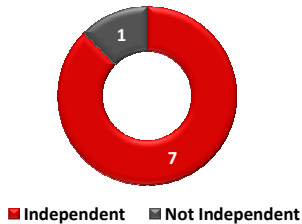


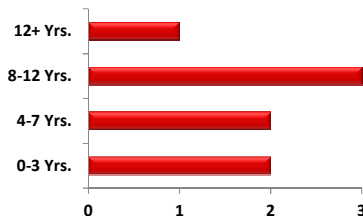
# Corporate Governance

## Our Board

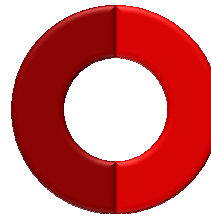
### Board Independence



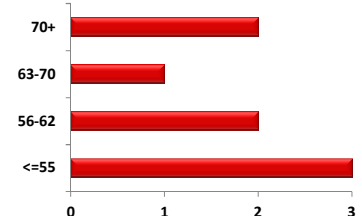
### Median Tenure: 7.2 Yrs.



### Diversity: 50%



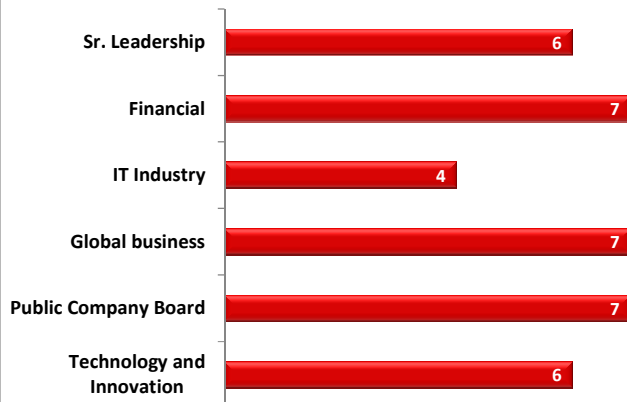
### Average Age: 61



Independent Board Chair

Annual director elections  
under majority voting  
standard

### Director Competencies and Attributes

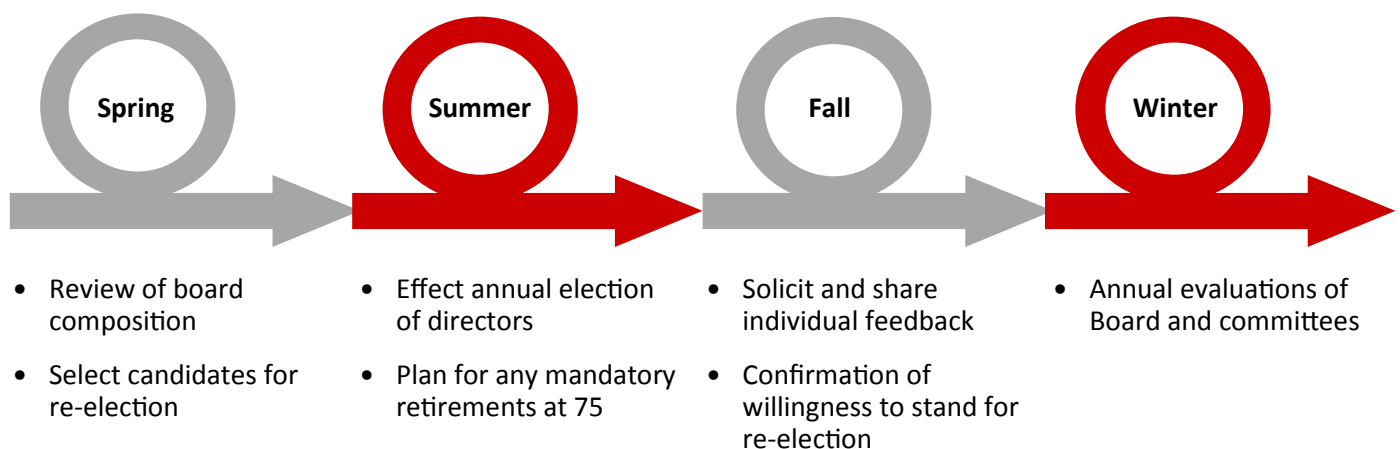


### Stockholder Engagement Program

We regularly engage with our stockholders through:

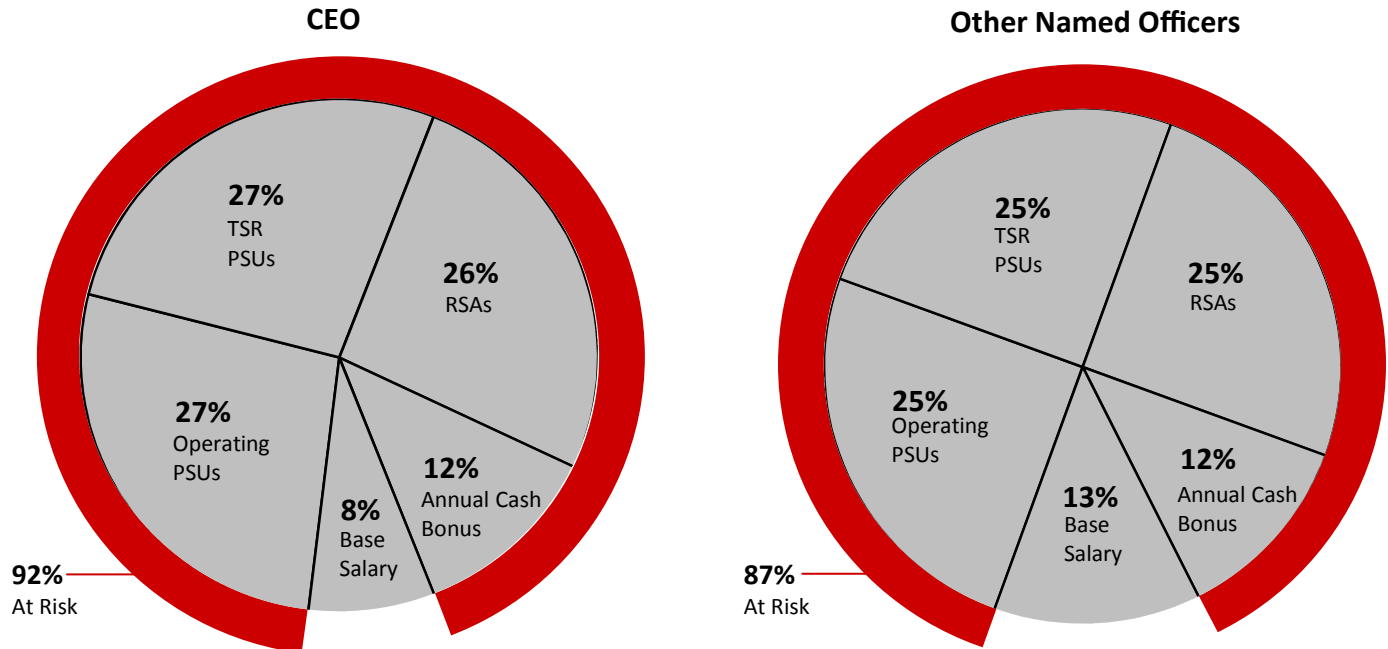
- Investor conferences
- One-on-one meetings
- Annual Analyst Day
- Red Hat site visits
- Periodic communication outreaches

### CONTINUAL FOCUS ON BOARD COMPOSITION



## Executive Compensation

### Target Compensation for Fiscal 2018



- Our program focuses on overall Company performance and strategic execution
- **90%** of target compensation opportunities (average) based on one or more corporate performance elements
- **78%** of target compensation opportunities (average) delivered in form of equity with a performance condition
- **98%** lowest approval rate received for our say-on-pay vote in each of last five years

#### Selected Compensation Governance Practices

- ✓ **No new excise tax gross-ups** - Board adopted policy prohibiting any new agreements that include excise tax gross up payment
- ✓ **Stock ownership policy** - Executives subject to stock ownership requirement expressed as multiple of base salary levels which are regularly reviewed
- ✓ **Compensation clawback for misconduct** - Executives subject to clawback policy that requires reimbursement of incentive compensation, if misconduct results in a material restatement of our financial results
- ✓ **No automatic severance payments upon a change-in-control** - "Double trigger" required to receive severance payments following a change-in-control
- ✓ **No hedging** - Insider trading policy prohibits hedging of Red Hat stock