

RED HAT INC
Form 8-K
November 07, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)

of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): November 6, 2014

Red Hat, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

**(State or Other Jurisdiction
of Incorporation)**

001-33162
(Commission

06-1364380
(IRS Employer

File Number)

Identification No.)

100 East Davie Street, Raleigh, North Carolina
(Address of Principal Executive Offices)

27601
(Zip Code)

(919) 754-3700

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

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

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

(d) On November 6, 2014, the Board of Directors (the Board) of Red Hat, Inc. (the Company) elected Charlene Begley to serve on the Board, effective immediately. Ms. Begley is a Class I director with a term expiring in 2015. A press release announcing the election was issued on November 7, 2014, and is furnished herewith as Exhibit 99.1 to this Current Report on Form 8-K.

Ms. Begley served in various capacities at General Electric Company (GE), a diversified infrastructure and financial services company, from 1988 through December 2013. Most recently, she served in a dual role as GE's Senior Vice President and Chief Information Officer, as well as the President and Chief Executive Officer of GE's Home and Business Solutions business from January 2010 through December 2013. Ms. Begley served as President and Chief Executive Officer of GE Enterprise Solutions from August 2007 through December 2009. During her career at GE, she served as President and Chief Executive Officer of GE Plastics and GE Transportation, led GE's Corporate Audit staff and served as the Chief Financial Officer for GE Transportation and GE Plastics Europe and India. Ms. Begley is a director and member of the audit committee of The NASDAQ OMX Group, Inc. (NASDAQ: NDAQ), a global exchange group that delivers trading, clearing, exchange technology, regulatory, securities listing, and public company services, and is a director and member of the audit and nomination and governance committees of WPP plc (NASDAQ: WPPGY), a provider of marketing communications services globally.

Her election brings the size of the Board to ten members. There are no arrangements or understandings pursuant to which Ms. Begley was selected as a director. Ms. Begley has not yet been appointed to any committees of the Board.

Ms. Begley will be compensated under the compensation plan currently in effect for the Company's non-employee directors, the 2010 Non-Employee Director Compensation Plan (the Director Compensation Plan). Under the Director Compensation Plan, she will be eligible to receive an annual cash retainer of \$50,000 for her service as a member of the Board. In addition, the Director Compensation Plan provides for the following annual cash retainers for service on committees of the Board: (i) \$20,000 for service on the Audit Committee; (ii) \$15,000 for service on the Compensation Committee; and (iii) \$7,500 for service on the Nominating and Corporate Governance Committee.

Under the Director Compensation Plan, a director may elect to receive all or a portion of any cash compensation in the form of the Company's deferred stock units (DSUs). DSUs represent the right to receive shares of the Company's common stock (Common Stock) at a future date. The number of DSUs to be granted is determined by dividing the portion of the cash compensation with respect to which the election is made by the closing price of a share of Common Stock on the date the cash compensation is due to be paid. DSUs issued in lieu of cash compensation are fully vested upon issuance and will be settled in shares of Common Stock upon termination of service on the Board.

In connection with her election to the Board, Ms. Begley will be granted, on the next regularly scheduled grant date for employees, a restricted stock award equal to a number of shares of Common Stock determined by dividing \$300,000 by the closing price of a share of Common Stock on the date of grant. These shares of restricted stock will vest equally over a three-year period on the anniversary of the date of grant.

In addition to an initial equity grant, Ms. Begley will be eligible to receive an annual equity award consisting of a restricted stock award for a number of shares of Common Stock determined by dividing \$250,000 by the closing price of a share of Common Stock on the date of grant. These shares of restricted stock will vest on the first anniversary of the grant date. Under the Director Compensation Plan, directors may also elect to receive DSUs on a one-for-one basis in lieu of any annual restricted stock award. These DSUs would vest on the same basis as the annual restricted stock award and will be settled in shares of Common Stock upon termination of service on the Board.

The foregoing description of the terms of the Director Compensation Plan does not purport to be complete and is qualified in its entirety by the provisions of the Director Compensation Plan, which was filed as Exhibit 10.34 to the

Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2014, and is incorporated herein by this reference.

The Company does not pay meeting fees. Non-employee directors are reimbursed for reasonable out-of-pocket expenses incurred in attending meetings of the Board and meetings of any committees of the Board on which they serve.

Ms. Begley has entered into an indemnification agreement with the Company. In general, the indemnification agreement provides that the Company will, to the fullest extent permitted by law, and subject to certain limitations and exceptions, indemnify the indemnitee against expenses, judgments, fines, penalties and amounts paid in settlement that may be incurred in connection with the defense or settlement of threatened, pending or completed proceedings to which the indemnitee becomes subject in connection with her service as director of the Company.

The indemnification agreement provides for indemnification rights regarding both third-party claims and proceedings brought by or in the right of the Company. In addition, the indemnification agreement provides for the advancement of expenses incurred by the indemnitee under certain circumstances. The indemnification agreement is not exclusive of any other rights to indemnification or advancement of expenses to which the indemnitee may be entitled, including any rights arising under the charter or bylaws of the Company, a separate agreement with the Company, or applicable law.

The foregoing summary of the indemnification agreement is qualified in its entirety by reference to the provisions of the Form of Indemnification Agreement, a copy of which was filed as Exhibit 10.10 to the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2012, and incorporated herein by this reference.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

99.1 Press Release dated November 7, 2014

SIGNATURE

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

Date: November 7, 2014

RED HAT, INC.

By: /s/ Charles E. Peters, Jr.

Name: Charles E. Peters, Jr.

Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated November 7, 2014