

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): March 31, 2020

**QUANTUM CORPORATION**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-13449**  
(Commission  
File Number)

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

**224 Airport Parkway, Suite 550**  
**San Jose, California 95510**  
(Address of principal executive offices, including zip code)

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

**N/A**  
(Former name or former address, if changed since last report)

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
<b>Common Stock</b>	<b>QMCO</b>	<b>The Nasdaq Stock Market LLC</b>

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 240.13e-4(c))

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

---

### **Item 1.01. Other Events.**

#### *Amendment to Term Loan Credit and Security Agreement*

On March 31, 2020, Quantum Corporation (the "Company") entered into an amendment (the "Term Loan Amendment") to the Term Loan Credit and Security Agreement, dated as of December 27, 2018 (as the same may be amended, modified, supplemented, renewed, restated or replaced from time to time, the "Term Loan Credit Agreement"), among the Company, Quantum LTO Holdings, LLC, the lenders from time to time party thereto, and U.S. Bank National Association, as disbursing and collateral agent for such lenders.

The amendment amends certain terms of the Term Loan Credit Agreement, including (a) to defer payment of the scheduled amortization payment due on April 1, 2020, (b) to permit payment of a portion of the interest due on April 1, 2020 in kind rather than in cash, and (c) to waive compliance with the total net leverage ratio covenant for the fourth fiscal quarter period ending March 31, 2020.

#### *Amendment to Amended and Restated Revolving Credit Agreement*

On April 3, 2020, Quantum Corporation (the "Company") entered into an amendment (the "Revolver Amendment") to the Amended and Restated Revolving Credit and Security Agreement, dated as of December 27, 2018 (as the same may be amended, modified, supplemented, renewed, restated or replaced from time to time, the "Revolving Credit Agreement"), among the Company, Quantum LTO Holdings, LLC, the lenders from time to time party thereto, and PNC Bank, National Association, as administrative agent for such lenders.

The amendment amends certain terms of the Revolving Credit Agreement, including to waive compliance with the total net leverage ratio and total leverage ratio covenants for the fourth fiscal quarter period ending March 31, 2020.

The foregoing description of the Term Loan Amendment and the Revolver Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Term Loan Amendment and the Revolver Amendment, which are filed as Exhibits 10.1 and 10.2 hereto, respectively, and the Term Loan Credit Agreement and the Revolving Credit Agreement, which were previously filed with the Securities and Exchange Commission, each of which is incorporated herein by reference.

### **Item 2.02. Results of Financial Operations and Financial Condition.**

On April 6, 2020, the Company issued a press release updating its revenue guidance for its fourth fiscal quarter ended March 31, 2020 and providing updates on the status of its loan agreements and its supply chain. A copy of the press release issued by the Company is furnished as Exhibit 99.1 to this report.

---

**Item 9.01. Financial Statements and Exhibits.**

Exhibits Number	Description
10.1	<a href="#"><u>Amendment Number 2 to Term Loan Credit and Security Agreement, dated as of December 27, 2018, as amended on March 31, 2020, among the Company, Quantum LTO Holdings, LLC, the lenders from time to time party thereto, and U.S. Bank National Association</u></a>
10.2	<a href="#"><u>First Amendment to Amended and Restated Revolving Credit and Security Agreement, dated as of December 27, 2018, as amended on April 3, 2020 among the Company, Quantum LTO Holdings, LLC, the lenders from time to time party thereto, and PNC Bank, National Association, as administrative agent for such lenders</u></a>
99.1	<a href="#"><u>Press release dated April 6, 2020</u></a>

---

**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 hereunto duly authorized.

Date: April 6, 2020

**QUANTUM CORPORATION**

By: /s/ J. Michael Dodson

Name: J. Michael Dodson

Title: Chief Financial Officer

## AMENDMENT NO. 2 TO TERM LOAN CREDIT AND SECURITY AGREEMENT

THIS AMENDMENT NO. 2 TO TERM LOAN CREDIT AND SECURITY AGREEMENT (this "Amendment"), dated as of March 31, 2020 (the "Second Amendment Effective Date"), is entered into by and among QUANTUM CORPORATION, a Delaware corporation ("Quantum" and together with each Person joined to the Credit Agreement (as defined below) as a borrower from time to time, collectively, the "Borrowers" and each a "Borrower"), QUANTUM LTO HOLDINGS, LLC, a Delaware limited liability company ("Quantum LTO" and together with each Person joined to the Credit Agreement as a guarantor from time to time, collectively, the "Guarantors", and each a "Guarantor"; the Guarantors, together with the Borrowers, collectively the "Loan Parties" and each a "Loan Party"), and the Lenders (as defined below) party hereto.

## RECITALS

A. U.S. Bank National Association ("U.S. Bank"), in its capacity as disbursing agent and collateral agent for the Lenders (in such capacity, together with its successors and assigns, the "Agent"), the Borrowers, the Guarantors, and the financial institutions party thereto from time to time as lenders (collectively, the "Lenders" and each a "Lender") are parties to that certain Term Loan Credit and Security Agreement, dated as of December 27, 2018 (as the same may be amended, modified, supplemented, renewed, restated or replaced from time to time, the "Credit Agreement"), pursuant to which the Lenders have made certain loans to the Borrowers.

B. The Loan Parties have requested that the Lenders (which, for the avoidance of doubt, constitute all affected Lenders for purposes of Section 16.2 of the Credit Agreement) (a) amend the Credit Agreement to defer payment of the Scheduled Term Loan Installment Payment due on April 1, 2020 set forth in Section 2.1(b) of the Credit Agreement to June 30, 2020, (b) amend Section 3.1(b) of the Credit Agreement to permit the Borrowers to pay a portion of the interest due on April 1, 2020 in kind rather than in cash, and (c) waive compliance with the Total Net Leverage Ratio covenant set forth in Section 6.5(c) of the Credit Agreement for the four fiscal quarter period ending March 31, 2020, and the Lenders have agreed to make the requested amendments to, and grant the requested waiver under, the Credit Agreement, subject to the terms and conditions set forth herein.

## AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Definitions. Capitalized terms used herein and not defined shall have the meanings given to such terms in the Credit Agreement.
2. Amendments. Subject to satisfaction of the conditions set forth in Section 4 hereof, the Lenders hereby agree to amend the Credit Agreement as follows:
  - a. Section 2.1(b) of the Credit Agreement is hereby amended by deleting the table set forth therein and replacing it with the following:

<u>Column A</u>	<u>Column B</u>
<u>Date of Payment</u>	<u>Percentage of Original Principal Amount of Term Loan to be Paid</u>
March 31, 2019	0.250 %
June 30, 2019	0.250%
September 30, 2019	0.250%
December 31, 2019	0.250%
April 1, 2020	0.000%
June 30, 2020	0.500%
September 30, 2020	0.250%
December 31, 2020	0.250%
March 31, 2021	0.250%
June 30, 2021	0.250%
September 30, 2021	0.250%
December 31, 2021	0.250%
March 31, 2022	0.250%
June 30, 2022	0.250%
September 30, 2022	0.250%
December 31, 2022	0.250%
March 31 2023	0.250%
June 30, 2023	0.250%
September 30, 2023	0.250%
Maturity Date	The remaining principal balance of the Term Loan

- b. Section 3.1(b) of the Credit Agreement is hereby amended by adding the following sentence at the end of such paragraph:

“Notwithstanding the foregoing, the Borrowers shall pay the interest due on April 1, 2020 (i) in cash in the amount of the LIBOR Rate plus 5.50% per annum and (ii) in kind in the amount of 4.50% per annum by capitalizing such interest and adding it to the principal amount of the Loans on April 1, 2020.”

3. Waiver. The Lenders hereby waive compliance by the Loan Parties and their Subsidiaries with the Total Net Leverage Ratio covenant set forth in Section 6.5(c) of the Credit Agreement, with respect to the four fiscal quarter period ending March 31, 2020.

4. Conditions Precedent. The effectiveness of this Amendment is expressly conditioned upon the receipt by the Lenders of executed counterparts of this Amendment from each Loan Party and each of the Lenders.

5. Re-set of Financial Covenants. No later than (a) April 24, 2020 (or such later date as the Lenders may agree in their sole discretion) (the “Model Date”), the Borrowers shall deliver to the Lenders a full financial model in form reasonably satisfactory to the Lenders and (b) May 15, 2020 (or such later date as the Lenders may agree in their sole discretion) (the “Re-Set Date”),

the Borrowers and the Lenders shall enter into an amendment to the Credit Agreement, in form and substance satisfactory to the Lenders in their sole discretion, providing for, among other things, a re-set of the financial covenants set forth in Section 6.5 of the Credit Agreement. If the Borrowers fail to deliver the financial model by the Model Date or fail to enter into such an amendment by the Re-Set Date, (i) such failure shall constitute an immediate Event of Default under Section 10.4(a) of the Credit Agreement, and (ii) on the Re-Set Date, the Borrowers shall be required to pay an amendment fee to the Lenders with respect to this Amendment in an amount equal to 0.375% of the principal amount of the Loans outstanding immediately prior to the Second Amendment Effective Date, such fee to be paid in kind by capitalizing the amount thereof and adding it to the principal amount of the Loans.

6. Costs, Expenses and Taxes. Each Loan Party, jointly and severally, agrees to pay on demand all costs and expenses of the Lenders incurred in connection with the preparation, execution and delivery of this Amendment and the other instruments and documents to be delivered hereunder (including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Lenders with respect thereto).

7. Representations and Warranties. In addition to the continuing representations and warranties heretofore or hereafter made by the Loan Parties to Agent and Lenders pursuant to the Credit Agreement and the Other Documents, each Loan Party hereby represents and warrants to Agent and each Lender as follows:

(a) each Loan Party has full power, authority and legal right to enter into this Amendment and to perform all its respective Obligations hereunder;

(b) this Amendment has been duly executed and delivered by each Loan Party;

(c) this Amendment constitutes the legal, valid and binding obligation of each Loan Party enforceable in accordance with its terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally;

(d) the execution, delivery and performance of this Amendment (i) are within each Loan Party's corporate or company powers, as applicable, (ii) have been duly authorized by all necessary corporate or company action, as applicable, (iii) are not in contravention of law or the terms of such Loan Party's Organizational Documents or to the conduct of such Loan Party's business or of any Material Contract or undertaking to which such Loan Party is a party or by which such Loan Party is bound, including without limitation the Revolving Loan Documents, (iv) will not conflict with or violate any material provisions of any law or regulation, or any judgment, order or decree of any Governmental Body, (v) will not require the Consent of any Governmental Body, any party to a Material Contract or any other Person, except (x) any Consents of any party to a Material Contract or any other Person (other than a Governmental Body) with respect to which the failure to obtain could not reasonably be expected, individually or in the aggregate to have a Material Adverse Effect or (y) any immaterial Consents of any Governmental Body, all of which will have been duly obtained, made or complied with prior to the date hereof and which are in full force and effect, and (vi) will not conflict with, nor result in any breach in any of the provisions of or constitute a default under or result in the creation of any Lien except Permitted Encumbrances upon any asset



of such Loan Party under the provisions of any material agreement, instrument, or other document to which such Loan Party is a party or by which it or its property is a party or by which it may be bound, including without limitation the Revolving Loan Documents; and

(e) each Loan Party is duly incorporated or formed, as applicable, and in good standing under the laws of the state of its incorporation or formation, as applicable.

8. Reaffirmation. Each Loan Party hereby ratifies and reaffirms (a) all of its payment and performance obligations, contingent or otherwise, under the Credit Agreement and each of the Other Documents to which it is a party, and (b) its grant to Agent of a security interest in the Collateral under the Credit Agreement and each of the Other Documents to which it is a party.

9. Governing Law. This Amendment and all matters relating hereto or arising herefrom (whether arising under contract law, tort law or otherwise) shall, in accordance with Section 5-1401 of the General Obligations Law of the State of New York, be governed by and construed in accordance with the laws of the State of New York.

10. Reference to Credit Agreement. Each of the Credit Agreement and the Other Documents, and any and all other agreements, documents or instruments now or hereafter executed and/or delivered pursuant to the terms hereof or pursuant to the terms of the Credit Agreement as modified hereby, are hereby amended so that any reference therein to the Credit Agreement, whether direct or indirect, shall mean a reference to the Credit Agreement as modified hereby. This Amendment shall constitute an Other Document under the Credit Agreement.

11. Effect of this Amendment. This Amendment relates only to the specific matters expressly covered herein, shall not be considered to be a waiver of any rights, claims or remedies that the Agent or any Lender may have under the Credit Agreement or under any Other Document (except as expressly set forth herein) or under applicable law, and shall not be considered to create a course of dealing or to otherwise obligate, in any respect, the Agent or any Lender to grant any waivers under the same or similar or other circumstances in the future. To the extent that any provision of the Credit Agreement or any of the Other Documents are inconsistent with the provisions of this Amendment, the provisions of this Amendment shall control.

12. Binding Effect. This Amendment shall bind and inure to the benefit of the respective successors and permitted assigns of each of the parties hereto.

13. Further Assurances. The Loan Parties shall execute and deliver such further documents and take such further action as may be reasonably requested by Agent or the Required Lenders to effectuate the provisions and purposes of this Amendment.

14. Counterparts; Electronic Signature. This Amendment may be executed in any number of and by different parties hereto on separate counterparts, all of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile or electronic transmission (including email transmission of a .pdf image) shall be deemed to be an original signature hereto.

15. Release. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Loan Party hereby, for itself and its successors and permitted assigns, fully and without reserve, releases and forever discharges each of the Agent and the Lenders, and their respective successors and assigns, officers, directors, employees, representatives, trustees, attorneys, agents, advisors (including attorneys, accountants and experts) and affiliates (collectively the “Released Parties” and individually a “Released Party”) from any and all actions, claims, demands, causes of action, judgments, executions, suits, debts, liabilities, costs, damages, expenses or other obligations of any kind and nature whatsoever, known or unknown, direct and/or indirect, at law or in equity, whether now existing or hereafter asserted (including, without limitation, any offsets, reductions, rebatement, claims of usury or claims with respect to the negligence of any Released Party), for or because of any matters or things occurring, existing or actions done, omitted to be done, or suffered to be done by any of the Released Parties, in each case, on or prior to the Second Amendment Effective Date and are in any way directly or indirectly arising out of or in any way connected to any of this Amendment, the Credit Agreement, any Other Document or any of the transactions contemplated hereby or thereby (collectively, the “Released Matters”). Each Loan Party, by execution hereof, hereby acknowledges and agrees that the agreements in this Section are intended to cover and be in full satisfaction for all or any alleged injuries or damages arising in connection with the Released Matters.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have entered into this Amendment as of the date first above written.

LOAN PARTIES:

QUANTUM CORPORATION, as Borrower

By: /s/ J. Michael Dodson  
Name: J. Michael Dodson  
Title: Chief Financial Officer

QUANTUM LTO HOLDINGS, LLC, as Guarantor

By: /s/ J. Michael Dodson  
Name: J. Michael Dodson  
Title: Chief Financial Officer

LENDERS:

OC II LVS XVII LP, as a Lender

By: /s/ Adam L. Gubner  
Name: Adam L. Gubner  
Title: Authorized Person

BTC HOLDINGS FUND I, LLC, as a Lender

By: Blue Torch Credit Opportunities Fund I LP, its sole member  
By: Blue Torch Credit Opportunities GP LLC, its general partner

By: /s/ Kevin Genda  
Name: Kevin Genda  
Title: Authorized Person

**FIRST AMENDMENT TO  
AMENDED AND RESTATED REVOLVING CREDIT AND SECURITY AGREEMENT**

THIS FIRST AMENDMENT TO AMENDED AND RESTATED REVOLVING CREDIT AND SECURITY AGREEMENT (this "Amendment"), dated as of April 3, 2020, is entered into by and among QUANTUM CORPORATION, a Delaware corporation ("Quantum"), QUANTUM LTO HOLDINGS, LLC, a Delaware limited liability company ("Quantum LTO") and together with Quantum and each other Person joined to the Credit Agreement as a borrower from time to time, collectively, the "Borrowers" and each a "Borrower"), the financial institutions which are now or which hereafter become a party to the Credit Agreement as lenders (collectively, the "Lenders" and each a "Lender"), and PNC BANK, NATIONAL ASSOCIATION ("PNC"), in its capacity as agent for the Lenders (in such capacity, together with its successors and assigns, "Agent").

RECITALS

A. Agent, the Lenders and the Borrowers are parties to that certain Amended and Restated Revolving Credit and Security Agreement, dated as of December 27, 2018 (as amended hereby and as the same may be further amended, modified, supplemented, renewed, restated or replaced from time to time, the "Credit Agreement"), pursuant to which the Lenders have made and may hereafter make certain loans and have provided and may hereafter provide certain financial accommodations to the Borrowers.

B. The Borrowers have requested that Agent and the Lenders make certain amendments to the Credit Agreement as set forth herein, and Agent and the Required Lenders have agreed to make such amendments, subject to the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Definitions.

(a) Interpretation. Capitalized terms used herein and not defined shall have the meanings given to such terms in the Credit Agreement.

(b) New Definitions. The following defined terms are hereby added to Section 1.2 of the Credit Agreement in their proper alphabetical order:

"First Amendment" shall mean the First Amendment to Amended and Restated Revolving Credit and Security Agreement, dated as of the First Amendment Effective Date, by and among Agent, Lenders and the Borrowers.

"First Amendment Effective Date" shall mean April 3, 2020.

2. Financial Covenants. Section 6.5 of the Credit Agreement is hereby amended by deleting subsections (c) and (d) of such Section in their entirety and replacing them with the following:

---

“(c) Total Net Leverage Ratio. Maintain as of the end of each fiscal quarter, a Total Net Leverage Ratio for Quantum and its Subsidiaries, on a consolidated basis, of not greater than the ratio set forth below for each four (4) consecutive fiscal quarter period then ended set forth below:

<u>Fiscal Quarter Ending</u>	<u>Maximum Total Net Leverage Ratio</u>
March 31, 2019	5.43 to 1.00
June 30, 2019	4.80 to 1.00
September 30, 2019	4.40 to 1.00
December 31, 2019	3.75 to 1.00
March 31, 2020	Not Tested
June 30, 2020	3.25 to 1.00
September 30, 2020	2.75 to 1.00
December 31, 2020	2.50 to 1.00
March 31, 2021 and each fiscal quarter ending thereafter	2.50 to 1.00

(d) Total Leverage Ratio. Maintain as of the end of each fiscal quarter, a Total Leverage Ratio for Quantum and its Subsidiaries, on a consolidated basis, of not greater than the ratio set forth below for each four (4) consecutive fiscal quarters then ended set forth below:

<u>Fiscal Quarter Ending</u>	<u>Maximum Total Leverage Ratio</u>
March 31, 2019	6.00 to 1.00
June 30, 2019	5.30 to 1.00
September 30, 2019	5.00 to 1.00
December 31, 2019	4.50 to 1.00
March 31, 2020	Not Tested
June 30, 2020	4.00 to 1.00
September 30, 2020	3.50 to 1.00
December 31, 2020	3.50 to 1.00
March 31, 2021 and each fiscal quarter ending thereafter	3.50 to 1.00”

3. Re-set of Financial Covenants. Notwithstanding anything to the contrary set forth in the Credit Agreement or any of the Other Documents: (x) on or before April 24, 2020 (or such later date as Agent may agree in its sole discretion), Borrowers shall deliver to Agent, in a form reasonably satisfactory to Agent, a financial model, and (y) on or before May 15, 2020 (or such later date as Agent may agree in its sole discretion), Borrowers, Agent and Lenders shall enter into an amendment to the Credit Agreement, in form and substance satisfactory to Agent and Lenders in their sole discretion, providing for, among other things, a re-set of the financial covenants set forth in Section 6.5 of the Credit Agreement. If the Borrowers fail to comply with the covenants set forth in this Section 3, such failure shall constitute an additional and immediate Event of Default under Section 10.5(a) of the Credit Agreement.

4. Amendment Fee. In consideration of the agreements set forth herein, Borrowers hereby agree to pay to Agent, for the benefit of the Lenders, an amendment fee in the amount of \$100,000, which fee shall be fully earned as of and due and due and payable on the First Amendment Effective Date. Borrowers

hereby agree that Agent may, in its sole discretion, charge Borrowers' Account with the amount of such amendment fee in satisfaction thereof.

5. Representations and Warranties. In addition to the continuing representations and warranties heretofore or hereafter made by the Loan Parties to Agent and Lenders pursuant to the Credit Agreement and the Other Documents, each Loan Party hereby represents and warrants to Agent and each Lender as follows:

(a) each Loan Party has full power, authority and legal right to enter into this Amendment and to perform all its respective Obligations hereunder;

(b) this Amendment has been duly executed and delivered by each Loan Party;

(c) this Amendment constitutes the legal, valid and binding obligation of each Loan Party enforceable in accordance with its terms, except as such enforceability may be limited by any applicable bankruptcy, insolvency, moratorium or similar Laws affecting creditors' rights generally;

(d) the execution, delivery and performance of this Amendment (i) are within each Loan Party's corporate or limited liability company powers, as applicable, (ii) have been duly authorized by all necessary corporate or limited liability company action, as applicable, (iii) are not in contravention of law or the terms of such Loan Party's Organizational Documents or to the conduct of such Loan Party's business or of any Material Contract or undertaking to which such Loan Party is a party or by which such Loan Party is bound, including without limitation the Term Loan Documents, (iv) will not conflict with or violate any material provisions of any law or regulation, or any judgment, order or decree of any Governmental Body, (v) will not require the Consent of any Governmental Body, any party to a Material Contract or any other Person, except (x) any Consents of any party to a Material Contract or any other Person (other than a Governmental Body) with respect to which the failure to obtain could not reasonably be expected, individually or in the aggregate to have a Material Adverse Effect, (y) any immaterial Consents of any Governmental Body, or (z) those Consents set forth on Schedule 5.1 to the Credit Agreement, all of which will have been duly obtained, made or complied with prior to the First Amendment Effective Date and which are in full force and effect on the First Amendment Effective Date, and (vi) will not conflict with, nor result in any breach in any of the provisions of or constitute a default under or result in the creation of any Lien except Permitted Encumbrances upon any asset of such Loan Party under the provisions of any material agreement, instrument, or other document to which such Loan Party is a party or by which it or its property is a party or by which it may be bound, including without limitation the Term Loan Documents;

(e) each Loan Party is duly formed or incorporated, as applicable, and in good standing under the laws of the state of its incorporation or formation, as applicable, and is good standing in such state and is qualified to do business in any state where the failure to be so qualified could reasonably be expected to result in a Material Adverse Effect;

(f) each of the representations and warranties made by any Loan Party in the Credit Agreement and the Other Documents, each as amended hereby, are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that are qualified or modified by materiality in the text thereof) as if made on the date of this Amendment and after giving effect to this Amendment and the transactions contemplated hereby, except to the extent that any such representation or warranty is made as of an earlier and/or specified date, in which case such representation or warranty shall have been true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that are qualified or modified by materiality in the text thereof) as of such earlier or specified date; and

(g) after giving effect to the transactions contemplated by this Amendment, on the date of this Amendment, no Default or Event of Default exists or has occurred and is continuing.

6. Conditions Precedent. The effectiveness of this Amendment is expressly conditioned upon the satisfaction of each of the following conditions precedent:

(a) Agent shall have received this Amendment, duly authorized, executed and delivered by each Loan Party;

(b) Agent shall have received, in form and substance satisfactory to Agent, an amendment to the Term Loan Agreement, duly authorized, executed and delivered by the Borrowers, the Term Loan Agent and the Term Loan Lenders, which amendment shall include, among other things, (x) the postponement of the principal installment of the Term Loan due and payable on March 31, 2020 until June 30, 2020 and (y) a waiver of the Total Net Leverage Ratio covenant set forth in Section 6.5(c) of the Term Loan Agreement with respect to the four fiscal quarter period ending March 31, 2020 (it being understood and agreed that Amendment No. 2 to Term Loan Credit and Security Agreement, dated as of March 31, 2020, among the Borrowers, Term Loan Agent and the Term Loan Lenders is satisfactory to Agent);

(c) Agent shall have received payment from Borrowers of all fees payable to Agent and Lenders on the First Amendment Effective Date pursuant to the terms of the Fee Letter and all other fees, charges and disbursements of Agent and its counsel required to be paid pursuant to the Credit Agreement in connection with the preparation, execution and delivery of this Amendment;

(d) all proceedings taken in connection with the transactions contemplated by this Amendment and all documents, instruments and other legal matters incident thereto shall be reasonably satisfactory to Agent and its counsel; and

(e) on the date of this Amendment and after giving effect to the provisions of this Amendment and the transactions contemplated hereby, no Default or Event of Default shall exist or have occurred and be continuing.

7. Reaffirmation. Each Loan Party hereby ratifies and reaffirms (a) all of its payment and performance obligations, contingent or otherwise, under the Credit Agreement and each of the Other Documents to which it is a party, and (b) its grant to Agent of a security interest in the Collateral under the Credit Agreement and each of the Other Documents to which it is a party.

8. Acknowledgments. To induce Agent and Lenders to enter into this Amendment, Borrowers and each other Loan Party acknowledge that:

(a) as of the First Amendment Effective Date, (i) Agent and Lenders have performed without default all obligations required of Agent and Lenders under the Credit Agreement and each of the Other Documents; and (ii) there are no disputes with or claims against Agent or Lenders, or any knowledge of any facts giving rise to any disputes or claims, related to the Credit Agreement or any of the Other Documents, including, without limitation, any disputes or claims or knowledge of facts giving rise thereto, that involve a breach or violation on the part of Agent or any Lender of the terms and conditions of the Credit Agreement or any of the Other Documents; and

(b) no Loan Party has any valid defense to the enforcement of their respective obligations set forth in the Credit Agreement, the Other Documents or this Amendment, as applicable, by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the day and date of this Amendment.

9. Governing Law. This Amendment and all matters relating hereto or arising herefrom (whether arising under contract law, tort law or otherwise) shall, in accordance with Section 5-1401 of the General Obligations Law of the State of New York, be governed by and construed in accordance with the Laws of the State of New York.

10. Effect of this Agreement. Except as expressly amended pursuant hereto, no other changes or modifications to the Credit Agreement or any of the Other Documents are intended or implied, and in all other respects, the Credit Agreement and each of the Other Documents is hereby specifically ratified, restated and confirmed by all parties hereto as of the date of this Amendment. To the extent that any provision of the Credit Agreement or any of the Other Documents are inconsistent with the provisions of this Amendment, the provisions of this Amendment shall control.

11. Binding Effect. This Amendment shall bind and inure to the benefit of the respective successors and permitted assigns of each of the parties hereto.

12. Further Assurances. The Loan Parties shall execute and deliver such further documents and take such further action as may be reasonably requested by Agent to effectuate the provisions and purposes of this Amendment.

13. Counterparts; Electronic Signature. This Amendment may be executed in any number of and by different parties hereto on separate counterparts, all of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile or electronic transmission (including email transmission of a .pdf image) shall be deemed to be an original signature hereto.

14. Release. In consideration of the agreements of Agent and Lenders contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Loan Party, on behalf of itself and its respective successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably releases, remises and forever discharges Agent and Lenders, their respective successors and assigns, and their respective present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents and other representatives (Agent, each Lender and all such other Persons being hereinafter referred to collectively as the "Releasees" and individually as a "Releasee"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, rights of set-off, demands and liabilities whatsoever (individually, a "Claim" and collectively, "Claims") of every name and nature, known or unknown, suspected or unsuspected, as of the date of this Amendment, both at law and in equity, which such Loan Party, or any of its respective successors, assigns, or other legal representatives may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the day and date of this Amendment, in each case for or on account of, or in relation to, or in any way in connection with any of the Credit Agreement, any of the Other Documents or transactions thereunder or related thereto; provided that nothing contained herein shall release any Releasee from any Claims resulting from the gross negligence, willful misconduct or material breach of the Credit Agreement or any of the Other Documents by any Releasee as determined by a court of competent jurisdiction in a final non-appealable judgment or order or for any Claim arising with respect to obligations arising under this Amendment or the documents entered into as of the First Amendment Effective Date.

[Remainder of Page Intentionally Left Blank]





IN WITNESS WHEREOF, the parties have entered into this Amendment as of the date first above written.

BORROWERS:

QUANTUM CORPORATION

By: /s/ J. Michael Dodson  
Name: J. Michael Dodson  
Title: Chief Financial Officer

QUANTUM LTO HOLDINGS, LLC

By: /s/ J. Michael Dodson  
Name: J. Michael Dodson  
Title: Chief Financial Officer

AGENT AND LENDERS:

PNC BANK, NATIONAL ASSOCIATION,  
as Agent and Lender

By: /s/ Daniela Piemonte  
Name: Daniela Piemonte  
Title: Vice President

[Signature Page to First Amendment to Amended and Restated Revolving Credit and Security Agreement]



**Public Relations Contact**

Bob Wientzen  
Quantum Corp.  
(720) 201-8125  
[bob.wientzen@quantum.com](mailto:bob.wientzen@quantum.com)

**Investor Relations Contact**

Rob Fink  
FNK IR  
(646) 809-4048  
[rob@fnkir.com](mailto:rob@fnkir.com)

**Quantum Provides Updated Revenue Guidance for Fiscal Q4; Amends Loan Agreements**

*Company Provides Update on Supply Chain*

**SAN JOSE, Calif. - April 6, 2020** - Quantum Corporation (NASDAQ: QMCO) today provided an update to investors regarding expected revenue levels for the fourth quarter, loan agreement amendments, and the status of its supply chain.

**Revenue Guidance Update**

Based on the analysis of preliminary operating results, management now expects revenues of approximately \$87 million for the fourth fiscal quarter ended March 31, 2020. This level of revenue reflects the impact of the uncertainties associated with the COVID-19 pandemic and is within 8% of the midpoint of the previously provided guidance range of \$90 to \$100 million. The impact of COVID-19 related order delays were partially offset by the contribution of incremental revenue from ActiveScale products. The acquisition of the ActiveScale object storage business was finalized on March 17, 2020 and contributions from it in the first 13 days are expected to be accretive to the operations for the fourth fiscal quarter.

**Loan Agreement Amendments**

---

Based on our preliminary results for the fourth fiscal quarter combined with the uncertainties in estimating future business levels, management proactively entered into discussions with its lenders to ensure the current credit facilities enabled the flexibility to provide financial support during this challenging period and beyond.

As a result of these efforts, the Company and the term loan lenders agreed to amend the term loan agreement. Included in this amendment was a reduction in the cash interest payment to 7.5% from 12% for the fourth fiscal quarter, with the remaining portion being paid-in-kind, and a deferral of the loan amortization payment until next quarter resulting in an immediate cash savings of approximately \$2.3 million.

The Company has also finalized an agreement with its revolver lender as well as the term loan lenders to amend the related credit agreements to waive applicable covenants for the fourth fiscal quarter.

As outlined in both Amendments, the Company and its lenders intend to work to further amend the credit agreements by May 15, 2020 to provide a framework that will be supportive of the Company beyond the current period. Additional details regarding the Amendments are set forth in the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission on April 6, 2020.

"While customer order delays resulting from the COVID-19 pandemic impacted our ability to reach our previously issued guidance, the Quantum team executed well and navigated unprecedented conditions at the end of the quarter while proactively working with our lenders to ensure our credit facilities remained aligned to the current dynamic business environment," commented Mike Dodson, Quantum's Chief Financial Officer. "The on-going rationalization of our cost structure and our shift to higher-value and higher-margin solutions, which our clients view as critical to their operations, continues to deliver benefits and strengthen our fundamentals."

### **Supply Chain Status**

While Quantum's supply chain remains intact and operating, the Company has experienced issues related to its logistics network. The reduced capacity within and across freight lanes (aircraft, personnel, customs clearance, etc.) has caused late deliveries from re-routes and mis-shipments, as well as increased expedite and other charges to deliver and receive products. To date, Quantum has experienced minimal impact on product availability, although future capacity constraints across the network due to lost capacity from factory down time, closures, as well as reduced staff and demand signal fluctuations are expected to impact product availability in the months and possibly quarters to come. Management continues to work closely with suppliers to ensure forecast requirements are known and are taking steps in an effort to secure material in advance of suspected allocation disruptions.

### **CEO Summary**

Jamie Lerner, Quantum's Chairman and Chief Executive Officer, commented, "We continue to diligently navigate the rapidly changing economic landscape and remain well equipped to execute our long-term strategic plan. Quantum equipment is relied on in disaster and crisis situations, and our solutions are core to many of our customers' business continuity. As a result, we remain confident we have a business model that can weather the delays and disruption of a challenging pandemic. We also believe this crisis will be a driver for significant innovation and we continue to work closely with our customers on what this means for their work environments in the months and years ahead. We will continue to be disciplined in our execution and find opportunities during this crisis to advance our mission to lead our industry in video solutions."

## About Quantum

Quantum technology and services help customers capture, create and share digital content - and preserve and protect it for decades. With solutions built for every stage of the data lifecycle, Quantum's platforms provide the fastest performance for high-resolution video, images, and industrial IoT. That's why the world's leading entertainment companies, sports franchises, researchers, government agencies, enterprises, and cloud providers are making the world happier, safer, and smarter on Quantum. See how at [www.quantum.com](http://www.quantum.com).

###

Quantum and the Quantum logo, as well as StorNext are registered trademarks or trademarks of Quantum Corporation and its affiliates in the United States and/or other countries. All other trademarks are the property of their respective owners.

## Forward-Looking Statements

This press release contains "forward-looking" statements. Quantum advises caution in reliance on forward-looking statements. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the results of Quantum Corporation and its consolidated subsidiaries ("Quantum") may differ materially from those expressed or implied by such forward-looking statements and assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including but not limited to statements regarding Quantum's expected revenue results for the fourth fiscal quarter ended March 31, 2020, the anticipated impact of the COVID-19 pandemic on Quantum's supply chain and product availability in future periods, the Company's confidence that it has a business model that can weather the delays and disruption of a challenging pandemic, the potential impact of COVID-19 on the Company's business and the Company's relationship with its lenders and its intent to work with them to navigate the current environment and amend certain financial covenants that it may be unable to meet in future periods as a result of the impact of the COVID-19 pandemic. Although the Company continues to engage in a constructive dialogue with its lenders for both the term loan and the revolver, there is a risk that it will be unable to reach agreement and even if it is able to reach an agreement, it may be on unfavorable terms to the Company. Risks, uncertainties and assumptions include public health requirements in response to the outbreak of COVID-19 and the impact on the Company's business and operations, which is evolving and beyond the Company's control, and the timing of customer orders and product shipments; members of the Company's management team or a significant number of its global employee base becoming ill with COVID-19; changes in government regulations and mandates to address COVID-19 that may adversely impact Quantum's ability to continue to operate without disruption; a significant decline in global macroeconomic conditions that have an adverse impact on the Company's business and financial results; challenges to the Company's infrastructure because of the number of employees working from remote locations, a cyberattack or other issues associated with remote connectivity; business interruptions related to the Company's supply chain; the Company's ability to manage its business and expenses if customers cancel or delay orders; the Company's ability to meet its debt covenants or obtain appropriate waivers from its lenders or amend current debt agreements, if necessary; and other risks that are described herein, including but not limited to the items discussed in "Risk Factors" in Quantum's filings with the Securities and Exchange Commission, including its Form 10-K filed with the Securities and Exchange Committee on August 6, 2019. Quantum expressly disclaims any obligation to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.