

REALNETWORKS INC  
Form 8-K  
April 27, 2018

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 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) April 24, 2018

RealNetworks, Inc.  
(Exact name of registrant as specified in its charter)

Washington (State or other jurisdiction of incorporation)	001-37745 (Commission File Number)	91-1628146 (I.R.S. Employer Identification No.)
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1501 First Avenue South, Suite 600  
Seattle, Washington 98134  
(Address of principal executive offices) (Zip code)  
(206) 674-2700  
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:

- 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).  
Emerging growth company

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If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

On April 24, 2018, the Compensation Committee of the Board of Directors of RealNetworks, Inc. approved the 2018 Executive MBO Plan. The Compensation Committee will administer this plan, which is pursuant to the RealNetworks 2005 Stock Incentive Plan, as amended and restated.

Payouts under the 2018 Executive MBO Plan will be determined by our Compensation Committee and will be based 50% on company and/or divisional financial performance and 50% on individual performance. Financial performance will be measured by the achievement of specific financial goals related to revenue (weighted at 25% of total performance) and adjusted EBITDA (weighted at 25% of total performance). Adjusted EBITDA is a non-GAAP measure that we define as GAAP net income (loss) excluding the impact of the following: interest income (loss), income tax expense, gain on investments, equity in net loss of Rhapsody, depreciation and amortization, acquisitions-related intangible asset amortization, stock-based compensation, restructuring and other charges, and lease exit and related charges. Individual performance will be measured based on individual strategic business objectives (weighted at 25% of total performance) and shared strategic leadership objectives (weighted at 25% of total performance).

Any bonuses payable pursuant to the 2018 Executive Bonus Plan are expected to be paid 50% in cash and 50% in the form of fully vested restricted stock units.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Pursuant to the rules and regulations of the SEC, the attached exhibits are deemed to have been furnished to, but not filed with, the SEC.

Exhibit No.	Description
10.1	2018 Executive MBO Plan

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.

REALNETWORKS, INC.

By: /s/ Michael Parham

Michael Parham

Senior Vice President, General Counsel and Corporate Secretary

Dated: April 27, 2018

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EXHIBIT INDEX

Exhibit No.	Description
10.1	2018 Executive MBO Plan