

RED HAT INC  
Form DEF 14A  
June 25, 2013  
Table of Contents

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

**(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 (Amendment No.        )**

Filed by the Registrant:  x

Filed by a Party other than the Registrant:  "

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Table of Contents

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

## **RED HAT, INC.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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):

Edgar Filing: RED HAT INC - Form DEF 14A

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

.. Fee paid previously with 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.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:



**Table of Contents**

June 25, 2013

Dear Red Hat Stockholders,

It is my pleasure to invite you to Red Hat's 2013 Annual Meeting of Stockholders. This year's meeting will be held on Thursday, August 8, 2013, at 9:00 a.m. local time, at our corporate headquarters, located at 100 East Davie Street, Raleigh, North Carolina 27601. I hope you will be able to attend. You will find details regarding the meeting and the business to be conducted in the accompanying Notice of 2013 Annual Meeting of Stockholders and Proxy Statement.

Your vote is important to us. Whether or not you plan to attend the 2013 Annual Meeting, we hope you will vote as soon as possible. You may vote in person, by telephone, over the Internet or by mail.

Thank you for your ongoing support of Red Hat.

Sincerely,  
James M. Whitehurst

*President and Chief Executive Officer*

**Table of Contents**

**RED HAT, INC.**

**100 East Davie Street**

**Raleigh, North Carolina 27601**

**NOTICE OF 2013 ANNUAL MEETING OF STOCKHOLDERS**

- TIME AND DATE:** 9:00 a.m. local time on Thursday, August 8, 2013
- PLACE:** Red Hat's corporate headquarters located at 100 East Davie Street, Raleigh, North Carolina 27601
- ITEMS OF BUSINESS:**
1. To elect three members to the Board of Directors, each to serve for a three-year term as a Class II director
  2. To ratify the selection of PricewaterhouseCoopers LLP as Red Hat's independent registered public accounting firm for the fiscal year ending February 28, 2014
  3. To approve, on an advisory basis, a resolution relating to Red Hat's executive compensation
  4. To approve an amendment to Red Hat's Certificate of Incorporation to phase out Red Hat's classified Board of Directors
  5. To approve an amendment and restatement of Red Hat's By-Laws to phase out Red Hat's classified Board of Directors
  6. To transact such other business as may properly come before the 2013 Annual Meeting and any adjournments thereof
- ADJOURNMENTS** Any action on the items of business described above may be considered at the 2013 Annual Meeting or at any time and date to which the 2013 Annual Meeting may be properly adjourned or postponed.
- AND**
- POSTPONEMENTS:**

## Edgar Filing: RED HAT INC - Form DEF 14A

**RECORD DATE:** Stockholders of record at the close of business on June 14, 2013 are entitled to notice of, and to vote at, the 2013 Annual Meeting and at any adjournments or postponements thereof.

**INSPECTION OF LIST OF STOCKHOLDERS OF RECORD:** A list of stockholders of record will be available for inspection at our corporate headquarters located at 100 East Davie Street, Raleigh, North Carolina 27601, during ordinary business hours during the ten-day period before the 2013 Annual Meeting.

**OF RECORD:**

**VOTING:** Whether or not you plan to attend the 2013 Annual Meeting, we urge you to vote your shares via the toll-free telephone number or over the Internet as described in the proxy materials, or you may sign, date and mail the enclosed proxy card in the pre-paid envelope provided.

By Order of the Board of Directors,  
Michael R. Cunningham

*Secretary*

Raleigh, North Carolina

June 25, 2013

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2013 ANNUAL MEETING TO BE HELD ON AUGUST 8, 2013: THIS PROXY STATEMENT, THE ACCOMPANYING PROXY CARD AND RED HAT'S ANNUAL REPORT TO STOCKHOLDERS ARE AVAILABLE AT [WWW.EDOCUMENTVIEW.COM/RHT](http://WWW.EDOCUMENTVIEW.COM/RHT)**

**Table of Contents**

**PROXY STATEMENT  
FOR THE 2013 ANNUAL MEETING OF STOCKHOLDERS  
ON AUGUST 8, 2013**

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b><u>INTRODUCTION</u></b>	1
<b><u>GENERAL INFORMATION CONCERNING THE ANNUAL MEETING</u></b>	1
<b><u>ITEM NO. 1 ELECTION OF DIRECTORS</u></b>	6
<u>Criteria for Evaluating Candidates for Service on Our Board</u>	6
<u>Nominees for Election to the Board of Directors</u>	7
<u>Members of the Board Continuing to Serve</u>	8
<b><u>ITEM NO. 2 RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u></b>	11
<u>Independent Registered Public Accounting Firm's Fees</u>	11
<u>Pre-Approval Policies and Procedures</u>	12
<b><u>ITEM NO. 3 ADVISORY VOTE ON EXECUTIVE COMPENSATION</u></b>	13
<b><u>ITEM NO. 4 PROPOSAL TO AMEND THE CERTIFICATE OF INCORPORATION TO PHASE OUT RED HAT'S CLASSIFIED BOARD OF DIRECTORS</u></b>	14
<u>Background</u>	14
<u>Rationale for Declassification of the Board</u>	14
<u>Proposed Declassification Amendment</u>	14
<u>Required Stockholder Approval</u>	15
<u>Legal Effectiveness</u>	15
<b><u>ITEM NO. 5 PROPOSAL TO AMEND AND RESTATE THE BY-LAWS TO PHASE OUT RED HAT'S CLASSIFIED BOARD OF DIRECTORS</u></b>	16
<u>Background</u>	16
<u>Rationale for Declassification of the Board</u>	16
<u>Proposed Declassification Amendments</u>	16
<u>Required Stockholder Approval</u>	16
<u>Legal Effectiveness</u>	16
<b><u>BENEFICIAL OWNERSHIP OF OUR COMMON STOCK</u></b>	18
<u>Ownership by Our Directors and Executive Officers</u>	18
<u>Ownership of More than 5% of Our Common Stock</u>	20
<b><u>CORPORATE GOVERNANCE AND BOARD OF DIRECTORS INFORMATION</u></b>	22
<u>Key Governance Policies</u>	22
<u>Board Independence</u>	24
<u>Key Board Practices</u>	24
<u>Election of Directors</u>	25
<u>Risk Oversight</u>	25
<u>Leadership Structure</u>	25
<u>Process for Nominating Candidates for Service on Our Board</u>	25
<u>Communicating with Directors</u>	26
<u>Committees of the Board</u>	26
<u>Audit Committee Report</u>	28
<u>Compensation of Directors</u>	30
<u>Compensation Committee Interlocks and Insider Participation</u>	33
<b><u>COMPENSATION AND OTHER INFORMATION CONCERNING EXECUTIVE OFFICERS</u></b>	34
<u>Executive Officers</u>	34
<u>Executive Summary of Compensation Discussion and Analysis</u>	35

<u>Compensation Discussion and Analysis</u>	37
<u>Compensation Committee Report</u>	50
<u>Summary Compensation Table</u>	51

**Table of Contents**

	<b>PAGE</b>
<u>Employment and Indemnification Arrangements with Named Officers</u>	52
<u>Grants of Plan-Based Awards in Fiscal 2013</u>	53
<u>Outstanding Equity Awards at End of Fiscal 2013</u>	54
<u>Option Exercises and Stock Vested in Fiscal 2013</u>	54
<u>Potential Payments Upon Termination or Change in Control</u>	54
<u>Potential Payments Upon Termination or Change in Control Table</u>	58
<u>Equity Compensation Plan Information</u>	60
<u>Other Stock Plans</u>	61
<u>Compensation Program Risk Assessment</u>	62
<b><u>OTHER MATTERS</u></b>	63
<u>Stockholder Proposals</u>	63
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	63
<b><u>APPENDIX A: PROPOSED AMENDMENT OF THIRD AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF RED HAT, INC.</u></b>	A-1
<b><u>APPENDIX B: PROPOSED AMENDED AND RESTATED BY-LAWS OF RED HAT, INC.</u></b>	B-i

**Table of Contents**

**PROXY STATEMENT**  
**FOR THE 2013 ANNUAL MEETING OF STOCKHOLDERS**  
**ON AUGUST 8, 2013**

**INTRODUCTION**

This Proxy Statement for Red Hat's 2013 Annual Meeting of Stockholders ( **Proxy Statement** ) is furnished in connection with a solicitation of proxies by the Board of Directors ( **Board** ) of Red Hat, Inc. to be used at our 2013 Annual Meeting of Stockholders ( **Annual Meeting** ) to be held at the corporate headquarters of Red Hat, Inc. located at 100 East Davie Street, Raleigh, North Carolina 27601 on Thursday, August 8, 2013, at 9:00 a.m. local time, and at any adjournments or postponements thereof.

This Proxy Statement and the accompanying materials are being mailed on or about June 28, 2013 to stockholders of record as of the close of business on June 14, 2013.

When we use the terms Red Hat, the Company, we, us, and our, we mean Red Hat, Inc., a Delaware corporation, and its subsidiaries, where applicable.

**GENERAL INFORMATION CONCERNING THE ANNUAL MEETING**

**Why am I receiving these materials?**

We have delivered these proxy materials to you by mail in connection with the solicitation of proxies for our Annual Meeting. These materials include information that we are required to provide to you under the rules of the U.S. Securities and Exchange Commission ( **SEC** ) and are designed to assist you in voting on the matters presented at the Annual Meeting. Stockholders of record as of the close of business on June 14, 2013 may attend the Annual Meeting and are entitled and requested to vote on the proposals described in this Proxy Statement.

**What is included in the proxy materials?**

The proxy materials include our Proxy Statement for the Annual Meeting, our 2013 Annual Report which includes our Annual Report on Form 10-K for the fiscal year ended February 28, 2013 ( **Fiscal 2013** ) and a proxy card or voting instruction card.

**Who is eligible to vote at the Annual Meeting?**

## Edgar Filing: RED HAT INC - Form DEF 14A

If your shares of Red Hat common stock are registered in your name in the records of our transfer agent, Computershare Limited ( Computershare ), as of the close of business on June 14, 2013, you are a stockholder of record for purposes of the Annual Meeting and are eligible to attend and vote. If you hold shares of our common stock indirectly through a broker, bank or similar institution, you are not a stockholder of record, but instead hold your shares in street name and the record owner of your shares is your broker, bank or similar institution. Instructions on how to vote shares held in street name are described under How do I vote my shares? below.

### **How many votes do I have?**

You will have one vote for each share of our common stock owned by you, as a stockholder of record or in street name, as of the close of business on June 14, 2013.

### **What am I being asked to vote on at the Annual Meeting?**

You are being asked to vote on:

**Item 1:** the election of three members to the Board, each to serve for a three-year term as a Class II director;

**Table of Contents**

**Item 2:** the ratification of the selection of PricewaterhouseCoopers LLP as Red Hat's independent registered public accounting firm for the fiscal year ending February 28, 2014 ( Fiscal 2014 );

**Item 3:** the approval, on an advisory basis, of a resolution relating to Red Hat's executive compensation;

**Item 4:** the approval of an amendment to Red Hat's Third Amended and Restated Certificate of Incorporation (the Certificate of Incorporation ) to phase out Red Hat's classified Board; and

**Item 5:** the approval of an amendment and restatement of Red Hat's Amended and Restated By-Laws (the By-Laws ) to phase out Red Hat's classified Board.

**How does the Board recommend that I vote?**

The Board recommends that you vote:

**FOR** the election of the three nominees named in this Proxy Statement to the Board, each to serve for a three-year term as a Class II director;

**FOR** the ratification of the selection of PricewaterhouseCoopers LLP as Red Hat's independent registered public accounting firm for Fiscal 2014;

**FOR** the approval, on an advisory basis, of the resolution relating to Red Hat's executive compensation;

**FOR** the approval of an amendment to Red Hat's Certificate of Incorporation to phase out Red Hat's classified Board; and

**FOR** the approval of an amendment and restatement of Red Hat's By-Laws to phase out Red Hat's classified Board.

**Other than the items listed in the Proxy Statement, what other business will be addressed at the Annual Meeting?**

We currently know of no other matters to be properly presented at the Annual Meeting. However, by giving your proxy you appoint the persons named as proxy holders to be your representatives at the Annual Meeting. If other matters are properly presented at the Annual Meeting, the proxy holders are each authorized to vote your shares in his or her discretion.

**How do I vote my shares?**

## Edgar Filing: RED HAT INC - Form DEF 14A

*For stockholders of record:* If you are eligible to vote at the Annual Meeting and are a stockholder of record, you may submit your proxy or cast your vote in any of four ways:

**By Internet** If you have Internet access, you may submit your proxy by following the instructions provided with this Proxy Statement and on your proxy card.

**By Telephone** You can also submit your proxy by telephone by following the instructions provided with this Proxy Statement and on your proxy card.

**By Mail** You may submit your proxy by completing the proxy card enclosed with this Proxy Statement, signing and dating it and returning it in the pre-paid envelope we have provided.

**In Person at our Annual Meeting** You can vote in person at our Annual Meeting. In order to gain admittance, you must present a valid government-issued photo identification such as a driver's license or passport.

*For holders in street name:* If you hold your shares in street name and, therefore, are not a stockholder of record, you will need to follow the specific voting instructions provided to you by your broker, bank or other similar institution. If you wish to vote your shares in person at our Annual Meeting, you must obtain a valid

## **Table of Contents**

proxy from your broker, bank or similar institution, granting you authorization to vote your shares. In order to attend and vote your shares held in street name at our Annual Meeting, you will need to present a valid government-issued photo identification such as a driver's license or passport and hand in the valid proxy from your broker, bank or similar institution, along with a signed ballot that you can request at the Annual Meeting. You will not be able to vote your shares held in street name at the Annual Meeting without a valid government-issued photo identification such as a driver's license or passport, a valid proxy from your broker, bank or similar institution and a signed ballot.

### **Can I change or revoke my proxy?**

*For stockholders of record:* Yes. A proxy may be changed or revoked at any time prior to the voting at the Annual Meeting by submitting a later-dated proxy (including a proxy submitted via the Internet or by telephone) or by giving written notice to our President or Corporate Secretary at our corporate headquarters. You may also attend the Annual Meeting and vote your shares in person.

*For holders in street name:* Yes. You must follow the specific voting instructions provided to you by your broker, bank or other similar institution to change or revoke any instructions you have already provided to them.

### **If I submit a proxy by Internet, telephone or mail, how will my shares be counted?**

If you submit your proxy by one of these methods, and you do not subsequently revoke your proxy, your shares of common stock will be voted in accordance with your instructions.

If you sign, date and return your proxy card but do not provide specific voting instructions, your shares of common stock will be voted FOR the election of the nominees for director named in this Proxy Statement, FOR the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for Fiscal 2014, FOR the approval (on an advisory basis) of a resolution relating to Red Hat's executive compensation, FOR the approval of an amendment to Red Hat's Certificate of Incorporation to phase out Red Hat's classified Board of Directors and FOR the approval of an amendment and restatement of Red Hat's By-Laws to phase out Red Hat's classified Board of Directors. If any other matter properly comes before our Annual Meeting, the proxy holders will vote your shares in their discretion.

### **What is broker discretionary voting ?**

If you hold your shares in street name, your broker, bank or other similar institution may be able to vote your shares without your instructions depending on whether the matter being voted on is discretionary or non-discretionary. In the case of a discretionary matter (for example, the ratification of the independent registered public accounting firm), your broker is permitted to vote your shares of common stock if you have not given voting instructions. In the case of a non-discretionary matter (for example, the election of directors, the advisory vote on a resolution relating to Red Hat's executive compensation and the approval of an amendment to Red Hat's Certificate of Incorporation and an amendment and restatement of Red Hat's By-Laws to phase out Red Hat's classified Board of Directors), your broker cannot vote your shares if you have not given voting instructions. A broker non-vote occurs when your broker submits a proxy for the Annual Meeting, but does not vote on non-discretionary matters because you did not provide voting instructions on these matters. Therefore, it is important that you provide specific voting instructions regarding non-discretionary matters to your broker, bank or similar institution.

**I understand that a quorum is required in order to conduct business at the Annual Meeting. What constitutes a quorum?**

A majority of all of our outstanding shares of common stock entitled to vote at the Annual Meeting, represented in person or by proxy, constitutes a quorum at the Annual Meeting. As of June 14, 2013, the record date for the

## **Table of Contents**

Annual Meeting, there were 189,294,180 shares of common stock outstanding and entitled to vote. If you submit a properly executed proxy by mail, telephone or the Internet, you will be considered a part of the quorum. In addition, abstentions and broker non-votes will be counted for purposes of establishing a quorum. If a quorum is not present, the Annual Meeting will be adjourned until a quorum is obtained.

### **What is required to approve the proposals submitted to a vote at the Annual Meeting?**

At the Annual Meeting each director will be elected by the vote of the majority of the votes cast with respect to the director nominee. This means to elect the director nominee, the number of shares voted For the director nominee must exceed the number of shares voted Against the director nominee. Abstentions and broker non-votes will not be considered votes cast.

The affirmative vote of the holders of a majority of the shares of common stock present or represented and voting is required to approve ratification of the selection of the independent registered public accounting firm, to approve (on an advisory basis) the resolution relating to the Company's executive compensation and any other matters that properly come before the Annual Meeting. Abstentions and broker non-votes will not be considered to have been voted.

Approval of a proposed amendment to our Certificate of Incorporation and an amendment and restatement of our By-Laws to phase out Red Hat's classified Board of Directors require the affirmative vote of the holders of at least 75% of the voting power of the outstanding shares of capital stock of the Company entitled to vote generally in the election of directors, voting together as a single class. Accordingly, such amendments will be approved upon the affirmative vote of the holders of 75% of our outstanding common stock as of the record date. Abstentions and broker non-votes will therefore have the same effect as an Against vote with respect to such proposal.

### **How can I obtain a proxy card or voting instruction form?**

If you lose, misplace or otherwise need to obtain a proxy card or a voting instruction form, please follow the applicable procedure below.

*For stockholders of record:* Please contact Computershare at 1-888-542-4427.

*For holders in street name:* Please contact your account representative at your broker, bank or other similar institution.

### **Who counts the votes?**

Votes are counted by Computershare, our transfer agent and registrar, and are then certified by a representative of Computershare appointed by the Board to serve as the Inspector of Election at the Annual Meeting.

**How can I obtain directions to the Annual Meeting?**

You may contact Red Hat Investor Relations at 919-754-3700.

**Who pays for the expenses of this proxy solicitation?**

Red Hat will bear the entire cost of this proxy solicitation, including the preparation, printing and mailing of our proxy materials and the proxy card. We may also reimburse brokerage firms and other persons representing stockholders who hold their shares in street name for reasonable expenses incurred by them in forwarding proxy materials to such stockholders. In addition, certain directors, officers and other employees, without additional remuneration, may solicit proxies in person, or by telephone, facsimile, email and other methods of electronic communication.

**Table of Contents**

**Where can I find vote results after the Annual Meeting?**

We are required to publish final vote results in a Current Report on Form 8-K to be filed with the SEC within four business days after our Annual Meeting.

**How can I obtain more information about Red Hat?**

Copies of this Proxy Statement and our Annual Report on Form 10-K are available online at [www.edocumentview.com/rht](http://www.edocumentview.com/rht) or at [www.redhat.com](http://www.redhat.com) under About Red Hat Investor Relations SEC Filings & Financial Information.

**What is householding ?**

Some banks, brokers and similar institutions may be participating in the practice of householding proxy materials. This means that only one copy of these proxy materials may have been sent to multiple stockholders in your household. We will promptly deliver a separate copy of the proxy materials to you if you write to us at the following address or call us at the following phone number:

Red Hat, Inc.

Attention: Investor Relations

100 East Davie Street

Raleigh, North Carolina 27601

Phone: Call 919-754-3700 and ask to speak to Investor Relations.

If you want to receive separate copies of the proxy materials in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker or similar institution.

**Table of Contents**

**ITEM NO. 1 ELECTION OF DIRECTORS**

Our Board currently consists of nine directors divided into three classes. One class of directors is elected annually, and each class serves for a term of three years. The term of the Class II directors will expire at this Annual Meeting. The class makeup of the Board is as follows:

<b>Class</b>	<b>Directors</b>	<b>Term Expires</b>
I	Marye Anne Fox and Donald H. Livingstone	2015
II	W. Steve Albrecht, Jeffrey J. Clarke, and General H. Hugh Shelton (U.S. Army Retired)	2013
III	Sohaib Abbasi, Narendra K. Gupta, William S. Kaiser and James M. Whitehurst	2014

**Criteria for Evaluating Candidates for Service on Our Board**

The Nominating and Corporate Governance Committee of our Board is responsible for identifying and evaluating candidates for service on our Board and recommending proposed director nominees to the full Board for consideration. Our Corporate Governance Guidelines describe the criteria used to select candidates for service on our Board:

Nominees should have a reputation for integrity, honesty and adherence to high ethical standards.

Nominees should have demonstrated business acumen, experience and ability to exercise sound judgment in matters that relate to the current and long-term objectives of the Company and should be willing and able to contribute positively to the decision-making process of the Company.

Nominees should have a commitment to understand the Company and its industry and to regularly attend and participate in meetings of the Board and its committees.

Nominees should have the interest and ability to understand the sometimes conflicting interests of the various constituencies of the Company, which include stockholders, employees, customers, governmental units, creditors and the general public, and to act in the interests of all stockholders.

Nominees should not have, nor appear to have, a conflict of interest that would impair the nominee's ability to represent the interests of all the Company's stockholders and to fulfill the responsibilities of a director.

Nominees shall not be discriminated against on the basis of race, religion, national origin, sex, sexual orientation, disability or any other basis proscribed by law. The value of diversity on the Board should be considered.

Nominees should normally be able to serve for at least five years before reaching the age of 75.

The Corporate Governance Guidelines state that the Nominating and Corporate Governance Committee's review of a nominee's qualifications will include consideration of diversity, age, skills and professional experience in the context of the needs of the Board. While the Company has

## Edgar Filing: RED HAT INC - Form DEF 14A

no formal diversity policy that applies to the consideration of director candidates, the Nominating and Corporate Governance Committee believes that diversity includes not just race and gender but differences of viewpoint, experience, education, skill and other qualities or attributes that contribute to Board heterogeneity.

In addition, the Nominating and Corporate Governance Committee believes it is important to select directors from various backgrounds and professions in an effort to ensure that the Board as a group has a broad range of experiences to enrich discussion and inform its decisions. Consistent with this philosophy, the Nominating and Corporate Governance Committee believes that each director should possess at least two of the following attributes:

*Financial Expertise.* Nominees who have knowledge of financial markets, financing and funding operations, and accounting and financial reporting processes assist us in understanding, advising and overseeing our capital structure, financing and investing activities, and our financial reporting and internal controls.

## **Table of Contents**

*Global Expertise.* As a global organization with offices in over 30 countries, nominees with global expertise bring useful business and cultural perspectives that relate to many significant aspects of our business.

*Industry Expertise.* Nominees with experience in the information technology industry help us to analyze our research and development efforts, competing technologies, the various products and processes that we develop and the market segments in which we compete.

*Public Company Board Experience.* Nominees who have served on other public company boards offer advice and insights with regard to the dynamics and operation of a board of directors, the relations of a board with senior management and oversight of a changing mix of strategic, operational and compliance-related matters.

*Science and Technology Expertise.* Nominees with backgrounds in science and technology support our efforts to spur innovation and develop new ideas and products.

*Senior Leadership Experience.* Nominees who have served in senior leadership positions enhance the Board's ability to identify and develop those qualities in management. They also bring a practical understanding of organizations, processes, strategy, risk management and methods to drive change and growth.

## **Nominees for Election to the Board of Directors**

The Board has nominated three Class II directors, W. Steve Albrecht, Jeffrey J. Clarke, and General H. Hugh Shelton (U.S. Army Retired), for three-year terms ending in 2016. Each nominee has indicated an intention to serve if elected and will hold office for his term and until a successor has been elected and qualified or until his earlier resignation or removal. In the event that any of the nominees should be unable or unwilling to serve, proxies may be voted for the election of some other person or for fixing the number of directors at a lesser number. Proxies cannot be voted for a greater number of persons than the number of nominees named.

Set forth below is a brief biography for each nominee and a description of certain key attributes that the Board considered in recommending each nominee for re-election.

*W. Steve Albrecht, 66*

Professor of Accounting, Brigham Young University, Marriott School of Management

Director since March 2011

Dr. Albrecht, who previously served on our Board from April 2003 through June 2009, is the Andersen Alumni Professor of Accounting at Brigham Young University's (BYU) Marriott School of Management (Marriott School). Dr. Albrecht also served as a mission president in Japan for his church from June 2009 through July 2012. Dr. Albrecht, a certified public accountant, certified internal auditor, and certified fraud examiner, joined BYU in 1977 after teaching at Stanford University and the University of Illinois, and served as Associate Dean of the Marriott School at BYU until July 2008. Prior to becoming a professor, he worked as an accountant for Deloitte & Touche. Dr. Albrecht currently serves on the board of directors of Cypress Semiconductor Corporation (NASDAQ:CY), a semiconductor design and manufacturing company, and SkyWest, Inc., the holding company of SkyWest Airlines (NASDAQ:SKYW), a regional airline company. He previously served on the board of directors of SunPower Corporation, a solar panel design and manufacturing company, from 2005 to 2012. He is the past president of the American Accounting Association and the Association of Certified Fraud Examiners and is a former trustee of the Financial Accounting

## Edgar Filing: RED HAT INC - Form DEF 14A

Foundation that oversees the Financial Accounting Standards Board (FASB) and the Governmental Accounting Standards Board (GASB) and the Committee of Sponsoring Organizations (COSO), the organization that designed the internal control framework used by nearly all public companies and other organizations. Dr. Albrecht's career in public accounting and as a professor and associate dean, as well as his service as a director of a number of public companies, brings to our Board financial expertise as well as public company board and senior leadership experience.

**Table of Contents**

*Jeffrey J. Clarke, 51*

Managing Partner, Augusta Columbia Capital Group LLC

Director since November 2008

Mr. Clarke has served as a Managing Partner of Augusta Columbia Capital Group LLC, an investment firm, since February 2012. Mr. Clarke served as the President and CEO of Travelport Limited, a provider of transaction processing for the global travel industry, from April 2006 through May 2011. From April 2004 until April 2006, Mr. Clarke was the Chief Operating Officer of CA, Inc. (formerly Computer Associates), an information technology company, where he was responsible for sales, services, business development, partnership alliances, finance and information technology. From May 2002 through November 2003, Mr. Clarke was the Executive Vice President of Global Operations of Hewlett-Packard Company, an information technology company. Mr. Clarke currently serves as Chairman of the board of directors of Orbitz Worldwide Ltd. (NYSE:OWW), a global online travel company. Mr. Clarke has also served on Travelport Limited's board of directors since May 2006, and as that board's Executive Chairman from June 2011 through February 2012 and as its Non-Executive Chairman from February 2012 through May 2013. Mr. Clarke served as a director of UTStarcom, Inc., a provider of IP-based networking and telecommunications solutions, from 2005 through 2010. Mr. Clarke's experience as an executive at large global technology companies brings to our Board global and industry expertise as well as senior leadership experience.

*General H. Hugh Shelton, 71*

U.S. Army (Retired) and Former Chairman of the Joint Chiefs of Staff

Director since April 2003, Lead Director from March 2008 through August 2010, and Chairman since August 2010

General Shelton has served as the Executive Director of the General H. Hugh Shelton Leadership Center at North Carolina State University since January 2002 in addition to serving as a board member, consultant and advisor to a number of entities. From January 2002 until April 2006, General Shelton served as the President, International Operations, for M.I.C. Industries, an international manufacturing company. General Shelton served as the 14th Chairman of the Joint Chiefs of Staff from October 1997 until his retirement in September 2001. General Shelton has served on the board of directors of L-3 Communications Corporation (NYSE:LLL), a supplier of products and services used in the aerospace and defense industries, since 2011. He has also served as a member of the board of directors of several other public companies including vice chairman of the board of directors of Protective Products of America, Inc., a manufacturer of protective armor products, from 2006 until 2010; Anheuser-Busch Companies, Inc., an operator of beer, packaging and entertainment companies, from 2001 until 2009; and CACI International Inc., a provider of professional services and IT solutions to defense, intelligence, homeland security and the federal civilian government, from 2007 until 2008. General Shelton's leadership experience in the U.S. military and his service on the boards of other public companies brings to our Board global expertise as well as public company board and senior leadership experience.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE**

**FOR**

**THE ELECTION OF**

**W. STEVE ALBRECHT, JEFFREY J. CLARKE AND H. HUGH SHELTON**

**TO THE COMPANY'S BOARD OF DIRECTORS**

**Members of the Board Continuing to Serve**

The following directors will continue to serve on our Board. Set forth below is a brief biography for each such director and a description of the key attributes that each brings to our Board.

*Sohaib Abbasi, 56*

Chairman, Chief Executive Officer and President of Informatica Corporation

Director since March 2011

**Table of Contents**

Mr. Abbasi has served as the Chief Executive Officer and President of Informatica Corporation (NASDAQ:INFA) since July 2004 and as Chairman of its board of directors since March 2005. Until 2003, Mr. Abbasi was Senior Vice President, Oracle Tools Division and Oracle Education at Oracle Corporation, which he joined in 1982. From 1994 to 2000, he was Senior Vice President, Oracle Tools Product Division. As President, Chief Executive Officer and Chairman of a technology-related company, Mr. Abbasi brings to our Board industry expertise as well as public company board and senior leadership experience.

*Marye Anne Fox, 65*

Chancellor Emerita of the University of California, San Diego

Director since January 2002

Dr. Fox has served as the as the Chancellor Emerita of the University of California, San Diego ( U.C. San Diego ) since June 2012, and as the Chancellor of U.C. San Diego between August 2004 and June 2012. Dr. Fox has also served as a Distinguished Professor of Chemistry at U.C. San Diego since August 2004. Prior to that Dr. Fox served as the Chancellor of North Carolina State University and as Distinguished University Professor of Chemistry from August 1998 until July 2004. Dr. Fox is an elected member of the National Academy of Sciences and serves on the board of directors of W.R. Grace & Co. (NYSE:GRA), a specialty chemicals and materials company, and Bridgepoint Education, Inc. (NYSE:BPI), a provider of educational services. Dr. Fox served on the board of directors of Boston Scientific Corporation, a developer, marketer and manufacturer of medical devices, from June 2002 until May 2011. Dr. Fox also served as a director of Pharmaceutical Product Development, Inc., a biotechnology development services company, from 2002 until 2008. With her experience leading large educational institutions, her technical background and service as director of large public companies, Dr. Fox brings to our Board public company board experience, science and technology expertise and senior leadership experience.

*Narendra K. Gupta, 64*

Managing Director of Nexus Venture Partners

Director since November 2005