

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

FORM 8-K

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

Date of Report (Date of earliest event reported): May 13, 2013

Quantum Corporation
(Exact name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-13449
(Commission File
Number)

94-2665054
(I.R.S. Employer
Identification No.)

1650 Technology Drive, Suite 800
San Jose, CA 95110
(Address of Principal Executive Offices)

(408) 944-4000
(Registrant's telephone number, including area code)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 20.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

On May 13, 2013, Quantum Corporation (the “Company”) entered into an agreement (the “Settlement Agreement”) with Starboard Value LP, and certain of its affiliates (collectively, “Starboard”), which beneficially own, including shares underlying the Company’s convertible senior subordinated notes, approximately 17% of the outstanding common stock of the Company (“Common Stock”).

Pursuant to the Settlement Agreement, the Company’s board of directors (the “Board”) agreed to increase the size of the Board from eight to nine directors and to appoint Jeffrey Smith to the Board to fill the new director position resulting from the increase in the size of the Board, effective immediately. The Company has also agreed to nominate Louis DiNardo and Philip Black for election to the Board at the Company’s 2013 annual meeting of stockholders (the “2013 Annual Meeting”). The Company has also agreed to appoint Mr. Smith to the Leadership and Compensation Committee, no later than 30 days from the date of Settlement Agreement and, within 30 days of the 2013 Annual Meeting, to appoint Mr. DiNardo as chairman of the Corporate Governance and Nominating Committee and Mr. Black to the Audit Committee. The Company has also agreed that, until the 2013 Annual Meeting, Messrs. DiNardo and Black may attend meetings of the Board in a “board observer” capacity, subject to certain limitations.

Pursuant to the Settlement Agreement, Starboard has agreed to obtain from Mr. Smith an irrevocable resignation letter pursuant to which Mr. Smith shall resign from the Board and all applicable committees of the Board if, at any time prior to the expiration of the standstill provisions in the Settlement Agreement, Starboard’s aggregate beneficial ownership of Common Stock, excluding shares of Common Stock underlying the Company’s convertible senior subordinated notes, decreases to less than 3.0% of the Company’s then outstanding shares of Common Stock. In addition, if any of Messrs. Smith, DiNardo or Black is unable to serve as a director, resigns as a director or is removed as a director prior to the 2014 annual meeting of stockholder (the “2014 Annual Meeting”), and at such time Starboard beneficially owns in the aggregate, excluding shares of Common Stock underlying the Company’s convertible senior subordinated notes, at least 3.0% of the Company’s then outstanding shares of Common Stock, then Starboard has the ability to recommend a replacement, whose appointment to the Board is subject to the recommendation of the Corporate Governance and Nominating Committee and the approval of the Board. Any replacement director must be independent of Starboard (other than a replacement for Mr. Smith), have relevant financial and business experience, and qualify as “independent” pursuant to NYSE listing standards.

Also, pursuant to the Settlement Agreement, Starboard will not, nor will it encourage any Company stockholder, to submit proposals for consideration or otherwise bring any business before the 2013 Annual Meeting, nor will it engage in certain activities related to “withhold” or similar campaigns with respect to the 2013 Annual Meeting.

The Settlement Agreement further provides that Starboard will vote all of the shares of Common Stock that it beneficially owns for the election of each of the Company’s director nominees at the Company’s 2013 Annual Meeting. Starboard will also vote in accordance with the recommendations of the Company’s Board of Directors with respect to the “say-on-pay” proposal to be presented to the Company’s stockholders at its 2013 Annual Meeting, unless Institutional Shareholder Services Inc. recommends otherwise with respect to the “say-on-pay” proposal.

Starboard is also subject to standstill provisions under the Settlement Agreement. Such provisions generally remain in effect until the earlier of (i) the date that is 15 business days prior to the deadline for the submission of stockholder nominations for the 2014 Annual Meeting or (ii) the date that is 100 days prior to the first anniversary of the 2013 Annual Meeting. These provisions restrict Starboard’s ability to engage in certain proxy solicitations, make certain stockholder proposals, call meetings of stockholders or solicit consents from stockholders, obtain additional representation on the Board and seek to remove any of the Company’s directors.

The Company has also agreed to reimburse Starboard for its reasonable, documented out-of-pocket fees and expenses, including legal fees, in connection with the 2013 Annual Meeting, the filing of a Schedule 13D

amendment in connection with the Settlement Agreement and the negotiation and execution of the Settlement Agreement, up to a maximum of \$30,000. Each of the parties to the Settlement Agreement has also agreed to mutual non-disparagement obligations.

The foregoing description of the terms and conditions of the Settlement Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Settlement Agreement, which is attached as Exhibit 10.1 hereto and incorporated herein by reference. On May 14, 2013, the Company issued a press release announcing the signing of the Settlement Agreement. A copy of the press release is attached as Exhibit 99.1 hereto.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On May 13, 2013, pursuant to the Settlement Agreement described in Item 1.01 of this Current Report on Form 8-K, Mr. Smith was appointed to the Board, effective immediately. The information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

In connection with the Settlement Agreement, Thomas S. Buchsbaum, Elizabeth A. Fetter and Joseph A. Marengi will not stand for re-election to the Board at the 2013 Annual Meeting. The members of the Board express their deepest appreciation to each of Messrs. Buchsbaum and Marengi and Ms. Fetter for their many years of dedicated service to the Company.

Item 8.01 Other Events

On May 14, 2013, the Company announced that it will nominate Gregg Powers for election to the Board at the 2013 Annual Meeting. Prior to the 2013 Annual Meeting, Mr. Powers may attend meetings of the Board in a "board observer" capacity, subject to certain limitations. On May 14, 2013, the Company issued a press release announcing that it will nominate Mr. Powers for election to the Board. A copy of the press release is attached as Exhibit 99.2 hereto

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Exhibit Description</u>
10.1	Agreement, dated as of May 13, 2013, by and among Quantum Corporation, Starboard Value LP, and certain of its affiliates.
99.1	Press Release, dated May 14, 2013.
99.2	Press Release, dated May 14, 2013.

SIGNATURES

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

Date: May 14, 2013

Quantum Corporation

By: /s/ Shawn D. Hall

Name: Shawn D. Hall

Its: Senior Vice President, General Counsel and Secretary

Exhibit Index

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AGREEMENT

This Agreement (this "Agreement") is made and entered into as of May 13, 2013, by and among Quantum Corporation, a Delaware corporation (the "Company"), and the entities and natural persons listed on Exhibit A hereto and their respective Affiliates (collectively, "Starboard") (each of the Company and Starboard, a "Party" to this Agreement, and collectively, the "Parties").

RECITALS

WHEREAS, the Company and Starboard have engaged in various discussions and communications concerning the Company's business, assets and financial performance;

WHEREAS, Starboard is deemed to beneficially own shares of common stock of the Company (the "Common Stock") totaling, in the aggregate, 44,243,875 shares, including shares underlying the Company's convertible senior subordinated notes, or approximately seventeen percent (17.0%) of the Common Stock of the Company issued and outstanding on the date hereof; and

WHEREAS, the Company and Starboard have determined to come to an agreement with respect to the election of members of the Company's board of directors (the "Board") at the 2013 annual meeting of stockholders of the Company (the "2013 Annual Meeting") and certain other matters, as provided in this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound hereby, agree as follows:

1. Board Matters; Board Appointments; 2013 Annual Meeting

(a) The Company agrees that the Board and all applicable committees of the Board shall take all necessary actions, effective immediately following the execution of this Agreement, to (i) increase the size of the Board from eight (8) members to nine (9) members, and (ii) appoint Jeffrey Smith ("Nominee One") as a member of the Board. The Company further agrees that prior to the mailing of its definitive proxy statement for the 2013 Annual Meeting, the Board and all applicable committees of the Board shall take all necessary actions, subject to Section 1(d) and (j) below, to nominate Louis DiNardo ("Nominee Two") and Philip Black ("Nominee Three," and together with Nominee One and Nominee Two, the "Starboard Nominees") for election to the Board at the 2013 Annual Meeting. During the Standstill Period (as defined below), the Board and all applicable committees of the Board shall not increase the size of the Board to more than nine (9) directors.

(b) Upon the execution of this Agreement, Starboard hereby agrees not to (i) nominate any person for election at the 2013 Annual Meeting, (ii) submit any proposal for consideration at, or bring any other business before, the 2013 Annual Meeting, directly or indirectly, or (iii) initiate, encourage or participate in any "withhold" or similar campaign with respect to the 2013 Annual Meeting, directly or indirectly, and shall not permit any of its Affiliates or Associates to do any of the items in this Section 1(b). Starboard shall not publicly or privately encourage or support any other stockholder to take any of the actions described in this Section 1(b).

(c) The Company agrees that it will recommend, support and solicit proxies for the election of the Starboard Nominees at the 2013 Annual Meeting in the same manner as for the Company's other nominees standing for election to the Board at the 2013 Annual Meeting.

(d) The Company agrees that if any of the Starboard Nominees or any Replacement Director (as defined below) is unable to serve as a director, resigns as a director or is removed as a director prior to the 2014 annual meeting of stockholders of the Company (the "2014 Annual Meeting"), and at such time Starboard beneficially owns in the aggregate, excluding shares of Common Stock underlying the Company's convertible senior subordinated notes, at least three percent (3.0%) of the Company's then outstanding Common Stock (subject to adjustment for stock splits, reclassifications, combinations and similar adjustments), Starboard shall have the ability to recommend a substitute person(s) for approval by the Corporate Governance and Nominating Committee of the Board (the "Governance Committee"), in good faith after exercising its fiduciary duties, which approval shall not be unreasonably withheld (any such replacement nominee recommended in accordance with the terms of this Section 1(d) shall be referred to as the "Replacement Director"). Any Replacement Director shall (i) other than in the case of a substitute for Nominee One, be independent of Starboard, (ii) qualify as "independent" pursuant to NYSE listing standards, as do Nominee Two and Nominee Three, and (iii) have relevant financial and business experience. In the event the Governance Committee does not accept a substitute person recommended by Starboard, Starboard will have the right to recommend additional substitute person(s), who meet the requirements of (i) through (iii) in the preceding sentence. Upon the recommendation of a Replacement Director nominee by the Governance Committee, the Board shall vote on the appointment of such Replacement Director to the Board no later than five (5) business days after the Governance Committee recommendation of such Replacement Director; provided, however, that if the Board does not elect such Replacement Director to the Board, the Parties shall continue to follow the procedures of this Section 1(d) until a Replacement Director is elected to the Board.

(e) At the 2013 Annual Meeting, Starboard agrees to appear in person or by proxy at the 2013 Annual Meeting and vote all shares of Common Stock beneficially owned by it (i) in favor of the election of each of the Company's nominees for election to the Board (ratably with respect to all nominees) and (ii) and in accordance with the Board's recommendation with respect to the Company's "say-on-pay" proposal, unless Institutional Shareholder Services Inc. recommends otherwise with respect to such "say-on-pay" proposal.

(f) Starboard agrees that it will cause its Affiliates and Associates to comply with the terms of this Agreement. As used in this Agreement, the terms "Affiliate" and "Associate" shall have the respective meanings set forth in Rule 12b-2 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, or the rules or regulations promulgated thereunder (the "Exchange Act") and shall include all persons or entities that at any time during the term of this Agreement become Affiliates or Associates of any person or entity referred to in this Agreement.

(g) As of the date of this Agreement, each of Nominee Two and Nominee Three is appointed as an observer to the Board (the "Board Observers") until the 2013 Annual Meeting. Each of the Board Observers will (i) receive copies of all notices and written information furnished to the full Board, reasonably in advance of each meeting to the extent practicable, and (ii) be permitted to be present at all meetings of the full Board (whether by telephone or in person). Notwithstanding the foregoing, (A) the Company shall be entitled to withhold any information and exclude the Board Observers from any meeting, or any portion thereof, as is reasonably determined by the Company to be necessary to protect the Company's attorney-client privilege, or as otherwise may be appropriate until the Board Observers are elected to the Board, and (B) the Board Observers shall execute a confidentiality agreement in form and substance reasonably acceptable to the Company with respect to the information and discussions to which the Board Observers will have access.

(h) The Company shall use its reasonable best efforts to hold the 2013 Annual Meeting no later than September 15, 2013.

(i) The Company agrees that promptly following the date hereof, but in any event no later than thirty (30) days from the date hereof, the Board will take all action necessary to cause the appointment of Nominee One to the Leadership and Compensation Committee of the Board. The Company further agrees that promptly following the conclusion of the 2013 Annual Meeting, but in any event no later than thirty (30) days thereafter, the Board will take all action necessary to cause (i) the appointment of Nominee Two as chairman of the Governance Committee of the Board and (ii) the appointment of the Nominee Three to the Audit Committee of the Board.

(j) Starboard agrees to obtain from Nominee One an irrevocable resignation letter pursuant to which Nominee One shall resign from the Board and all applicable committees thereof if at any time during the Standstill Period Starboard's aggregate beneficial ownership of Common Stock, excluding shares of Common Stock underlying the Company's convertible senior subordinated notes, decreases to less than three percent (3.0%) of the Company's then outstanding Common Stock (subject to adjustment for stock splits, reclassifications and similar adjustments). Also at such time, the right of Starboard pursuant to Section 1(d) to participate in the recommendation of a Replacement Director to fill the vacancy caused by any such resignation of Nominee One shall automatically terminate.

(k) Starboard shall cause each Starboard Nominee (and any Replacement Director) to agree in writing, during the term of any service as a director of the Company, (i) to comply with all policies, procedures, processes, codes, rules, standards and guidelines applicable to members of the Board, including, without limitation, the Company's code of conduct, insider trading policy, its Regulation FD policy, its related party transactions policy and corporate governance guidelines and (ii) to keep confidential and not publicly disclose discussions and matters considered in meetings of the Board and Board committees, unless previously disclosed publicly by the Company. Each Starboard Nominee (and any Replacement Director), within five (5) business days of appointment to serve as a director, shall submit to the Company a fully completed copy of the Company's standard director & officer questionnaire and other reasonable and customary director onboarding documentation required by the Company in connection with the appointment or election of new Board members.

2. Standstill Provisions.

(a) Starboard agrees that, from the date of this Agreement until the earlier of (i) the date that is fifteen (15) business days prior to the deadline for the submission of stockholder nominations for the 2014 Annual Meeting pursuant to the Company's bylaws or (ii) the date that is one hundred (100) days prior to the first anniversary of the 2013 Annual Meeting (the "Standstill Period"), neither it nor any of its Affiliates or Associates under its control or direction will, and it will cause each of such Affiliates and Associates not to, directly or indirectly, in any manner:

(i) engage in any solicitation of proxies or consents or become a "participant" in a "solicitation" as such terms are defined in Regulation 14A under the Exchange Act of proxies or consents (including, without limitation, any solicitation of consents that improperly seeks to call a special meeting of stockholders), in each case, with respect to securities of the Company;

(ii) form, join or in any way participate in any "group" (within the meaning of Section 13(d)(3) of the Exchange Act) with respect to the Common Stock (other than a "group" that includes all or some of the persons identified on Exhibit A, but does not include any other entities or persons not identified on Exhibit A as of the date hereof); provided, however, that nothing herein shall

limit the ability of an Affiliate of Starboard to join the "group" following the execution of this Agreement, so long as any such Affiliate agrees to be bound by the terms and conditions of this Agreement;

(iii) deposit any Common Stock in any voting trust or subject any Common Stock to any arrangement or agreement with respect to the voting of any Common Stock, other than any such voting trust, arrangement or agreement solely among the members of Starboard and otherwise in accordance with this Agreement;

(iv) seek or encourage any person to submit nominations in furtherance of a "contested solicitation" for the election or removal of directors with respect to the Company or seek, encourage or take any other action with respect to the election or removal of any directors;

(v)(A) make any proposal for consideration by stockholders at any annual or special meeting of stockholders of the Company, (B) make any offer or proposal (with or without conditions) with respect to any merger, acquisition, recapitalization, restructuring, disposition or other business combination involving the Company, or encourage, initiate or support any other third party in any such related activity or (C) make any public communication in opposition to any Company acquisition or disposition activity approved by the Board;

(vi) seek, alone or in concert with others, representation on the Board, except as specifically contemplated in Section 1;

(vii) seek to advise, encourage, support or influence any person with respect to the voting or disposition of any securities of the Company at any annual or special meeting of stockholders, except in accordance with Section 1; or

(viii) make any request or submit any proposal to amend the terms of this Agreement other than through non-public communications with the Company that would not be reasonably determined to trigger public disclosure obligations for any Party.

(b) Except as expressly provided in Section 1 or Section 2(a), each member of Starboard shall be entitled to:

(i) vote their shares on any other proposal duly brought before the 2013 Annual Meeting, or otherwise vote as each member of Starboard determines in its sole discretion; or

(ii) disclose, publicly or otherwise, how it intends to vote or act with respect to any securities of the Company, any stockholder proposal or other matter to be voted on by the stockholders of the Company and the reasons therefore; provided that, as applicable, all such activity is in compliance with the requirements of this Agreement.

3. Representations and Warranties of the Company.

The Company represents and warrants to Starboard that (a) the Company has the corporate power and authority to execute this Agreement and to bind it thereto, (b) this Agreement has been duly and validly authorized, executed and delivered by the Company, constitutes a valid and binding obligation and agreement of the Company, and is enforceable against the Company in accordance with its terms, except as enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws generally affecting the rights of creditors and subject to general equity principles, and (c) the execution, delivery and performance of this Agreement by the Company does not and will not violate or conflict with (i) any law, rule, regulation, order, judgment or

decree applicable to the Company, or (ii) result in any breach or violation of or constitute a default (or an event which with notice or lapse of time or both could constitute such a breach, violation or default) under or pursuant to, or result in the loss of a material benefit under, or give any right of termination, amendment, acceleration or cancellation of, any organizational document, agreement, contract, commitment, understanding, or arrangement to which the Company is a party or by which it is bound.

4. Representations and Warranties of Starboard.

Starboard represents and warrants to the Company that (a) the authorized signatory of Starboard set forth on the signature page hereto has the power and authority to execute this Agreement and any other documents or agreements to be entered into in connection with this Agreement and to bind it thereto, (b) this Agreement has been duly authorized, executed and delivered by Starboard, and is a valid and binding obligation of Starboard, enforceable against Starboard in accordance with its terms, except as enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws generally affecting the rights of creditors and subject to general equity principles, (c) the execution of this Agreement, the consummation of any of the transactions contemplated hereby, and the fulfillment of the terms hereof, in each case in accordance with the terms hereof, will not conflict with, or result in a breach or violation of the organizational documents of Starboard as currently in effect, (d) the execution, delivery and performance of this Agreement by Starboard does not and will not violate or conflict with (i) any law, rule, regulation, order, judgment or decree applicable to Starboard, or (ii) result in any breach or violation of or constitute a default (or an event which with notice or lapse of time or both could constitute such a breach, violation or default) under or pursuant to, or result in the loss of a material benefit under, or give any right of termination, amendment, acceleration or cancellation of, any organizational document, agreement, contract, commitment, understanding or arrangement to which such member is a party or by which it is bound, (e) as of the date of this Agreement, (i) Starboard is deemed to beneficially own in the aggregate 44,243,875 shares of Common Stock, including shares of Common Stock underlying the Company's convertible senior subordinated notes, and (ii) Starboard does not currently have, and does not currently have any right to acquire, any interest in any other securities of the Company (or any rights, options or other securities convertible into or exercisable or exchangeable (whether or not convertible, exercisable or exchangeable immediately or only after the passage of time or the occurrence of a specified event) for such securities or any obligations measured by the price or value of any securities of the Company or any of its Affiliates, including any swaps or other derivative arrangements designed to produce economic benefits and risks that correspond to the ownership of Common Stock, whether or not any of the foregoing would give rise to beneficial ownership (as determined under Rule 13d-3 promulgated under the Exchange Act), and whether or not to be settled by delivery of Common Stock, payment of cash or by other consideration, and without regard to any short position under any such contract or arrangement), (f) each of Nominee Two and Nominee Three is independent of Starboard, and (g) Starboard has not, directly or indirectly, compensated or agreed to, and will not, compensate Nominee Two or Nominee Three for their service as a nominee or director of the Company with any cash, securities (including any rights or options convertible into or exercisable for or exchangeable into securities or any profit sharing agreement or arrangement), or other form of compensation directly or indirectly related to the Company or its securities, other than cash compensation, if any, to be used by Nominee Two and Nominee Three to purchase securities of the Company, which compensation has been previously disclosed to the Company, has been paid in full prior to the date hereof and Starboard has no remaining compensation obligation to Nominee Two or Nominee Three.

5. Press Release.

Promptly following the execution of this Agreement, the Company and Starboard shall jointly

issue a mutually agreeable press release (the "Mutual Press Release") announcing certain terms of this Agreement, in the form attached hereto as Exhibit B. Prior to the issuance of the Mutual Press Release, neither the Company nor Starboard shall issue any press release or public announcement regarding this Agreement without the prior written consent of the other Party. Until the 2013 Annual Meeting, neither the Company nor Starboard or any of the Starboard Nominees shall make any public announcement or statement that is inconsistent with or contrary to the statements made in the Mutual Press Release, except as required by law or the rules of any stock exchange or with the prior written consent of the other Party.

6. Specific Performance.

Each of Starboard, on the one hand, and the Company, on the other hand, acknowledges and agrees that irreparable injury to the other party hereto would occur in the event any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached and that such injury would not be adequately compensable by the remedies available at law (including the payment of money damages). It is accordingly agreed that Starboard, on the one hand, and the Company, on the other hand (the "Moving Party"), shall each be entitled to specific enforcement of, and injunctive relief to prevent any violation of, the terms hereof, and the other party hereto will not take action, directly or indirectly, in opposition to the Moving Party seeking such relief on the grounds that any other remedy or relief is available at law or in equity. This Section 6 is not the exclusive remedy for any violation of this Agreement.

7. Expenses.

The Company shall reimburse Starboard for its reasonable, documented out-of-pocket fees and expenses (including legal expenses) incurred in connection with the matters related to the 2013 Annual Meeting, the filing of a Schedule 13D amendment in connection with this Agreement and the negotiation and execution of this Agreement, provided that such reimbursement shall not exceed thirty thousand dollars (\$30,000) in the aggregate.

8. Severability.

If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated. It is hereby stipulated and declared to be the intention of the Parties that the Parties would have executed the remaining terms, provisions, covenants and restrictions without including any of such which may be hereafter declared invalid, void or unenforceable. In addition, the Parties agree to use their best efforts to agree upon and substitute a valid and enforceable term, provision, covenant or restriction for any of such that is held invalid, void or enforceable by a court of competent jurisdiction.

9. Notices.

Any notices, consents, determinations, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); or (iii) one business day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

If to the Company:

Quantum Corporation
1650 Technology Drive, Suite 800
San Jose, California 95110
Attention: Shawn Hall
Telephone: (408) 944-4000
Facsimile: (408) 944-6581

with a copy (which shall not constitute notice) to:

Wilson Sonsini Goodrich & Rosati, Professional Corporation
1301 Avenue of the Americas, 40th Floor
New York, New York 10019
Attention: Warren S. de Wied, Esq.
Telephone: (212) 999-5800
Facsimile: (212) 999-5899

If to Starboard or any member thereof:

Starboard Value LP
830 Third Avenue, 3rd Floor
New York, New York 10022
Attention: Jeffrey C. Smith
Telephone: (212) 845-7977
Facsimile: (212) 845-7988

with a copy (which shall not constitute notice) to:

Olshan Frome Wolosky LLP
Park Avenue Tower
65 East 55th Street
New York, New York 10022
Attention: Steve Wolosky, Esq.
Telephone: (212) 451-2333
Facsimile: (212) 451-2222

10. Applicable Law.

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without reference to the conflict of laws principles thereof. Each of the Parties hereto irrevocably agrees that any legal action or proceeding with respect to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder brought by the other party hereto or its successors or assigns, shall be brought and determined exclusively in the Delaware Court of Chancery and any state appellate court therefrom within the State of Delaware (or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any state or federal court within the State of Delaware). Each of the Parties hereto hereby irrevocably submits, with regard to any such action or proceeding for itself and in respect of its property, generally and unconditionally, to the personal jurisdiction of the aforesaid courts and agrees that it will not bring any action relating to this Agreement

in any court other than the aforesaid courts. Each of the Parties hereto hereby irrevocably waives, and agrees not to assert in any action or proceeding with respect to this Agreement, (i) any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason, (ii) any claim that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (iii) to the fullest extent permitted by applicable legal requirements, any claim that (A) the suit, action or proceeding in such court is brought in an inconvenient forum, (B) the venue of such suit, action or proceeding is improper or (C) this Agreement, or the subject matter hereof, may not be enforced in or by such courts.

11. Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the Parties and delivered to the other Party (including by means of electronic delivery or facsimile).

12. Entire Agreement; Amendment and Waiver; Successors and Assigns; Third Party Beneficiaries

This Agreement contains the entire understanding of the Parties hereto with respect to its subject matter. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings between the Parties other than those expressly set forth herein. No modifications of this Agreement can be made except in writing signed by an authorized representative of each the Company and Starboard, except that the signature of an authorized representative of the Company will not be required to permit an Affiliate of Starboard to agree to be listed on Exhibit A and be bound by the terms and conditions of this Agreement. No failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law. The terms and conditions of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the Parties hereto and their respective successors, heirs, executors, legal representatives, and permitted assigns. No party shall assign this Agreement or any rights or obligations hereunder without, with respect to any member of Starboard, the prior written consent of the Company, and with respect to the Company, the prior written consent of Starboard. This Agreement is solely for the benefit of the Parties hereto and is not enforceable by any other persons.

13. Mutual Non-Disparagement.

Subject to applicable law, each of the Parties covenants and agrees that, during the Standstill Period, or if earlier, until such time as the other Party or any of its agents, subsidiaries, affiliates, successors, assigns, officers, key employees or directors shall have breached this Section, neither it nor any of its respective agents, subsidiaries, affiliates, successors, assigns, officers, key employees or directors, shall in any way publicly disparage, call into disrepute, or otherwise defame or slander the other Parties or such other Parties' subsidiaries, affiliates, successors, assigns, officers (including any current officer of a Party or a Parties' subsidiaries who no longer serves in such capacity following the execution of this Agreement), directors (including any current director of a Party or a Parties' subsidiaries who no longer serves in such capacity following the execution of this Agreement), employees, stockholders, agents, attorneys or representatives, or any of their products or services, in any manner that would

damage the business or reputation of such other Parties, their products or services or their subsidiaries, affiliates, successors, assigns, officers (or former officers), directors (or former directors), employees, stockholders, agents, attorneys or representatives. For purposes of this Section 13, the Starboard Nominees shall not be deemed to be an agent, affiliate, officer, key employee or director of the Company or Starboard and no actions taken by any agent or other representative of a Party in any capacity other than as a representative of such Party shall be covered by this Agreement.

[The remainder of this page intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized signatories of the Parties as of the date hereof.

QUANTUM CORPORATION

By: /s/ Jon W. Gacek
Name: Jon W. Gacek
Title: President and Chief Executive Officer

STARBOARD:

STARBOARD VALUE AND OPPORTUNITY MASTER FUND LTD
By: Starboard Value LP, its investment manager

STARBOARD VALUE AND OPPORTUNITY S LLC
By: Starboard Value LP, its manager

STARBOARD VALUE AND OPPORTUNITY C LP
By: Starboard Value LP, its investment manager

STARBOARD VALUE LP
By: Starboard Value GP LLC, its general partner

STARBOARD VALUE GP LLC
By: Starboard Principal Co LP, its member

STARBOARD PRINCIPAL CO LP
By: Starboard Principal Co GP LLC, its general partner

STARBOARD PRINCIPAL CO GP LLC

By: /s/ Jeffrey C. Smith
Name: Jeffrey C. Smith
Title: Authorized Signatory

[Signature Page to Agreement]

EXHIBIT A

STARBOARD

STARBOARD VALUE AND OPPORTUNITY MASTER FUND LTD

STARBOARD VALUE AND OPPORTUNITY S LLC

STARBOARD VALUE AND OPPORTUNITY C LP

STARBOARD VALUE LP

STARBOARD VALUE GP LLC

STARBOARD PRINCIPAL CO LP

STARBOARD PRINCIPAL CO GP LLC

JEFFREY C. SMITH

MARK R. MITCHELL

PETER A. FELD

EXHIBIT B
PRESS RELEASE



Quantum.

PRESS RELEASE

May 14, 2013

1:05 p.m. PDT

QUANTUM AND STARBOARD VALUE REACH AGREEMENT ON BOARD OF DIRECTORS MEMBERSHIP

SAN JOSE, Calif., May 14, 2013 – Quantum Corp. (NYSE:QTM), a proven global expert in data protection and big data management, today announced that it has entered into an agreement with Starboard Value LP and its affiliates (“Starboard”) regarding the membership and composition of Quantum’s board of directors.

Under the agreement, Jeffrey Smith, Starboard’s CEO and chief investment officer, has been appointed to Quantum’s board of directors, effective immediately and the size of the board has been expanded from eight to nine members and will remain at nine until prior to Quantum’s 2014 Annual Meeting of Stockholders. Quantum will also nominate two additional Starboard-recommended directors – Louis DiNardo, president and CEO of Exar Corp., and Philip Black, president and CEO of Nexsan Technologies – for election at Quantum’s 2013 Annual Meeting of Stockholders in the place of two incumbent directors. In the interim, DiNardo and Black may observe meetings of the board.

Also as part of the agreement, Starboard – which beneficially owns approximately 17 percent of the outstanding shares of Quantum’s common stock, including shares underlying Quantum’s convertible senior subordinated notes – will vote all of its shares in favor of each of the Quantum board’s nominees at the 2013 Annual Meeting and in accordance with the board’s recommendation with respect to Quantum’s “say-on-pay” proposal, unless Institutional Shareholder Services Inc. recommends otherwise regarding the proposal.

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“We are pleased that we were able to come to an agreement with Starboard that we believe serves the best interests of Quantum and all our stockholders,” said Jon Gacek, president and CEO of Quantum. “We also look forward to drawing on the experience and perspectives that Jeff, Lou and Phil each bring to the board as we focus on driving growth and profit by building on our leadership in data protection and big data management.”

“We are pleased to have worked constructively with management and the board of Quantum and are confident that the addition of Lou, Phil and myself will serve the best interests of Quantum and its stockholders,” said Smith, speaking on behalf of Starboard. “We believe that Lou’s track record of execution as a public technology company CEO, and Phil’s extensive experience of more than 30 years as CEO of companies in the storage and technology space, will be invaluable as we work with the board to enhance value for the benefit of all stockholders.”

The full text of the agreement between Quantum and Starboard will be filed with the Securities and Exchange Commission as an exhibit to Quantum’s current report on Form 8-K.

About Quantum

Quantum is a proven global expert in data protection and big data management, providing specialized storage solutions for physical, virtual and cloud environments. From small businesses to major enterprises, more than 100,000 customers have trusted Quantum to help maximize the value of their data by protecting and preserving it over its entire lifecycle. With Quantum, customers can Be Certain™ they’re able to adapt in a changing world – keeping more data longer, bridging from today to tomorrow, and reducing costs. See how at www.quantum.com/BeCertain.

About Starboard Value LP

Starboard Value is a New York-based investment adviser with a focused and differentiated fundamental approach to investing in publicly traded U.S. small cap companies. The investment team has a successful track record of generating significant alpha for investors using their expertise in shareholder activism.

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“Safe Harbor” Statement under the U.S. Private Securities Litigation Reform Act of 1995: This press release contains “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. Specifically, without limitation, our statements regarding the settlement agreement announced today, its benefits and the expected actions arising therefrom are forward-looking statements within the meaning of the Safe Harbor. All forward-looking statements in this press release are based on information available to Quantum on the date hereof. These statements involve known and unknown risks, uncertainties and other factors that may cause Quantum’s actual results to differ materially from those implied by the forward-looking statement. More detailed information about these risk factors, and additional risk factors, are set forth in Quantum’s periodic filings with the Securities and Exchange Commission, including, but not limited to, those risks and uncertainties listed in the section entitled “Risk Factors” in Quantum’s Annual Report on Form 10-K filed with the Securities and Exchange Commission on June 14, 2012 and in Quantum’s Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on February 8, 2013. Quantum expressly disclaims any obligation to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

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Quantum. News Release

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For Release:

May 14, 2013
1:10 p.m. PDT

QUANTUM TO NOMINATE GREGG POWERS, CHAIRMAN AND CEO OF LONG-TIME SHAREHOLDER PRIVATE CAPITAL MANAGEMENT, TO BOARD OF DIRECTORS

SAN JOSE, Calif., May 14, 2013 – Quantum Corp. (NYSE:QTM), a proven global expert in data protection and big data management, today announced that it will nominate Gregg Powers, chairman and CEO of Private Capital Management (“PCM”), for election to the company’s board of directors at its 2013 Annual Meeting of Stockholders. PCM has been a long-term investor in Quantum and is one of the company’s largest shareholders, with beneficial ownership of approximately 8 percent of the outstanding shares of Quantum’s common stock.

“PCM has long been one of Quantum’s top shareholders, and Gregg brings a balanced perspective both as a professional value investor and technologist,” said Jon Gacek, president and CEO of Quantum. “He also has vast experience with technology investing, a deep understanding of our business and a clear appreciation of the key value drivers in our industry from a product, customer and human capital perspective.”

“Quantum has a broad portfolio of technologies and solutions that are well-suited to meeting customers’ data protection and big data management needs,” said Powers. “I have long known the company and believe that the pieces are in place to substantially enhance shareholder value. I look forward to working with management and the rest of the board to help the company fully capitalize on its many market opportunities and create value for all of Quantum’s stakeholders.”

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Powers joined PCM in 1988 and during the mid-1990s became co-portfolio manager, credited with the primary underwriting of the firm’s investments in technology, healthcare, and telecommunications. He was named president of PCM in 1999, CEO in 2008 and chairman in 2009. As portfolio manager, Powers oversees all aspects of the investment of client portfolios.

Prior to the 2013 Annual Meeting, Powers may observe Quantum board meetings.

About Quantum

Quantum is a proven global expert in data protection and big data management, providing specialized storage solutions for physical, virtual and cloud environments. From small businesses to major enterprises, more than 100,000 customers have trusted Quantum to help maximize the value of their data by protecting and preserving it over its entire lifecycle. With Quantum, customers can Be Certain™ they’re able to adapt in a changing world – keeping more data longer, bridging from today to tomorrow, and reducing costs. See how at www.quantum.com/BeCertain.

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“Safe Harbor” Statement under the U.S. Private Securities Litigation Reform Act of 1995: This press release contains “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. Specifically, without limitation, our statements regarding capitalizing on market opportunities and creating value may be considered forward-looking statements within the meaning of the Safe Harbor. All forward-looking statements in this press release are based on information available to Quantum on the date hereof. These statements involve known and unknown risks, uncertainties and other factors that may cause Quantum’s actual results to differ materially from those implied by the forward-looking statement. More detailed information about these risk factors, and additional risk factors, are set forth in Quantum’s periodic filings with the Securities and Exchange Commission, including, but not limited to, those risks and uncertainties listed in the section entitled “Risk Factors” in Quantum’s Annual Report on Form 10-K filed with the Securities and Exchange Commission on June 14, 2012 and in Quantum’s Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on February 8, 2013. Quantum expressly disclaims any obligation to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

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