

ADAPTEC INC  
Form PRE 14A  
October 12, 2007

SCHEDULE 14A INFORMATION

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION  
Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for the use of the Commission only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14(a)-11(c) or §240.14(a)-12

ADAPTEC, INC.

---

(Name of Registrant as Specified in its Charter)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  1. Title of each class of securities to which transaction applies:
  2. Aggregate number of securities to which transaction applies:
  3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  4. Proposed maximum aggregate value of transaction:
  5. Total fee paid:
- Fee paid previously by written preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Edgar Filing: ADAPTEC INC - Form PRE 14A

1. Amount Previously Paid:
  2. Form, Schedule or Registration Statement No.:
  3. Filing Party:
  4. Date Filed:
- 
-

Note: PDF provided as a courtesy

October [\_\_], 2007

To our stockholders:

You are cordially invited to attend the 2007 Annual Meeting of Stockholders (the "Annual Meeting") to be held at the Embassy Suites Hotel located at 901 East Calaveras Boulevard, Milpitas, California 95035 on Thursday, December 13, 2007 at 10:00 a.m., local time.

The matters to be acted upon at the Annual Meeting are described in detail in the accompanying Notice of 2007 Annual Meeting of Stockholders and Proxy Statement.

If you received your Annual Meeting materials by mail, the Notice of 2007 Annual Meeting of Stockholders, Annual Report, Proxy Statement and WHITE proxy card or voting instruction card are enclosed. If you received your Annual Meeting materials by email, the email contains voting instructions and links to the Annual Meeting materials on the Internet.

Please use this opportunity to contribute to our company by voting on the matters to come before the Annual Meeting. Whether or not you plan to attend the Annual Meeting, if you are a beneficial holder (see definition in the accompanying Proxy Statement), you may cast your vote online even if you did not receive your Annual Meeting materials by email. To vote online, follow the instructions for online voting contained within your Annual Meeting materials. In addition, if you are a beneficial holder and you live in the United States or Canada, you may vote by telephone by following the instructions for telephone voting contained within your Annual Meeting materials. If you are a beneficial holder and you received your Annual Meeting materials by mail and do not wish to vote online or by telephone, or if you are a registered stockholder (see definition in the accompanying Proxy Statement), please complete, date, sign and promptly return the enclosed WHITE proxy card or voting instruction card in the enclosed postage-paid envelope before the Annual Meeting so that your shares will be represented at the Annual Meeting. Voting online, by telephone or by returning the WHITE proxy card or voting instruction card does not deprive you of your right to attend the Annual Meeting and to vote your shares in person.

A group led by Steel Partners II, L.P. ("Steel Partners") filed a preliminary proxy statement on August 24, 2007 in connection with its efforts to have five of its nominees elected at the Annual Meeting to serve on our Board of Directors. If elected, these five directors would constitute a majority of the Board. Your Board believes that it is in the best interests of Adaptec and its stockholders to elect the eight nominees identified in the accompanying Proxy Statement and not to elect the Steel Partners nominees. **We urge you not to sign and return any proxy card or voting instruction card that you may receive from Steel Partners and to sign and return only the WHITE proxy card that you receive from Adaptec. Even a vote against Steel Partners' nominees on its proxy card will cancel any proxy previously given to Adaptec. If you have already sent a proxy card to Steel Partners, you may revoke it and provide your support to the Board's eight nominees by signing, dating and returning the enclosed WHITE proxy card. Only your latest dated proxy will count.**

We encourage you to conserve natural resources, as well as significantly reduce printing and mailing costs, by signing up for electronic delivery of Adaptec stockholder communications. For more information, see the "Electronic Delivery of Stockholder Communications" section of the enclosed Proxy Statement.

To assure your representation at the Annual Meeting, we urge you to vote as soon as possible. If telephone or online voting is available to you, we encourage you to use these faster and less costly methods.

We hope you'll join us at the Annual Meeting.

Sincerely,

[e-signature for  
Sundi]

Subramanian  
"Sundi" Sundaresh  
*Chief Executive  
Officer*

---

ADAPTEC, INC.  
691 South Milpitas Boulevard  
Milpitas, California 95035

NOTICE OF 2007 ANNUAL MEETING OF STOCKHOLDERS

To our stockholders:

Our 2007 Annual Meeting of Stockholders (the "Annual Meeting") will be held at the Embassy Suites Hotel located at 901 East Calaveras Boulevard, Milpitas, California 95035 on Thursday, December 13, 2007 at 10:00 a.m., local time.

At the Annual Meeting, you will be asked to consider and vote upon the following matters:

1. The election of eight directors to our Board of Directors, each to serve until our 2008 Annual Meeting of Stockholders and until his or her successor has been elected and qualified or until his or her earlier resignation, death or removal. Our Board of Directors intends to present the following nominees for election as directors:

Jon S. Castor	Robert J. Loarie	Judith M. O'Brien	Subramanian "Sundi" Sundaresh
Joseph S. Kennedy	D. Scott Mercer	Charles J. Robel	Douglas E. Van Houweling

2. The ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2008.

3. The transaction of any other business that may properly come before the Annual Meeting or any adjournment of the Annual Meeting.

A group led by Steel Partners II, L.P. ("Steel Partners") filed a preliminary proxy statement on August 24, 2007 in connection with its efforts to have five of its nominees elected at the Annual Meeting to serve on our Board of Directors. If elected, these five directors would constitute a majority of the Board. **YOUR BOARD BELIEVES THAT IT IS IN THE BEST INTERESTS OF ADAPTEC AND ITS STOCKHOLDERS TO ELECT THE EIGHT NOMINEES NAMED IN THE ACCOMPANYING PROXY STATEMENT AND NOT TO ELECT THE STEEL PARTNERS NOMINEES. We urge you not to sign and return any proxy card or voting instruction card that you may receive from Steel Partners and to sign and return only the WHITE proxy card that you receive from Adaptec. Even a vote against Steel Partners' nominees on its proxy card will cancel any proxy previously given to Adaptec. If you have already sent a proxy card to steel partners, you may revoke it and provide your support to the Board's eight nominees by signing, dating and returning the enclosed WHITE proxy card. Only your latest dated proxy will count.**

These items of business are more fully described in the attached Proxy Statement. Only stockholders of record at the close of business on October 25, 2007 are entitled to notice of and to vote at the Annual Meeting or any adjournment of the Annual Meeting.

By Order of the  
Board of Directors,

[e-signature for  
Dennis]

Dennis R.  
DeBroeck  
*Corporate Secretary*

Milpitas, California  
October [ ], 2007

Whether or not you plan to attend the Annual Meeting, please cast your vote online, by telephone or by completing, dating, signing and promptly returning the enclosed WHITE proxy card or voting instruction card in the enclosed postage-paid envelope before the Annual Meeting so that your shares will be represented at the Annual Meeting

---

ADAPTEC, INC.  
691 South Milpitas Boulevard  
Milpitas, California 95035

PROXY STATEMENT

October [\_\_], 2007

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

Why has this Proxy Statement been sent to me?

The Board of Directors of Adaptec, Inc. (referred to herein as "Adaptec," "we," "us" or "our") is soliciting the enclosed proxy to be used at the 2007 Annual Meeting of Stockholders (the "Annual Meeting") to be held on December 13, 2007, at 10:00 a.m., local time, and at any adjournment or postponement of the Annual Meeting. The Annual Meeting will be held at the Embassy Suites Hotel located at 901 East Calaveras Boulevard, Milpitas, California 95035.

The purpose of the Annual Meeting is to:

Elect eight directors;

Ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2008; and

Transact any other business as may properly come before the Annual Meeting or any adjournment thereof.

We mailed this Proxy Statement and the accompanying WHITE proxy card on or about October [\_\_], 2007, to all stockholders entitled to vote at the Annual Meeting.

How does Adaptec's board of directors recommend that I vote on the proposals?

Adaptec's board of directors recommends that you vote "**FOR**" the election of each of the eight director nominees listed on the accompanying WHITE proxy card and "**FOR**" the ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2008.

How many votes do I have?

You are entitled to one vote for each share of Adaptec common stock you owned as of October 25, 2007, the record date for the Annual Meeting. At the close of business on October 25, 2007, [\_\_\_\_\_] shares of our common stock were outstanding and eligible to vote.

How do I vote by proxy?

Whether you plan to attend the Annual Meeting or not, we encourage you to complete, sign, date, and return the enclosed WHITE proxy card or voting instruction card. We have enclosed a postage-prepaid envelope for your convenience. If you are a beneficial holder (your shares are held for you in "street name" by your bank, broker or nominee), you may also submit your proxy over the Internet by following the "Vote by Internet" instructions contained on the WHITE voting instruction card. In addition, if you are a beneficial holder and you live in the United

States or Canada, you may submit your proxy by telephone by following the "Vote by Telephone" instructions contained on the WHITE voting instruction card. Submitting your proxy by returning the enclosed WHITE proxy card or voting instruction card, or by telephone or over the Internet will not affect your right to attend the Annual Meeting and vote in person.

What should I do if I receive a proxy card from Steel Partners?

A group led by Steel Partners II, L.P. ("Steel Partners") filed a preliminary proxy statement on August 24, 2007 in connection with its efforts to have five of its nominees elected at the Annual Meeting to serve on our Board of Directors. As a result, Steel Partners may solicit proxies from you to elect its five director nominees. **We urge you not to sign and return any proxy card or voting instruction card that you may receive from Steel Partners and to sign and return only the WHITE proxy card that you receive from Adaptec.** Even a vote against Steel Partners' nominees on their proxy card will cancel any proxy previously given to Adaptec. If you have already sent a proxy card to Steel Partners, you may revoke it and provide your support to the Board's eight nominees by signing, dating and returning the enclosed WHITE proxy card. Only your latest dated proxy will count.

Can I vote if my shares are held in "street name"?

If the shares you own are held in "street name" by a bank, broker or other nominee your bank, broker or other nominee, as the record holder of your shares, is required to vote your shares according to your instructions. In order to direct the voting of your shares, you will need to follow the directions your bank, broker or other nominee provides you. If you do not give instructions to your bank, broker or other nominee, it will only be able to vote your shares with respect to certain "routine" items, but will not be allowed to vote your shares with respect to certain "non-routine" items. In the case of non-routine items, the shares will be treated as "broker non-votes." To be able to vote your shares held in street name in person at the Annual Meeting, you will need to obtain a proxy from the holder of record. Proposals 1 is non-routine and Proposal 2 is routine.

What constitutes a quorum?

In order for business to be conducted at the Annual Meeting, a quorum must be present. A quorum consists of the holders of a majority of the shares of our common stock issued, outstanding and entitled to vote at the Annual Meeting. Shares of our common stock represented at the Annual Meeting in person or by proxy (including broker non-votes and shares that abstain or do not vote with respect to one or more of the matters to be voted upon) will be counted for the purpose of determining whether a quorum exists. If a quorum is not present, the Annual Meeting will be adjourned until a quorum is obtained.

What vote is required to approve each proposal?

#### Proposal 1: Elect Eight Directors

A plurality of the votes cast is required for the election of directors. This means that the eight nominees for director who receive the most votes will be elected. As a result, abstentions or "withheld" votes will have no effect on the election of directors.

Proposal 2: Ratify selection of



**PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2008.**

To approve this proposal, the votes cast in favor by stockholders present in person or represented by proxy and entitled to vote on the proposal must exceed the votes cast against by such stockholders. Abstentions and, if applicable, broker non-votes are not counted as votes "for" or "against" this proposal, and, therefore, have no effect on this proposal.

How will my proxy get voted?

If you properly fill in and return the enclosed WHITE proxy card, or submit your proxy by telephone or over the Internet, the designated Proxies (the individuals named on your proxy card) will vote your shares as you have directed. If you sign the WHITE proxy card but do not make specific choices, the designated Proxies will vote your shares as recommended by the Board of Directors as follows:

"FOR" the election of the eight nominees for director named in Proposal 1; and

"FOR" ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2008.

How will voting on "any other business" be conducted?

Although we do not know of any business to be considered at the Annual Meeting other than the proposals described in this Proxy Statement, if any additional business is presented at the Annual Meeting, your signed or electronically transmitted proxy card gives authority to the designated Proxies to vote on such matters in their discretion.

May I attend the Annual Meeting in person if I deliver a proxy card?

You may attend the Annual Meeting in person even if you deliver a proxy card. If you hold your shares in your own name, please bring identification to the Annual Meeting. If you hold shares through a bank, broker or other nominee, please bring identification and a current account statement from your bank, broker or other nominee. The Annual Meeting will begin promptly at 10:00 a.m., local time, so please plan to arrive sufficiently early to make certain that you are admitted before the Annual Meeting begins.

May I revoke my proxy?

You may change your vote or revoke your proxy any time before it is voted by:

Returning another proxy card or voting instruction card;

Delivering a written notification of revocation to Registrar and Transfer Company, 10 Commerce Drive, Cranford, New Jersey 07016 that the proxy is revoked;

Submitting a later proxy by telephone or over the Internet; or

Attending the Annual Meeting and voting in person (mere attendance at the Annual Meeting will not revoke a previously delivered proxy).

Who pays for the solicitation of proxies and how are they solicited?

Adaptec pays the cost of the solicitation of these proxies. This includes preparation, assembly, printing, and mailing of this Proxy Statement and any other information we send to stockholders. In addition, brokers and other custodians, nominees and fiduciaries will be requested to forward soliciting material to their principals and obtain their voting instructions, and we will reimburse them for the expense of doing so. We have hired The Altman Group, Inc. to distribute and solicit proxies. We will pay them a retainer fee of \$\_\_\_\_\_, plus reasonable expenses, for these services. The Altman Group expects that approximately [\_\_\_] of its employees will assist in the solicitation of proxies. In addition, directors, officers, or other regular employees of Adaptec may contact you personally. We will not pay directors, officers, or other regular employees any additional compensation for their proxy solicitation efforts. We expect our expenses related to the solicitation in excess of those normally spent for an annual meeting with an uncontested director election (excluding salaries and wages of our regular employees and officers) to be approximately \$[\_\_\_\_\_] in the aggregate, of which approximately \$[\_\_\_\_\_] has been spent to date. Appendix A sets forth information relating to our directors, officers and employees who are considered "participants" in our solicitation under the rules of the SEC by reason of their position as directors or because they may be soliciting proxies on our behalf.

---

THE ANNUAL MEETING

The accompanying proxy is solicited on behalf of the Board of Directors of Adaptec, Inc., a Delaware corporation ("Adaptec"), for use at the 2007 Annual Meeting of Stockholders (the "Annual Meeting") to be held at the Embassy Suites Hotel located at 901 East Calaveras Boulevard, Milpitas, California 95035 on Thursday, December 13, 2007 at 10:00 a.m., local time. This Proxy Statement and the accompanying form of WHITE proxy card / voting instruction card were mailed to stockholders on or about November [\_\_\_], 2007. Our Annual Report for fiscal 2007 is enclosed with this Proxy Statement. This Proxy Statement was also posted on our website at <http://investor.adaptec.com> on November [\_\_\_], 2007.

Record Date; Quorum; List of Stockholders of Record

Only holders of record of common stock at the close of business on October 25, 2007 will be entitled to vote at the Annual Meeting. At the close of business on the record date, we had [\_\_\_,\_\_\_,\_\_\_] shares of common stock outstanding and entitled to vote. A majority of the shares outstanding on the record date, represented by proxy or in person, will constitute a quorum for the transaction of business at the Annual Meeting. A list of stockholders entitled to vote at the Annual Meeting will be available for inspection at our executive offices for a period of ten days before the Annual Meeting. Stockholders may examine the list for purposes germane to the Annual Meeting.

Voting Rights; Required Vote

Stockholders are entitled to one vote for each share of common stock held by them as of the record date. Directors will be elected by a plurality of the shares of common stock represented by proxy at the Annual Meeting and entitled to vote on the election of directors. This means that the eight nominees receiving the highest number of votes will be elected to the Board. Stockholders do not have the right to cumulate their votes in the election of directors. Approval of Proposal No. 2 ratifying the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2008 requires the affirmative vote of a majority of the shares represented and voting at the Annual Meeting in person or by proxy, provided that the affirmative votes must be not less than a majority of the required quorum for the Annual Meeting.

Voting of Proxies

Stockholders that are "beneficial owners" (your Adaptec shares are held for you in street name by your bank, broker or other nominee) have three options for submitting their votes before the Annual Meeting, by: (a) Internet, (b) telephone or (c) mailing a completed voting instruction card to your bank, broker or other nominee. If you have Internet access and are a beneficial owner of shares of Adaptec common stock, you may submit your proxy from any location in the world by following the "Vote by Internet" instructions on the voting instruction card. If you live in the United States or Canada and are a beneficial owner, you may submit your proxy by following the "Vote by Telephone" instructions on the voting instruction card. If you received your Annual Meeting materials by mail and do not wish to vote online or by telephone, or if you are a "registered stockholder" (you hold your Adaptec shares in your own name through our transfer agent, Registrar and Transfer Company, or you are in possession of stock certificates), please complete and properly sign the WHITE proxy card (registered holders) or voting instruction card (beneficial owners) you receive and return it to us in the prepaid envelope, and it will be voted in accordance with the specifications made on the proxy card or voting instruction card. If no specification is made on a signed and returned WHITE proxy card or voting instruction card, the shares represented by the proxy will be voted "FOR" the election to the Board of Directors of each of the eight nominees named on the WHITE proxy card or voting instruction card, "FOR" ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2008 and, if any other matters are properly brought before the Annual Meeting, the proxy will be voted as the Board of Directors may recommend. We encourage beneficial owners with Internet access to record your vote on the Internet or, alternatively, to vote by telephone. Internet and telephone voting is convenient, saves on postage and mailing costs and is recorded immediately, minimizing risk that postal delays may cause your vote to

arrive late and therefore not be counted. If you attend the Annual Meeting, you also may vote in person, and any previously submitted votes will be superseded by the vote you cast at the Annual Meeting.

#### Election of Directors and Potential Proxy Contest

A group led by Steel Partners II, L.P. ("Steel Partners") filed a preliminary proxy statement on August 24, 2007 in connection with its efforts to have five of its nominees elected at the Annual Meeting to serve on our Board of Directors. If elected, these five directors would constitute a majority of the Board. Your Board believes that it is in the best interests of Adaptec and its stockholders to elect the eight nominees identified in the accompanying Proxy Statement and not to elect the Steel Partners nominees. We urge you not to sign and return any proxy card or voting instruction card that you may receive from Steel Partners and to sign and return only the WHITE proxy card that you receive from Adaptec. Even a vote against Steel Partners' nominees on its proxy card will cancel any proxy previously given to Adaptec. If you have already sent a proxy card to Steel Partners, you may revoke it and provide your support to the Board's eight nominees by signing, dating and returning the enclosed WHITE proxy card. Only your latest dated proxy will count.

#### Effect of Abstentions and "Broker Non-Votes"

If a registered stockholder indicates on his or her WHITE proxy card that the stockholder wishes to abstain from voting, or a beneficial owner instructs its bank, broker or other nominee that the stockholder wishes to abstain from voting, these shares are considered present and entitled to vote at the Annual Meeting. These shares will count toward determining whether or not a quorum is present. However, these shares will not be taken into account in determining the outcome of any of the proposals.

If a beneficial owner does not give a proxy to his or her broker with instructions as to how to vote the shares, the broker has authority under New York Stock Exchange rules to vote those shares for or against "routine" matters, such as the ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm. However, brokers cannot vote on their customers' behalf on "non-routine" proposals, such as the election of directors in a contested election. These rules apply to us notwithstanding the fact that shares of our common stock are traded on The NASDAQ Global Market. If a broker votes shares that are unvoted by its customers for or against a "routine" proposal, these shares are counted for the purpose of establishing a quorum and also will be counted for the purpose of determining the outcome of such "routine" proposals. If a broker chooses to leave these shares unvoted, the shares will be counted for the purpose of establishing a quorum, but not for determining the outcome of any of the proposals.

The inspector of elections appointed for the Annual Meeting will separately tabulate the relevant affirmative and negative votes, abstentions and broker non-votes for each proposal. Because brokers cannot vote "unvoted" shares on behalf of their customers for "non-routine" matters, such the election of directors in a contested election, it is very important that stockholders vote their shares.

#### Adjournment of Annual Meeting

If a quorum is not present to transact business at the Annual Meeting or if we do not receive sufficient votes in favor of the proposals by the date of the Annual Meeting, the persons named as proxies may propose one or more adjournments of the Annual Meeting to permit solicitation of additional proxies. The chairperson of the Annual Meeting shall have the power to adjourn the Annual Meeting.

#### Expenses of Soliciting Proxies

Our Board of Directors is soliciting the proxy included with this Proxy Statement for use at the Annual Meeting. We will bear the costs of the solicitation of proxies on behalf of the Board, which include the cost of preparing, assembling, printing and mailing the proxy materials. In addition, brokers and other custodians, nominees and

fiduciaries will be requested to forward soliciting material to their principals and obtain their voting instructions, and we will reimburse them for the expense of doing so. In addition to solicitation by mail, our officers, directors and regular employees, acting on our behalf, may also solicit proxies by telephone, telegram, facsimile, electronic mail, personal interview or other electronic means. You may also be solicited by advertisements in periodicals, press releases issued by us and postings on our corporate website. None of our directors, officers or employees will receive any extra compensation for soliciting you. In addition, we have retained The Altman Group, Inc. to assist in soliciting proxies, for which we expect to pay a fee not to exceed \$[\_\_\_\_\_], plus reimbursement of out-of-pocket expenses. The Altman Group expects that approximately [\_\_\_\_] of its employees will assist in the solicitation of proxies. We expect our expenses related to the solicitation in excess of those normally spent for an annual meeting with an uncontested director election (excluding salaries and wages of our regular employees and officers) to be approximately \$[\_\_\_\_\_] in the aggregate, of which approximately \$[\_\_\_\_\_] has been spent to date. Appendix A sets forth information relating to our directors, officers and employees who are considered "participants" in our solicitation under the rules of the Securities and Exchange Commission, or SEC, by reason of their position as directors or because they may be soliciting proxies on our behalf.

#### Revocability of Proxies

Any person signing a WHITE proxy card or voting instruction card in the form accompanying this Proxy Statement has the power to revoke it at any time before it is voted. A proxy may be revoked by signing and returning a proxy card or voting instruction card with a later date, by delivering a written notice of revocation to Registrar and Transfer Company, 10 Commerce Drive, Cranford, New Jersey 07016, that the proxy is revoked or by attending the Annual Meeting and voting in person. The mere presence at the Annual Meeting of a stockholder who has previously appointed a proxy will not revoke the appointment. Please note, however, that if a stockholder has instructed a broker, bank or nominee to vote his, her or its shares of Adaptec common stock, the stockholder must follow the directions received from the broker, bank or nominee to change his, her or its instructions. In the event of multiple online or telephone votes by a stockholder, each vote will supersede the previous vote and the last vote cast will be deemed to be the final vote of the stockholder, unless such vote is revoked in person at the Annual Meeting according to the revocability instructions outlined above. In addition, if you have already sent a proxy card to Steel Partners, you may revoke it and provide your support to the Board's eight nominees by signing, dating and returning the enclosed WHITE proxy card. Only your latest dated proxy will count.

#### Electronic Delivery of Stockholder Communications

If you received your Annual Meeting materials by mail, we encourage you to help us conserve natural resources, as well as significantly reduce printing and mailing costs, by **signing up to receive your stockholder communications electronically via email**. With electronic delivery, you will be notified via email as soon as the Annual Report and Proxy Statement are available on the Internet, and you can easily submit your vote online. Electronic delivery also can eliminate duplicate mailings and reduce the amount of bulky paper documents you maintain in your personal files. To sign up for electronic delivery:

##### Registered Owner

: follow the instructions on the WHITE proxy card enclosed with your Annual Meeting materials to enroll.

##### Beneficial Owner

: visit [www.icsdelivery.com](http://www.icsdelivery.com) to enroll.

Your electronic delivery enrollment will be effective until you cancel it. If you have questions about electronic delivery, please call our Stock Administration Department at (408) 957-6765.

#### Delivery of Voting Materials to Stockholders Sharing an Address

To reduce the expense of delivering duplicate voting materials to stockholders who may have more than one Adaptec stock account, we have adopted a procedure approved by the SEC called "householding." Under this procedure, certain stockholders of record who have the same address and last name and do not participate in electronic delivery of Annual Meeting materials will receive only one copy of the Annual Meeting materials and any additional proxy soliciting materials sent to stockholders until such time as one or more of these stockholders notifies us that they wish to continue receiving individual copies. This procedure will reduce duplicate mailings and save printing costs and postage fees, as well as natural resources. Stockholders who participate in householding will continue to receive separate proxy cards or voting instruction cards.

#### How to Obtain a Separate Set of Voting Materials

If you received a householded mailing this year and you would like to have additional copies of the Annual Meeting materials mailed to you, please submit your request to Adaptec, Inc., 691 South Milpitas Boulevard, Milpitas, California 95035, Attn: Stock Administration Department, or call (408) 957-6765. You may also contact us at this address or phone number above if you received multiple copies of the Annual Meeting materials and would prefer to receive a single copy in the future, or if you would like to opt out of householding for future mailings.

---

PROPOSAL NO. 1--ELECTION OF DIRECTORS

Our Board of Directors currently consists of eight directors. It is intended that your WHITE proxy will be voted for the eight nominees named below for election to our Board of Directors unless authority to vote for any such nominee is withheld. Each of the nominees is presently one of our directors.

A group led by Steel Partners II, L.P. filed a preliminary proxy statement on August 24, 2007 in connection with its efforts to have five of its nominees elected at the Annual Meeting to serve on our Board of Directors. If elected, these five directors would constitute a majority of the Board. Your Board believes that it is in the best interests of Adaptec and its stockholders to elect the eight nominees named below and not to elect the Steel Partners nominees. We urge you not to sign and return any proxy card or voting instruction card that you may receive from Steel Partners and to sign and return only the WHITE proxy card that you receive from Adaptec. **Even a vote against Steel Partners' nominees on its proxy card will cancel any proxy previously given to Adaptec. If you have already sent a proxy card to Steel Partners, you may revoke it and provide your support to the Board's eight nominees by signing, dating and returning the enclosed WHITE proxy card. Only your latest dated proxy will count.**

Proxies cannot be voted for a greater number of persons than the number of nominees named. If any nominee for any reason is unable to serve, or for good cause will not serve, the proxies may be voted for such substitute nominee as the proxy holder may determine. We are not aware of any nominee who will be unable to, or for good cause will not, serve as a director. The term of office of each person elected as a director will continue until the next annual meeting of our stockholders or until his or her successor has been elected and qualified.

Directors/Nominees

The names of the nominees, their ages as of the date of this Proxy Statement and certain information about them are set forth below:

Name of Director	Age	Principal Occupation	Director	Since
Jon S. Castor (1)(2)	55	Private Investor		2006
Joseph S. Kennedy (1)	61	President and Chief Executive Officer of Omneon, Inc.		

2001

Robert J. Loarie (2)

64

Private Investor

1981

D. Scott Mercer

56

Private Investor

2003

Judith M. O'Brien (2)(3)

57

Executive Vice President, International Strategy, General Counsel and Secretary of Obopay, Inc.

2006

Charles J. Robel (1)

58

Private Investor

2006

Subramanian "Sundi" Sundaresh

51

President and Chief Executive Officer of Adaptec, Inc.

2005

Douglas E. Van Houweling (3)

64

President and Chief Executive Officer of the University Corporation for Advanced Internet Development

2002



- (1) Audit Committee Member
- (2) Compensation Committee Member
- (3) Governance and Nominating Committee Member

Mr. Castor

has been a private investor since June 2004. From January 2004 to June 2004, Mr. Castor was an Executive Advisor to the Chief Executive Officer of Zoran Corporation, a provider of digital solutions for applications in the digital entertainment and digital imaging markets, and from August 2003 to December 2003, he was Senior Vice President and General Manager of Zoran's DTV Division. From October 2002 to August 2003, Mr. Castor was the Senior Vice President and General Manager of the TeraLogic Group at Oak Technology Inc., a developer of integrated circuits and software for digital televisions and printers, which was acquired by Zoran. In 1996, Mr. Castor co-founded TeraLogic, Inc., a developer of digital television integrated circuits, software and systems, where he served in several capacities, including as its Chief Executive Officer and director from November 2000 to October 2002, when it was acquired by Oak Technology. Mr. Castor is also a director and member of the Audit Committee of Genesis Microchip, Inc., and Chairman of the Board of two privately held companies, Artimi, Inc. and Omneon Video Systems, Inc. Mr. Castor is also Chairman of the Compensation Committee and a member of the Audit Committee for Omneon Video Systems, Inc.

Mr. Kennedy

has served as the President and Chief Executive Officer of Omneon, Inc., a developer of video media servers for the broadcast industry, since June 2003. From June 1999 until March 2002, he served as President, Chief Executive Officer and Chairman of the Board of Pluris Inc., a developer of Internet routers. Mr. Kennedy was the founder and Chief Executive Officer of Rapid City Communications from February 1996 until that company was acquired by Bay Networks in June 1997, after which time he served as President and General Manager of Bay Networks' switching products division until June 1998. Mr. Kennedy is also a director of two privately held companies.

Mr. Loarie

has been a private investor since September 2007. From April 2003 until September 2007, Mr. Loarie served as an Advisory Director of Morgan Stanley & Co., a diversified investment firm, as a Managing Director of that firm from December 1997 until March 2003, and as a principal of that firm from August 1992 until November 1997. Mr. Loarie also has served as a general partner or managing member of several venture capital investment partnerships or limited liability companies affiliated with Morgan Stanley since August 1992. Mr. Loarie is also a director of a privately held company.

**Mr. Mercer** has been a private investor since December 2004 and served as our Interim Chief Executive Officer from May 2005 through November 2005. Mr. Mercer has served as the Chairman of our Board of Directors since September 2006. Mr. Mercer served as a Senior Vice President and Advisor to the Chief Executive Officer of Western Digital Corporation, a supplier of disk drives to the personal computer and consumer electronics industries, from February 2004 through December 2004. Prior to that, Mr. Mercer was a Senior Vice President and the Chief Financial Officer of Western Digital Corporation from October 2001 through January 2004. From June 2000 to September 2001, Mr. Mercer served as Vice President and Chief Financial Officer of Teralogic, Inc., a supplier of semiconductors and software to the digital television industry. From June 1996 through May 2000, Mr. Mercer held various senior operating and financial positions with Dell, Inc., a provider of products and services enabling customers to build their information-technology and Internet infrastructures. Mr. Mercer is also a director of Conexant Systems, Inc., Palm, Inc. and SMART Modular Technologies (WWH), Inc.

Ms. O'Brien

has served since November 2006 as Executive Vice President, International Strategy, General Counsel and Secretary of Obopay, Inc., a provider of a comprehensive U.S. mobile payment service. From February 2001 to October 2006, she was a Managing Director at Incubic Venture Fund, a venture capital firm. From 1984 until 2001, Ms. O'Brien was a partner with Wilson Sonsini Goodrich & Rosati LLP, a Silicon Valley law firm. Ms. O'Brien is also a director and the Chairperson of the Compensation Committee for Ciena Corporation, a supplier of communications networking equipment, software and services. She also serves on the board of directors of several privately held companies.

#### Mr. Robel

has been a private investor since December 2005. Previously, he was a Managing Member and Chief of Operations for Hummer Winblad Venture Partners, a venture capital firm, from June 2000 to December 2005. Prior to joining Hummer Winblad, Mr. Robel led the High Technology Transaction Services Group of PricewaterhouseCoopers LLP in Silicon Valley from 1995 until 2000 and served as the partner in charge of the Software Industry Group at PricewaterhouseCoopers from 1985 to 1995. Prior to that, Mr. Robel was with PricewaterhouseCoopers in Los Angeles and Phoenix. Mr. Robel is also Chairman of the Board and a member of the Audit Committee at McAfee, Inc., a director and member of the Audit Committee at Informatica Corp. and a director of two privately held companies.

#### Mr. Sundaresh

has served as our Chief Executive Officer since November 2005, President since May 2005 and briefly served as our Executive Vice President of Marketing and Product Development in May 2005. Prior to rejoining Adaptec, Mr. Sundaresh provided consulting services at various companies, including Adaptec, from December 2004 to April 2005. Between July 2002 and December 2004, Mr. Sundaresh served as President and Chief Executive Officer of Candera, Inc., a supplier of network storage controllers. From July 1998 to April 2002, Mr. Sundaresh served as President and Chief Executive Officer of Jetstream Communications, a provider of voice over broadband solutions. Mr. Sundaresh previously worked at Adaptec from March 1993 to June 1998 as Vice President and General Manager for the Personal I/O business and Corporate Vice President of Worldwide Marketing.

#### Dr. Van Houweling

has served as the President and Chief Executive Officer of the University Corporation for Advanced Internet Development (UCAID), the formal organization supporting Internet2, since November 1997. Dr. Van Houweling also serves as a professor in the School of Information at the University of Michigan. Before undertaking his responsibilities at UCAID, Dr. Van Houweling was Dean for Academic Outreach and Vice Provost for Information and Technology at the University of Michigan.

#### Composition of Board of Directors

In connection with the appointments in July 2006 of Mr. Castor and Ms. O'Brien to our Board, we increased the size of our Board from nine to 11 members. Following the resignations of Mr. Carl Conti, Ms. Lucie Fjeldstad and Ms. Ilene Lang from our Board of Directors that were effective immediately preceding our 2006 Annual Meeting of Stockholders held in September 2006, we amended our bylaws to reduce the size of the Board to eight members.

#### Independent Directors

Our Chief Executive Officer, Subramanian "Sundi" Sundaresh, is a member of our Board of Directors. Each of our non-employee directors, Jon S. Castor, Joseph S. Kennedy, Robert J. Loarie, D. Scott Mercer, Judith M. O'Brien, Charles J. Robel and Douglas E. Van Houweling, qualifies as "independent" in accordance with the rules of The NASDAQ Stock Market. The NASDAQ independence definition includes a series of objective tests, including that a director may not be our employee and that the director has not engaged in various types of business dealings with us.

In addition, as further required by the NASDAQ rules, our Board of Directors has made a subjective determination as to each independent director that no relationship exists which, in the opinion of the Board of Directors, would interfere with the exercise of such director's independent judgment in carrying out the responsibilities of a director. The independence determinations made by our Board of Directors included considering the service by Mr. Mercer as our interim Chief Executive Officer from May 2005 to November 2005.

Board

### **of Directors Meetings and Committees**

During the fiscal year ended March 31, 2007, the Board of Directors met eleven times, including telephone conference meetings. No director attended fewer than 75% of the total number of meetings of the Board of Directors and the total number of meetings held by all committees of the Board of Directors on which the director served during fiscal 2007.

Standing committees of the Board of Directors consist of the Audit Committee, Compensation Committee and Governance and Nominating Committee. In addition, during fiscal 2006 the Board of Directors established a Transaction Committee that was not intended to be a standing committee; this committee was disbanded in May 2007. Each of the Audit Committee, Compensation Committee and Governance and Nominating Committee operate under a written charter approved by the Board of Directors, all of which are available on our website at [www.adaptec.com](http://www.adaptec.com). Each of these charters also is available in print to any stockholder upon request.

We strongly encourage directors to attend our annual meetings of stockholders. The Board of Directors endeavors to hold its Board and Board committee meetings on the same day as the annual meeting of stockholders to encourage director attendance. Seven of our eight directors attended our 2006 Annual Meeting of Stockholders.

#### **Audit Committee**

. The current members of the Audit Committee are Charles J. Robel (Chair), Jon S. Castor and Joseph S. Kennedy, each of whom is "independent" as defined by the rules of The NASDAQ Stock Market. Our Board of Directors has determined that Mr. Robel qualifies as an "audit committee financial expert," as defined under Item 407(d)(5) of Regulation S-K, by reason of his relevant business experience, which is set forth above, and that each member of the Audit Committee is financially literate, as required by NASDAQ listing standards. Prior to our 2006 Annual Meeting of Stockholders held in September 2006, Joseph S. Kennedy, Ilene H. Lang and Charles J. Robel (Chair) served on our Audit Committee, each of whom was financially literate. Mr. Castor joined the Audit Committee in September 2006 upon the resignation of Ms. Lang from our Board of Directors. The Audit Committee met nine times during fiscal 2007, including telephone conference meetings. The Audit Committee assists the full Board of Directors in its general oversight of our financial reporting, internal controls and audit functions, and is directly responsible for the appointment, compensation and retention of our independent registered public accounting firm, which reports to the Audit Committee. For more information, see the "Audit Committee Report" beginning on page [\_\_] of this Proxy Statement.

#### **Compensation Committee**

. The current members of the Compensation Committee are Judith M. O'Brien (Chair), Jon S. Castor and Robert J. Loarie, each of whom is "independent" as defined by the rules of The NASDAQ Stock Market, an "outside" director as defined in the Internal Revenue Code of 1986, as amended, and a "non-employee director," as defined in Rule 16b-3 under the Securities Exchange Act of 1934 (the "Exchange Act"). Prior to our 2006 Annual Meeting of Stockholders, Lucie J. Fjeldstad and Robert J. Loarie served on our Compensation Committee, each of whom met the foregoing standards. Ms. O'Brien and Mr. Castor joined the Compensation Committee in September 2006 upon the resignation of Ms. Fjeldstad from our Board of Directors. The Compensation Committee met thirteen times during fiscal 2007. The Compensation Committee establishes our executive compensation policy and determines the salary,

bonuses and equity incentive awards of our executive officers. For more information, see "Executive Compensation" beginning on page [ ] of this Proxy Statement and the "Compensation Committee Report" on page [ ] of this Proxy Statement.

#### Governance and Nominating Committee

. The current members of the Governance and Nominating Committee are Douglas E. Van Houweling (Chair) and Judith M. O'Brien, each of whom are "independent" as defined by the rules of The NASDAQ Stock Market. Prior to our 2006 Annual Meeting of Stockholders, Douglas E. Van Houweling (Chair) and Lucie J. Fjeldstad served on our Compensation Committee, each of whom was also "independent" as defined by the rules of The NASDAQ Stock Market. Ms. O'Brien joined the Governance and Nominating Committee in September 2006 upon the resignation of Ms. Fjeldstad from our Board of Directors. The Governance and Nominating Committee is responsible for reviewing the qualifications of potential candidates for membership on our Board of Directors and recommending such candidates to the full Board of Directors. In addition, the Governance and Nominating Committee makes recommendations regarding the structure and composition of our Board of Directors and advises and makes recommendations to the full Board of Directors on matters concerning corporate governance. The Governance and Nominating Committee met three times during fiscal 2007.

*Transaction Committee.* The Board disbanded the Transaction Committee in May 2007 and matters formerly handled by the Transaction Committee are now handled by the full Board of Directors. The most recent members of the Transaction Committee were Jon S. Castor, D. Scott Mercer and Charles J. Robel. Mr. Castor and Mr. Mercer were appointed to the Transaction Committee in March 2007. Mr. Kennedy and Mr. Loarie served as members since the committee's formation in August 2005 and stepped down from the committee in March 2007 when Mr. Castor and Mr. Mercer joined the committee. The Transaction Committee was responsible for evaluating, planning and approving certain strategic business transactions for Adaptec. The Transaction Committee met five times during fiscal 2007.

#### Consideration of Director Nominees; New Nominees for Director

##### Director Qualifications

. The goal of the Governance and Nominating Committee is to ensure that our Board of Directors possesses a variety of perspectives and skills derived from high-quality business and professional experience. The Governance and Nominating Committee seeks to achieve a balance of knowledge, experience and capability on our Board of Directors. To this end, the Governance and Nominating Committee seeks nominees with high professional and personal ethics and values, an understanding of our business lines and industry, diversity of business experience and expertise, broad-based business acumen and the ability to think strategically. In addition, the Governance and Nominating Committee considers the level of the candidate's commitment to active participation as a director, both at board and committee meetings and otherwise. Although the Governance and Nominating Committee uses these and other criteria to evaluate potential nominees, we have no stated minimum criteria for nominees. The Governance and Nominating Committee does not use different standards to evaluate nominees depending on whether they are proposed by our directors and management or by our stockholders. When appropriate, the Governance and Nominating Committee may retain executive recruitment firms to assist it in identifying suitable candidates. After its evaluation of potential nominees, the Governance and Nominating Committee submits its chosen nominees to the Board of Directors for approval.

*New Nominees for Director.* The Governance and Nominating Committee utilizes the services of an executive recruitment firm to assist it in identifying suitable candidates to join our Board. Our two newest Board members, Mr. Castor and Ms. O'Brien, were elected to the Board in July 2006 following the announcement by three of our non-employee directors -- Carl Conti, Lucie Fjeldstad and Ilene H. Lang -- that they would not stand for re-election at the 2006 Annual Meeting of Stockholders. Mr. Castor and Ms. O'Brien were each initially proposed as a candidate by Mr. Mercer.

## Stockholder Nominees

. The Governance and Nominating Committee will consider stockholder recommendations for director candidates. If a stockholder would like to recommend a director candidate for the next annual meeting of stockholders, the stockholder must deliver the recommendation to our Corporate Secretary at our principal executive offices no later than 75 days prior to and no earlier than 105 days prior to, the anniversary date of the mailing of this Proxy Statement (the deadline for nominations for the 2008 Annual Meeting of Stockholders is between [\_\_\_\_\_], 2008 and [\_\_\_\_\_], 2008); provided, however, if the 2008 Annual Meeting of Stockholders occurs on a date more than 30 days earlier or 60 days later than the anniversary of the Annual Meeting, then notice by the stockholder to be timely must be delivered no later than 75 days prior to and no earlier than 105 days prior to the 2008 Annual Meeting of Stockholders or 10 days following the day on which public announcement (in a filing under the Exchange Act or by press release) of the date of the 2008 Annual Meeting of Stockholders is first made by our Board of Directors. Recommendations for candidates should be accompanied by personal information about the candidate, including a list of the candidate's references, the candidate's resume or curriculum vitae and the other information required in the stockholder notice required by Section 1.12 of our Bylaws. A stockholder recommending a candidate may be asked to submit additional information as determined by our Corporate Secretary and as necessary to satisfy the rules of the SEC or The NASDAQ Stock Market. If a stockholder's recommendation is received within the time period set forth above and the stockholder has met the criteria set forth above, the Governance and Nominating Committee will evaluate such candidate, along with the other candidates being evaluated by the Governance and Nominating Committee, in accordance with the committee's charter and will apply the criteria described under "Consideration of Director Nominees; New Nominees for Director--Director Qualifications" above.

## Communication with the Board

You may contact the Board of Directors by sending an email to [directors@adaptec.com](mailto:directors@adaptec.com) or by mail to Board of Directors, Adaptec, Inc., 691 South Milpitas Boulevard, Milpitas, California 95035. An employee will forward these emails and letters directly to the Board of Directors. We reserve the right not to forward to the Board of Directors any abusive, threatening or otherwise inappropriate materials.

## Corporate Governance Guidelines

The Board of Directors serves as our ultimate decision-making body, except with respect to matters reserved for the decision of our stockholders. The Board of Directors has adopted Corporate Governance Principles to assist in the performance of its responsibilities. These principles are available on the Investors section of our website at [www.adaptec.com](http://www.adaptec.com).

THE BOARD RECOMMENDS A VOTE FOR THE ELECTION OF EACH NOMINEE.

---

PROPOSAL NO. 2--RATIFICATION OF APPOINTMENT OF  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of our Board of Directors has appointed PricewaterhouseCoopers LLP as our independent registered public accounting firm for our fiscal year ending March 31, 2008, and our stockholders are being asked to ratify the Audit Committee's appointment. We have engaged PricewaterhouseCoopers LLP as our independent registered public accounting firm since 1995. Representatives of PricewaterhouseCoopers LLP are expected to be present at our Annual Meeting, will have the opportunity to make a statement at the Annual Meeting if they desire to do so and will be available to respond to appropriate questions.

If our stockholders fail to ratify the appointment, the Audit Committee will reconsider its appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for our fiscal year ending March 31, 2008. Even if this appointment is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in the best interests of Adaptec and our stockholders.

#### Fees Paid to PricewaterhouseCoopers LLP

The following table presents information regarding the fees estimated and billed by PricewaterhouseCoopers LLP and affiliated entities for our 2007 and 2006 fiscal years. In accordance with the SEC's guidelines, we have itemized tax related and other fees paid to PricewaterhouseCoopers LLP and affiliated entities during the 2007 and 2006 fiscal years.

Nature of Services	For the Fiscal Year Ended March 31,		
	2007		2006
Audit Fees	\$1,570,000		\$1,775,000
Audit-Related Fees	-		\$185,000
Tax Fees			
Tax Compliance	\$107,000		\$161,000
Other Tax	\$57,000		\$23,000
All Other Fees	-		-
Total Fees	\$1,734,000		\$ 2,144,000

*Audit Fees.* This category includes services provided in connection with the audit of our consolidated financial statements, the review of our quarterly consolidated financial statements and the audit of management's assessment of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002. This category also includes services for assistance with debt or equity offerings, acquisitions, SEC comment letters and review of and consents issued in connection with documents filed with the SEC.

#### Audit-Related Fees

. This category includes services related to transaction work.

#### Tax Fees

. This category includes tax compliance services related to the preparation of tax returns and claims for refund. Other Tax includes services related to tax planning and tax advice, including assistance with tax audits and appeals, research and development credits, expatriate tax preparation and advice related to mergers and acquisitions.

#### All Other Fees

. We did not incur any Other Fees during these periods.

#### Audit Committee Pre-Approval Policies and Procedures

Our Audit Committee has established a policy for approving any non-audit services to be performed by our independent registered public accounting firm. The Audit Committee requires advance review and approval of all proposed non-audit services that we wish our independent registered public accounting firm to perform. As permitted by our Audit Committee charter, the Audit Committee Chairperson may pre-approve certain non-audit related fees and the entire Audit Committee will then ratify the Chairperson's pre-approval in a subsequent meeting of the Audit Committee, in accordance with SEC requirements. In the 2007 and 2006 fiscal years, the Audit Committee followed these guidelines in approving all services rendered by PricewaterhouseCoopers LLP and affiliated entities.

#### Required Vote

The affirmative vote of a majority of the shares represented and voting on Proposal No. 2 by proxy is required to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2008, provided that the affirmative votes must be not less than a majority of the required quorum for the Annual Meeting.

**THE BOARD RECOMMENDS A VOTE FOR  
RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP.**

---

## STOCK OWNERSHIP OF CERTAIN PRINCIPAL STOCKHOLDERS

The following table presents certain information regarding the beneficial ownership of our common stock as of September 28, 2007 by each person known to us to beneficially own 5% or more of our outstanding common stock. The percentage of beneficial ownership for the table is based on approximately 121,051,238 shares of our common stock outstanding as of September 28, 2007.

	Adaptec Shares Beneficially Owned	
	Number of Shares	Percentage of Shares Outstanding
Steel Partners II, L.P. (1) 590 Madison Avenue, 32 <sup>nd</sup> Floor New York, New York 10022	18,076,884	14.93%
Wellington Management Company, LLP(2) 75 State Street Boston, Massachusetts 02109	9,410,200	7.77%
Dimensional Advisors, L.P. (3) 1299 Ocean Avenue Santa Monica, California 90401	8,419,357	6.96%

(1) Steel Partners II, L.P. ("Steel Partners") reported that it has sole voting and dispositive power over all of the shares. Steel Partners, L.L.C. is the general partner of Steel Partners. The sole executive officer and managing member of Steel Partners, L.L.C is Warren G. Lichtenstein, who is Chairman of the Board, Chief Executive Officer and Secretary. By virtue of his positions with Steel Partners II, L.L.C. and Steel Partners, Mr. Lichtenstein has the power to vote and dispose of all of the shares. All information regarding Steel Partners is based solely upon the Amendment No. 3 to the Schedule 13D filed by it with the SEC on August 15, 2007 and the Statement of Changes in Beneficial Ownership of Securities on Form 4, which was subsequently filed by it with the SEC on September 17, 2007.

(2) Wellington Management Company, LLP ("Wellington") reported that it has shared voting power over 4,722,600 shares and shared dispositive power with respect to all of the shares. All of the shares are owned of record by clients of Wellington. All information regarding Wellington is based solely upon the Amendment No. 1 to Schedule 13G filed by it with the SEC on February 14, 2007.

(3) Dimensional Fund Advisors, L.P. ("Dimensional") reported that it has sole voting power and dispositive power with respect to all of the shares. All of the shares are owned of record by clients of Dimensional. All information regarding Dimensional is based solely upon the Schedule 13G filed by it with the SEC on February 9, 2007.

## STOCK OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

The following table presents certain information regarding the beneficial ownership of our common stock as of September 28, 2007 by (a) each of our directors, (b) each of the individuals listed in the Summary Compensation table



below at page [ ] of this Proxy Statement (we refer to these individuals in this Proxy Statement as our "Named Executive Officers") and (c) all of our directors and executive officers as a group.

The percentage of beneficial ownership for the table is based on approximately 121,051,238 shares of our common stock outstanding as of September 28, 2007. To our knowledge, except under community property laws or as otherwise noted, the persons and entities named in the table have sole voting and sole investment power over their shares of our common stock. Unless otherwise indicated, each beneficial owner listed below maintains a mailing address of c/o Adaptec, Inc., 691 South Milpitas Boulevard, Milpitas, California 95035.

The number of shares beneficially owned by each stockholder is determined under SEC rules and is not necessarily indicative of beneficial ownership for any other purpose. Under these rules, beneficial ownership includes those shares of common stock over which the stockholder has sole or shared voting or investment power and those shares of common stock that the stockholder has the right to acquire within 60 days after September 28, 2007 (November 27, 2007) through the exercise of any stock option. The "Percentage of Shares" column treats as outstanding all shares underlying such options held by the stockholder, but not shares underlying options held by other stockholders.



Adaptec Shares Beneficially Owned

Name of Beneficial Owner

Number of Shares(1)

Percentage of Shares Outstanding

Directors and Named Executive Officers:

Jon S. Castor

26,406

\*

Joseph S. Kennedy

121,250

\*

Robert J. Loarie(2)

198,854

\*

D. Scott Mercer

141,250

\*

Judith M. O'Brien

26,406

\*

Charles J. Robel

21,250

\*

Douglas E. Van Houweling

121,250

\*

Subramanian "Sundi" Sundaresh

673,564

\*

Russell Johnson

168,500

26

	*
Manoj Goyal	
	185,291
	*
Marcus D. Lowe	
	259,695
	*
Christopher G. O'Meara	
	285,591
	*
Directors and executive officers as a group (13 persons)	
	2,229,307
	1.84%

---

\* Less than 1% ownership.

(1) Includes the following shares that may be acquired upon exercise of stock options granted under our stock option plans within 60 days after September 28, 2007:

Jon S. Castor	10,156
Joseph S. Kennedy	115,000
Robert J. Loarie	145,000
D. Scott Mercer	135,000
Judith M. O'Brien	10,156
Charles J. Robel	15,000
Douglas E. Van Houweling	115,000
Subramanian "Sundi" Sundaresh	362,500

Russell Johnson	148,953
Manoj Goyal	67,291
Marcus D. Lowe	162,499
Christopher G. O'Meara	164,166
Directors and executive officers as group	1,469,471

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

This section discusses the principles underlying our executive compensation policies and decisions and the most important factors relevant to an analysis of these policies and decisions. It provides qualitative information regarding the manner and context in which compensation is awarded to and earned by our Named Executive Officers and places in perspective the data presented in the tables and narrative that follow.

### Compensation Philosophy and Overview

Our pay programs are designed to attract, retain and motivate a qualified workforce to achieve our financial and strategic objectives. The compensation offerings strive to: pay for performance by rewarding each employee for team results and his/her individual contribution to our success; provide managers with guidelines to make fair and equitable compensation decisions; and effectively balance our financial resources with compensation expense management.

We believe that the most effective compensation program is one that is designed to reward the achievement of our financial and strategic goals, and which aligns executives' interests with those of our stockholders.

The compensation plans for our executive officers have three principal elements: a base salary which is developed in part by referencing the 50<sup>th</sup> percentile of the market, cash incentive bonuses linked to achievement of financial and strategic goals and equity-based incentive compensation. In addition, we provide our executive officers a variety of benefits that in most cases are available generally to all of our salaried employees. We view the components of compensation as related but distinct. Although the Compensation Committee of our Board of Directors (the "Committee") reviews the total compensation of our executive officers, we do not believe that significant compensation derived from one component of compensation should necessarily negate or reduce compensation from other components. We do believe that the executive compensation package should be fair and reasonable when taken as a whole.

We have not adopted any formal policies or guidelines for allocating compensation between long-term and currently paid out compensation or between cash and non-cash compensation. However, our philosophy is to keep cash compensation at a competitive level while providing the opportunity to be significantly rewarded through equity if our company and our stock price perform well over time. We also believe that, for most technology companies, stock-based compensation is generally the primary motivator in attracting executives rather than base salary or cash bonuses.

We also believe that executive officers should have a greater percentage of their equity compensation in the form of stock options rather than restricted stock or restricted stock unit awards, as stock options have greater risk associated with them than these other equity grants. We believe that our executive officers should have a larger portion of their equity incentive awards at risk as compared with our other employees.

### Role of Executive Officers in Compensation Decisions

Mr. Subramanian Sundaresh, our Chief Executive Officer, annually reviews the performance of each of our other executive officers. The conclusions reached by Mr. Sundaresh and his recommendations based on these reviews, including with respect to salary adjustments, incentive awards and equity award amounts, are presented by Mr. Sundaresh to the Committee. The Committee can exercise its discretion in modifying any recommended adjustments or awards to executives. The Committee makes all final compensation decisions for each of our executive officers.

Committee meetings typically have included, for all or a portion of each meeting, not only the Committee members but also our Chief Executive Officer, our Vice President Human Resources, and, as required, our Chief Financial Officer and independent compensation consultant.

#### Role of the Compensation Committee

The current members of the Committee are Judith O'Brien, who is the Chair of the Committee, Jon Castor and Robert Loarie. Each of Ms. O'Brien and Mr. Castor joined our Board in July 2006 and were appointed to the Committee in September 2006 following the departure of Lucie J. Fjeldstad, the former Chair of the Committee, from our Board in September 2006. Mr. Loarie served on the Committee for all of fiscal 2007.

The Committee ensures that our executive compensation and benefits program is consistent with our compensation philosophy and our corporate governance guidelines and is empowered to make decisions regarding executive officers total compensation, and subject to the approval of the Board our Chief Executive Officer's total compensation.

We establish the base salaries, target annual bonus levels and target annual long-term incentive award values for our executive officers at competitive levels, as measured against a peer group of companies. The Committee reviews our overall compensation strategy at least annually to ensure that it promotes stockholder interests, supports our strategic and tactical objectives and provides for appropriate rewards and incentives for our executive officers. The Committee's most recent overall compensation review occurred in April 2007.

#### Accounting and Tax Implications of Our Compensation Policies

In designing our compensation programs, the Committee considers the financial accounting and tax consequences to Adaptec as well as the tax consequences to our employees. We account for equity compensation paid to our employees under SFAS 123(R), which requires us to estimate and record and expense over the service period of the award. The SFAS 123(R) cost of our equity awards is considered by management as part of our equity grant recommendations to the Committee. Our equity grant practices have been impacted by SFAS 123(R), which we adopted in the first quarter of our 2007 fiscal year. Beginning in calendar 2006, we generally reduced our use of stock options and increased our use of restricted stock awards in order to reduce our SFAS 123(R) expense.

Section 162(m) of the Internal Revenue Code places a limit of \$1 million on the amount of compensation that we may deduct for income tax purposes in any one year with respect to our five most highly compensated executive officers. The \$1 million limit does not apply to compensation that is considered "performance based" under applicable tax rules. Our executive stock options are intended to qualify as "performance-based," so that compensation attributable to those options is fully tax deductible. Although we currently provide compensation to executives in forms that do not meet the requirements for "performance-based" compensation, such as base salary, annual incentive pay and restricted stock, we have no individuals with non-performance based compensation in excess of the Section 162(m) tax deduction limit.

We also consider the tax impact to employees in designing our pay programs, particularly our equity pay programs. For example, while employees generally control the timing of taxation with respect to stock options, the timing of taxation of restricted stock is generally not within the employee's control. As a result, as part of our restricted stock grant program, we provide a "net issue" opportunity to employees to assist them with the tax

withholding requirements that apply to restricted stock.

### Survey Analysis

We utilize Radford Surveys + Consulting, a business unit of AON Consulting ("Radford"), for comprehensive compensation data. Radford provides a number of compensation surveys to the technology industry, including Benchmark, Executive, Sales, Benefits and International surveys. The surveys compare practices among other high technology companies and cover base salary, cash incentives, stock equity incentive grants and total cash as a percentage of total direct compensation.

Radford offers quarterly summary of industry trends which allows our human resources department to stay current on total compensation trends. We also purchase a Custom Company Report that matches total compensation from a select group of high technology companies identified by our management with annual revenues of \$200 million to \$500 million.

The companies, which are listed below, were selected based upon their size, industry and executive skill set. Because Adaptec is transitioning from a hardware company to a software and solutions company, the list consist of a variety of companies. In positions outside of engineering and product management, we seek talent within the broader technology industry.

Applied Micro Circuits	Emulex	NetIQ
Ariba	Extreme Networks	Openware
Aspect Software	Foundry Networks	Red Hat
Dolby Laboratories	Informatica	Wind River Systems
Dot Hill Systems	Iomega	Zoran

### External Advisor

The Committee has the authority to engage the services of outside advisors. In January 2007, the Committee engaged Compensia, Inc. as an independent advisor to assist the Committee in its review of the fiscal 2008 compensation for executive officers and other elements of our executive pay program. Compensia has not previously performed services for us and provides no services to management.

### Executive Compensation Program

#### Components of our Compensation Program

#### Base Salary

We set base salaries for our executive officers considering the 50<sup>th</sup> percentile of the survey results for the high technology market. Our human resources management reviews the Radford Total Company Results survey (comprised of data from companies with \$200 million to \$1 billion in annual revenues) which shows executives' total compensation results from approximately 150 high technology companies. They also review the Radford Custom Company Results from the peer companies noted above. Human resources management summarizes and presents its findings to Mr. Sundaresh and the Committee. The external executive compensation consultant also reviews the materials and presents additional information to the Committee. Based on the results of these surveys and the input from the executive compensation consultant, the Committee is able to evaluate if our executive officers are paid competitively. Each of our executive officers receives a rating of Exceptional, Successful or Improvement Required. Mr. Sundaresh rates the performance of his direct staff and the Committee rates the performance of Mr. Sundaresh in

consultation with the other non-executive directors. Each executive officer also completes a self assessment of his performance.

For fiscal 2007, the base salary for Mr. Sundaresh was \$450,000, the base salary for Mr. O'Meara was \$325,000, the base salary for Mr. Lowe was \$260,000, the base salary for Mr. Goyal was \$240,000 and the target annual earnings (which includes base salary plus sales commissions) for Mr. Johnson was \$320,000. The salary for each of Messrs. Sundaresh and Lowe was established by the Committee in March 2006 as part of its annual review of the compensation level of our executive officers, with Mr. Sundaresh providing input with respect to the compensation level of Mr. Lowe. Mr. Sundaresh joined Adaptec in May 2005 as our Executive Vice President of Marketing and Product Development at a base salary of \$325,000. He was promoted to be our President in June 2005 and received an increase in base pay to \$375,000, and became our Chief Executive Officer in November 2005 and received an increase in base pay to \$400,000. Mr. Lowe joined Adaptec as our Vice President and General Manager in July 2005 at a base salary of \$250,000. The salary of Mr. O'Meara was determined in connection with his hiring as our Chief Financial Officer in March 2006, and the salary of Mr. Goyal was determined in connection with his hiring as our Vice President, Product Development in May 2006. Adaptec uses the Radford Total Company Results (comprised of data from companies with \$200 million to \$1 billion in annual revenues) to determine a range for appropriate base pay and new hire incentives. Mr. Johnson joined Adaptec in June 1996, held several management positions in our worldwide sales department and was designated as an executive officer by our board of directors in March 2007. Mr. Johnson's salary for fiscal 2006 was not established by the Committee in connection with its review of the compensation level of our executive officers in March 2006 since he was not at the time one of our executive officers, but was instead determined by Mr. Sundaresh.

For fiscal 2008, the Committee determined during its annual review of the compensation level of our executive officers in April 2007 that based on our performance during fiscal 2007 and pay position compared to survey data, Messrs. Sundaresh, O'Meara and Lowe would not receive merit focal increases. [Based upon the Committee's review of Mr. Goyal's compensation level against survey data, Mr. Goyal received a merit focal increase of his base salary from \$240,000 to \$255,000 effective April 2, 2007. On August 9, 2007, we informed]

Mr. Johnson that his position would be eliminated, which occurred effective September 7, 2007.

### Incentive Program

We utilize the same Radford survey data discussed above to determine cash bonus incentive targets. We target the 50<sup>th</sup> percentile of the market for similar size revenue companies. We pay cash bonuses to our executive officers pursuant to our Adaptec Incentive Plan (the "AIP"), with individuals eligible to receive payments from the AIP twice per year, following the close of the second and fourth fiscal quarters. The funding of the bonus pool under the AIP for each of the two six-month bonus periods is conditioned upon Adaptec achieving specific financial results and strategic goals that are determined by our Board. The financial results component is based upon Adaptec achieving minimum thresholds for revenue and operating profit before income taxes ("OPBT"), while the strategic goals generally related to matters such as inventory management, growth in the channel market, gross margin and business velocity. Achievement of goals are measured at the beginning of the third fiscal quarter for the first half cash bonuses and at the beginning of the first fiscal quarter of the following fiscal year for the second half cash bonuses, and the Committee then determines if the funding of the AIP bonus pool has been triggered. Management determines each person's AIP payment based upon his pay grade target and his performance. Our executive officers can achieve 0% to 200% of target incentive based upon Adaptec's performance and their individual performance.

For fiscal 2007, the target bonus payment for Mr. Sundaresh was 85% of his base pay, meaning that he could receive a cash incentive bonus from 0% to 170% of his base pay, the target bonus payment for Mr. O'Meara was 60% of his base pay, meaning that he could receive a cash incentive bonus from 0% to 120% of his base pay, and the target bonus payment for Mr. Lowe was 50% of base pay, meaning that he could receive a cash incentive bonus from 0% to 100% of his base pay. In addition, achievement of the financial goals accounted for 75% of the funding of the AIP pool,

while achievement of the threshold for strategic goals accounted for the remaining 25% of the funding of the AIP pool.

For both six-month bonus periods, Messrs. Sundaresh, O'Meara and Lowe received less than their targets based on our performance, resulting in total cash bonus payments to them for fiscal 2007 of \$180,000, \$101,000 and \$67,000, respectively. Mr. Goyal was ineligible for the first six-month AIP due to his hire date; however, he received a cash payment of \$35,000 to recognize his contributions for the first half of the fiscal year. Mr. Goyal received an \$18,300 incentive bonus for the second half of the fiscal year. In addition, Mr. Goyal received a \$50,000 signing bonus upon beginning his employment with Adaptec. Mr. Johnson was on a sales incentive plan and was not eligible to participate in the AIP. Mr. Johnson's incentive portion of his target annual earnings was paid based on revenue achievement and corporate goals.

For fiscal 2008, the Committee kept the target incentive levels for our executive officers at the same percentage of their base salary as they were for fiscal 2007. Mr. Goyal's target is set at 50% of base pay, meaning that he could receive a cash incentive bonus from 0% to 100% of his base pay. In addition, in September 2007, the Committee approved an additional performance incentive bonus for Mr. Sundaresh for up to six-months of his base salary, payable in two installments, the first of which in an amount equal to up to two months of his base salary, subject to his achieving a strategic performance objective, and the second of which in an amount equal to up to four months of his base salary, subject to his achieving two additional strategic performance objectives by the end of fiscal 2008.

#### Equity-Based Long Term Incentive Compensation

We utilize stock options and restricted stock awards to ensure that our executive officers have a continuing stake in our long-term success and to align their interests with the interests of our stockholders.

Beginning in calendar 2006, we generally reduced our use of stock options and increased our use of restricted stock awards in order to minimize potential dilution. However, we provide our executive officers with a larger percentage of their equity-based awards in the form of stock options rather than restricted stock awards as compared with the allocation of equity-based awards to our other employees. Our philosophy is that options have greater risk associated with them than restricted stock awards and that our executive officers should have a larger portion of their equity incentives at risk. As a result, if our company performs well then the executive officer will be suitably rewarded, but if we under-perform, the executive officer's incentives are impacted negatively. We believe that this compensation philosophy is in-line with other high technology companies' practices.

We review the Radford Survey comparator group (comprised of data from companies with 30 million to 99.9 million shares outstanding), as well as the Radford Custom Company Report (comprised of data from companies with \$200 million to \$499.9 million in annual revenues) and the Radford Total Company Results (comprised of data from companies with \$200 million to \$1 billion in annual revenues) to determine the 50<sup>th</sup> percentile for equity awards. We evaluate both the percentage of ownership and the net present value of awards to determine a competitive recommended range for each of our executive officers. We also review the executive officer's current holdings of unvested equity and the extent to which those holdings provide adequate retention incentives.

In determining equity grants for our Named Executive Officers for fiscal 2007 (other than with respect to Mr. Goyal who was hired in May 2006), the Committee took into account that due to our current stock price and the limited tenure of each of the Named Executive Officers other than Mr. Johnson, the officers had relatively little to no current holdings. Based on this information, the Committee allocated equity incentives to each of Messrs. Sundaresh, O'Meara, Lowe, and Johnson for fiscal 2007 between the 50<sup>th</sup> and 75<sup>th</sup> percentile of the range and with shorter vesting schedules. We granted these executive officers stock option and restricted stock awards in both June and November 2006. Restricted stock awards vest annually over a two-year period and options vest quarterly over a three-year period.

With respect to Mr. Goyal, we granted him options to purchase 135,000 shares of our common stock in connection with his hiring in May 2006. We utilized the Radford Total Company Results (comprised of data from companies with



\$200 million to \$1 billion in annual revenues) to determine the appropriate equity compensation level for Mr. Goyal. New hire equity incentive awards continue to have a standard vesting schedule. They vest as to 25% of the underlying shares on the one-year anniversary and quarterly thereafter, and will be fully vested at the end of four years. Mr. Goyal's stock option and restricted stock awards that were granted in November 2006 were determined in the same manner as the awards to Messrs. Sundaresh, O'Meara, Lowe, and Johnson described above. The table on page [ ] of this Proxy Statement describes the option grants and restricted stock awards made to the Named Executive Officers.

All grants of options to our executive officers and other employees, as well as to our directors, have been granted with exercise prices equal to or exceeding the fair value of the underlying shares of common stock on the grant date, as determined by our board of directors. All equity-based awards have been reflected in our consolidated financial statements, based upon the applicable accounting guidance. Beginning in calendar 2006, we generally reduced our use of stock options and increased our use of restricted stock awards in order to reduce our SFAS 123(R) expense and manage our dilution.

We do not have any program, plan or practice that requires us to grant equity-based awards to our executive officers on specified dates and we have not made grants of such awards that were timed to precede or follow the release or withholding of material non-public information. Our practice has been to grant equity-based awards at regularly scheduled committee meetings.

#### Perquisites

Our executive officers are eligible for the same health and welfare programs and benefits as the rest of our employees. In addition, all vice president level and more senior employees, including our executive officers, receive a car allowance valued at \$650 per month, and are eligible for an annual executive physical. In addition, executive officers receive reimbursement for personal financial and tax advice up to \$2,500 per year, reimbursement for health club initiation fees of up to \$300 plus 50% of the club's monthly dues, up to \$55.00 per month, and survivor benefit management services up to a maximum cost of \$3,000.

#### Employment Contracts

We have entered into employment agreements with each of our executive officers which provide that if such officer is terminated other than for "cause" (which includes violation of material duties, refusal to perform his duties in good faith, breach of his/her employment agreement or employee proprietary information agreement, poor performance of duties, arrest for a felony or certain other crimes, substance abuse, violation of law or Adaptec policy, prolonged absence from duties or death), he is entitled to receive (1) his unpaid salary and unused vacation benefits he has accrued prior to the date of his termination; (2) a one-time payment equal to 12 months of base salary for Messrs. Sundaresh and O'Meara, and nine months of base salary for Messrs. Lowe, Goyal and Johnson, plus an additional week of base salary for each year of service beyond three years of service; (3) outplacement services in an amount not to exceed \$10,000; and (4) coverage for the executive officer and his dependents under our health, vision and dental insurance plans pursuant to COBRA for a 12-month period for Messrs. Sundaresh and O'Meara, and a nine-month period for Messrs. Lowe, Goyal, and Johnson, following the termination of employment. As a result of the termination of his employment with Adaptec in September 2007, Adaptec provided Mr. Johnson with severance terms that were consistent with the severance arrangements described above.

#### Change of Control

We believe our change of control practice is generally in line with other companies that have such change of control arrangements, except for the single-trigger vesting acceleration for equity described below. The changes of control arrangements of our Named Executive Officers, as set forth in their employment agreements, are as follows:

If within one year of a change of control (1) as to Mr. Sundaresh he is no longer the chief executive officer reporting to our Board or as to Mr. O'Meara, he is no longer the chief financial officer reporting to the chief executive officer, (2) there is a material reduction in his duties or responsibilities from those in effect prior to the change of control, (3) there is a material reduction of the annual base and target incentive compensation specified in his employment agreement to which he does not consent, (4) there is a failure of Adaptec's successor after a change of control to assume his employment agreement, (5) his employment is terminated without cause by Adaptec's successor, (6) there is a substantial change in his position or responsibility or (7) his position relocates to more than 25 additional commute miles (one way) and he elects to be terminated, then he will receive, upon signing a separation agreement and general release: (a) a one-time payment equal to his then-current annual base pay (one and one-half times annual pay in the case of Mr. Sundaresh), (b) his then-current targeted bonus payout, (c) COBRA benefits for one year, (d) outplacement services not to exceed \$10,000, and (e) accelerated vesting of his stock options and restricted stock awards. In addition, Adaptec or its successor will cover all legal expenses incurred by each Named Executive Officer to enforce his employment agreement following a change of control.

Under our 1990 Stock Plan, 1999 Stock Plan and 2004 Equity Incentive Plan, in the event of a Change in Control (referred to as a "single trigger"), any Options, Rights or Awards (as such capitalized terms are defined in the applicable plan) outstanding upon the date of such Change in Control will have their vesting accelerated as of the date of such Change in Control as to an additional 25% of the shares subject to such Options, Rights or Awards (as the case may be). If within 12 months following a Change in Control, an employee is terminated by the successor employer for any reason, such employee's Options, Rights or Awards (as the case may be) outstanding upon such Change in Control that are not yet exercisable and vested on such date shall become 100% vested and exercisable.

We believe these change of control arrangements, the value of which are contingent on the value obtained in a change of control transaction, effectively create incentives for our executive team to build stockholder value and to obtain the highest value possible should we be acquired in the future, despite the risk of losing employment and potentially not having the opportunity to otherwise vest in equity awards which comprise a significant component of each executive's compensation. These arrangements are intended to attract and retain qualified executives that could have other job alternatives that may appear to them to be less risky absent these arrangements, particularly given the significant level of acquisition activity in the technology sector. Except for a portion of the grants to our executive officers, as described above, our change of control arrangements for our executive officers are "double trigger," meaning that acceleration of vesting is not awarded upon a change of control unless the executive's employment is terminated involuntarily (other than for cause) within 12 months following the transaction. We believe this structure strikes a balance between the incentives and the executive hiring and retention effects described above, without providing these benefits to executives who continue to enjoy employment with an acquiring company in the event of a change of control transaction. We also believe this structure is more attractive to potential acquiring companies, who may place significant value on retaining members of our executive team and who may perceive this goal to be undermined if executives receive significant acceleration payments in connection with such a transaction and are no longer required to continue employment to earn the remainder of their equity awards.

#### Incentive Performance Agreement with Chief Executive Officer; Retention Bonus Agreements with Certain Named Executive Officers

In August 2007, we entered into an incentive performance agreement with Mr. Sundaresh. This agreement provides that, subject to the successful completion of a performance goal by September 30, 2007, which performance goal was met, Mr. Sundaresh will be paid up to two months of his current base salary (subject to applicable withholdings) on November 23, 2007 if he is still employed by Adaptec on that date. In addition, upon the successful completion of two additional performance goals by March 31, 2008, Mr. Sundaresh will be paid up to four months of his current base salary (subject to applicable withholdings) on April 10, 2008 if he is still employed by Adaptec on that date. This incentive bonus is in addition to, and not in lieu of, any payment that Mr. Sundaresh is eligible to receive under the AIP or any severance benefits he is entitled to receive under his employment agreement. If Mr. Sundaresh is involuntarily terminated (1) on or within nine months following a Change in Control, as such term is defined in our

2004 Equity Incentive Plan, or (2) other than for cause, then Mr. Sundaresh will be entitled to receive both incentive bonus payments without regard to the achievement of the performance goals.

In August 2007, we also entered into retention agreements with each of our Named Executive Officers, other than Mr. Johnson and Mr. Sundaresh. The retention agreements provide that, subject to continued satisfactory performance of his duties, the executive officer will receive a retention bonus equal to six month of his base salary, with two months of the bonus to be paid on November 23, 2007 and the remaining four months of the bonus to be paid on February 29, 2008. This retention bonus is in addition to, and not in lieu of, any payment the Named Executive Officer is eligible to receive under the AIP or any severance benefits he is entitled to receive under his employment agreement. If any of the Named Executive Officers are involuntarily terminated due to (1) a Change in Control or (2) a reduction in force, then the executive officer will be entitled to receive both retention bonus payments, payable immediately upon such termination of employment. If the Named Executive Officer terminates his employment voluntarily or is terminated for cause prior to the date of one of the retention bonus payment dates, he will not be entitled to receive such payment.

For purposes of these agreements, the term "cause" is defined to mean (1) a deliberate or serious breach of the executive officer's material duties as assigned by Adaptec; (2) refusal or unwillingness to perform such duties; or (3) arrest or conviction of a felony, a serious violation of the law, or other crime involving moral turpitude, fraud, misappropriation of funds, habitual insobriety or illegal drug use.

We have agreed to require any successor or assignee in connection with any sale, transfer or other disposition of all or substantially all of our assets or business expressly to assume and agree to perform our obligations under these agreements in the same manner and to the same extent that we would be required to perform if no such succession or assignment had taken place. We have also agreed to cover all of Mr. Sundaresh's and the Named Executive Officers' legal expenses incurred by them to enforce their respective agreements following a Change of Control.

#### Deferred Compensation Plan

The Adaptec Deferred Compensation Plan and the 2005 Deferred Compensation Plan are maintained but no future contributions will be made to such plans.

#### Other Members of the Executive Leadership Team

Other executive officers who are direct reports of Mr. Sundaresh but are not Named Executive Officers are treated in a manner similar to the listed Named Executive Officers in relation to the total compensation factors.

#### Executive Compensation Tables

##### Summary Compensation Table

The following table provides information with respect to the compensation earned during fiscal 2007 by our Chief Executive Officer, our Chief Financial Officer and our three other highest paid executive officers who were serving as executive officers at the end of fiscal 2007. We refer to these five executive officers as our "Named Executive Officers."

Name and Principal Position
-----------------------------

Year

Salary (\$)

Edgar Filing: ADAPTEC INC - Form PRE 14A

Bonus (\$)

Stock Awards \$(1)

Option awards \$(1)

Non-Equity Incentive Plan Compensation (\$)

Change in Pension  
Value and Nonqualified Deferred Compensation Earnings (\$)

All Other Compensation (\$)

Total (\$)

Sundaresh, Subramanian "Sundi" Chief Executive Officer and President

2007

\$450,000

-

\$90,981

\$163,336

\$180,000

\$32,455

\$27,004(2)

\$943,776

O'Meara, Christopher  
Vice President and Chief Financial Officer

2007

\$325,000

-

\$42,480

\$167,978

\$101,000

-

\$12,789(3)

\$649,247

Lowe, Marcus D.  
Vice President and General Manager

2007

\$260,000

-

\$32,753

\$89,889

\$67,000

-

\$17,939(2)

\$467,582

Goyal, Manoj  
Vice President of Global Product Development

2007

\$215,000

(5)

\$85,000

(6)

\$10,958

\$54,365

\$18,300

\$575

\$18,500(2)

\$402,699

Johnson, Russell(7)  
Former Vice President of Worldwide Sales

	2007
	\$305,500
	\$2,179
	\$16,847
	\$76,080
	-
	-
	\$117,876(4)
	\$518,482

(1) These amounts reflect the dollar amount of expense recognized for financial statement reporting purposes for fiscal 2007 in accordance with SFAS 123(R), with the exception that estimated forfeitures related to service-based vesting were disregarded in these amounts. Assumptions used in the calculation of this amount for purposes of our financial statements are included in Note 8 of the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2007.

(2) Represents health and life insurance premiums paid by Adaptec, an automobile allowance, matching contributions made to the officer's 401(k) plan and financial planning services.

(3) Represents health and life insurance premiums paid by Adaptec and an automobile allowance.

(4) Represents health and life insurance premiums paid by Adaptec (\$10,952), an automobile allowance, matching contributions made to Mr. Johnson's 401(k) plan, the value of the spread between the fair market value and the exercise price upon exercise of an incentive stock option (\$18,611), a tax equalization payment (\$24,783), expatriate expenses (\$25,475) and relocation expenses (\$28,255).

(5) Mr. Goyal joined Adaptec in May 2006 at a base salary of \$240,000. Mr. Goyal's base salary for fiscal 2008 has been increased to \$255,000.

(6) Includes a \$50,000 signing bonus.

(7) On August 9, 2007, Adaptec informed Mr. Johnson that his position with Adaptec would be eliminated, which occurred effective September 7, 2007 (the "Termination Date").

#### Grants of Plan-Based Awards

The following table provides certain information with respect to grants of options to purchase shares of our common stock and grants of restricted stock awards made to the Named Executive Officers during fiscal 2007. The table also provides information with regard to cash bonuses for fiscal 2007 under our performance-based, non-equity incentive plan to the Named Executive Officers.

Edgar Filing: ADAPTEC INC - Form PRE 14A

Name	Grant Date	Estimated Future Payouts under Non-Equity Incentive Plan Awards(1)			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards
		Threshold (\$)	Target (\$)	Maximum (\$)				
Subramanian Sundaresh		-	\$382,500	\$765,000	-	-	-	-
	6/14/2006	-	-	-	-	150,000	\$4.24	\$254,010
	11/13/2006	-	-	-	-	150,000	\$4.48	\$268,680
	6/14/2006	-	-	-	50,000	-	-	\$211,950
	11/13/2006	-	-	-	50,000	-	-	\$223,950
Christopher O'Meara		-	\$195,000	\$390,000	-	-	-	-
	6/14/2006	-	-	-	-	50,000	\$4.24	\$84,670
	6/14/2006	-	-	-	-	10,000	\$4.24	\$16,934
	11/13/2006	-	-	-	-	80,000	\$4.48	\$143,296
	6/14/2006	-	-	-	20,000	-	-	\$84,780
	11/13/2006	-	-	-	30,000	-	-	\$134,370
		-	\$130,000	\$260,000	-	-	-	-

Edgar Filing: ADAPTEC INC - Form PRE 14A

Marcus Lowe	-	-	-	-	-	-	-
	6/14/2006					7,830	\$4.24 \$13,259
	-	-	-	-	-	-	-
	6/14/2006					42,170	\$4.24 \$71,411
	-	-	-	-	-	-	-
	11/13/2006					50,000	\$4.48 \$89,560
	-	-	-	-	-	-	-
	6/14/2006				18,000		\$76,302
	-	-	-	-	-	-	-
	11/13/2006				18,000		\$80,622
	-	-	-	-	-	-	-
Manoj Goyal		-	\$120,000	\$240,000			
	-	-	-	-	-	-	-
	5/8/2006					71,718	\$5.47 \$164,163
	-	-	-	-	-	-	-
	5/8/2006					63,282	\$5.47 \$144,853
	-	-	-	-	-	-	-
	11/13/2006					50,000	\$4.48 \$89,560
	-	-	-	-	-	-	-
	11/13/2006					18,000	\$80,622
	-	-	-	-	-	-	-
Russell Johnson(2)	6/14/2006					10,000	\$4.24 \$16,934
	-	-	-	-	-	-	-
	6/14/2006					10,000	\$4.24 \$16,934
	-	-	-	-	-	-	-
	11/13/2006					10,000	\$4.48 \$17,912
	-	-	-	-	-	-	-



11/13/2006				5,000	\$4.48	\$8,956
-	-	-	-			
6/14/2006				8,500		\$36,032
-	-	-	-			
11/13/2006				8,000		\$35,832
-	-	-	-			

(1) Represents potential awards to be made under the 2008 Adaptec Incentive Plan.

(2) As of his Termination Date, 148,953 shares subject to Mr. Johnson's stock options were vested and 4,250 of his shares of restricted stock were released based on his 16,500 shares of restricted stock that was originally granted to him.

### Outstanding Equity Awards

The following table provides information with respect to each unexercised stock option and unvested restricted stock award held by the Named Executive Officers as of March 31, 2007.

#### Option Awards Stock Awards

#### Name

Number of securities underlying unexercised options (#) Exercisable

Number of securities underlying unexercised options (#) Unexercisable

Option Exercise Price (\$)

Option Expiration Date

Number of Shares or Units of Stock That Have Not Vested (#)

Market Value of Shares or Units of Stock That Have Not Vested (\$)

Subramanian Sundaresh

104,999

195,001

\$3.65

5/23/2012

50,000

\$193,500

100,000

-

\$3.45

9/19/2010

50,000

\$193,500

37,500

112,500

\$4.24

6/14/2013

-

-

12,500

137,500

\$4.48

11/13/2013

-

	254,999
	445,001
	100,000
	\$387,000
Christopher O'Meara	
	75,000
	225,000
	\$6.03
	3/21/2013
	20,000
	\$77,400
	15,000
	45,000
	\$4.24
	6/14/2013
	30,000
	\$116,100
	6,666
	73,334
	\$4.48
	11/13/2013

-

-

96,666  
343,334  
50,000  
\$193,500

Marcus Lowe

30,000  
70,000  
\$4.17  
7/11/2012  
18,000  
\$69,660

80,000  
-  
\$3.45  
9/19/2010  
18,000  
\$69,660

12,499  
37,501  
\$4.24  
6/14/2013

-

-

4,166

45,834

\$4.48

11/13/2013

-

-

126,665

153,335

36,000

\$139,320

Manoj Goyal

-

135,000

\$5.47

5/8/2013

18,000

\$69,660

45

	4,166
	45,834
	\$4.48
	11/13/2013
-	
-	
	4,166
	180,834
	18,000
	\$69,660
Russell Johnson(1)	
	6,000
	-
	\$11.9375
	11/22/2010
	8,500
	\$32,895
	4,517
	-
	\$14.90
	12/28/2008
	8,000
	\$30,960
	46

7,000

-

\$15.97

1/23/2009

-

-

6,051

319

\$12.21

4/10/2009

-

-

200

-

\$12.50

10/21/2008

-

-

2,825

-

\$10.875

8/7/2008

-

-

8,650

-

\$12.50

7/6/2008

-

-

5,997

-

\$13.375

11/13/2007

-



-

11,150

-

\$15.290

12/27/2008

-

-

503

-

\$13.375

11/13/2007

-

-

9,000

-

\$4.511

9/30/2009

-

-

6,750

750

\$6.30

8/4/2010

-

-

4,200

2,800

\$9.31

2/21/2011

-

-

15,500

2,500

\$7.66

12/17/2009

50

-

-

10,800

-

\$3.93

5/25/2010

-

-

40,000

-

\$3.45

9/19/2010

-

-

4,999

15,001

\$4.24

51

6/14/2013

-

-

1,250

13,750

\$4.48

11/13/2013

-

-

145,392

35,120

16,500

\$63,855

(1) As of his Termination Date, 148,953 shares subject to Mr. Johnson's stock options were vested and 4,250 shares of his restricted awards were released based on his 16,500 shares of restricted stock that was originally granted to him.

None of the Named Executive Officers exercised any of his stock options during fiscal 2007, nor did any portion of the restricted stock awards held by the Named Executive Officers vest during fiscal 2007.

Nonqualified Deferred Compensation Table

Edgar Filing: ADAPTEC INC - Form PRE 14A

The following table provides information with respect to the non-qualified deferred compensation activity for fiscal 2007 for the Named Executive Officers.

Name	Executive Contributions in Last FY (\$)	Registrant Contributions in Last FY (\$)	Aggregate Earnings in Last FY (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at Last FYE (\$)
Subramanian Sundaresh	-	-	\$32,455	-	\$654,037(1)
Christopher O'Meara	-	-	-	-	-
Marcus Lowe	-	-	-	-	-
Manoj Goyal	\$10,500	-	\$575	-	\$11,075
Russell Johnson	-	-	-	-	-

(1) This amount is the result of contributions made by Mr. Sundaresh during his previous employment with Adaptec from 1993 through 1998.

Payments upon Termination or Change in Control

The following table describes the potential payments and benefits upon termination of our Named Executive Officers' employment before or after a change in control of Adaptec, as if each officer's employment terminated as of March 31, 2007. For purposes of valuing the severance and vacation payout payments in the table below, we used each officer's base salary rate in effect on March 31, 2007, and the number of accrued but unused vacation days on March 31, 2007.

The value of the vesting acceleration for stock options and awards shown in the table below was calculated based on the assumption that the change in control, if applicable, occurred and the officer's employment terminated on March 31, 2007, and that the fair market value per share of our common stock on that date was \$3.870, which was the closing trading price of our common stock on March 30, 2007, the last trading day in our fiscal 2007. The value of the equity acceleration was calculated by multiplying the number of unvested shares subject to acceleration by the difference between \$3.870 and the exercise price per share of the accelerated option. The value of the equity acceleration was calculated by multiplying the number of unvested shares by \$3.870. The severance and equity acceleration amounts listed for Mr. Goyal and Mr. Johnson assume that the terms of the May 1, 2007 executive employment agreements with us were applicable as of March 31, 2007. The bonus acceleration amounts listed for each Named Executive Officer, except Subramanian Sundaresh, assume that the terms of the August 14, 2007 retention bonus agreements with us were applicable as of March 31, 2007. The bonus acceleration amounts listed for Subramanian Sundaresh assumes that the terms of the September 4, 2007 incentive bonus agreements with us were applicable as of March 31, 2007.

Name	Benefit	Termination without Cause prior to Change in Control	Change in Control(1)	Termination without Cause or a Constructive Termination after a Change in Control(2)	A Termination for any reason after a Change in Control(3)
	Severance	\$ 450,000.00	-	\$ 1,057,500.00	-

Edgar Filing: ADAPTEC INC - Form PRE 14A

Subramanian  
Sundaresh

Bonus Acceleration(4)	\$ 225,000.00	-	\$ 225,000.00	-
Equity Acceleration	-	\$ 165,107.00	\$ 395,000.00	\$ 395,000.00
Cobra Premiums	\$ 14,788.00	-	\$ 14,788.00	-
Vacation Payout	\$ 55,041.00	-	-	-
Perquisites(5)	\$ 10,000.00	-	\$ 10,000.00	-
Total Value	\$ 754,829.00	\$ 165,107.00	\$ 1,702,288.00	\$ 395,000.00

Christopher  
O'Meara

Severance	\$ 325,000.00	-	\$ 520,000.00	-
Bonus Acceleration(4)	\$ 162,500.00	-	\$ 162,500.00	-
Equity Acceleration	-	\$ 48,368.00	\$ 143,500.00	\$ 143,500.00
Cobra Premiums	\$ 4,959.00	-	\$ 4,959.00	-
Vacation Payout	\$ 8,852.00	-	-	-
Perquisites(5)	\$ 10,000.00	-	\$ 10,000.00	-
Total Value	\$ 511,311.00	\$ 48,368.00	\$ 840,959.00	\$ 143,500.00

Marcus Lowe

Severance	\$ 195,000.00	-	\$ 390,000.00	-
Bonus Acceleration(4)	\$ 130,000.00	-	\$ 130,000.00	-
Equity Acceleration	-	\$ 68,426.00	\$ 136,920.00	\$ 136,920.00
Cobra Premiums	\$ 3,719.00	-	\$ 4,959.00	-
Vacation Payout	\$ 27,385.00	-	-	-
Perquisites(5)	\$ 10,000.00	-	\$ 10,000.00	-

Edgar Filing: ADAPTEC INC - Form PRE 14A

Manoj Goyal	Total Value	\$ 366,104.00	\$ 68,426.00	\$ 671,879.00	\$ 136,920.00
	Severance	\$ 180,000.00	-	\$ 360,000.00	-
	Bonus	\$ 120,000.00			
	Acceleration(4)		-	\$120,000.00	-
	Equity	-			
	Acceleration		\$ 17,411.00	\$ 69,642.00	\$ 69,642.00
					-
	Cobra Premiums	\$ 11,091.00	-	\$ 14,788.00	
					-
	Vacation Payout	\$ 7,396.00	-	-	
				-	
Perquisites(5)	\$ 10,000.00	-	\$ 10,000.00		
Total Value	\$ 328,487.00	\$ 17,411.00	\$ 574,430.00	\$ 69,642.00	
				-	
Russell Johnson(6)	Severance	\$ 240,000.00	-	\$ 320,000.00	
	Bonus	-	-	-	-
	Acceleration(4)				
	Equity	-			
	Acceleration		\$ 32,762.00	\$ 64,155.00	\$ 64,155.00
					-
	Cobra Premiums	\$ 11,091.00	-	\$ 14,788.00	
					-
	Vacation Payout	\$ 22,466.00	-	-	
					-
Perquisites(5)	\$ 10,000.00	-	\$ 10,000.00		
Total Value	\$ 283,557.00	\$ 32,762.00	\$ 408,943.00	\$ 64,155.00	

(1) The following refers to single trigger acceleration under the 1990 Stock Plan, 1999 Stock Plan and 2004 Equity Incentive Plan, as described on page [\_\_] of this Proxy Statement.

(2) A "constructive termination" event is (a) a material reduction of the annual base and target incentive compensation specified in the officer's employment agreement to which he does not consent, (b) a failure of Adaptec's successor after a change of control to assume the officer's employment agreement, (c) a substantial change in the officer's position or responsibility or (d) the officer's position relocates to more than 25 additional commute miles (one way).

(3) The following refers to double trigger acceleration under the 1990 Stock Plan, 1999 Stock Plan and 2004 Equity Incentive Plan, as described on page [\_\_] of this Proxy Statement.

(4) The following refers to (a) "double trigger" acceleration and (b) full acceleration upon a reduction in force or termination other than for cause, under the incentive performance agreement with our Chief Executive Officer and the retention bonus agreements with certain of our Named Executive Officers, as described on page [ ] of this Proxy Statement.

(5) The following consists of outplacement services through the use of a company or consultant in an amount not to exceed \$10,000.

(6) In connection with his termination, Adaptec proposed to Mr. Johnson, by letter dated August 9, 2007, certain severance terms, consistent with Mr. Johnson's Executive Employment Agreement with Adaptec, dated as of May 1, 2007, in consideration of signing a general release in favor of Adaptec. Mr. Johnson accepted Adaptec's offer on September 22, 2007, which entitled him to receive, consistent with the terms of his employment agreement, a lump-sum severance payment equal to nine months and eight weeks of his base salary, COBRA benefits until June 30, 2008 and outplacement services.

## DIRECTOR COMPENSATION

### Overview

Our one director who is a company employee - Mr. Sundaresh - receives no additional or special compensation for serving as a director. Our non-employee directors receive a combination of cash and equity compensation for serving on our Board. In addition, we reimburse non-employee directors for out-of-pocket expenses incurred in connection with attending Board and committee meetings.

### Cash Compensation

In May 2006, our Compensation Committee amended our non-employee directors' cash compensation program, effective June 1, 2006. The amendments provided for the following changes to the fiscal 2006 program: (1) an increase in the annual cash retainer from \$3,000 to \$6,500 per fiscal quarter, (2) a reduction in the per-meeting retainer from \$4,000 to \$3,000 for each Board meeting attended (either in person or by telephone); however, the Chairperson of the Board may designate a given meeting as a \$2,000-reduced-fee meeting and (3) the addition of a per-meeting retainer of \$1,200 for each Board committee meeting attended that the Chairperson of the committee designates a formal meeting. These amounts are paid quarterly.

### Equity Compensation

Pursuant to our 2000 Director Option Plan (which was terminated when stockholders approved our 2006 Director Plan in September 2006), non-employee directors were automatically granted an option to purchase 32,500 shares of our common stock. These stock options will vest with respect to 25% of the shares subject to the options on the first anniversary of the grant date, and then with respect to 6.25% of the shares subject to the options for each full quarter thereafter, so long as such person remains a director, such that the options will be fully vested on the fourth anniversary of the date of grant. Our 2006 Director Plan is a "discretionary" plan and does not provide for automatic awards to our non-employee directors. Instead, our Board of Directors approves equity awards under that plan. We anticipate that the Board of Directors will generally award shares of restricted common stock, which will fully vest after one year, to our non-employee directors during fiscal 2008.

### Director Compensation Table

The following table provides information with respect to all compensation awarded to, earned by or paid to each person who served as a director (except for Mr. Sundaresh, our Chief Executive Officer, who receives no additional compensation for his service on our Board) for some portion or all of fiscal 2007. Other than as set forth in the table



Edgar Filing: ADAPTEC INC - Form PRE 14A

and the narrative that follows it, to date we have not paid any fees to or reimbursed any expenses of our directors, made any equity or non-equity awards to directors, or paid any other compensation to directors.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)(1)(2)	Option Awards (\$)(1)(3)	Total (\$)
Jon S. Castor	\$60,200	\$30,857	\$5,928	\$96,986
Joseph S. Kennedy	\$66,700	\$11,868	\$25,449	\$104,017
Robert J. Loarie	\$69,200	\$11,868	\$25,449	\$106,517
D. Scott Mercer	\$66,500	\$11,868	\$54,848	\$133,216
Judith M. O'Brien	\$54,950	\$30,857	\$5,953	\$91,760
Charles J. Robel	\$71,500	\$11,868	\$12,468	\$95,836
Carl J. Conti (4)	\$50,550	\$0	\$6,362	\$56,912
Lucie J. Fjeldstad (4)	\$39,750	\$0	\$6,362	\$46,112
Ilene H. Lang (4)	\$36,300	\$0	\$6,362	\$42,662
Douglas E. Van Houweling	\$58,400	\$11,868	\$25,449	\$95,717

(1) These amounts reflect the dollar amount of expense recognized for financial statement reporting purposes for fiscal 2007 in accordance with SFAS 123(R), with the exception that estimated forfeitures related to service-based vesting were disregarded in these amounts. Assumptions used in the calculation of this amount for purposes of our financial statements are included in Note 8 of the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2007.

(2) The following directors received the following awards of shares of our common stock in fiscal 2007, as set forth following their respective names: Mr. Castor 16,250 shares, Mr. Kennedy 6,250 shares, Mr. Loarie 6,250 shares, Mr. Mercer 6,250 shares, Ms. O'Brien 16,250 shares, Mr. Robel 6,250 shares and Mr. Van Houweling 6,250 shares. These awards vest on the one-year anniversary of the grant date.

(3) The following directors were granted options to purchase the number of shares of our common stock in fiscal 2007, as set forth following their respective names: Mr. Castor 32,500 shares and Ms. O'Brien 32,500 shares.

(4) Each of Mr. Conti, Ms. Fjeldstad and Ms. Lang resigned his or her directorship immediately prior to our 2006 annual meeting of stockholders held in September 2006.

#### Compensation Committee Interlocks and Insider Participation

The Compensation Committee currently consists of Judith M. O'Brien, Jon S. Castor and Robert J. Loarie, none of whom has any interlocking relationships, as defined by the SEC. During fiscal 2007, from April 1, 2006 through

September 14, 2006, Lucie J. Fjeldstad and Robert J. Loarie served on our Compensation Committee, neither of whom had any interlocking relationships, as defined by the SEC, during such period of service.

Compensation Committee Report

The members of the Compensation Committee have reviewed and discussed the Compensation Discussion and Analysis section set forth above with management and, based on such review and discussion, the members of the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

THE  
COMPENSA  
COMMITTE

Judith  
M.  
O'Brien,  
Chair  
Jon  
S.  
Castor  
Robert  
J.  
Loarie

Equity Compensation Plan Information

The following table sets forth information as of March 31, 2007 regarding equity awards under our 2004 Equity Incentive Plan; Snap Appliance, Inc. 2002 Stock Option and Restricted Stock Purchase Plan; Broadband Storage, Inc. 2001 Stock Option and Restricted Stock Purchase Plan; 2000 Nonstatutory Stock Option Plan; 1999 Stock Plan; 1990 Stock Plan; Distributed Processing Technology Corp. Omnibus Stock Option Plan; Stargate Solutions, Inc. 1999 Incentive Stock Plan; Eurologic Systems Group Limited 1998 Share Option Plan; 2006 Director Option Plan; 2000 Director Option Plan; 1990 Directors' Option Plan, 1986 Employee Stock Purchase Plan and any amendments to such plans:

Equity Compensation Plan Information Table

	(a)	(b)	(c)
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))

Equity compensation plans approved by security holders	14,018,075	\$	6.5581	22,298,326(1)
Equity compensation plans not approved by security holders(2)	153,248	\$	2.5967	-
Total	14,171,323	\$	6.5153	22,298,326(1)

(1) Of these shares, 17,719,681 shares are available for issuance under our 2004 Equity Incentive Plan, which permits the grant of stock options, stock appreciation rights, restricted stock, stock awards and restricted stock units, and 1,600,000 shares remain available for issuance under the Adaptec, Inc. 2006 Director Plan. Of the shares available for issuance under the 2006 Director Plan, a maximum of 600,000 shares in the aggregate may be issued as restricted stock or restricted stock units. Options issued under our equity compensation plans do not have rights to any dividends declared on the common stock and are not transferable for consideration, and any shares of restricted stock to be issued in the future under the 2004 Equity Incentive Plan or 2006 Director Plan will not have rights to any dividends declared on the common stock and will not be transferable for consideration unless and until the restrictions on such shares lapse. Of these shares, 2,978,645 remain available for issuance under our 1986 Employee Stock Purchase Plan under offering periods that remained in effect following the expiration of the plan in April 2006, and there will be no further issuances under this plan after February 14, 2008.

(2) Includes options to purchase 1,232,491 shares of our common stock issued under the Snap Appliance and Broadband Storage stock option plans that we assumed in connection with the acquisition of Snap Appliance in July 2004, after giving effect to the exchange ratio for such acquisition. Of these options to purchase 1,232,491 shares, options to purchase 45,240 shares of our common stock were outstanding at March 31, 2007, having a weighted average exercise price of \$1.9267. Also includes options to purchase 1,130,525 shares of our common stock issued under the Distributed Processing Technology stock option plan that we assumed in connection with the acquisition of that company in December 1999, after giving effect to the exchange ratio for such acquisition. Of these options to purchase 1,130,525 shares, options to purchase 39,024 shares of our common stock were outstanding at March 31, 2007, having a weighted average exercise price of \$5.2764 per share. Also includes options to purchase 2,336,037 shares of our common stock issued under the Stargate Solutions stock option plan that we assumed in connection with the acquisition of Platys Communications in August 2001, after giving effect to the exchange ratio for such acquisition. Of these options to purchase 2,336,037 shares, options to purchase 54,852 shares of our common stock were outstanding at March 31, 2007, having a weighted average exercise price of \$.1896 per share. Also includes options to purchase 498,789 shares of our common stock issued under the Eurologic stock option plan that we assumed in April 2003 in connection with the acquisition of Eurologic Systems Group Ltd., after giving effect to the exchange ratio for such acquisition. Of these options to purchase 498,789 shares, options to purchase 14,132 shares of our common stock were outstanding at March 31, 2007, having a weighted average exercise price of \$6.6847 per share. No further awards will be made under any of the assumed stock option plans described above.

#### REPORT OF THE AUDIT COMMITTEE

The following is the Report of the Audit Committee with respect to our audited financial statements for our fiscal year ended March 31, 2007.

The Audit Committee's purpose is, among other things, to assist our Board of Directors in its oversight of its financial accounting, reporting and controls. Our Board of Directors has determined that each member of the Audit Committee meets the independence criteria prescribed by applicable law and the rules of the SEC for audit committee membership and each is an "independent" director within the meaning of the listing standards of The NASDAQ Global Market. The Audit Committee operates under a written charter, which was formally adopted by the Board of Directors in June 2000 and most recently updated in March 2004.

Our management is responsible for the preparation, presentation and integrity of our financial statements, including setting the accounting and financial reporting principles and designing our system of internal control over financial reporting. Our independent registered public accounting firm, PricewaterhouseCoopers LLP ("PwC"), is responsible for performing an independent audit of our consolidated financial statements and for expressing opinions on the conformity of our audited financial statements to generally accepted accounting principles, on management's assessment of the effectiveness of internal control over financial reporting and on the effectiveness of our internal control over financial reporting based on their audit. The Audit Committee oversees these processes, although members of the Audit Committee are not engaged in the practice of auditing or accounting, and their functions are not intended to duplicate or to certify the activities of management or PwC.

The Audit Committee has reviewed and discussed our audited consolidated financial statements with management and PwC. The Audit Committee met with PwC, with and without management present, to discuss the results of its examinations, its evaluation of our internal control over financial reporting and the overall quality of our financial reporting.

The Audit Committee also has discussed with PwC the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees. The Audit Committee has received the written disclosures and the letter from PwC required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees. The Audit Committee also has discussed with PwC that firm's independence. Based on the review and discussions described in this report, and subject to the limitations on the role and responsibilities of the Audit Committee referred to in this report and its charter, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in our Annual Report on Form 10-K for our fiscal year ended March 31, 2007.

The preceding report is not "soliciting material," is not deemed filed with the SEC and is not to be incorporated by reference in any of our filings under the Securities Act of 1933, or the Exchange Act, whether made before or after the date of this Proxy Statement and irrespective of any general incorporation language in any of our filings.

AUDIT  
COMMITTEE

Charles  
J.  
Robel,  
Chair  
Jon  
S.  
Castor  
Joseph  
S.  
Kennedy

TRANSACTIONS WITH RELATED PERSONS

Related Party Transactions Policy and Procedures

Any related party transactions, excluding compensation (whether cash, equity or otherwise), which is delegated to the Compensation Committee, involving one of our directors or executive officers, must be reviewed and approved by the Audit Committee or another independent body of the Board of Directors. Any member of the Audit Committee who is a related party with respect to a transaction under review may not participate in the deliberations or vote on the approval or ratification of the transaction. However, such a director may be counted in determining the presence of a

quorum at a meeting of the committee that considers the transaction. Related parties include any of our directors or executive officers, certain of our stockholders and their immediate family members. To identify any related party transactions, each year, we submit and require our directors and officers to complete director and officer questionnaires identifying any transactions with us in which the executive officer or director or their family members has an interest. In addition, the Nominating and Governance Committee of our Board of Directors determines, on an annual basis, which members of our Board of Directors meet the definition of independent director as defined in the rules of The NASDAQ Stock Market and reviews and discusses any relationships with a director that would potentially interfere with his or her exercise of independent judgment in carrying out the responsibilities of a director.

#### Certain Related Party Transactions

Our Certificate of Incorporation and Bylaws contain provisions that limit the liability of our directors and provide for indemnification of our officers and directors to the full extent permitted under Delaware law. Under our Certificate of Incorporation, and as permitted under the Delaware General Corporation Law, directors are not liable to us or our stockholders for monetary damages arising from a breach of their fiduciary duty of care as directors, including such conduct during a merger or tender offer. In addition, we have entered into separate indemnification agreements with our directors and officers that could require us to, among other things, indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. Such provisions do not, however, affect liability for any breach of a director's duty of loyalty to us or our stockholders, liability for acts or omissions not in good faith or involving intentional misconduct or knowing violations of law, liability for transactions in which the director derived an improper personal benefit or liability for the payment of a dividend in violation of Delaware law. Such limitation of liability also does not limit a director's liability for violation of, or otherwise relieve us or our directors from the necessity of complying with, federal or state securities laws or affect the availability of equitable remedies such as injunctive relief or rescission.

Other than as set forth in the preceding paragraph and the compensation arrangements set forth under the caption "Executive Compensation," since April 1, 2006 there has not been, nor is there currently proposed, any transaction in which we were or will be a participant and in which the amount involved exceeded \$120,000 and in which any executive officer, director, 5% beneficial owner of our common stock or member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest.

#### DEADLINE FOR SUBMISSION OF STOCKHOLDER PROPOSALS FOR 2008 ANNUAL MEETING OF STOCKHOLDERS

Stockholders are entitled to present proposals for consideration at forthcoming stockholder meetings provided that they comply with the proxy rules promulgated by the SEC and our bylaws. Stockholders wishing to present a proposal at our 2008 Annual Meeting of Stockholders must submit such proposal to us by [\_\_\_\_\_], 2008 if they wish for it to be eligible for inclusion in the proxy statement and form of proxy relating to that meeting. In addition, under our bylaws, a stockholder wishing to nominate a person to our Board of Directors at the 2008 Annual Meeting of Stockholders (but not include such nomination in the proxy statement) or wishing to make a proposal with respect to any other matter (but not include such proposal in the proxy statement) at the 2008 Annual Meeting of Stockholders, must submit the required information to us between [\_\_\_\_\_], 2008 and [\_\_\_\_\_], 2008.

#### SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16 of the Securities Exchange Act requires our directors and officers, and persons who own more than 10% of a registered class of our equity securities, to file initial reports of ownership and reports of changes in ownership with the SEC. SEC regulations also require these persons to furnish us with a copy of all Section 16(a) forms they file. Based solely on our review of the copies of the forms furnished to us and written representations from our executive officers and directors, we believe that all Section 16(a) filing requirements were met during fiscal 2007.

OTHER BUSINESS

The Board of Directors knows of no other business that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the Annual Meeting, it is the intention of the persons named in the accompanying proxy to vote the shares they represent as the Board of Directors may recommend.

Whether or not you plan to attend the Annual Meeting, please cast your vote online, via telephone, or complete, date, sign and promptly return the enclosed WHITE proxy card or voting instruction card in the enclosed postage-paid envelope before the Annual Meeting so that your shares will be represented at the Annual Meeting.

---

## PARTICIPANT INFORMATION

Under applicable SEC rules, members of the board of directors and certain officers and employees of Adaptec, Inc. (referred to herein as "Adaptec," "we," "us" or "our") may be deemed to be "participants" with respect to Adaptec's solicitation of proxies in connection with its upcoming 2007 Annual Meeting of Stockholders. Certain information about the persons who may be deemed "participants" in the solicitation is provided below.

## Directors

The name and principal occupation of Adaptec's directors who may be deemed participants in Adaptec's solicitation are set forth in Proposal No. 1 under the caption "Election of Directors" on page [\_\_] of the Proxy Statement. The mailing address of each of Adaptec's directors is c/o Adaptec, Inc., 691 South Milpitas Boulevard, Milpitas, California 95035.

## Executive Officers

The name and principal occupation of Adaptec's executive officers who may be deemed "participants" in Adaptec's solicitation of proxies are set forth below. No other employees of Adaptec will participate in Adaptec's solicitation of proxies. The principal occupation refers to such person's position with Adaptec, and the business address for each such person is c/o Adaptec, Inc., 691 South Milpitas Boulevard, Milpitas, California 95035.

Name	Principal Occupation
Subramanian "Sundi" Sundaresh	President and Chief Executive Officer
Manoj Goyal	Vice President, Global Product Development
Marcus D. Lowe	Vice President and General Manager
Christopher G. O'Meara	Vice President and Chief Financial Officer
Stephen Terlizzi	Vice President and General Manager, Storage Solutions Group

## Information Regarding Ownership of Adaptec Securities By Participants

None of the persons listed in the Proxy Statement under "Stock Ownership of Directors and Executive Officers" owns any shares of Adaptec common stock that they do not own beneficially. The number of shares of our common stock held by directors and the Named Executive Officers as of the close of business on September 28, 2007 is set forth under the caption "Stock Ownership of Directors and Executive Officers" on page [\_\_] of the Proxy Statement.

## Information Regarding Transactions In Adaptec's Securities By Participants

The following table sets forth purchases and sales during the past two years of shares of our common stock by the our directors and executive officers.

	Shares of Common Stock Purchased or Sold		
	(9/28/05 to 9/28/07)		
Name	Date	Number of Shares	Transaction Description
Jon S. Castor	09/19/06	16,250	Restricted Stock Award

## Edgar Filing: ADAPTEC INC - Form PRE 14A

Joseph S. Kennedy	09/19/06	6,250	Restricted Stock Award
Robert J. Loarie	09/19/06	6,250	Restricted Stock Award
D. Scott Mercer	09/19/06	6,250	Restricted Stock Award
Judith M. O'Brien	09/19/06	16,250	Restricted Stock Award
Charles J. Robel	09/19/06	6,250	Restricted Stock Award
Douglas E. Van Houweling	09/19/06	6,250	Restricted Stock Award
Subramanian "Sundi" Sundaresh	02/14/06	5,000	ESPP Purchase
	06/14/06	50,000	Restricted Stock Award
	06/14/07	(8,936)	Trade for Tax - RSA
	08/14/06	5,000	ESPP Purchase
	11/13/06	50,000	Restricted Stock Award
	02/14/07	5,000	ESPP Purchase
	08/14/07	5,000	ESPP Purchase
	08/23/07	200,000	Restricted Stock Award
Manoj Goyal	11/13/06	18,000	Restricted Stock Award
	08/23/07	100,000	Restricted Stock Award
Marcus D. Lowe	06/14/06	18,000	Restricted Stock Award
	06/14/07	(3,217)	Trade for Tax - RSA
	08/14/06	3,810	ESPP Purchase
	11/13/06	18,000	Restricted Stock Award
	02/14/07	1,475	ESPP Purchase
	08/14/07	1,307	ESPP Purchase
	08/17/07	12,375	Open Market Sale
	08/23/07	70,000	Restricted Stock Award
Christopher G. O'Meara	06/14/06	20,000	Restricted Stock Award
	06/14/07	(3,575)	Trade for Tax - RSA
	11/13/06	30,000	Restricted Stock Award
	08/23/07	75,000	Restricted Stock Award
Stephen Terlizzi	08/23/07	70,000	Restricted Stock Award

(1) Related to shares of restricted awards that were released prior to Mr. Goyal's designation as an executive officer.

### Miscellaneous Information Concerning Participants

No part of the purchase price or market value of any of the shares specified in the "Information Regarding Transactions in Adaptec's Securities by Participants" section of this [Appendix A](#) is represented by funds borrowed or otherwise obtained for the purpose of acquiring or holding such securities by such participant.



Except as otherwise described in the Proxy Statement or this Appendix A, to Adaptec's knowledge, no associate of any of our directors or executive officers owns beneficially, directly or indirectly, any securities of Adaptec.

Except as described in the Proxy Statement under the section entitled "Transactions with Related Persons," neither any participant, nor any of their respective associates or affiliates (including a member of the participant's immediate family, together, the "Participant Affiliates"), is either a party to any transaction or series of transactions since April 1, 2006, or has knowledge of any currently proposed transaction or series of proposed transactions, (1) to which Adaptec was or is to be a party, (2) in which the amount involved exceeds \$120,000 or (3) in which any participant or Participant Affiliate had, or will have, a direct or indirect material interest.

Except as described in this Appendix A or the Proxy Statement, no participant or Participant Affiliate is, or within the past year was, a party to any contract, arrangement or understanding with any person with respect to any securities of Adaptec.

Except as described in the Proxy Statement, no participant or Participant Affiliate has entered into any agreement or understanding with any person with respect to any future employment by Adaptec or any of its affiliates or with respect to any future transactions to which Adaptec or any of its affiliates will or may be a party.

---

THE PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS  
ADAPTEC, INC.

Adaptec, Inc.  
Proxy for 2007 Annual Meeting of Stockholders  
December 13, 2007

The undersigned stockholder(s) of Adaptec, Inc., a Delaware corporation, hereby acknowledges receipt of the Notice of 2007 Annual Meeting of Stockholders and Proxy Statement, each dated October [\_\_\_], 2007, and hereby appoints Subramanian "Sundi" Sundaresh and Christopher O'Meara, and each of them, Proxies and Attorneys-in-Fact, with full power to each of substitution, on behalf and in the name of the undersigned, to represent the undersigned at our 2007 Annual Meeting of Stockholders to be held at the Embassy Suites Hotel located at 901 East Calaveras Boulevard, Milpitas, California 95035 on Thursday, December 13, 2007 at 10:00 a.m., local time, and at any adjournment thereof, and to vote all shares of our common stock which the undersigned would be entitled to vote if personally present on any of the following matters and with discretionary authority as to any and all other matters that may properly come before the meeting.

THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED IN ACCORDANCE WITH THE SPECIFICATIONS MADE. IF NO SPECIFICATION IS MADE, THE SHARES REPRESENTED BY THIS PROXY WILL BE VOTED FOR EACH OF THE BOARD OF DIRECTOR NOMINEES, FOR THE RATIFICATION OF PRICEWATERHOUSECOOPERS LLP, AND FOR SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING AS THE PROXY HOLDERS DEEM ADVISABLE.

^ FOLD AND DETACH HERE ^

YOUR VOTE IS IMPORTANT!

Please mark, sign and date your proxy card and return it promptly in the enclosed envelope.

Please mark /x/  
your votes  
as  
indicated in  
this  
example

FOR all nominees listed below  
(except as indicated).

WITHHOLD authority to vote  
for all nominees listed below.

1. Election of directors to serve  
one-year terms.

//

//

If you wish to withhold authority for any individual nominee, strike a line through that nominee's name in the list below:

01 Jon S. Castor

02 Joseph S. Kennedy

03 Robert J. Loarie

04 D. Scott Mercer

05 Judith M. O'Brien

06 Charles J. Robel

07 Subramanian "Sundi"  
Sundaresh

08 Douglas E. Van Houweling

2. To ratify the appointment of  
PricewaterhouseCoopers LLP as our

FOR  
//

AGAINST  
//

ABSTAIN  
//

