

REALNETWORKS INC  
Form 8-K  
March 29, 2013

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 8-K

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CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934  
DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) March 25, 2013

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

|   |                                       |   |
|---|---------------------------------------|---|
| Washington<br>(State or other jurisdiction<br>of incorporation)   | 000-23137<br>(Commission File Number) | 91-1628146<br>(I.R.S. Employer<br>Identification No.) |
| 2601 Elliott Avenue, Suite 1000<br>Seattle, Washington 98121<br>(Address of principal executive offices) (Zip code) |                                       |   |
| (206) 674-2700<br>Registrant's telephone number, including area code  |                                       |   |
| Not Applicable<br>(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))

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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 March 25, 2013, the Compensation Committee of the Board of Directors of RealNetworks, Inc. approved the 2013 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 2013 Executive MBO Plan will be determined by our Compensation Committee and will be based 75% on company and/or divisional financial performance and 25% on individual performance. Financial performance will be measured by the achievement of specific financial goals related to revenue (weighted at 50% of total performance) and adjusted EBITDA (weighted at 25% of total performance). Adjusted EBITDA is a non-GAAP measure that we define as operating income (loss) including other income (expense) net, but excluding depreciation and amortization; acquisition-related intangible asset amortization; stock-based compensation; impairment of deferred costs; restructuring and other charges; gain on sale of patents and other technology assets, net of costs; and gain/loss on excess office facilities.

Under the 2013 Executive MBO Plan, cash incentive bonus targets and maximum award opportunities for 2013 for our named executive officers, other than our interim chief executive officer, are as follows:

|                  | Estimated Future Payouts |           |
|------------------|--------------------------|-----------|
|                  | Target                   | Maximum   |
| Mathew N. Hulett | \$244,125                | \$512,663 |
| Tim M. Wan       | \$213,750                | \$470,250 |

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        | 2013 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 Secretary

Dated: March 29, 2013

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EXHIBIT INDEX

| Exhibit No. | Description             |
|-------------|-------------------------|
| 10.1        | 2013 Executive MBO Plan |