
**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 2, 2019

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.)

**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

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.

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

On April 2, 2019, the Compensation Committee of the Board of Directors of RealNetworks, Inc. approved the 2019 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 2019 Executive MBO Plan will be determined by our Compensation Committee and will be based on company and/or divisional financial performance and individual performance. Financial performance will be measured by the achievement of specific financial goals related to revenue and contribution margin by reportable segment. Contribution margin by reportable segment is a non-GAAP measure that we define as operating income (loss) including other income (expense) net, but excluding the impact of the following: 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 specified individual strategic and commercial business objectives.

Any bonuses payable pursuant to the 2019 Executive Bonus Plan will be paid in cash or in the form of fully vested restricted stock units, or a combination thereof.

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	2019 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 5, 2019

EXHIBIT INDEX

Exhibit No.	Description
10.1	2019 Executive MBO Plan

RealNetworks, Inc. Executive MBO Plan – Section 16(b) Executive Officers

OBJECTIVE OF THE PLAN

The objective of the RealNetworks' Executive MBO Plan is to reward participants for their contribution to the company's success and ensure market competitiveness as we work to attract and retain high caliber talent. RealNetworks has adopted this plan to reward high performance consistent with our core business objectives. The Executive MBO Plan is administered under RealNetworks' 2005 Stock Incentive Plan, as amended and restated.

EFFECTIVE DATE

The effective date of the 2019 Executive MBO Plan is January 1, 2019 – December 31, 2019. Payout, if earned, will be made by no later than March 15, 2020.

PLAN METRICS

Total attainment for the target period is based on (i) revenue, (ii) contribution margin by reportable segment, and (iii) strategic leadership and business objectives (weighted at 50%).

Contribution margin by reportable segment is a non-GAAP measure that we define as operating income (loss) including other income (expense) net, but excluding the impact of the following: depreciation and amortization, acquisitions related intangible asset amortization, stock-based compensation, restructuring and other charges, and lease exit and related charges.

MBO PAYOUT MECHANICS

Any bonuses payable pursuant to the Plan may be payable in the form of cash or fully vested equity, or a combination thereof.

Revenue Metric:

In order to encourage revenue growth year over year, performance under 90% of the revenue target goal will not be rewarded.

Attainment	Incentive Payout
< 90%	No Payout
90% - 100%	50% - 100%
100% - 120%+	100% - 200%*

** Payout for revenue results will have a maximum payout of 200%. Payout is capped at 125% if contribution margin is attained at less than 100% of target.*

Adjusted EBITDA Metric:

In order to maintain fiscal responsibility, performance lower than \$2,000,000 (or \$5,000,000 depending on the executive) below contribution margin target will not be rewarded.

Attainment	Incentive Payout
> \$2/\$5 million below budget	No Payout
\$2/\$5 million below budget up to budget	50% - 100%
Budget up to \$2/\$5 million over budget*	100% - 200%*

* Payout for adjusted EBITDA results will be capped at 100% until revenue attainment reaches 125%, and will have a maximum payout of 200%.

TERMS AND CONDITIONS

Executive MBO Plan calculations and payments are completed and made after the end of the plan year with payout timing approximately 30 - 45 days after the close of the plan year. In all circumstances, any payouts that are earned in the plan year will be paid by March 15 of the following year, at the latest.

You must be in an eligible position on the first and last day of the month to participate in the plan for that month.

Salary, eligible position changes and/or transfers from one eligible group to another within a month will be based on status at the beginning of the month. Changes after the first day of the month will be reflected in the next month.

In order to receive a payout from the plan you must be on the company's payroll as of the last day of the plan year and on the company's payroll as of the date the award is scheduled to be paid, subject to the following. If your employment terminates due to your total and permanent disability or death, you or your estate, still may, in the discretion of the Compensation Committee be eligible to receive any payout that otherwise was earned.

Notwithstanding any other provision of the plan, the Compensation Committee may, in its sole discretion, increase (other than for an officer), reduce or eliminate a participant's award at any time before it is paid, whether or not calculated on the basis of pre-established performance goals or formulas.

The Compensation Committee has all power and discretion to interpret and administer the plan, including (but not limited to) the power to determine who is eligible for the plan and the size of any payouts.

The Compensation Committee may delegate all or any part of its powers under the plan to the company's chief executive officer or head of human resources, except that such individual may not administer the plan with respect to participants who are executive officers of the company. (For this purpose, an individual will be considered an executive officer of the company if his or her role at the company falls within the definition of "officer" under Rule 16a-1(f) promulgated under the Securities Exchange Act of 1934, as amended.)

The Compensation Committee reserves the right to adjust targets/measurements based on acquisition or disposition of businesses/assets.

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