

RED HAT INC
Form 4
February 29, 2008

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
SZULIK MATTHEW

(Last) (First) (Middle)

C/O RED HAT, INC., 1801
VARSITY DRIVE

(Street)

RALEIGH, NC 27606

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
RED HAT INC [RHT]

3. Date of Earliest Transaction
(Month/Day/Year)
02/28/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| Common Stock | 02/28/2008 | | A ⁽¹⁾ | V Amount (D) Price 95,000 ⁽²⁾ A \$ 0 | 1,101,856 ⁽³⁾ ⁽⁴⁾ | D | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Owned Following Transaction (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| SZULIK MATTHEW C/O RED HAT, INC. 1801 VARSITY DRIVE RALEIGH, NC 27606 | X | | | |

Signatures

/s/ Emily Del Toro, Atty in fact
UPOA

02/28/2008

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- Pursuant to an Executive Transition Agreement between Matthew J. Szulik and Red Hat, Inc., dated February 28, 2008, his award of 95,000 performance share units granted on October 16, 2007 has been amended to eliminate the performance criteria. The amended award will be treated as a restricted stock award and will vest based solely upon continued service with Red Hat, Inc. through the applicable vesting dates.
- (1) Restricted stock grant vesting at the rate of 25% after first year and 6.25% quarterly thereafter. Subject to a right of repurchase by Red Hat, Inc.
 - (2) Includes 16,473 shares held of record by the Matthew J. Szulik GRAT dated 5/26/99 for which the Reporting Person is the Trustee.
 - (4) Also includes 72,000 shares held of record by trusts for the benefit of the Reporting Person's children. The Reporting Person disclaims beneficial ownership of these shares.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.