SYMANTEC CORP Form DEFA14A September 14, 2011

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## **SCHEDULE 14A INFORMATION**

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. )

Filed by the Registrant x Filed by a Party other than the Registrant "

Check the appropriate box:

- " Preliminary Proxy Statement
- " Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- x Definitive Additional Materials
- " Soliciting Material Pursuant to § 240.14a-12

# SYMANTEC CORPORATION

(Name of Registrant as Specified in Its Charter)

 $(Name\ of\ Person(s)\ Filing\ Proxy\ Statement,\ if\ other\ than\ the\ Registrant)$ 

Payment of Filing Fee (Check the appropriate box):

- x No fee required.
- " Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
  - 1) Title of each class of securities to which transaction applies:

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Fee paid previously with preliminary materials.		
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	1)	Amount Previously Paid:
	2)	Form, Schedule or Registration Statement No.:
	3)	Filing Party:
	4)	Date Filed:

Proxy Proposals Discussion:
Say On Pay and Special Meeting Threshold
Annual Meeting: October 25, 2011
James Beer
EVP and CFO
Helyn Corcos
VP, Investor Relations

FY11 Board of Directors
2
Lead Independent
Director
Independent
Director
Non-independent
Director

Stephen M. Bennett

Former President and CEO

Intuit, Inc.

William T. Coleman III

Partner

Alsop Louie Partners

Geraldine B. Laybourne

Chairman

Alloy Inc.

Robert S. Miller

Chairman

American International Group

Daniel H. Schulman

Group President, Enterprise Growth,

American Express

Michael Brown

Chairman

Line 6, Inc.

Frank E. Dangeard

**Managing Partner** 

Harcourt

David L. Mahoney

Former co-CEO

McKesson HBOC, Inc.

and CEO iMcKesson LLC

**Enrique Salem** 

President and CEO

**Symantec Corporation** 

V. Paul Unruh

Former CFO and Vice Chairman

Bechtel Group

John W. Thomson

Chairman of the Board

**Symantec Corporation** 

FY12 Board of Directors

3

Independent

Chairman

Independent

Director

Non-independent

Director

Former President and CEO Intuit, Inc. Intuit, Inc. Geraldine B. Laybourne Geraldine B. Laybourne Chairman Chairman Alloy Inc. Alloy Inc. Michael Brown Michael Brown Chairman Chairman Line 6, Inc. Line 6, Inc. Robert S. Miller Robert S. Miller Chairman Chairman American International Group American International Group Frank E. Dangeard Frank E. Dangeard Managing Partner Managing Partner Harcourt Harcourt Daniel H. Schulman Daniel H. Schulman Group President, Enterprise Growth, Group President, Enterprise Growth, **American Express American Express** V. Paul Unruh V. Paul Unruh Former CFO and Vice Chairman Former CFO and Vice Chairman Bechtel Group Bechtel Group **Enrique Salem Enrique Salem** President and CEO President and CEO **Symantec Corporation Symantec Corporation** David L. Mahoney Former co-CEO

Stephen M. Bennett Stephen M. Bennett

Former President and CEO

McKesson HBOC, Inc. and CEO iMcKesson LLC David L. Mahoney Former co-CEO McKesson HBOC, Inc. and CEO iMcKesson LLC Corporate Governance Highlights

Best practices incorporated by Board of Directors

**Declassified Board** 

Majority Voting

Separate Chairman/CEO Roles

In FY11, 9 of 11 Members of the Board are Independent Directors

Lead Independent Director

Stockholders have the right to act by written consent

No stockholder rights plan

Not permitted to re-price stock options without stockholder approval

No excessive perquisites or tax gross-ups

Stock ownership guidelines for Directors & Executive Officers  $^4$ 

Proxy Proposals for Annual Meeting

1

**Election of Directors** 

2.

Ratification of auditor appointment of KPMG LLP

3

Amendment to our 2000 Director Equity Incentive Plan

4.

Say on Pay

5

Say on Pay Frequency (Annual)

6.

Stockholder Proposal: Right to call Special Meeting at 10%

Threshold

5

Say on Pay

CEO compensation decreased 6% YoY (see Appendix for details)

Target CEO equity and total direct compensation levels are well below peer median targets

CEO s FY11 base salary and target total cash levels approximate the 25th percentile of peers

Prior to the CEO s FY11 salary increase to bring his salary closer to the 25th percentile of our peer group, the CEO s base salary remained the same since 2008 and did not increase upon his promotion to CEO in 2009

The CEO  $\,$ s target equity award grant level declined by 35% in FY11 versus FY10

90% of CEO s target total direct compensation is performance-based and approximately 50% is in equity

Increases in actual annual incentive payouts in FY11 reflect strong operating performance in a challenging environment

We request your vote **FOR** proposal #4: Say on Pay

Say on Pay (Continued)

We have clawback provisions in our short and long term incentive plans

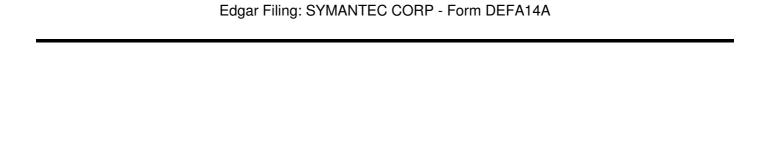
Change in control practices do not include: payments exceeding 3x executive officers total target cash compensation; single trigger payments; payments with excise tax gross-ups

Performance objectives are adjusted for acquisitions

We have replaced time-based stock options with performance-based restricted stock grants for fiscal year 2012

We have caps and thresholds in place for all incentive plans

Two-thirds of CEO equity will be in performance-based RSUs 7



Right to Call Special Meeting at 10% Threshold

We do not believe a 10% threshold for special meetings follows corporate governance best practices

Less

than

10%

of S&P 500 companies have a 10% threshold 1 We already have a 25% threshold for special meetings that is reasonable and appropriate 48% of S&P 500 companies allow stockholders rights to call meeting 69% of companies that allow rights have threshold of 25% or higher 1

Small, special-interest stockholder groups could abuse the right to call special meetings

These groups could call a special meeting at their sole discretion, at any time, with no duty to act other than in their own interests

Our senior executives regularly engage with our stockholders over governance matters,

executive compensation, stockholder proposals and other matters

Symantec stockholders are protected by a strong and effective corporate structure and by Delaware state law

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1. Source: www.SharkRepellent.net We request your vote **AGAINST** stockholder proposal #6:

Special Stockholder Meeting at 10% Threshold

#### **Summary**

We have implemented industry s best practices on corporate governance and corporate responsibility matters

We maintain a Board Independence policy with all standing committees composed entirely of independent directors

We are improving our execution, as reflected in our last four quarterly financial results, and will continue to build on this momentum

In FY11, we delivered 4% growth in revenue and 16% growth in deferred revenue on a constant currency basis, and 6% growth in cash flow from operations as reported

Requesting your vote FOR Say on Pay

Ensures the long-term success of Symantec and our ability to attract and retain highly-qualified executive management

Requesting your vote AGAINST the right to call special meeting at 10% threshold

A 25% threshold for special meetings is reasonable and appropriate, and is aligned with corporate governance best practices

With a lower threshold, small groups could abuse the right to call special meetings 9

Thank you
For questions please contact:
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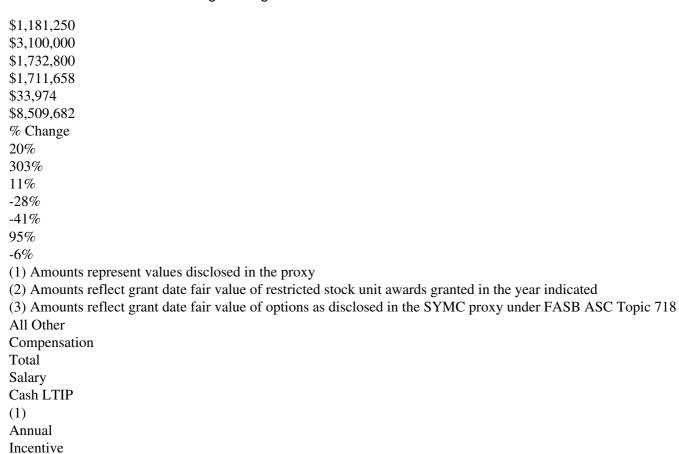
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11 Appendix Change in CEO Compensation: FY11 versus FY10 Summary of Compensation Details for FY10 & FY11 Enrique Salem, President & CEO RSUs (2) Option Awards (3) (\$) (\$) (\$) (\$) (\$) (\$) (\$) FY10 \$625,000 \$292,969 \$2,800,000 \$2,398,200 \$2,888,793 \$17,387 \$9,022,349

FY11 \$750,000



(1)

Selected Financial Overview
(in \$ billions, except per share data and employees)
FY 2009
FY 2010
FY 2011
GAAP Revenue
\$6.15
\$5.99

\$6.19 Non-GAAP EPS **Excluding acquisitions** \$1.52 NA \$1.49 NA \$1.42 \$1.51 **GAAP** Deferred Revenue \$3.06 \$3.21 \$3.82 Cash flow from Operations \$1.67 \$1.69 \$1.79 **Total Employees** 17,426 17,489 18,676 Acquisition headcount added per period 932 70 1,394 13 1. Reconciliation of GAAP to Non-GAAP EPS is provided in the appendix

The Purchase accounting related deferred revenue write down from our three acquisitions was \$165 million in FY11

#### Stock Performance

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Peers include ADBE, CA, EMC, LXK, CSCO, QCOM, ADI, HRS, STX, AAPL, JNPR, ERTS, ORCL, YHOO and NTAP Update YTD chart

10%

15%

16%

11%

**SYMC** Peer Average **NASDAQ** S&P 500 1-Year Stock Performance (4/2/10 -4/1/11) 10% 30% 23% 0% **SYMC** Peer Average **NASDAQ** S&P 500 3-Year Stock Performance (3/28/08 -4/1/11) 11% (3%) (1%)1% **SYMC** Peer Average **NASDAQ** 

S&P 500

(1/1/11 - 6/15/11)

YTD Stock Performance

Reconciliation of GAAP Statements of Operations to

Non-GAAP

1

15

Please

refer

to

the

Earnings

Supplemental

Information

on

our

investor

relations

website at

www.symantec.com/invest