, 2020
Balance at beginning of year	\$ 548	\$ 724	\$ 446
Settlements with tax authorities	—	(37)	(5)
Lapse of statute of limitations	(34)	(34)	(15)
Increase related to prior period tax positions	16	13	77
Decrease related to prior period tax positions	(11)	(129)	(11)
Increase related to current year tax positions	8	11	232
Balance at end of year	<u>\$ 527</u>	<u>\$ 548</u>	<u>\$ 724</u>

There was a change of \$21 million in gross unrecognized tax benefits during the year ended April 1, 2022, 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 1, 2022, \$486 million, if recognized, would affect our effective tax rate.

We recognize interest and/or penalties related to uncertain tax positions in income tax expense. At April 1, 2022, before any tax benefits, we had \$87 million of accrued interest and penalties on unrecognized tax benefits. Interest included in our provision for income taxes was an expense of approximately \$19 million for fiscal 2022. 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.

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. and Ireland. 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 2021 remain subject to examination by the IRS for U.S. federal tax purposes and fiscal years 2014 through 2020 are under audit. Our 2017 through 2021 fiscal years remain subject to examination by the appropriate governmental agencies for Irish 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. Depending on the nature of the settlement or expiration of statutes of limitations, it could affect our income tax provision and therefore benefit the resulting effective tax rate.

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

Dividends

On May 5, 2022, we announced that our Board of Directors declared a cash dividend of \$0.125 per share of common stock to be paid in June 2022. 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 equivalent rights (DERs), respectively, which will be paid out if and when the underlying shares are released. Any future dividends and DERs will be subject to the approval of our Board of Directors.

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 transactions. On May 4, 2021, our Board of Directors approved an incremental share repurchase authorization of \$1,500 million. As of April 1, 2022, we have \$1,774 million remaining under the authorization to be completed in future periods with no expiration date. No shares were repurchased during the year ended April 1, 2022.

The following table summarizes activity related to our stock repurchase program during the years ended April 2, 2021 and April 3, 2020:

(In millions, except per share amounts)	Year Ended	
	April 2, 2021	April 3, 2020
Number of shares repurchased	15	68
Average price per share	\$ 20.50	\$ 22.97
Aggregate purchase price	\$ 304	\$ 1,562

Subsequent to April 1, 2022, we executed repurchases of 4 million shares of our common stock for an aggregate amount of \$107 million. As a result, we have \$1,667 million remaining under our existing share repurchase program.

Accumulated other comprehensive income (loss)

Components and activities of AOCI, net of tax, were as follows:

(In millions)	Foreign Currency Translation Adjustments
Balance as of April 3, 2020	\$ (16)
Other comprehensive income (loss) before reclassifications	63
Balance as of April 2, 2021	47
Other comprehensive income (loss) before reclassifications	(51)
Balance as of April 1, 2022	\$ (4)

Note 15. Stock-Based Compensation and 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 1, 2022, 11 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.

RSUs

(In millions, except per share and year data)	Number of Shares	Weighted-Average Grant Date Fair Value
Outstanding as of April 2, 2021	5	\$ 20.62
Granted	4	\$ 22.53
Vested	(2)	\$ 20.89
Forfeited	(1)	\$ 21.07
Outstanding as of April 1, 2022	<u>6</u>	<u>\$ 21.80</u>

RSUs generally vest over a three-year period. The weighted-average grant date fair value per share of RSUs granted during fiscal 2022, 2021 and 2020 was \$22.53, \$20.70, and \$19.65, respectively. The total fair value of RSUs released in fiscal 2022, 2021 and 2020 was \$57 million, \$86 million, and \$300 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 as of April 2, 2021	1	\$ 27.50
Granted	3	\$ 28.68
Forfeited	(1)	\$ 28.40
Unvested at April 1, 2022	3	\$ 28.50
Vested and unreleased as of April 1, 2022	—	
Outstanding as of April 1, 2022	<u>3</u>	

The total fair value of PRUs released in fiscal 2022, 2021 and 2020 was \$0 million, \$43 million, and \$39 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 2022 and 2021 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 1, 2022	April 2, 2021	April 3, 2020
Expected term	3.9 years	2.7 years	1.9 years
Expected volatility	37.6%	42.5%	38.1%
Risk-free interest rate	1.0%	0.2%	1.7%
Expected dividend yield	—%	—%	1.7%
Weighted-average grant date fair value of PRUs	\$ 28.68	\$ 26.39	\$ 21.69

Stock options

(In millions, except per share and year data)	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding as of April 1, 2021 ⁽¹⁾	—	\$ 5.22		
Granted	—	\$ —		
Exercised ⁽¹⁾	—	\$ 4.73		
Canceled	—	\$ —		
Forfeited and expired ⁽¹⁾	—	\$ 7.01		
Outstanding as of April 1, 2022 ⁽¹⁾	—	\$ 5.51		
Exercisable as of April 1, 2022 ⁽¹⁾	—	\$ 5.51	3.8	\$ 4

⁽¹⁾ The number of shares is less than 1 million.

The total intrinsic value of options exercised during fiscal 2022, 2021 and 2020 was \$3 million, \$18 million, and \$171 million, respectively. The fair value of options granted in fiscal 2020 was \$4.76 per share. No options were granted in fiscal 2022 and 2021.

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.

As of April 1, 2022, 38 million shares have been issued under this plan, and 32 million shares remained available for future issuance.

The following table summarizes activity related to the purchase rights issued under the ESPP:

(In millions)	Year Ended		
	April 1, 2022	April 2, 2021	April 3, 2020
Shares issued under the ESPP	1	1	2
Proceeds from issuance of shares	\$ 13	\$ 14	\$ 39

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 2022, 2021 and 2020 was \$6.77 per share, \$5.65 per share, and \$5.17 per share, respectively.

Dividend equivalent rights (DERs)

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 1, 2022 and April 2, 2021, current dividends payable related to DER was \$11 million and \$12 million, respectively, recorded as part of Other current liabilities in the Consolidated Balance Sheets, and long-term dividends payable related to DER was \$2 million and \$10 million, respectively, recorded as part of Other long-term liabilities.

Stock-based award modifications

In connection with the Broadcom sale, during fiscal 2021 and 2020, we entered into severance and retention arrangements with certain executives. Pursuant to these agreements, these executives were 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 addition, we entered into severance and retention arrangements with certain other employees in connection with restructuring activities and the Broadcom sale, which accelerated either a portion or all of the vesting of their stock-based awards. All award modifications related to the Broadcom sale were fully expensed by fiscal 2021.

The following table summarizes the stock-based compensation expense recognized as a result of these modifications:

(In millions)	Year Ended	
	April 2, 2021	April 3, 2020
Sales and marketing	\$ 2	\$ 6
Research and development	9	—
General and administrative	8	20
Restructuring and other costs	10	20
Discontinued operations	1	99
Total stock-based compensation	<u>\$ 30</u>	<u>\$ 145</u>

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:

(In millions)	Year Ended		
	April 1, 2022	April 2, 2021	April 3, 2020
Cost of revenues	\$ 2	\$ 1	\$ 2
Sales and marketing	19	18	29
Research and development	19	26	30
General and administrative	30	26	58
Restructuring and other costs	—	10	20
Other income (expense), net	—	(1)	1
Total stock-based compensation from continuing operations	<u>70</u>	<u>80</u>	<u>140</u>
Discontinued operations	<u>—</u>	<u>1</u>	<u>172</u>
Total stock-based compensation expense	<u>\$ 70</u>	<u>\$ 81</u>	<u>\$ 312</u>
Income tax benefit for stock-based compensation expense	\$ (11)	\$ (18)	\$ (55)

As of April 1, 2022, the total unrecognized stock-based compensation expense related to our unvested stock-based awards was \$160 million, which will be recognized over an estimated weighted-average amortization period of 2.2 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:

(In millions)	Year Ended		
	April 1, 2022	April 2, 2021	April 3, 2020
401(k) matching contributions	\$ 3	\$ 3	\$ 16

Note 16. Net Income (Loss) 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.

The components of basic and diluted net income (loss) per share are as follows:

(In millions, except per share amounts)	Year Ended		
	April 1, 2022	April 2, 2021	April 3, 2020
Income (loss) from continuing operations	\$ 836	\$ 696	\$ 578
Income (loss) from discontinued operations	—	(142)	3,309
Net income (loss)	<u>\$ 836</u>	<u>\$ 554</u>	<u>\$ 3,887</u>
Income (loss) per share – basic:			
Continuing operations	\$ 1.44	\$ 1.18	\$ 0.94
Discontinued operations	\$ —	\$ (0.24)	\$ 5.38
Net income per share – basic	\$ 1.44	\$ 0.94	\$ 6.32
Income (loss) per share – diluted:			
Continuing operations	\$ 1.41	\$ 1.16	\$ 0.90
Discontinued operations	\$ —	\$ (0.24)	\$ 5.15
Net income per share – diluted	\$ 1.41	\$ 0.92	\$ 6.05
Weighted-average shares outstanding – basic	581	589	615
Dilutive potentially issuable shares:			
Convertible debt	7	8	20
Employee equity awards	3	3	8
Weighted-average shares outstanding – diluted	<u>591</u>	<u>600</u>	<u>643</u>
Anti-dilutive shares excluded from diluted net income (loss) per share calculation:			
Convertible debt	—	8	5
Employee equity awards	1	—	2
Total	<u>1</u>	<u>8</u>	<u>7</u>

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. 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. The 2.5% Convertible Notes and 2.0% Convertible Notes were fully repaid on March 10, 2020 and May 26, 2020, respectively. The New 2.5% Convertible Notes were fully repaid on May 20, 2021. See Note 10 for further information on our convertible debt instruments. The conversion price of each convertible debt applicable in the periods presented is as follows:

	Year Ended		
	April 1, 2022	April 2, 2021	April 3, 2020
2.5% Convertible Senior Notes due April 1, 2022	N/A	N/A	\$ 8.40
2.0% Convertible Senior Notes due August 15, 2022	N/A	N/A	\$ 10.23
New 2.5% Convertible Senior Notes due April 1, 2022	N/A	\$ 16.77	\$ 16.77
New 2.0% Convertible Senior Notes due August 15, 2022	\$ 20.41	\$ 20.41	\$ 20.41

Note 17. Segment and Geographic Information

We operate as 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 following table summarizes net revenues for our major solutions:

(In millions)	Year Ended		
	April 1, 2022	April 2, 2021	April 3, 2020
Consumer security	\$ 1,669	\$ 1,513	\$ 1,450
Identity and information protection	1,127	1,038	994
ID Analytics	—	—	46
Total net revenues	<u>\$ 2,796</u>	<u>\$ 2,551</u>	<u>\$ 2,490</u>

Consumer security products include our Norton 360 Security offerings, Norton Security, Norton Secure VPN, Avira Security and other consumer security solutions. Identity and information protection products include our Norton 360 with LifeLock offerings, LifeLock identity theft protection and other information protection solutions. 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 1, 2022	April 2, 2021	April 3, 2020
Americas	\$ 1,963	\$ 1,827	\$ 1,831
EMEA	506	419	376
APJ	327	305	283
Total net revenues	<u>\$ 2,796</u>	<u>\$ 2,551</u>	<u>\$ 2,490</u>

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 \$1,860 million, \$1,742 million, and \$1,747 million during fiscal 2022, 2021 and 2020, 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 1, 2022	April 2, 2021
U.S.	\$ 1,220	\$ 536
International	671	415
Total cash, cash equivalents and short-term investments	<u>\$ 1,891</u>	<u>\$ 951</u>

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 1, 2022	April 2, 2021
U.S.	\$ 16	\$ 28
Ireland	27	32
Germany	13	14
Other countries ⁽¹⁾	4	4
Total property and equipment, net	<u>\$ 60</u>	<u>\$ 78</u>

⁽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 1, 2022	April 2, 2021
U.S.	\$ 66	\$ 55
India	5	9
Other countries ⁽¹⁾	3	12
Total operating lease assets	<u>\$ 74</u>	<u>\$ 76</u>

⁽¹⁾ No individual country represented more than 10% of the respective totals.

Significant customers

In fiscal 2022, 2021 and 2020, 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. The amount of purchase obligations reflects estimated future payments as of April 1, 2022.

(In millions)	April 1, 2022
2023	\$ 353
2024	51
2025	9
2026	6
2027	3
Thereafter	4
Total purchase obligations	<u>\$ 426</u>

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 earnings of our foreign subsidiaries through July 2025. The following reflects estimated future payments for deemed repatriation taxes by fiscal year:

(In millions)	April 1, 2022
2023	\$ 68
2024	128
2025	171
2026	138
Total obligations	<u>\$ 505</u>

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. Such indemnification provisions may not be subject to maximum loss clauses. 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

For a description of our accounting policy regarding litigation and loss contingencies, see “Critical Accounting Policies and Estimates” included in Part II, Item 7 of this Annual Report.

Trustees of the University of Columbia in the City of New York v. NortonLifeLock

As previously disclosed in our public filings, on May 2, 2022, a jury returned its verdict in a patent infringement case filed in 2013 by the Trustees of Columbia University in the City of New York in the U.S. District Court for the Eastern District of Virginia. Columbia originally brought suit alleging infringement of six patents owned by the university. The Company won a favorable claim construction order on all six patents, and the claim construction was upheld by the Federal Circuit in 2016 on all but U.S. Patent Nos. 8,601,322 and 8,074,115. The Company also sought inter partes review by the Patent Trial and Appeal Board of the claims of the ‘322 and ‘115 Patents and all but two claims of the ‘322 Patent and three claims of the ‘115 Patent were invalidated. The remaining claims of the ‘322 and ‘115 Patents were the only claims that remained in suit at trial.

The jury found that the Company’s Norton Security products and Symantec Endpoint Protection products (the latter of which were sold to Broadcom as part of an Asset Purchase Agreement with NortonLifeLock dated November 4, 2019) willfully infringe the ‘322 and ‘115 Patents through the use of SONAR/BASH behavioral protection technology. The jury awarded damages in the amount of \$185 million. Columbia did not seek injunctive relief against the Company. The Company intends to cease use of the technology found by the jury to infringe. The jury also found that the Company did not fraudulently conceal its prosecution of U.S. Patent No. 8,549,643 but did find that two Columbia professors were coinventors of this patent. No damages were awarded related to this patent.

A formal judgment has not yet been entered in the case. There are likely to be post-verdict motions and hearings, and the Company intends to file an appeal challenging the verdict.

At this time, our current estimate of the low end of the range of probable estimated losses from this matter is \$185 million which we have accrued. The jury’s verdict may be enhanced and, should it be upheld on appeal, could ultimately result in the payment of somewhere between one and three times the jury’s verdict, plus interest and attorneys’ fees. There is a reasonable possibility that a loss may be incurred in excess of our accrual for this matter; however, such loss cannot be reasonably estimated.

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 U.S. Securities and Exchange Commission (SEC) in April 2018. The SEC commenced a formal investigation with which we cooperated. In April 2022, the SEC Staff informed the Company that it concluded its investigation and does not intend to recommend an enforcement action by the Commission against us.

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. On April 20, 2021, to resolve an alleged conflict of interest raised with respect to the lead plaintiff and its counsel, the Court ordered a second Class Notice disclosing the circumstances of the alleged conflict and providing a further period for class members to opt out, which closed on July 2, 2021. The initial class opt out period closed on August 25, 2020.

On May 24, 2021, the parties reached a proposed settlement and release of all claims in the class action, for \$70 million, and on June 8, 2021, the parties executed a Stipulation and Agreement of Settlement, subject to Court approval and exclusive of any claims that may be brought by shareholders who opted out of the class action. Of the \$70 million, \$67.1 million was covered under the applicable insurance policy with the remainder to be paid by the Company. The Court approved the settlement on February 12, 2022.

On November 22, 2021, investment funds managed by Orbis Investment Management Ltd. which previously opted out of the securities class action, filed suit under the Securities and Exchange Act of 1934, Arizona Securities Act, Arizona Consumer Fraud Act and certain common law causes of action to recover alleged damages for losses incurred by the funds for their purchases or acquisitions of our common stock during the class period. In the fourth quarter of fiscal 2022, we made an immaterial settlement offer in this matter, for which we have accrued.

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. 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. At this stage, we are unable to assess whether any material loss or adverse effect is reasonably possible as a result of the derivative lawsuits or estimate the range of any potential loss.

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.

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 contract 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 also indicated they would 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 October 21, 2019, the DOJ moved for a Prejudgment Writ of Sequestration for the Company to set aside \$1,090 million to pay a judgment, should the United States prevail in this litigation, under the Federal Debt Collection Procedures Act. The Writ was sought in response to the Company's announcement of its plans to distribute the after-tax proceeds of the sale of the Symantec enterprise business to Broadcom to its shareholders via a special dividend. The Court denied the Writ on December 12, 2019, on the basis of the Government's failure to establish the "probable validity" of the debt, the amount sought to be sequestered, and the Company's available cash, cash equivalents and short-term investments. The Court permitted the DOJ limited discovery of facts relevant to the Company's financial state and financial projections and the option to renew its motion if appropriate and supported by the analysis of its own financial expert. That discovery period has now closed. 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. On September 30, 2020, the Company filed a Motion for Reconsideration of certain rulings in the Court's March 30 Summary Judgment Order. A second Motion for Reconsideration of certain rulings in the Summary Judgment Order based on significant change in the law was filed on July 23, 2021. Both Motions for Reconsideration were denied. Court ordered mediations in July 2020 and February 2021 were not successful.

On March 23, 2021, Plaintiffs withdrew their demand for a jury trial and the Company consented to proceed with a bench trial, which concluded on March 24, 2022. The Court has not yet issued its judgment.

On May 13, 2021, we reached a settlement in principle with the State of Florida to resolve all claims it asserted in the litigation for \$0.5 million, plus Relator's statutory attorney's fees with respect to the State of Florida's claims. On February 28 2022, we reached a settlement in principle with the State of New York and Relator to resolve all of the New York claims asserted in the litigation for \$5 million.

At this time, our current estimate of the low end of the range of probable estimated losses from this matter is \$50 million, inclusive of the settlement with the States of Florida and New York, which we have accrued. 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. There is a reasonable possibility that a loss may have been incurred in excess of our accrual for this matter; however, such loss cannot be reasonably estimated.

Holden v. NortonLifeLock

On February 8, 2021, Lauren Holden filed a putative class action in the Circuit Court for Duval County, Florida alleging that the Company violated the Florida wiretapping statute, Florida Security of Communications Act, Fla. Stat. Ann. § 934.01, et. seq., through the use of session replay technology on

www.us.norton.com. The complaint defines the class as consisting of Florida residents who visited the website and whose electronic communications were alleged to have been intercepted by the Company without prior consent and, on behalf of the class, seeks statutory damages, attorney's fees and costs, and injunctive relief. On March 12, 2021, the Company removed the case to the District Court for the Middle District of Florida and filed its Answer and Affirmative Defenses to the complaint. The Company then filed a Motion for Judgment on the Pleadings on April 20, 2021. On April 29, 2021, Plaintiff filed a Motion for Leave to File an Amended Complaint. On July 22, 2021, the Court granted Plaintiff leave to file an amended complaint and deemed the Motion for Judgment on the Pleadings moot. On August 5, 2021, the Company filed a Motion to Dismiss the First Amended Complaint. On September 9, 2021, the Plaintiff filed a Notice of Voluntary Dismissal Without Prejudice and the Court entered an Order on September 16, 2021, dismissing the case without prejudice.

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.

(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	
2.02	Rule 2.7 Announcement, dated as of August 10, 2021	8-K	000-17781	2.01	8/10/2021	
2.03	Co-operation Agreement, dated August 10, 2021, by and between NortonLifeLock Inc., Nitro Bidco Limited and Avast plc	8-K	000-17781	2.02	8/10/2021	
2.04	Form of Deed of Irrevocable Undertaking, dated August 10, 2021, by and between NortonLifeLock Inc. and Nitro Bidco Limited	8-K	000-17781	2.03	8/10/2021	
3.01	Amended and Restated Certificate of Incorporation of Registrant, and all amendments thereto.	10-K	000-17781	3.01	5/21/2021	
3.02	Amended and Restated Bylaws of Registrant.	8-K	000-17781	3.02	11/4/2019	
3.03	Certificate of Elimination of Series A Junior Preferred Stock.	10-K	000-17781	3.06	5/28/2020	
4.01	Form of Common Stock Certificate.	10-K	000-17781	4.01	5/28/2020	
4.02	Description of Securities.	10-K	000-17781	4.02	5/28/2020	
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 3.950% Senior Notes due 2022 (contained in Exhibit No. 4.02 of Form 8-K).	8-K	000-17781	4.02	6/14/2012	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
4.05	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	
4.06	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	
4.07	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	
4.08	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	
4.09	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	
4.10	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	
4.11	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	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
4.12	Second Amendment to Investment Agreement, dated November 11, 2019, by and between NortonLifeLock Inc. and BC Bear cat 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	
4.13	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).	10-K	000-17781	4.14	5/28/2020	
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 2.500% Convertible Senior Notes Due 2022).	10-K	000-17781	4.15	5/28/2020	
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	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
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 FY21 Performance Based Restricted Stock Unit Award Agreements under 2013 Equity Incentive Plan	10-Q	000-17781	10.03	8/6/2020	
10.09(*)	Form of FY22 Performance Based Restricted Stock Unit Award Agreements under 2013 Equity Incentive Plan	10-K	000-17781	10.09	5/21/2021	
10.10(*)	Form of Amended and Restated Restricted Stock Unit Award Agreements under 2013 Equity Incentive Plan	10-K	000-17781	10.10	5/21/2021	
10.11	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	
10.12	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	
10.13	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	
10.14	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	
10.15	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	
10.16	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	
10.17(*)	Registrant's Senior Executive Incentive Plan, as amended and restated.	8-K	000-17781	10.03	10/25/2013	
10.18(*)	Registrant's Executive Retention Plan, as amended and restated.	10-K	000-17781	10.18	5/21/2021	
10.19(*)	Registrant's Executive Severance Plan.	10-K	000-17781	10.19	5/21/2021	
10.20(*)	FY22 Executive Annual Incentive Plan – CEO	10-Q	000-17781	10.03	8/2/2021	
10.21(*)	FY22 Executive Annual Incentive Plan – Extended Leadership Team	10-Q	000-17781	10.04	8/2/2021	
10.22(§§)	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	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.23(†)	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	
10.24	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	
10.25	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	
10.26	Second Amendment and Limited Waiver to Term Loan dated as of June 22, 2018.	10-Q	000-17781	10.02	11/16/2018	
10.27(*)	Registrant's Offer Letter with Natalie M. Derse dated June 19, 2020	10-Q	000-17781	10.01	7/8/2020	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.28	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	
10.29	APA Letter Agreement dated October 1, 2020 by and between the Company and Broadcom Inc.	8-K	000-17781	10.01	7/8/2020	
10.30(+)	Stock Purchase Agreement dated December 7, 2020 between the Company and Alpaca HoldCo GmbH, Alpaca TopCo GmbH.	10-Q	000-17781	10.01	2/5/2021	
10.31	First Amendment, effective as of May [7], 2021, among NortonLifeLock Inc., JPMorgan Chase Bank, N.A., as Term Loan Administrative Agent, Wells Fargo Bank, National Association, as Revolver Administrative Agent, and the lenders and other parties thereto.	10-K	000-17781	10.31	5/21/2021	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.32	Amended and Restated Commitment Letter, dated September 1, 2021, by and between NortonLifeLock Inc. and the parties thereto	8-K	000-17781	10.02	9/3/2021	
10.33	Amended and Restated Interim Facilities Agreement, dated September 1, 2021, by and between NortonLifeLock Inc., the parties specified thereto, as acceding finance partners, BofA Securities, Inc. and Wells Fargo Securities, LLC, as arrangers, and Bank of America, N.A., as issuing bank, interim facility agent and interim security agent	8-K	000-17781	10.01	9/3/2021	
10.34	Agreement of Sale and Purchase and Joint Escrow Instructions, dated as of June 4, 2021, by and between NortonLifeLock Inc. and TMG Partners R.E., LLC	8-K	000-17781	10.01	6/7/2021	
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

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
101.00	The following financial information from NortonLifeLock Inc.'s Annual Report on Form 10-K for the fiscal year ended April 1, 2022 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 (Deficit), (v) Consolidated Statements of Cash Flows, and (vi) Notes to the Consolidated Financial Statements, tagged as blocks of text and including detailed tags.					X
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.

+ Certain portions of this document that constitute confidential information have been redacted in accordance with Regulations S-K, Item 601(b)(10).

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 20th day of May 2022.

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, Natalie Derse, 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
<u>/s/ Vincent Pilette</u> Vincent Pilette	Chief Executive Officer and Director (Principal Executive Officer)	May 20, 2022
<u>/s/ Natalie Derse</u> Natalie Derse	Executive Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	May 20, 2022
<u>/s/ Frank E. Dangeard</u> Frank E. Dangeard	Chairman of the Board	May 20, 2022
<u>/s/ Sue Barsamian</u> Sue Barsamian	Director	May 20, 2022
<u>/s/ Eric K. Brandt</u> Eric K. Brandt	Director	May 20, 2022
<u>/s/ Nora Denzel</u> Nora Denzel	Director	May 20, 2022
<u>/s/ Peter A. Feld</u> Peter A. Feld	Director	May 20, 2022
<u>/s/ Kenneth Y. Hao</u> Kenneth Y. Hao	Director	May 20, 2022
<u>/s/ Emily Heath</u> Emily Heath	Director	May 20, 2022
<u>/s/ Sherrese M. Smith</u> Sherrese M. Smith	Director	May 20, 2022

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2022 Corporate Information

BOARD OF DIRECTORS

Frank E. Dangeard

Chairman of the Board,
NortonLifeLock
Managing Partner, Harcourt

Sue Barsamian

Former Executive Vice President, Chief
Sales and Marketing Officer of Hewlett
Packard Enterprise Software

Eric K. Brandt

Former EVP and CFO, Broadcom

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

Emily Heath

Former SVP, Chief Trust & Security
Officer, Docusign

Vincent Pilette

Chief Executive Officer, NortonLifeLock

Sherrese M. Smith

Managing Partner, Paul Hastings

EXECUTIVE MANAGEMENT

Vincent Pilette

Chief Executive Officer

Natalie M. Derse

Chief Financial Officer

Bryan S. Ko

Chief Legal Officer and
Corporate Secretary

ANNUAL MEETING

The Annual Meeting will be held on
Tuesday, September 13, 2022 at
9:00 a.m. PT live via webcast at
[www.virtualshareholdermeeting.com/
NLOK2022](http://www.virtualshareholdermeeting.com/NLOK2022).

Stock Exchange Listing

NortonLifeLock's common stock is
traded on the NASDAQ exchange under
the Symbol "NLOK."

Transfer Agent

Computershare
P.O. Box 30170
College Station, TX 77842-3170
www.computershare.com
(877) 282-1168 or (781) 575-2879

Investor Relations

Investor inquiries may be directed to:
Mary Lai
Investor Relations
60 E. Rio Salado Parkway, Suite 1000
Tempe, Arizona 85281
(650) 527-8000
ir@nortonlifelock.com
investor.nortonlifelock.com

Annual Report on Form 10-K

A copy of our Form 10-K, including
exhibits, for the period ended April 1,
2022, 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 9



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

www.nortonlifelock.com