

**RED HAT INC AGM Date: 2013-08-08**

**1.1 Re-elect W. Steve Albrecht**

**For**

**1.2 Re-elect Jeffrey J. Clarke**

**Oppose**

Class II Director. Non-Executive Director Independent by Company, not considered to be independent as Mr. Clarke was the President and CEO of Travelport Inc., the parent company of the Travelport group of companies that offer broad-based services to businesses operating in the global travel industry. Travelport, Inc. and its subsidiaries have purchased goods and services from the company in the amount of approximately \$1,684,000 during fiscal 2012 (\$902,000 in fiscal 2011 and \$1,300,000 in fiscal 2010). As there is insufficient independent representation on the Board, we oppose.

**1.3 Re-elect General H. Hugh Shelton**

**Oppose**

Chairman and Class II Director. Independent by the Company, not considered to be independent as he has served the Board for more than nine years. As there is insufficient independent representation on the Board, we oppose.

**2 Appoint the auditors**

**Abstain**

PricewaterhouseCoopers LLP proposed. Non-audit fees represented 25.1% of audit fees during the year under review and 18.8% on a three-year aggregate basis. This raises concerns about the independence of the statutory auditors.

**3 Approve Pay Structure**

**Oppose**

As a result of SEC legislation (Section 951 of The Dodd-Frank Wall Street Reform and Consumer Protection Act), the Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The commentary on the disclosures made by the company are contained in the body of this report and the voting outcome for this resolution reflects the balance of our opinion on the adequacy of disclosure, the balance of performance and reward and the terms of executive employment. No future targets are disclosed for the annual bonus. In addition, Stock options vest ratably over four years and there are no performance targets attached to them. Based upon these concerns we oppose.

**4 Amend the Certificate of incorporation to declassify the board**

**For**

The Board proposes to amend the Certificate of Incorporation to phase out the present three-year, staggered terms of our directors and instead provide for the annual election of directors. The Board considered the results of the stockholder vote on a stockholder proposal urging the Board to eliminate the classified board structure. This stockholder proposal was presented at the 2012 Annual Meeting and approved by a majority of the stockholders. It is considered to be best practice that all directors should stand for annual election, as a classified board can be used as an anti-takeover

device and could serve to entrench under-performing management. The principle of increased accountability to shareholders via an annual election of all directors should be supported as shareholder concerns on specific issues can be raised more easily if individual directors face election each year. It is also considered that declassification will move the company towards best practice, but that true accountability will not be achieved unless plurality voting is replaced with affirmative majority. Nonetheless, this declassification represents an improvement in corporate governance and accountability of directors.

#### **5 Amend the by-laws to declassify the board**

**For**

The Board proposes to amend the Certificate of Incorporation to phase out the present three-year, staggered terms of our directors and instead provide for the annual election of directors. The Board considered the results of the stockholder vote on a stockholder proposal urging the Board to eliminate the classified board structure. This stockholder proposal was presented at the 2012 Annual Meeting and approved by a majority of our stockholders.

It is considered to be best practice that all directors should stand for annual election, as a classified board can be used as an anti-takeover device and could serve to entrench underperforming management. The principle of increased accountability to shareholders via an annual election of all directors should be supported as shareholder concerns on specific issues can be raised more easily if individual directors face election each year. It is also considered that declassification will move the company towards best practice, but that true accountability will not be achieved unless plurality voting is replaced with affirmative majority. Nonetheless, this declassification represents an improvement in corporate governance and accountability of directors.