

**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): October 31, 2019

AVID TECHNOLOGY, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-36254
(Commission File Number)

04-2977748
(I.R.S. Employer
Identification No.)

75 Network Drive, Burlington, Massachusetts 01803
(Address of Principal Executive Offices) (Zip Code)

(978) 640-6789
(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:

- ☐ 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:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$.01 par value	AVID	Nasdaq Global Select Market

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

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 Entry into a Material Definitive Agreement

On October 31, 2019, Avid Technology, Inc. (the “Company”) entered into a support agreement (the “Agreement”) with Impactive Capital LP (“Impactive”) and Christian A. Asmar (the “Designee”).

Under the Agreement, the Company has agreed to (i) increase the size of its board of directors (the “Board”) from nine to ten directors and (ii) appoint the Designee as a director to serve for a term expiring at the Company’s 2020 annual meeting of stockholders (the “2020 Annual Meeting”). Upon his appointment as a director, the Designee will be offered the opportunity to become a member of the Nominating and Governance Committee of the Board. Subject to certain conditions, including the Designee’s good faith affirmation of his compliance with the Company’s Code of Conduct and Corporate Governance Guidelines, the Company has agreed to nominate the Designee (or a replacement designated by Impactive, subject to certain conditions, including being reasonably acceptable to the Company) for election for one additional year at the 2020 Annual Meeting.

In addition, Impactive and the Designee have agreed that the Designee will promptly tender his resignation from the Board if at any time during which he serves on the Board the number of shares of common stock of the Company beneficially owned by Impactive is less than one half of the common stock of the Company held by Impactive at the time of the Agreement.

Pursuant to the Agreement, Impactive and the Designee are subject to certain standstill restrictions, which prohibit them from, among other things, (i) engaging in any solicitation of proxies or consents or becoming a participant in any solicitation of proxies or consents other than soliciting proxies on behalf of the Company in accordance with the recommendations of the Board; (ii) forming or joining a “group” under of Section 13(d) of the Securities Exchange Act of 1934 (the “Exchange Act”) with respect to the voting securities of the Company; (iii) making or participating, directly or indirectly, in any tender offer, exchange offer, merger, consolidation, acquisition, business combination, sale of a division, sale of substantially all assets, recapitalization, restructuring, liquidation, dissolution or extraordinary transaction involving the Company or any of its subsidiaries; (iv) seeking, alone or in concert with others, representation on the Board or the removal of any member of the Board; (v) making any stockholder proposal; or (vi) calling a special meeting of stockholders, in each case, subject to certain limited exceptions.

These standstill restrictions terminate upon the earliest to occur of (i) May 15, 2020, (ii) the date of the Company’s 2020 annual meeting of stockholders and (iii) ten business days after such date, if any, that Impactive provides written notice to the Company that the Company materially breached any of its commitments or obligations under the Agreement where the Company has not cured such breach within ten business days after such written notice (such period, the “Standstill Period”).

Pursuant to the Agreement, Impactive and the Designee are subject to certain lockup restrictions, which prohibit them from “short-selling” any of the Company’s securities or otherwise acquiring any direct or indirect beneficial ownership of, right to acquire, and/or economic exposure to, any securities of the Company or rights or options to own or acquire any securities of the Company which may increase in value from the decline of the value of any security of the Company.

These lockup provisions terminate upon the earlier of (x) the date of the 2021 annual meeting of stockholders (or such longer period as the Designee or, in certain circumstances, a replacement director selected pursuant to the Agreement, continues to serve on the Board), and (y) ten business days after such date, if any, that the Impactive provides written notice to the Company that the Company has materially breached any of its commitments or obligations under this Agreement where the Company has not cured such breach within ten business days after such written notice (such period, the “Lockup Period”).

During the Standstill Period, Impactive has also agreed to vote its shares in favor of the Company’s nominees of directors for election to the Board and in accordance with any other recommendations of the Board that the Designee has approved in his capacity as a director on the Board.

In connection with entry into the Agreement, Impactive and the Designee have also entered into a non-disclosure agreement, the form of which is attached as Exhibit B to the Agreement.

The Agreement will terminate upon the expiration of the Lockup Period.

The foregoing description is qualified in its entirety by reference to the Agreement, which is attached hereto as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 2.02 Results of Operations and Financial Condition

On October 31, 2019, the Company issued a press release (the "Preliminary Results Press Release") announcing certain preliminary financial results for the third quarter of 2019. In the Preliminary Results Press Release, the Company also announced that it would be holding a conference call on November 7, 2019 to discuss its financial results for the third quarter of 2019. A copy of the Preliminary Results Press Release is attached hereto as Exhibit 99.1.

The information in this Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, and shall not be incorporated by reference in any filing under the Securities Act of 1933, or the Exchange Act.

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

The information in Item 1.01 is incorporated herein by reference. On October 31, 2019, the Board increased the size of the Board from nine to ten directors and appointed Mr. Asmar as a director to serve for a term expiring at the 2020 Annual Meeting.

As a non-employee director, Mr. Asmar will receive the compensation offered to all of the Company's non-employee directors for services on the Board, as disclosed in the Company's definitive proxy statement on Schedule 14A filed by the Company with the Securities and Exchange Commission on April 1, 2019.

The Board has determined that Mr. Asmar is an independent director under the Nasdaq listing standards. Pursuant to the Agreement, Mr. Asmar has agreed to be governed by all Company policies, procedures, processes, codes, rules, standards and guidelines applicable to all Board members.

Item 7.01 Regulation FD Disclosure

On October 31, 2019, the Company issued a press release (the "Board Member Press Release") announcing the entry into the Agreement, the increase in the size of the Board and the appointment of Mr. Asmar to the Board. A copy of the Board Member Press Release is filed as Exhibit 99.2 to this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

<u>Exhibit Number</u>	<u>Description</u>
10.1	<u>Support Agreement, dated as of October 31, 2019, between the Company, Impactive Capital LP and Christian A. Asmar</u>
99.1	<u>Press Release issued by Avid Technology, Inc. dated October 31, 2019 announcing certain preliminary financial results for the third quarter of 2019</u>
99.2	<u>Press Release issued by Avid Technology, Inc. dated October 31, 2019 announcing entry into a Support Agreement and the appointment of a new director</u>

SIGNATURE

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.

AVID TECHNOLOGY, INC.

(Registrant)

Date: October 31, 2019

By: /s/ Kenneth Gayron

Name: Kenneth Gayron

Title: Executive Vice President and Chief Financial Officer

SUPPORT AGREEMENT

This Support Agreement, dated as of October 31, 2019 (this “**Agreement**”), is by and among Avid Technology, Inc., a Delaware corporation (the “**Company**”), Impactive Capital LP (together with its Affiliates, the “**Investor**”), and Christian Alejandro Asmar (the “**Designee**”). The Investor, the Company and the Designee shall each be referred to herein as a “**Party**” and shall collectively be referred to herein as the “**Parties**.”

RECITALS

WHEREAS, the Company and the Investor have engaged in various discussions and communications concerning the Company’s business, financial performance and strategic plans;

WHEREAS, as of the date of this Agreement, the Investor beneficially owns 3,700,000 shares of common stock of the Company, par value \$0.01, (the “**Common Stock**”), representing approximately 8.6% of the shares of Common Stock issued and outstanding as of the date of this Agreement; and

WHEREAS, as of the date of this Agreement, the Company and the Investor have come to an agreement with respect to the nomination for election of the Designee to the Board of Directors of the Company (the “**Board**”) and certain other matters as provided in this Agreement.

NOW THEREFORE, in consideration of, and reliance upon, 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 agree as follows:

1. **Board Representation and Board Matters.** Each Party agrees that:

(a) On or prior to the date hereof, the Company shall take all necessary action to (i) increase the size of the Board by one director to ten directors and (ii) appoint the Designee to serve as a member of the Board in Class III for a term expiring at the annual meeting of stockholders of the Company to be held in 2020 (the “**2020 Annual Meeting**”). Subject to (1) the satisfactory completion of the Company’s standard director questionnaire and background check, (2) receipt of any other information required under the Company’s Corporate Governance Guidelines (which Corporate Governance Guidelines will not be unreasonably amended by the Company prior to the 2020 Annual Meeting), otherwise reasonably required by the Company from all members of the Board or candidates for nomination to the Board or required to be disclosed in the Company’s proxy statement with respect to the 2020 Annual Meeting, (3) the Designee in good faith reaffirming his compliance with the Code of Conduct and Corporate Governance Guidelines, and (4) no Qualifying Disposition having occurred, the Company shall nominate the Designee for election as a director to the stockholders of the Company at the 2020 Annual Meeting for a term expiring at the annual meeting of the Company’s stockholders to be held in 2021 (the “**2021 Annual Meeting**”) and recommend, support and solicit stockholders accordingly in the same manner as for other independent director candidates nominated by the Company at the 2020 Annual Meeting. Board committee assignments are determined by the Nominating and Governance Committee of the Board in consultation with the Chairman of the Board and Chief Executive Officer, and the Designee will be considered for committee assignment in accordance with the usual practice of the Board; *provided*, that upon appointment to the Board, the Designee will be appointed to serve on the Nominating and Governance Committee and shall continue such appointment through the Lockup Period.

(b) If the Designee resigns or is otherwise unable to serve as a director for any reason during the Lockup Period, including failure to satisfy any of the criteria set forth in the second sentence of Section 1(a), the Investor shall select a replacement Designee, reasonably acceptable to the Company, acting in good faith. Any replacement Designee shall be expeditiously appointed following the Investor's selection, subject to the Nominating and Governance Committee's reasonable satisfaction, acting in good faith, with the results of its review of such candidate, including a background check and interview, as well as such candidate (i) if a principal of the Investor, agreeing to be bound by the terms of this Agreement applicable to the Designee, and if not a principal of the Investor, completing, to the reasonable satisfaction of the Company, all onboarding materials required to be completed by independent directors, (ii) qualifying as an "Independent Director" within the meaning of Rule 5605(a)(2) of the Nasdaq Listing Rules, (iii) satisfying the Director Qualification Standards set forth in the Company's Corporate Governance Guidelines and (iv) providing to the Company upon reasonable request such information as is required to be disclosed by SEC and/or Nasdaq rules and regulations in proxy statements for annual meetings of stockholders of the Company, under the Company's Corporate Governance Guidelines or as is otherwise reasonably required by the Company from all members of the Board or candidates for nomination to the Board. Upon appointment to the Board, any replacement Designee shall be considered the "Designee" for all applicable purposes hereunder. In the event the Nominating and Governance Committee determines in good faith not to appoint any replacement proposed by the Investor, the Investor shall have the right to propose additional replacements for consideration, and the provisions of this Section 1(b) shall continue to apply.

(c) The Investor agrees that neither it nor any of its Affiliates (i) will pay any compensation to the Designee (including any replacement director Designee selected pursuant to Section 1(b)) for the Designee's service as a director on the Board or any committee thereof or (ii) will have any agreement, arrangement or understanding, written or oral, with the Designee (including any replacement director Designee selected pursuant to Section 1(b)) for the Designee's service as a director on the Board or any committee thereof.

(d) If a Qualifying Disposition occurs and the Designee is a principal of Investor, then, upon or immediately following the Company's notice of the occurrence of such Qualifying Disposition, the Designee (including any replacement thereof who is also a principal of Investor) shall tender his resignation from the Board, and the Company shall be relieved of all of its obligations under this Agreement.

2. **Proxy Solicitation Materials.** For so long as the Designee serves on the Board, the Company agrees that its proxy statements and other solicitation materials to be delivered to stockholders in connection with annual meetings of stockholders will be prepared in accordance with, and in a manner consistent with the intent and purpose of, this Agreement. For so long as the Designee serves on the Board, the Company will provide the Investor with a true and complete copy of any portion of its proxy statements or other "soliciting materials" (as such term is used in Rule 14a-6 under the Securities Exchange Act of 1934(the "**Exchange Act**")) with respect to annual meetings of stockholders, in each case that refer to the Investor, the Designee or this Agreement, at least five business days before filing such materials with the SEC in order to permit the Investor a reasonable opportunity to review and comment on such portions. Except as required by applicable law, the Company will use the same or substantially similar language, or any summary thereof that is agreed upon for the foregoing filings, in all other filings made by it with the Securities and Exchange Commission (the "**SEC**") that disclose, discuss, refer to or are being filed in response to or as a result of this Agreement. For so long as the Designee serves on the Board, the Investor and the Designee agree to promptly provide the Company all reasonable information relating to the Investor and/or the Designee and other information to the extent reasonably required under applicable law to be included in any Company proxy statement and any other soliciting materials (as such term is used in Rule 14a-6 under the Exchange Act) to

be filed with the SEC or delivered to stockholders of the Company in connection with any annual meeting of stockholders.

3. **Standstill.** Except with the prior written consent of the Company, at all times during the Standstill Period, each of the Investor and the Designee agrees not to, directly or indirectly, and will cause each of its or his respective Affiliates and its or his respective principals, directors, general partners, officers, employees and agents and representatives acting on their behalf (collectively, the “**Restricted Persons**”) not to, directly or indirectly, with respect to the Company:

(a) engage in any “solicitation” (as such term is defined in Rule 14a-1(l) under the Exchange Act) of proxies or consents or become a “participant” (as such term is defined in Instruction 3 to Item 4 of Schedule 14A under the Exchange Act) in any such solicitation of proxies or consents, other than soliciting proxies on behalf of the Company in accordance with the recommendation of the Board;

(b) knowingly encourage, advise or assist any other Person with respect to the giving or withholding of any proxy, vote, consent or other authority to vote, including to publicly disclose or announce how the Investor will vote on any proposal, or in conducting any type of referendum, binding or non-binding, (other than such encouragement, advice or assistance that is consistent with Company management’s recommendation in connection with such matter);

(c) form, join or act in concert with any partnership, limited partnership, syndicate or other group, including a “group” as defined under Section 13(d) of the Exchange Act with respect to any Voting Securities, other than solely with other Affiliates of the Investor with respect to Voting Securities now or hereafter owned by them;

(d) make or in any way participate (either publicly or privately), directly or indirectly, in any tender offer, exchange offer, merger, consolidation, acquisition, business combination, sale of a division, sale of substantially all assets, recapitalization, restructuring, liquidation, dissolution or extraordinary transaction involving the Company or any of its subsidiaries or its or their securities or assets (it being understood that the foregoing shall not restrict the Investor or the Designee from tendering shares, receiving payment for shares or otherwise participating in any such transaction on the same basis as other stockholders of the Company, or from participating in any such transaction that has been approved by the Board); *provided, however* that the Investor and the Designee may raise such matters and participate in discussions of such matters as they occur in the ordinary course during meetings of the Board or committees thereof;

(e) enter into a voting trust, arrangement or agreement or subject any Voting Securities to any voting trust, arrangement or agreement, in each case other than solely with other Affiliates of the Investor or Designee, with respect to Voting Securities now or hereafter owned by them and other than granting proxies in solicitations approved by the Board;

(f) (i) seek, alone or in concert with others, election or appointment to, or representation on, the Board or nominate or propose the nomination of, or recommend the nomination of, any candidate to the Board, except as set forth herein, (ii) seek, alone or in concert with others, the removal of any member of the Board; or (iii) conduct a referendum of stockholders;

(g) make or be the proponent of any stockholder proposal (pursuant to Rule 14a-8 under the Exchange Act or otherwise);

(h) seek to call, or to request the call of, or call a special meeting of the stockholders of the Company, or make any request for stock list materials or other books and records of the Company under Section 220 or the Delaware General Corporation Law or other statutory or regulatory provisions providing for stockholder access to books and records;

(i) except as set forth herein, make any public proposal with respect to (i) any change in the number or term of directors or the filling of any vacancies on the Board, (ii) any material change in the capitalization of the Company, (iii) any other material change in the Company's management, business or corporate structure, (iv) any waiver, amendment or modification to the Company's certificate of incorporation or bylaws, or other actions which may impede the acquisition of control of the Company by any person, (v) causing a class of securities of the Company to be delisted from, or to cease to be authorized to be quoted on, any securities exchange or (vi) causing a class of equity securities of the Company to become eligible for termination of registration under Section 12(g)(4) of the Exchange Act; or

(j) otherwise take, or solicit, cause or encourage others to take, any action inconsistent with any of the foregoing.

Notwithstanding anything to the contrary, nothing in this Agreement shall prohibit or restrict any director of the Company, including the Designee, from acting in good faith in such director's capacity as a director of the Company or from complying with such director's fiduciary duties as a director of the Company (including voting on any matter submitted for consideration by the Board, participating in deliberations or discussions of the Board, and making suggestions or raising any issues or recommendations to the Board).

4. **Lockup.** Except with the prior written consent of the Company, at all times during the Lockup Period, each of the Investor and the Designee agrees not to, directly or indirectly, and will cause the Restricted Persons not to, directly or indirectly "short-sell" any of the Company's securities or otherwise acquire any direct or indirect beneficial ownership of, right to acquire, and/or economic exposure to, any securities of the Company or rights or options to own or acquire any securities of the Company (or any rights, options or other securities convertible into exercisable or exchangeable (whether immediately or following the passage of time or occurrence of a specified event) for securities of the Company), including through any derivative transaction, which securities, rights or options may increase in value from the decline of the value of any Voting Securities.

5. **Non-Disparagement.** During the Lockup Period, the Company, the Investor and the Designee shall each refrain from making, and shall cause their respective Affiliates and its or his and their respective principals, directors, members, general partners, officers and employees not to make or cause to be made any statement or announcement, including in any document or report filed with or furnished to the SEC or through the press, media, analysts or other persons, that constitutes an *ad hominem* attack on, or otherwise disparages, defames, slanders, or impugns the reputation of, (a) in the case of statements or announcements by the Investor or the Designee: the Company or any of its Affiliates, subsidiaries or advisors, or any of its or their respective current or former officers, directors or employees; and (b) in the case of statements or announcements by the Company: the Investor or the Designee or any of the Investor's Restricted Persons or advisors, their respective employees or any person who has served as an employee of the Investor and the Investor's Restricted Persons or advisors. The foregoing shall not (i) restrict the ability of any person to comply with any subpoena or other legal process or respond to a request for information from any governmental authority with jurisdiction over the party from whom information is sought, (ii) apply to any private communications between the Investor, its Affiliates and its and their respective principals, directors, members, general partners, officers and employees, on the one hand, and the Company and its directors, officers, employees, legal counsel or other advisers, on the other hand, or (iii) be deemed to prevent the

Investor, Designee or the Company from complying with its or his respective disclosure obligations under applicable law or Nasdaq rules and regulations (or any other securities exchange on which the Company's securities are traded).

6. **Voting.** Notwithstanding anything in this Agreement to the contrary, until the end of the Standstill Period, the Investor agrees to cause all Voting Securities with respect to which it has any voting authority, whether owned of record or beneficially owned, as of the record date for any annual or special meeting of stockholders or, in connection with any solicitation of stockholder action by written consent (each a **"Stockholder Vote"**), in each case that are entitled to vote in any such Stockholder Vote, to be present for quorum purposes at any such annual or special meeting and to be voted in all such Stockholder Votes or at any adjournment or postponement thereof:

(a) for all directors nominated by the Board for election at such Stockholder Votes;

(b) against any stockholder nominations for director which are not approved and recommended by the Board for election at any such meeting or action by consent; and

(c) in accordance with the recommendation of the Board on any other proposal presented for any applicable Stockholder Vote; *provided* the Designee has approved such recommendation in his capacity as a director on the Board.

7. **Press Release; SEC Filings.** As soon as practicable on or after the date hereof, the Company shall issue a press release, a copy of which is attached hereto as Exhibit A (the **"Press Release"**). Additionally, no later than four business days following the execution and delivery of this Agreement, the Company will file a Current Report on Form 8-K, which shall be in form and substance reasonably acceptable to the Company and the Investor. The Investor will promptly, but in no case prior to the date of public release of the Press Release by the Company, prepare and file an amendment (the **"13D Amendment"**) to its Schedule 13D with respect to the Company, reporting the entry into this Agreement and amending applicable items to conform to its rights and obligations hereunder. The content of the 13D Amendment will be consistent with the Press Release and the terms of this Agreement. The Investor will provide the Company with a reasonable opportunity to review the 13D Amendment prior to filing, and will consider in good faith any changes proposed by the Company solely with respect to Items 4 and 6 thereof. Except as set forth herein, as required by law or the rules of any stock exchange, or with the prior written consent of the Company in the case of the Investor or the Designee or the prior written consent of the Investor, in the case of the Company, no Party will, (i) issue a press release in connection with this Agreement or the actions contemplated hereby or (ii) otherwise make any public disclosure, statement, comment or announcement with respect to this Agreement, the negotiations or discussion that led to this Agreement or the actions contemplated hereby.

8. **Representations and Warranties of each Party.** Each of the Company, the Designee and the Investor represents and warrants to the other Parties that:

(a) Such Party has all requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder.

(b) This Agreement has been duly and validly authorized, executed and delivered by it and is a valid and binding obligation of such Party, enforceable against such Party in accordance with its terms.

(c) This Agreement will not result in a violation of any term or condition of any agreement to which such Party is party or by which such Party may otherwise be bound or of any law, rule, license, regulation, judgment, order or decree governing or affecting such Party.

9. **Representations and Warranties of the Investor.** The Investor represents and warrants that, as of the date hereof:

(a) It beneficially owns (collectively with its Affiliates) 3,700,000 shares of Common Stock.

(b) It (collectively with its Affiliates) has an economic exposure to, including through derivative transactions, an aggregate of 3,700,000 shares of Common Stock.

(c) Except for such ownership or exposure, neither the Investor nor any of its Affiliates has any other direct or indirect beneficial ownership of, right to acquire, and/or economic exposure to, any Voting Securities or rights or options to own or acquire any Voting Securities (or any rights, options or other securities convertible into exercisable or exchangeable (whether immediately or following the passage of time or occurrence of a specified event) for Voting Securities), including through any derivative transaction.

(d) It acknowledges that it and its Affiliates are aware that United States securities laws may restrict any person who has material, non-public information about a company from purchasing or selling any securities of such company while in possession of such information.

10. **Company Policies.** The Designee agrees to, and the Investor will cause the Designee to: (a) comply with all Company policies, procedures, processes, codes, rules, standards and guidelines applicable to all Board members, including the Company's Code of Conduct and Corporate Governance Guidelines (the "**Company Policies**"), true and correct copies of which have been provided to the Designee prior to the date hereof and (b) recuse himself from participating in any meetings (or portions of meetings) of the Board or committees thereof relating specifically to (i) this Agreement or the exercise of any rights or enforcement of any obligations hereunder, (ii) the ownership of shares by the Investor or (iii) any action by the Investor or in response to any action by the Investor. For the avoidance of doubt, the Investor and the Designee each acknowledge and agree that the Designee serves as a member of the Board and is (and will be) governed by and subject to the same protections and obligations regarding confidentiality, conflicts of interest, related party transactions, fiduciary duties, codes of conduct, trading and disclosure policies, director resignation policy, and other governance guidelines and policies of the Company as other directors, and shall be required to preserve the confidentiality of Company business and information, including discussions or matters considered in meetings of the Board or Board committees. Accordingly, unless the Designee (including any replacement thereof) is a principal or partner of the Investor and the Designee (including any replacement thereof) and the Investor have entered into and are bound by a confidentiality agreement substantially in the form attached hereto as Exhibit B, such Designee shall not, and the Investor acknowledges that such Designee may not, share confidential information relating to the Company with the Investor, any of its directors, officers, other employees or attorneys. To the extent not previously submitted, the Designee agrees to submit to the Company all reasonable and customary director onboarding documentation required by the Company from all members of the Board in connection with the appointment or election of a new director as soon as practicable on or after the date of this Agreement. The Designee and the Investor each agree that any transfer, sale or other disposition of beneficial ownership of Voting Securities by the Designee or the Investor while the Designee is a member of the Board will be subject to the Company's insider trading policies, a copy of which have been provided to the Investor and the Designee.

11. **Indemnification.** The Designee shall be entitled to indemnification under the Company's governance documents or any other applicable written agreement with the Company to the extent that the Company's current directors are entitled to indemnification. The Company acknowledges that the Designee may have certain rights to other indemnification, advancement of expenses and/or insurance from the Investor. The Company agrees (a) that, solely with respect to actions of the Designee in the Designee's capacity as a member of the Board, the Company's indemnity obligations to the Designee are primary and any obligation of the Investor to advance expenses or to provide indemnification for the same expenses or liabilities incurred by the Designee are secondary, (b) solely to the extent (i) legally permitted, and (ii) required by the terms of the Company's governance documents or any other applicable written agreement with the Company, that it shall be required to advance the reasonable expenses incurred by the Designee and shall be liable for losses, claims, damages, liabilities and expenses (including reasonable attorneys' fees, judgments, fines, penalties and amounts paid in settlement), and (c) that it irrevocably waives, relinquishes and releases the Investor from any and all claims against the Investor for contribution, subrogation or any other recovery of any kind in respect thereof.

12. **Limited Exceptions.** Notwithstanding anything set forth herein to the contrary, nothing in this Agreement shall prohibit or restrict the Investor, the Designee or any Restricted Person from: (a) communicating privately with the Board or any executive officer or director of the Company, regarding any matter, so long as such communications are not intended to, and would not reasonably be expected to, require any public disclosure of such communications; (b) making private communications, subject to customary confidentiality obligations, to investors or potential investors of the Investor, in each case, solely to the extent containing information that is readily available to the general public; (c) taking any action to the extent necessary to comply with any law, rule or regulation or any action required by any governmental or regulatory authority or stock exchange that has, or may have, jurisdiction over the Investor or Restricted Persons, *provided*, that to the extent legally permissible, prior to taking any such action, the Investor advises the Company promptly and cooperates with the Company in any reasonable attempt by the Company to resist or limit such action; or (d) privately communicating to any stockholder of the Company or others about publicly available information concerning the Company, *provided* that such communications are not reasonably expected to be publicly disclosed, are understood by all parties to be private communications and are not undertaken to circumvent any of the provisions set forth herein.

13. **Miscellaneous.** Each Party recognizes and agrees that if for any reason any provision of this Agreement is not performed in accordance with its specific terms or is otherwise breached, immediate and irreparable harm or injury would be caused for which money damages would not be an adequate remedy. Accordingly, each Party agrees that, in addition to any other remedy the other Party may be entitled to at law or equity, the other Party is entitled to an injunction or injunctions to prevent any breach of this Agreement and to enforce specifically the terms and provisions of this Agreement exclusively in the Chancery Court of the State of Delaware or, if that court lacks subject matter jurisdiction, the United States District Court for the District of Delaware (collectively, the "**Chosen Courts**"). THIS AGREEMENT IS GOVERNED IN ALL RESPECTS, INCLUDING VALIDITY, INTERPRETATION AND EFFECT, BY THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO CONTRACTS EXECUTED AND TO BE PERFORMED WHOLLY WITHIN DELAWARE WITHOUT GIVING EFFECT TO THE CHOICE OF LAW PRINCIPLES OF DELAWARE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

If any action is brought in equity to enforce any provision of this Agreement, no Party will allege, and each party hereby waives the defense, that there is an adequate remedy at law. Furthermore, each Party:

(a) consents to submit itself to the personal jurisdiction of the Chosen Courts if any dispute arises out of this Agreement or the transactions contemplated hereby;

(b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any Chosen Court;

(c) agrees that it will not bring any action relating to this Agreement or the transactions contemplated thereby in any court other than the Chosen Courts;

(d) agrees to waive any bonding requirement under any applicable law, in the case any other party seeks to enforce the terms by way of equitable relief;

(e) irrevocably consents to service of process by a reputable overnight mail delivery service, signature requested, to the address of such parties' principal place of business or as otherwise provided by applicable law; and

(f) IRREVOCABLY WAIVES ANY RIGHT TO A JURY TRIAL OF ANY CONTROVERSY OR CLAIM ARISING UNDER OR RELATING TO THIS AGREEMENT OR THE MAKING, PERFORMANCE OR INTERPRETATION THEREOF, INCLUDING FRAUDULENT INDUCEMENT THEREOF.

14. **No Waiver.** Any waiver by any Party of a breach of any provision of this Agreement does not operate as, nor is construed to be, a waiver of any other breach of such provision or of any breach of any other provision of this Agreement. The failure of any Party to insist upon strict adherence to any term of this Agreement on one or more occasions is not a waiver and does not deprive that Party of the right thereafter to insist upon strict adherence to that or any other term of this Agreement.

15. **Entire Agreement.** This Agreement and the exhibits hereto contain the entire understanding of the Parties with respect to the subject matter hereof and may be amended only by an agreement in writing executed by the Parties.

16. **Notice.** All notices, consents, requests, instructions, approvals or other communications provided for herein and all legal process with regard hereto will be in writing and will be deemed validly given, made or served, (a) upon confirmation of receipt, when sent by email (*provided* such confirmation is not automatically generated); or (b) when actually received at the applicable address specified as follows if given by any other means:

if to the Company:

Avid Technology, Inc.
75 Network Drive
Burlington, MA 01903
Attn: Corporate Secretary
Email: avid.Secretary@avid.com

with a copy, which will not constitute notice, to:

Covington & Burling LLP
One CityCenter

850 Tenth Street, NW
Washington, DC 20001
Attn: David B. H. Martin and David H. Engvall
Email: dmartin@cov.com and dengvall@cov.com

if to the Investor or the Designee:

Impactive Capital LP
152 West 57th Street, 17th Floor
New York, New York 10019
Attn: Jim Garrett, Chief Compliance Officer
Email: jim@impactivecapital.com

with a copy, which will not constitute notice, to:

Olshan Frome Wolosky LLP
1325 Avenue of the Americas
New York, New York 10019
Attn: Elizabeth Gonzalez-Sussman, Esq.
Email: egonzalez@olshanlaw.com

17. **Severability.** Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

18. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one in the same document. This Agreement may be executed by facsimile or PDF signature.

19. **Successors and Assigns.** The terms and conditions of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the Parties 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 the Investor or the Designee, the prior written consent of the Company, and with respect to the Company, the prior written consent of the Investor.

20. **No Third-Party Beneficiaries.** This Agreement is solely for the benefit of the Parties and is not enforceable by any other Person.

21. **Expiration.** Upon the expiration of the Lockup Period in accordance with the definition thereof, this Agreement immediately and automatically terminates in its entirety, and no Party has any further right or obligation under this Agreement. Notwithstanding the foregoing, the Investor and the Designee agree that, following any termination of the Agreement: (a) the Designee may not share confidential information relating to the Company in a manner which would have violated this Agreement prior to termination, and (b) United States securities laws may restrict any person who has material, nonpublic information about a company from purchasing or selling any securities of such company while in possession of such information.

22. **Expenses.** Except as may otherwise be agreed between the Investor and the Designee solely with respect to the expenses of these two Parties, each Party will bear its respective expenses incurred in connection with the preparation, execution and performance of this Agreement and the transactions contemplated hereby; *provided*, that promptly following the execution of this Agreement and receipt of reasonable supporting documentation, the Company will reimburse the Investor, by check or wire transfer to an account designated in writing by the Investor, for its reasonable fees of external counsel incurred in connection with the Investor's engagement with the Company to date, including the preparation and execution of this Agreement in an amount not to exceed \$50,000.

23. **Interpretation and Construction.** Each Party acknowledges that it has been represented by counsel of its choice throughout all negotiations that have preceded the execution of this Agreement and that each Party has executed the same with the advice of said counsel. Each Party and its counsel cooperated and participated in the drafting and preparation of this Agreement and any and all drafts relating thereto exchanged among the Parties is deemed the work product of all Parties and may not be construed against any Party by reason of its drafting or preparation. Accordingly, any rule of law or any legal decision that would require interpretation of any ambiguities in this Agreement against any Party that drafted or prepared it is of no application and is hereby expressly waived by each Party and any controversy over any interpretation of this Agreement will be decided without regard to events of drafting or preparation. The section headings contained in this Agreement are for reference only and do not affect in any way the meaning or interpretation of this Agreement. References to defined terms in the singular shall include the plural and references to defined terms in the plural shall include the singular. "Extent" in the phrase "to the extent" means the degree to which a subject or other thing extends, and such phrase does not mean simply "if." "Including" (and, with correlative meaning, "include") means including, without limiting the generality of any description preceding or succeeding such term and the rule of *ejusdem generis* will not be applicable to limit a general statement preceded, followed by or referable to an enumeration of specific matters, to matters similar to those specifically mentioned. All references herein to "Sections", "Exhibits" or "Schedules" shall be deemed to be references to Sections hereof or Exhibits or Schedules hereto unless otherwise indicated.

24. **Other Definitions.** As used in this Agreement:

(a) **"Affiliate"** has the meaning in Rule 12b-2 under the Exchange Act.

(b) **"Beneficial owner"** and "beneficially own" have their respective meanings in Rule 13d-3 under the Exchange Act; *provided*, that if a person is the Receiving Party to a Derivative Contract with respect to any shares of Common Stock or other Voting Securities, such person shall be deemed to be the "beneficial owner" of the Notional Number of shares of Common Stock or other Voting Securities, as applicable, with respect to such Derivatives Contract.

(c) **"Derivatives Contract"** means a contract between two parties (the **"Receiving Party"** and the **"Counterparty"**) that is designed to produce economic benefits and risks to the Receiving Party that correspond substantially to the ownership by the Receiving Party of a number of Voting Securities or shares of Common Stock specified or referenced in such contract (the number corresponding to such economic benefits and risks, the **"Notional Number"**), regardless of whether (a) obligations under such contract are required or permitted to be settled through the delivery of cash, shares of Common Stock or other property or (b) such contract conveys any voting rights in shares of Common Stock or other Voting Securities. For the avoidance of doubt, interests in broad based index options, broad based index futures and broad based publicly traded market baskets of stocks approved for trading by the appropriate federal governmental authority shall not be deemed to be Derivatives Contracts.

(d) **“Lockup Period”** means the period from the date hereof until the earlier of (x) the date of the 2021 Annual Meeting (or such longer period as any Designee who is also a principal of the Investor continues to serve on the Board), and (y) ten business days after such date, if any, that the Investor provides written notice to the Company (specifying the relevant facts) that the Company has materially breached any of its commitments or obligations under this Agreement; *provided*, this clause (y) shall not apply if such material breach is capable of being cured and is cured to the reasonable satisfaction of the Investor within ten business days of the date of the Investor’s written notice specifying such material breach.

(e) **“Person”** means any natural person, general or limited partnership, corporation, limited liability or unlimited liability company, joint venture, estate, trust, group, association or other entity of any kind or structure.

(f) **“Qualifying Disposition”** will be deemed to have occurred at such time as the number of shares of Common Stock beneficially owned, in the aggregate, by the Investor, is less than one-half of the Common Stock beneficially owned, in the aggregate, by the Investor as of the date hereof (all items as adjusted for any stock dividends, combinations, splits, recapitalizations and the like).

(g) **“Standstill Period”** means the period from the date hereof until the earlier of (x) May 15, 2020, (y) the date of the 2020 Annual Meeting, and (z) ten business days after such date, if any, that the Investor provides written notice to the Company (specifying the relevant facts) that the Company has materially breached any of its commitments or obligations under this Agreement; *provided*, this clause (y) shall not apply if such material breach is capable of being cured and is cured to the reasonable satisfaction of the Investor within ten business days of the date of the Investor’s written notice specifying such material breach.

(h) **“Voting Securities”** means the Common Stock and all other securities of the Company entitled to vote in the election of directors.

IN WITNESS WHEREOF, each Party has executed this Agreement or caused the same to be executed by its duly authorized representative as of the date first above written.

AVID TECHNOLOGY INC.

By: /s/ Jason A. Duva
Name: Jason A. Duva
Title: EVP, Chief Legal & Administrative Officer

IMPACTIVE CAPITAL LP

By: /s/ Christian Asmar
Name: Christian Asmar
Title: Managing Member

/s/ Christian Alejandro Asmar
Christian Alejandro Asmar

[Signature page - Support Agreement]

Exhibit A

Press Release

Avid Board adds Christian Asmar from Impactive Capital as New Director

BURLINGTON, Mass., October 31, 2019 -- Avid® (NASDAQ: AVID), a leading technology provider that powers the media and entertainment industry, announced today that it has added a new director, Christian A. Asmar, co-founder and Managing Partner at Impactive Capital LP (“Impactive Capital”), to the Company’s Board of Directors. Impactive Capital is currently Avid’s second largest shareholder and owns 3,700,000 shares. To allow for this appointment, the Board increased its size to ten directors.

Peter Westley, Chairman of Avid’s Board of Directors stated, “Christian will bring extensive investment and advisory experience to Avid, and we believe that his experience and skills will complement the existing Board members. Our Board regularly assesses its makeup to ensure that it includes members with a broad set of skills and experience to provide increased value to shareholders. We value the commitment to Avid and the constructive engagement that Impactive Capital has brought, and we are pleased to welcome Christian to our Board.”

Mr. Asmar stated, “I am honored to join Avid’s Board. I look forward to the opportunity to work with the Board and the management team to support the execution of the growth strategy and to realize the full potential of the company. As Avid continues its transition to a recurring revenue model, the company has an opportunity to deliver meaningful shareholder value.”

Mr. Rosica stated, “We welcome Christian to our Board as a significant Avid shareholder and we value the analysis and perspective we’ve received from the Impactive team to date. We look forward to working with him and the Board to continue developing our long-term strategy, to build on our strong market position and to generate profitable growth while expanding our recurring revenue.”

In connection with Mr. Asmar’s election to the Board, Avid entered into a Support Agreement (the “Agreement”) with Impactive Capital and Mr. Asmar. Under the Agreement Mr. Asmar has been appointed to the Nominating and Governance Committee and, subject to certain conditions, will be re-nominated to the Board at the 2020 annual meeting. Impactive Capital has also been granted customary replacements rights in the event Mr. Asmar cannot serve on the Board for any reason. The Agreement includes customary standstill provisions and a voting agreement to support the Board’s proposals at the 2020 annual meeting, subject to certain exceptions. Further details on the support agreement will be contained in a current report on Form 8-K to be filed by Avid.

About Christian Asmar

Mr. Asmar is co-founder and Managing Partner of Impactive Capital. Prior to founding Impactive Capital in 2018, Mr. Asmar spent eight years at Blue Harbour Group, a \$3 billion activist investment firm where he was a Managing Director and Investing Partner. At Blue Harbour, he led many of the firm’s investments where he advised CEOs and boards of public companies on capital allocation, ESG issues, and strategic considerations. Prior to joining Blue Harbour, Mr. Asmar was a founding team member of Morgan Stanley Infrastructure Partners (“MSIP”). Prior to his tenure at MSIP, he worked in the Investment Banking division at Morgan Stanley. Mr. Asmar is a member of New America Alliance, and graduated magna cum laude from Princeton University with a B.S.E. in Operations Research & Financial Engineering and minors in Finance, Engineering & Management Systems and Robotics & Intelligent Systems.

About Impactive Capital

Impactive Capital is a New York based investment management firm founded by Christian Alejandro Asmar and Lauren Taylor Wolfe. Impactive Capital invests in high quality public companies that it believes to be fundamentally undervalued and works constructively with management teams and boards to enhance shareholder value through capital allocation, strategic and value enhancing environmental, social and governance

improvements. Impactive Capital focuses on positive systemic change to help build more competitive, sustainable and valuable businesses for the long run.

About Avid

Avid delivers the most open and efficient media platform, connecting content creation with collaboration, asset protection, distribution, and consumption. Avid's preeminent customer community uses Avid's comprehensive tools and workflow solutions to create, distribute and monetize the most watched, loved and listened to media in the world—from prestigious and award-winning feature films to popular television shows, news programs and televised sporting events, and celebrated music recordings and live concerts. With the most flexible deployment and pricing options, Avid's industry-leading solutions include Media Composer®, Pro Tools®, Avid NEXIS®, MediaCentral®, iNEWS®, AirSpeed®, Sibelius®, Avid VENUE™, Avid FastServe®™, Maestro™, and PlayMaker™. For more information about Avid solutions and services, visit www.avid.com, connect with Avid on Facebook, Instagram, Twitter, YouTube, LinkedIn, or subscribe to Avid Blogs.

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Contacts

Investor contact:	PR contact:
Whit Rappole	Jim Sheehan
Avid	Avid
ir@avid.com	jim.sheehan@avid.com
(978) 275-2032	(978) 640-3152

Exhibit B

Form of Confidentiality Agreement

INVESTOR AND DIRECTOR NON-DISCLOSURE AGREEMENT

The undersigned (the “Director”), being an affiliate of Impactive Capital LP (together with its affiliates, “Impactive”) as well as a member of the Board of Directors of Avid Technology, Inc., a Delaware corporation (the “Company”), may be provided certain information and data in connection with serving as a director of the Company which the Company wishes to keep confidential, including, but not limited to, information regarding the Company’s governance, board of directors, management, plans, strategies, business, finances or operations, including information relating to financial statements, evaluations, plans, programs, customers, equipment and other assets, products, processes, manufacturing, marketing, research and development, know-how and technology, intellectual property and trade secrets and information which the Company has obtained from third parties and with respect to which the Company is obligated to maintain confidentiality (collectively, and regardless of whether provided to Impactive or the Director prior to (including under the Prior NDA (as defined below)), on or after the date hereof and together with all files, letter, memoranda reports and other documentation prepared by Impactive or the Director to the extent containing such information, the “Confidential Information”). The Director wishes to disclose Confidential Information to Impactive and its affiliates, members, directors, officers employees, representatives, including without limitation, attorneys, accountants and financial and other advisors (each an “Impactive Representative, or collectively, the “Impactive Representatives”). Except as provided in this Agreement, the Director and Impactive will not disclose any Confidential Information publicly or to any person or entity or use any Confidential Information other than as permitted herein and use by the Director in his capacity as a director of the Company without in each instance securing the prior written consent of the Company.

Nothing contained in this Agreement shall prevent (a) the Director from disclosing Confidential Information to (i) officers, directors, accountants and counsel for the Company in his capacity as a director of the Company or (ii) the Director’s counsel (“Director Representative”), or (b) the Director or Impactive from disclosing Confidential Information to Impactive Representatives. Neither the Director nor Impactive may provide any Confidential Information to any Director Representative or Impactive Representative unless the Director or Impactive, as applicable, informs such recipient of the confidential nature of the Confidential Information and the Director Representative or Impactive Representative are directed to and agree to keep such information confidential and to restrict the use of such confidential information in accordance with the terms of this Agreement. The Director shall be responsible for any breach or violation of this Agreement by any Director Representative or by any Impactive Representative.

The term “Confidential Information” shall not include information which (a) is at the time of disclosure or thereafter becomes generally available to the public other than as a result of a disclosure by the Director, Impactive, a Director Representative or an Impactive Representative; (b) was, prior to disclosure by the Company, already in the possession of the Director, Impactive, a Director Representative (in its capacity as such) or an Impactive Representative (in its capacity as such); *provided* that the source of such information was, to such person’s knowledge after reasonable inquiry, not bound by a confidentiality agreement with or other contractual, legal or fiduciary obligation of confidentiality to the Company or otherwise with respect to the Confidential Information; (c) becomes available to the Director, Impactive, a Director Representative (in its capacity as such) or an Impactive Representative (in its capacity as such) on a non-confidential basis from a source (other than the Company or an affiliate or representative of the Company) that is, to such person’s knowledge after reasonable inquiry, not bound by a confidentiality agreement with or other contractual, legal or fiduciary obligation of confidentiality to the Company or any other person or entity, and

is not, to such person's knowledge after reasonable inquiry, under an obligation to the Company or any other person or entity not to transmit the information to such person; or (d) was independently developed by the Director, Impactive, a Director Representative or an Impactive Representative without reference to or use of the Confidential Information, as can be evidenced by contemporaneous written records.

The Company and Impactive agree that upon the execution hereof, that certain Non-Disclosure Agreement between the Company and Impactive, dated as of September 6, 2019 (the "Prior NDA"), shall be terminated and of no further force and effect.

All Confidential Information in the custody or possession of the Director, Impactive, the Director Representatives and Impactive Representatives shall be destroyed (with such destruction certified in writing to the Company by the Director and an authorized officer of Impactive supervising such destruction) upon no later than three business days following the request of the Company. After such delivery or destruction, none of the Director, Impactive, the Director Representatives or Impactive Representatives shall retain any such materials or copies thereof or any such tangible property. Notwithstanding the foregoing, (a) Impactive, the Company, the Director Representatives and the Impactive Representatives may retain (i) solely for compliance purposes copies of the Confidential Information in its possession in accordance with *bona-fide* policies and procedures implemented by it in order to comply with applicable law, rule, regulation or professional standards and (ii) computer records and computer files containing any Confidential Information if required pursuant to its current automatic archiving and backup procedures so long as such information is not restored and (b) the Director may retain copies of Confidential Information required in order to satisfy his fiduciary duties to the Company; *provided*, in each case, that, such Confidential Information will remain subject to the confidentiality and non-use provisions hereof so long as it is so held.

The Director and Impactive are aware, and will advise any Director Representative or any Impactive Representative who receive Confidential Information or are otherwise informed of the matters that are the subject of this Agreement, of the restrictions imposed by the Company's insider trading policies and the United States securities laws on the purchase or sale of securities by any person who has received material, non-public information from a publicly traded company and on the communication of such information to any other person who may purchase or sell such securities in reliance upon such information. The Director and Impactive will comply with the Company's insider trading policies and all applicable securities laws in connection with the purchase or sale, directly or indirectly, of securities of the other party for as long as the Director or Impactive, as applicable, is in possession of material non-public information about the Company. The Director and the Company acknowledge that none of the provisions hereto shall in any way limit Impactive's or Impactive Representatives' activities in their respective ordinary course of business if such activities will not violate applicable securities laws, the Company's insider trading policies or the obligations specifically agreed to under this Agreement.

The Director and Impactive acknowledge and agree that the Company does not make any representation or warranty as to the accuracy or completeness of the Confidential Information furnished by it to the Director. The Company shall not have any liability to the Director, Impactive, any Director Representative or any Impactive Representative hereunder resulting from the use of the Confidential Information by the Director, Impactive, any Director Representative or any Impactive Representative.

In the event that the Director, any Director Representative or any Impactive Representative is required in any proceeding or governmental inquiry to disclose any Confidential Information, the Director will give the Company prompt notice, to the extent permissible, of such requirement so that the Company may, at its sole expense, seek an appropriate protective order or waive compliance with the applicable provisions of this Agreement. If in the absence of a protective order or waiver, the Director, any Director Representative or any Impactive Representative, based upon the advice of counsel, are legally required to disclose Confidential

Information, or if the Company waives compliance with this Agreement, such person or entity may disclose without liability under this Agreement only such portion of the Confidential Information which counsel advises that the Director, any Director Representative or any Impactive Representative is legally required to disclose.

Each party hereto acknowledges and agrees that money damages would not be a sufficient remedy for any breach (or threatened breach) of this Agreement and that each party shall be entitled to equitable relief, including injunction and specific performance, as a remedy for any such breach (or threatened breach), without proof of damages, and each party further agrees to waive any requirement for the securing or posting of any bond in connection with any such remedy. Such remedies shall not be the exclusive remedies for a breach of this Agreement, but will be in addition to all other remedies available at law or in equity.

This Agreement may not be amended except in writing signed by all parties hereto. No failure or delay by any party in exercising any right hereunder or any partial exercise thereof shall operate as a waiver thereof or preclude any other or further exercise of any right hereunder.

The provisions of this Agreement relating to confidentiality and non-use shall terminate two (2) years after the Director ceases to be a director of the Company; provided that, with respect to any Confidential Information constituting trade secrets, such confidentiality and non-use obligations shall continue perpetually. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision.

This Agreement shall be governed by the laws of the state of Delaware, without giving effect to any conflicts of laws principles thereof to the extent that the application of the laws of another jurisdiction would be required thereby. THE PARTIES HEREBY WAIVE TRIAL BY JURY IN CONNECTION WITH ANY ACTION OR SUIT ARISING UNDER THIS AGREEMENT OR OTHERWISE ARISING FROM THE RELATIONSHIP BETWEEN THE PARTIES HERETO.

No party hereto may assign this Agreement without the prior written consent of, in the case of an assignment by the Company, Impactive, and in the case of an assignment by Impactive or the Director, the Company, and the rights, obligations and liabilities of the parties under this Agreement shall be binding on each party's successors and permitted assigns.

This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute the same document. This Agreement may be executed by facsimile or PDF signature.

[Signature Page Follows]

Acceptance of the above terms shall be indicated by having this letter countersigned by the Director and Impactive and returning one copy to the Company.

AVID TECHNOLOGY, INC.

By:

Name:

Title:

Received and consented to this 31st day of October, 2019

By:

IMPACTIVE CAPITAL LP

By:

Name:

Title:

[Signature Page - Investor and Director Non-Disclosure Agreement]

Avid Technology Announces Preliminary Q3 2019 Results and Revises Full-Year 2019 Guidance

Schedules earnings call for November 7, 2019

BURLINGTON, Mass., October 31, 2019 -- Avid® (NASDAQ: AVID), a leading technology provider that powers the media and entertainment industry, today announced preliminary results for the third quarter ended September 30, 2019, based upon preliminary unaudited financial information.

Revenue for the third quarter is expected to be between \$92.5 million and \$94.5 million, below the Company's previous guidance of \$101.0 million to \$109.0 million, provided on August 5, 2019.

On a GAAP basis, operating income for the third quarter is expected to be between \$8.0 million and \$9.0 million. On a non-GAAP basis, Adjusted EBITDA for the third quarter is expected to be between \$12.0 million and \$13.0 million, below the Company's previous guidance of \$13.5 million to \$18.5 million. The difference between the expected GAAP and non-GAAP results is primarily stock-based compensation expense and depreciation expense.

The revenue shortfall during the third quarter was due primarily to:

- Greater than expected challenges implementing the new supply chain model, including ramping up the new production lines, which resulted in approximately \$8.1 million of hardware orders that were unfilled at the end of the third quarter that the Company expects to ship during the fourth quarter. The Company remains confident that the transition to the new outsourced manufacturing partner will deliver the cost structure improvements and reductions in inventory that the Company has previously disclosed.
- The balance of the revenue shortfall was due to product sales to enterprise clients that fell short of expectations, and that mainly impacted revenue in the storage and media management product categories.

These negative factors were partially offset by expected strong results in the Company's subscription software revenue and an expected sequential increase in maintenance revenue.

"Although we are disappointed with our performance during the third quarter, we remain enthusiastic about the long-term trajectory of the Company and the opportunity for improving growth and profitability," said Jeff Rosica, CEO and President. Mr. Rosica continued, "We expect to report strong growth in our subscription software business and sequentially higher maintenance revenue for the third quarter."

During the third quarter of 2019, the Company achieved the following:

- Software subscriptions were approximately 170,000 as of September 30, 2019, up 46% over September 30, 2018. The increase in subscriptions of 23,000 during the quarter represents the largest ever quarterly increase.
- Software subscription revenue for the third quarter is expected to be between \$10.0 million and \$10.5 million. From a cash perspective, software subscription billings increased approximately 49% year-over-year in the third quarter, slightly ahead of the increase in the number of subscriptions, due in part to pricing increases during the third quarter.
- Maintenance revenue for the third quarter is expected to be between \$32.8 million and \$33.8 million, sequentially up from the second quarter of 2019. During 2019, the Company has been experiencing a headwind from ending the sale of support contracts for certain legacy storage products at the end of 2018, which reduced maintenance revenues year-over-year by

approximately (\$2.2) million in the third quarter, and which is expected to fully dissipate on a sequential basis by the second quarter of 2020.

- Annual Contract Value was approximately \$258 million as of September 30, 2019, up approximately 4% year-over year, and LTM Recurring Revenue was approximately 59% for the twelve months ended September 30, 2019.
- Net cash provided by (used in) operating activities for the third quarter is expected to be between (\$3.0) million and (\$2.0) million. Free Cash Flow for the third quarter is expected to be between (\$5.1) million and (\$4.1) million, an improvement of between \$1.3 million and \$2.3 million over the third quarter of 2018.
- Cash balance at September 30, 2019 was \$52.3 million. Total debt at September 30, 2019 was \$229.3 million.

These preliminary, unaudited results are based on management's preliminary review of operations for the quarter ended September 30, 2019, and remain subject to completion of the Company's customary quarterly closing and review procedures.

Explanations regarding our use of non-GAAP financial measures and operational metrics and related definitions are provided in the section below entitled "Non-GAAP Financial Measures and Operational Metrics".

Mr. Rosica continued, "While challenging in the short term, we believe the transition to the new manufacturing partner will create longer term cost efficiencies and will provide a working capital benefit from lower inventory levels as we move to more of a lean supply chain. We expect both maintenance and subscription revenues to grow sequentially in the third quarter. All these factors combined with the expected third quarter results contribute to our revised full year 2019 guidance."

Revised Full Year 2019 Guidance

Avid is updating its guidance for revenue, Adjusted EBITDA and Non-GAAP Net Income per Share, and reaffirming its guidance for Free Cash Flow for full-year 2019. While the Company believes the factors that negatively impacted revenue in the third quarter are largely temporary, it does not expect to recover all of the revenue shortfall during the fourth quarter, and so is updating its full-year 2019 guidance.

	Prior	Revised
<i>(\$ millions, except per share amounts)</i>	Full-Year 2019	Full-Year 2019
Revenue	\$420 - \$430	\$405 - \$415
Adjusted EBITDA	\$60 - \$65	\$55 - \$60
Free Cash Flow	\$12 - \$17	\$12 - \$17
Non-GAAP Net Income per Share	\$0.60 - \$0.72	\$0.50 - \$0.60

All guidance presented by the Company is inherently uncertain and subject to numerous risks and uncertainties. Avid's actual future results of operations could differ materially from those shown in the table above. For a discussion of some of the key assumptions underlying the guidance, as well as the key risks and uncertainties associated with these forward-looking statements, please see "Forward-Looking Statements" below.

Third Quarter 2019 Earnings Release and Conference Call scheduled for November 7, 2019

Avid also announced that Mr. Rosica and Ken Gayron, Executive Vice President and Chief Financial Officer, will host a conference call on Thursday, November 7, 2019 at 5:00 p.m. ET to discuss the

company's financial results for the third quarter of 2019, which Avid expects to publish after the market close that day.

Conference call information:

Date & time: Thursday, November 7, 2019, 5:00pm EST

Dial-in number: +1 334-777-6978

Confirmation code: 7163009

Webcast link (listen only) and presentation slides: <http://ir.avid.com>

Replay number: +1 719-457-0820, passcode: 7163009

A replay of the conference call and webcast will be available for a limited time by dialing the replay number above or by visiting Avid's investor relations website at ir.avid.com.

Non-GAAP Financial Measures and Operational Metrics

Avid includes non-GAAP financial measures in this press release, including Adjusted EBITDA and Free Cash Flow. The Company defines Adjusted EBITDA as GAAP operating income excluding amortization of intangible assets, stock-based compensation, restructuring costs, net, restatement costs, acquisition integration and other costs, and depreciation expense. The Company defines Free Cash Flow as net cash (used in) provided by operating activities less capital expenditures. The Company also includes the operational metrics of Cloud-enabled software subscriptions, Recurring Revenue and Annual Contract Value in this release. Avid believes the non-GAAP financial measures and operational metrics provided in this release provide helpful information to investors with respect to evaluating the Company's performance. Unless noted, all financial and operating information is reported based on actual exchange rates. Definitions of the non-GAAP financial measures and operational metrics are included in our Form 8-K filed August 5, 2019.

The earnings release also includes forward-looking non-GAAP financial measures, including Adjusted EBITDA , Free Cash Flow and Non-GAAP Net Income per Share. Reconciliations of these forward-looking non-GAAP financial measures are not included in this release due to the high variability and difficulty in making accurate forecasts and projections of some of the excluded information, together with some of the excluded information not being ascertainable or accessible at this time. As a result, the Company is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measure without unreasonable efforts.

Forward-Looking Statements

Certain information provided in this press release, including the tables attached hereto, include forward-looking statements that involve risks and uncertainties, including projections and statements about our anticipated plans, objectives, expectations and intentions. Among other things, this press release includes estimated results of operations for the year ending December 31, 2019, which estimates are based on a variety of assumptions about key factors and metrics that will determine our future results of operations, including, for example, anticipated market uptake of new products and market-based cost inflation. Other forward-looking statements include, without limitation, statements based upon or otherwise incorporating judgments or estimates relating to future performance such as future operating results and expenses; earnings; backlog; revenue backlog conversion rate; product mix and free cash flow; Recurring Revenue and Annual Contract Value; our future strategy and business plans; our product plans, including products under development, such as cloud and subscription based offerings; our ability to raise capital and our liquidity. The projected future results of operations, and the other forward-looking statements in this

release, are based on current expectations as of the date of this release and subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including but not limited to the effect on our sales, operations and financial performance resulting from: our liquidity; our ability to execute our strategic plan including our cost saving strategies, and meet customer needs; our ability to retain and hire key personnel; our ability to produce innovative products in response to changing market demand, particularly in the media industry; our ability to successfully accomplish our product development plans; competitive factors; history of losses; fluctuations in our revenue based on, among other things, our performance and risks in particular geographies or markets; our higher indebtedness and ability to service it and meet the obligations thereunder; restrictions in our credit facilities; our move to a subscription model and related effect on our revenues and ability to predict future revenues; fluctuations in subscription and maintenance renewal rates; elongated sales cycles; fluctuations in foreign currency exchange rates; seasonal factors; adverse changes in economic conditions; variances in our revenue backlog and the realization thereof; and the possibility of legal proceedings adverse to our company. Moreover, the business may be adversely affected by future legislative, regulatory or other changes, including tax law changes, as well as other economic, business and/or competitive factors. The risks included above are not exhaustive. Other factors that could adversely affect our business and prospects are set forth in our public filings with the SEC. Forward-looking statements contained herein are made only as to the date of this press release and we undertake no obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.

About Avid

Avid delivers the most open and efficient media platform, connecting content creation with collaboration, asset protection, distribution, and consumption. Avid's preeminent customer community uses Avid's comprehensive tools and workflow solutions to create, distribute and monetize the most watched, loved and listened to media in the world-from prestigious and award-winning feature films to popular television shows, news programs and televised sporting events, and celebrated music recordings and live concerts. With the most flexible deployment and pricing options, Avid's industry-leading solutions include Media Composer®, Pro Tools®, Avid NEXIS®, MediaCentral®, iNEWS®, AirSpeed®, Sibelius®, Avid VENUE™, Avid FastServe®™, Maestro™, and PlayMaker™. For more information about Avid solutions and services, visit www.avid.com, connect with Avid on Facebook, Instagram, Twitter, YouTube, LinkedIn, or subscribe to Avid Blogs.

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Avid Board adds Christian Asmar from Impactive Capital as New Director

BURLINGTON, Mass., October 31, 2019 -- Avid® (NASDAQ: AVID), a leading technology provider that powers the media and entertainment industry, announced today that it has added a new director, Christian A. Asmar, co-founder and Managing Partner at Impactive Capital LP (“Impactive Capital”), to the Company's Board of Directors. Impactive Capital is currently Avid’s second largest shareholder and owns 3,700,000 shares. To allow for this appointment, the Board increased its size to ten directors.

Peter Westley, Chairman of Avid’s Board of Directors stated, “Christian will bring extensive investment and advisory experience to Avid, and we believe that his experience and skills will complement the existing Board members. Our Board regularly assesses its makeup to ensure that it includes members with a broad set of skills and experience to provide increased value to shareholders. We value the commitment to Avid and the constructive engagement that Impactive Capital has brought, and we are pleased to welcome Christian to our Board.”

Mr. Asmar stated, “I am honored to join Avid’s Board. I look forward to the opportunity to work with the Board and the management team to support the execution of the growth strategy and to realize the full potential of the company. As Avid continues its transition to a recurring revenue model, the company has an opportunity to deliver meaningful shareholder value.”

Mr. Rosica stated, “We welcome Christian to our Board as a significant Avid shareholder and we value the analysis and perspective we’ve received from the Impactive team to date. We look forward to working with him and the Board to continue developing our long-term strategy, to build on our strong market position and to generate profitable growth while expanding our recurring revenue.”

In connection with Mr. Asmar’s election to the Board, Avid entered into a Support Agreement (the “Agreement”) with Impactive Capital and Mr. Asmar. Under the Agreement Mr. Asmar has been appointed to the Nominating and Governance Committee and, subject to certain conditions, will be re-nominated to the Board at the 2020 annual meeting. Impactive Capital has also been granted customary replacements rights in the event Mr. Asmar cannot serve on the Board for any reason. The Agreement includes customary standstill provisions and a voting agreement to support the Board’s proposals at the 2020 annual meeting, subject to certain exceptions. Further details on the support agreement will be contained in a current report on Form 8-K to be filed by Avid.

About Christian Asmar

Mr. Asmar is co-founder and Managing Partner of Impactive Capital. Prior to founding Impactive Capital in 2018, Mr. Asmar spent eight years at Blue Harbour Group, a \$3 billion activist investment firm where he was a Managing Director and Investing Partner. At Blue Harbour, he led many of the firm’s investments where he advised CEOs and boards of public companies on capital allocation, ESG issues, and strategic considerations. Prior to joining Blue Harbour, Mr. Asmar was a founding team member of Morgan Stanley Infrastructure Partners (“MSIP”). Prior to his tenure at MSIP, he worked in the Investment Banking division at Morgan Stanley. Mr. Asmar is a member of New America Alliance, and graduated magna cum laude from Princeton University with a B.S.E. in Operations Research & Financial Engineering and minors in Finance, Engineering & Management Systems and Robotics & Intelligent Systems.

About Impactive Capital

Impactive Capital is a New York based investment management firm founded by Christian Alejandro Asmar and Lauren Taylor Wolfe. Impactive Capital invests in high quality public companies that it believes to be fundamentally undervalued and works constructively with management teams and boards to enhance shareholder value through capital allocation, strategic and value enhancing environmental, social and governance improvements. Impactive Capital focuses on positive systemic change to help build more competitive, sustainable and valuable businesses for the long run.

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