

Quantum

**CHARTER OF THE
LEADERSHIP AND COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS
(amended as of May 20, 2005)**

Committee Purpose

The Board of Directors (the “Board”) shall elect a Leadership and Compensation Committee (the “Committee”) to discharge the Board’s responsibilities relating to leadership and total compensation for the Company.

The Committee’s primary mission is to:

1. Ensure Quantum provides and designs appropriate leadership and compensation programs to enable the successful execution of its corporate strategy and objectives; and
2. Ensure Quantum’s programs and practices are market competitive and are consistent with best practice and good corporate governance.

The Committee’s primary objectives are to:

1. Review and approve Quantum’s total compensation philosophy, strategy and practices including the selection of a peer group of companies for comparative purposes;
2. Review and make recommendation to the Board regarding executive and non-employee director total compensation programs including the assessment of compensation levels in terms of relative size and performance; and
3. Review Quantum’s strategy and practices relating to the attraction, retention, development, performance and succession of its leadership team.

Committee Membership and Term of Office

The Committee shall be comprised of at least two Directors, each of whom shall be “outside directors” within the meaning of Section 162(m) of the Internal Revenue Code of 1986 (“IRC 162(m)”), as amended “non-employee directors” within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and independent directors within the applicable rules of the New York Stock Exchange. The members of the Committee shall serve at the discretion of the Board.

All Committee members shall have had experience in serving on Compensation Committees or in evaluating executive compensation programs.

The Board shall designate one of the members of the Committee to serve as its Chairman. The Board may designate one or more directors as alternate members of the Committee who may replace any absent or disqualified member at any meeting of the Committee.

Committee Meetings

The Committee shall hold at least one regular meeting per quarter during each fiscal year and additional meetings as it may deem necessary.

These meetings may be attended by the CEO, however, the CEO shall not be present when his/her personal performance or compensation is being discussed or determined.

In addition to the Committee members, these meetings may be attended by members of Management including the Committee Secretary. The Committee Secretary shall be a member of Management recommended by the CEO or Chairman of the Committee. The Committee Secretary shall prepare the agenda, distribute meeting materials, and prepare minutes of each Committee meeting. The Committee may also act by unanimous written consent. All meeting minutes shall be reviewed and approved by the Chairman of the Committee.

Committee Authority and Responsibilities

The Committee shall perform the following functions:

- a) Review and approve annually Quantum's total compensation philosophy, strategy and practices including the selection of a peer group of companies for comparative purposes.
- b) Review Quantum's strategy for managing its employee talent worldwide, including actions and programs which support the Company's pay-for-performance philosophy and human resources strategy.
- c) Oversee and review the development and succession plans of Quantum's CEO, the CEO's direct reports and all Section 16 officers.
- d) Review and approve, at least annually, the goals of the CEO.
- e) Evaluate, at least annually, the performance of the CEO in relation to the established goals.
- f) Conduct an annual review of the CEO's compensation package and make recommendations to the full Board on all elements of the CEO's compensation to ensure it is reasonable, performance-based and aligned with the Company's strategic plans and objectives.
- g) Review and approve the performance objectives of the Section 16 officers under the Executive Officer Annual Incentive Plan ("Incentive Plan") in accordance with the terms of the Incentive Plan to ensure consistency with Quantum's strategic plans and objectives. The Committee shall also review the Incentive Plan periodically for continued effectiveness and recommend any modifications to the Board.
- h) Oversee, at least annually, the evaluation of the Section 16 officers in relation to the established objectives.
- i) Review and approve the compensation packages for the CEO's direct reports and all Section 16 officers (including all "plan" compensation, as such term is defined in Item 402(a) (7) of Regulation S-K promulgated by the Securities and Exchange Commission, to be provided to the officers); provided that the Committee shall determine all forms and amounts of such compensation for the CEO.
- j) Review and approve all employment contracts, consulting contracts, change of control agreements, special termination arrangements or retirement arrangements to be paid to non-employee directors, the CEO, Section 16 officers and all other Quantum executives.
- k) Review and approve the impact of change in control and other transactions on total compensation plans; and make recommendations to the Board regarding any special total compensation actions related thereto.
- l) Review and approve the general terms and provisions of any short-term or long-term incentive plans for all other Quantum employees.
- m) Administer Quantum's various stock incentive plans. In the administration of such plans,

- the Committee may, pursuant to authority delegated by the Board, (1) grant awards to individuals eligible for such grants (including grants to individuals subject to Section 16 of the Exchange Act in compliance with Rule 16b-3 promulgated there under), and (2) amend such awards. The Committee shall also make recommendations to the Board with respect to amendments to the plans and changes in the number of shares reserved for issuance there under and shall review the plans' impact on shareholder value and dilution.
- n) Review executive compensation plans as they pertain to the CEO and the Section 16 officers to understand and consider their compliance with IRC 162(m).
 - o) Review annually the adequacy of this Committee Charter and recommend any proposed changes to the Board for approval.
 - p) Conduct an annual performance evaluation of the Committee.
 - q) Review and make recommendations to the Board regarding all Board compensation programs.
 - r) Produce written reports to the Board regarding recommendations of the Committee submitted to the Board for action, and copies of the written minutes of its meetings. The Committee may also report and/or communicate any matters to outside agencies and stockholders, as appropriate; as well as respond to shareholder concerns.
 - s) Produce an annual report to shareholders in accordance with SEC guidelines for inclusion in the Company's annual proxy statement that describes (1) the criteria on which compensation paid to the CEO for the last completed fiscal year is based, (2) the relationship of such compensation to Quantum's performance, and (3) the Committee's executive compensation policies applicable to executive officers. The Committee shall also approve proxy materials pertaining to executive compensation, including the various compensation tables and the stock performance graph.

In properly discharging its duties, the Committee may:

- Retain consultants or outside advisors as it deems necessary and appropriate. Additionally, if a compensation consultant is to assist in the evaluation of director, CEO or executive officer compensation, the Committee has sole authority to retain and terminate the consulting firm, including sole authority to approve the firm's fees and other retention terms;
- Request advice from Quantum's independent auditors and rely upon such advice, oral or in writing, concerning aspects of the operation or financial condition of Quantum relevant to the functions of the Committee; and
- Delegate authority to Quantum's Management or to a subcommittee of the Committee when appropriate.