



eXp World Holdings, Inc.

2219 Rimland Drive, Suite 301
Bellingham, WA 98226, U.S.A.

**THE AGENT EQUITY PROGRAM (THE “PROGRAM”),
A SHARE PURCHASE PROGRAM UNDER THE EXP WORLD HOLDINGS, INC.
2015 EQUITY INCENTIVE PLAN (THE “2015 PLAN”) AND THE
EXP WORLD HOLDINGS, INC. 2024 EQUITY INCENTIVE PLAN (THE “2024 PLAN”)
(COLLECTIVELY, THE “PLANS”)**

PROSPECTUS

Published in Connection with the Public Offering of a Maximum of 155,481,911 Shares of Common Stock, Par Value \$0.00001, of eXp World Holdings, Inc. to Independent Agents under the Program



The prospectus has been approved by the *Autorité des marchés financiers* (the “AMF”) in its capacity as competent authority under Regulation (EU) 2017/1129. The AMF approves the prospectus after having verified that the information in the prospectus is complete, consistent and comprehensible within the meaning of Regulation (EU) 2017/1129.

This approval should not be considered as a favorable opinion on the issuer and on the quality of the financial securities that are the subject of the prospectus. Investors are invited to make their own evaluation concerning the opportunity of investing in the financial securities concerned.

The prospectus was approved on June 28, 2024 and is valid for twelve months from the date of approval and shall, during that period and under the conditions of Article 23 of Regulation (EU) 2017/1129, be completed by a supplement to the prospectus in the event of significant new facts or material errors or inaccuracies. The prospectus shall bear the following visa number 24-243.

This prospectus along with summary translations (as applicable) will be posted on eXp World Holdings, Inc.'s website (<https://expworldholdings.com/financials/>), and free copies will be made available upon request by contacting the Investor Relations department of eXp World Holdings, Inc. at investors@expworldholdings.com. This prospectus and the French translation of its summary will also be available on the website of the AMF, www.amf-france.org.

NOTE TO THE PROSPECTUS

This prospectus, which contains material information concerning eXp World Holdings, Inc., was established pursuant to Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”). This prospectus is composed of the following parts in the following order:

- (1) a table of contents,
- (2) Annexes 1 and 11 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation (the “**Delegated Regulation 2019/980**”),
- (3) the summary provided for in Article 7 of the Prospectus Regulation (Part I constitutes the prospectus summary), and
- (4) the risk factors provided for in Article 16 of the Prospectus Regulation.

This prospectus also contains supplemental information concerning the Program and eXp World Holdings, Inc. (Part II - Section B) as well as the following document (Exhibits):

- 2024 Equity Incentive Plan;
- 2015 Equity Incentive Plan;
- 2024 Agent Equity Program Participation Election Form;
- 2015 Agent Equity Program Participation Election Form;
- Annual report on Form 10-K for the fiscal year ended December 31, 2023, filed by eXp World Holdings, Inc. with the U.S. Securities and Exchange Commission on February 22, 2024;
- Definitive Proxy Statement filed by eXp World Holdings, Inc. with the U.S. Securities and Exchange Commission on March 27, 2024;
- Quarterly report on Form 10-Q for the quarterly period ended March 31, 2024, filed by eXp World Holdings, Inc. with the U.S. Securities and Exchange Commission on May 1, 2024;
- Restated Certificate of Incorporation of eXp World Holdings, Inc.; and
- Restated Bylaws of eXp World Holdings, Inc.

When used in this prospectus, the terms “we,” “us” or “our” mean eXp World Holdings, Inc. and its subsidiaries.

In this prospectus, “\$” refers to U.S. dollars.

Percentages in tables have been rounded and accordingly may not add up to 100%. Certain financial data have been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data.

TABLE OF CONTENTS

Part I constitutes the prospectus summary

	Page
CROSS-REFERENCE LISTS	i
ANNEX 1 OF DELEGATED REGULATION 2019/980 REGISTRATION DOCUMENT FOR EQUITY SECURITIES	i
ANNEX 11 OF DELEGATED REGULATION 2019/980 SECURITIES NOTE FOR EQUITY SECURITIES OR UNITS ISSUED BY COLLECTIVE INVESTMENT UNDERTAKINGS OF THE CLOSED-END TYPE	xix
COMPANY REPRESENTATIVE FOR PROSPECTUS	1
PART I — PROSPECTUS SUMMARY	2
SECTION A — INTRODUCTION AND WARNINGS	2
SECTION B — KEY INFORMATION ON THE ISSUER	2
SECTION C — KEY INFORMATION ON THE SECURITIES	7
SECTION D — KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET	8
PART II — PROSPECTUS	10
SECTION A — RISK FACTORS	10
I. RISKS RELATED TO THE COMPANY'S INDUSTRIES	13
II. RISKS RELATED TO THE COMPANY'S GENERAL BUSINESS AND OPERATIONS	15
III. RISKS RELATED TO THE COMPANY'S REAL ESTATE BUSINESS	21
IV. RISKS RELATED TO LEGAL AND REGULATORY MATTERS	22
V. RISKS RELATED TO THE COMPANY'S STOCK	27
VI. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	30
SECTION B — SUPPLEMENTAL INFORMATION CONCERNING THE COMPANY AND THE PROGRAM	31
I. THE OUTLINE	31
II. ELIGIBILITY	32
III. DELIVERY AND SALE OF THE SHARES	33
IV. RIGHTS RELATED TO THE SHARES	34
V. INFORMATION ON THE COMPANY	40
VI. SELECTED FINANCIAL INFORMATION	47
VII. STATEMENT OF CAPITALIZATION AND INDEBTEDNESS AS OF MARCH 31, 2024	51
VIII. WORKING CAPITAL STATEMENT	54
IX. MAXIMUM DILUTION AND NET PROCEEDS	54
X. DIRECTORS AND EXECUTIVE OFFICERS	55
XI. EMPLOYEES	71
XII. MATERIAL CONTRACTS	75
XIII. DOCUMENTS ON DISPLAY	76
XIV. TAX CONSEQUENCES	76
EXHIBITS	80

EXHIBIT I	2024 EQUITY INCENTIVE PLAN.....	I
EXHIBIT II	2015 EQUITY INCENTIVE PLAN.....	II
EXHIBIT III	2024 AGENT EQUITY PROGRAM PARTICIPATION ELECTION FORM.....	III
EXHIBIT IV	2015 AGENT EQUITY PROGRAM PARTICIPATION ELECTION FORM	IV
EXHIBIT V	ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023, FILED BY EXP WORLD HOLDINGS, INC. WITH THE SEC ON FEBRUARY 22, 2024	V
EXHIBIT VI	DEFINITIVE PROXY STATEMENT FILED BY EXP WORLD HOLDINGS, INC. WITH THE SEC ON MARCH 27, 2024.....	VI
EXHIBIT VII	QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2024, FILED BY EXP WORLD HOLDINGS, INC. WITH THE SEC ON MAY 1, 2024.....	VII
EXHIBIT VIII	RESTATED CERTIFICATE OF INCORPORATION OF EXP WORLD HOLDINGS, INC.	VIII
EXHIBIT IX	RESTATED BYLAWS OF EXP WORLD HOLDINGS, INC.	IX

CROSS-REFERENCE LISTS

**ANNEX 1 OF DELEGATED REGULATION 2019/980
REGISTRATION DOCUMENT FOR EQUITY SECURITIES**

(Page numbering refers to the page contained in the relevant document)

Item #	Item contents	Chapter/Exhibit	Page
1.	PERSONS RESPONSIBLE		
1.1.	All persons responsible for the information given in the prospectus.	Prospectus	1 (Company Representative for Prospectus)
		Exhibit V	Exhibits 31.1 and 32.1
1.2.	A declaration by those responsible for the prospectus.	Prospectus	1 (Company Representative for Prospectus)
1.3.	Detail of experts.	Not applicable	Not applicable
1.4.	Information sourced from a third party.	Not applicable	Not applicable
1.5.	Statement of approval of document by competent authority.	Prospectus	Cover Page
2.	STATUTORY AUDITORS		
2.1.	Names and addresses of the issuer's auditors.	Part II - Section B	50 (6.2 Independent Registered Public Accounting Firm)
2.2.	If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, indicate details if material.	Not applicable	Not applicable
3.	RISK FACTORS		
3.1.	Description of material risks specific to the issuer.	Part II - Section A	13 – 27 (Risk Factors, Sections I to IV)
4.	INFORMATION ABOUT THE ISSUER		

CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
4.1.	The legal and commercial name of the Issuer.	Part II - Section B	40 – 46 (5.1 Business Overview)
4.2.	The place of registration of the Issuer and its registration number and legal entity identifier.	Part II - Section B	40 – 46 (5.1 Business Overview)
4.3.	The date of incorporation and the length of life of the issuer, except where indefinite.	Part II - Section B	40 – 46 (5.1 Business Overview)
4.4.	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, as well as the address, telephone number and website.	Part II - Section B	40 – 46 (5.1 Business Overview)
5.	BUSINESS OVERVIEW		
5.1.	Principal Activities		
5.1.1.	A description of, and key factors relating to, the nature of the issuer's operations and its principal activities.	Part II - Section B	40 – 46 (5.1 Business Overview)
		Exhibit V	2 - 9 (Item 1. Business)
5.1.2.	An indication of any significant new products and/or services that have been introduced.	Part II - Section B	40 – 46 (5.1 Business Overview)
5.2.	Principal markets.	Part II - Section B	40 – 46 (5.1 Business Overview)
5.3.	Important events in the development of the issuer's business.	Exhibit V	30 - 31 (Recent Business Developments) 53 (Note 3. Acquisitions)
		Exhibit VII	10 – 11 (Note 3. Discontinued Operations)
5.4.	Strategy and Objectives.	Exhibit V	27 - 28 (Strategy) 35 (Outlook)
		Exhibit VII	19 (Strategy)

CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
5.5.	The extent to which the issuer is dependent on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes.	Not applicable	Not applicable
5.6.	Issuer's competitive position.	Part II - Section B	43 (5.1 Business Overview - Competition)
5.7.	Investments		
5.7.1.	A description (including the amount) of the issuer's material investments for each financial year for the period covered by the historical financial information up to the date of the prospectus.	Part II - Section B	47 (Joint Ventures) 47 – 50 (6.1 Selected Financial Data) 75 (XII. Material Contracts)
		Exhibit V	47 (Consolidated Statements of Cash Flows) 53 (Note 3. Acquisitions) 65 (Note 15. Subsequent Events)
5.7.2.	A description of the issuer's material investments that are in progress or for which a firm commitment has been made.	Part II - Section B	47 – 50 (6.1 Selected Financial Data)
		Exhibit V	35 (Outlook) 47 (Consolidated Statements of Cash Flows)
		Exhibit VII	7 (Condensed Consolidated Statements of Cash Flows)
5.7.3.	Information relating to the joint ventures and undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.	Part II - Section B	47 (Joint ventures) 75 (XII. Material Contracts)
5.7.4.	Environmental issues that may affect the issuer's utilization of tangible fixed assets	Not applicable	Not applicable

CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
6.	ORGANIZATIONAL STRUCTURE		
6.1.	Description of the group	Part II - Section B	46 – 47 (5.2 Organizational Structure) 72 – 74 (11.2 Major Stockholders, Directors' and Executive Officers' Holdings of Shares and Options)
		Exhibit V	48 (Variable interest entities ("VIEs")) 48 (Joint ventures) 53 (Note 3. Acquisitions)
6.2.	A list of the issuer's significant subsidiaries	Part II - Section B	46 – 47 (5.2 Organizational Structure)
7.	OPERATING AND FINANCIAL REVIEW		
7.1.	Financial condition		
7.1.1.	Financial condition	Part II - Section B	47 – 50 (6.1 Selected Financial Data) 51 – 54 (VII. Statement of Capitalization and Indebtedness as of March 31, 2024)
		Exhibit V	26 - 38 (Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations up to Liquidity and

CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
			Capital Resources)
7.1.2.	Details of (a) the issuer's likely future development and (b) activities in field of research and development	Exhibit V	27 – 28 (Strategy) 28 - 29 (Market Conditions and Industry Trends) 30 - 31 (Recent Business Developments) 61 – 63 (12. Income Taxes)
		Exhibit VII	19 (Strategy) 19 - 20 (Market Conditions and Industry Trends)
7.2.	Operating Results		
7.2.1.	Significant factors materially affecting the issuer's income from operations	Part II - Section A	10 – 30 (Risk Factors)
		Exhibit V	9 - 22 (Item 1A. Risk Factors) 26 - 38 (Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations up to Liquidity and Capital Resources)
		Exhibit VII	18 – 28 (Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations up to Liquidity and Capital Resources)

CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
7.2.2.	Material changes in net sales or revenues	Part II - Section B	47 – 50 (6.1 Selected Financial Data)
		Exhibit V	32 – 33 (Results of Operations)
8.	CAPITAL RESOURCES		
8.1.	Issuer's capital resources	Part II - Section B	47 – 50 (6.1 Selected Financial Data)
		Exhibit V	34 - 35 (Liquidity and Capital Resources)
8.2.	Explanation of sources, amounts of and narrative description of the issuer's cash flows	Part II - Section B	47 – 50 (6.1 Selected Financial Data)
		Exhibit V	34 - 35 (Liquidity and Capital Resources)
8.3.	Information on the borrowing requirements and funding structure of the issuer.	Part II - Section B	47 – 50 (6.1 Selected Financial Data) 51 – 54 (VII. Statement of Capitalization and Indebtedness as of March 31, 2024)
		Exhibit V	34 - 35 (Liquidity and Capital Resources)
8.4.	Information regarding any restrictions on the use of capital resources.	Not applicable	Not applicable
8.5.	Information regarding the anticipated sources of funds needed to fulfil commitments referred to in items 5.7.2.	Exhibit V	34 - 35 (Liquidity and Capital Resources)
		Exhibit VII	26 – 27 (Liquidity and Capital Resources)
9.	REGULATORY ENVIRONMENT		

CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
9.1	Description of the regulatory environment that the issuer operates in and that may materially affect its business.	Part II - Section B	52 – 54 (7.3 Indirect and Contingent Indebtedness)
		Exhibit V	4 - 6 (5.1 Business Overview - Government Regulation)
10.	TREND INFORMATION		
10.1.	Significant trends that affected production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the prospectus.	Exhibit V	27 - 28 (Strategy) 29 - 30 (Key Business Metrics) 32 - 33 (Results of Operations)
		Exhibit VII	19 (Strategy) 21 - 22 (Key Business Metrics) 23 – 25 (Results of Operations)
10.2.	Trends, uncertainties or events that are likely to affect the issuer for at least the current financial year.	Part II - Section A	10 – 30 (Risk Factors)
		Exhibit V	28 - 29 (Market Conditions and Industry Trends) 30 - 31 (Recent Business Developments)
		Exhibit VII	19 - 20 (Market Conditions and Industry Trends)
11.	PROFIT FORECASTS OR ESTIMATES	Not applicable	Not applicable
12.	ADMINISTRATIVE, MANAGEMENT, SUPERVISORY BODIES AND SENIOR MANAGEMENT		

Item #	Item contents	Chapter/Exhibit	Page
	<p>Names, business addresses and functions in the issuer of the following persons and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:</p> <p>a) members of the administrative, management or supervisory bodies;</p>	Not applicable	Not applicable
	<p>b) partners with unlimited liability, in the case of a limited partnership with a share capital;</p>	Not applicable	Not applicable
	<p>c) founders, if the issuer has been established for fewer than five years; and</p>	Not applicable	Not applicable
	<p>d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business.</p>	Part II - Section B	55 – 59 (10.1 Directors and Executive Officers)
	<p>The nature of any family relationship between any of those persons.</p>	Part II - Section B	55 – 59 (10.1 Directors and Executive Officers)
12.1.	<p>In the case of each member of the administrative, management or supervisory bodies of the issuer and each person mentioned in points (b) and (d) of the first subparagraph, details of that person's relevant management expertise and experience and the following information:</p> <p>(a) the nature of all companies and partnerships of which such person has been a member of the administrative, management and supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies.</p>	Part II - Section B	55 – 59 (10.1 Directors and Executive Officers)
	<p>(b) any convictions in relation to fraudulent offences for at least the previous five years;</p> <p>(c) details of any bankruptcies, receiverships or liquidations with which a person described in (a) and (d) of the first subparagraph who was acting in the capacity of any of the positions set out in (a) and (d) of</p>	Part II - Section B	60 (10.2 Fraudulent Offences and Bankruptcy, Etc.)

Item #	Item contents	Chapter/Exhibit	Page
	<p>the first subparagraph was associated for at least the previous five years;</p> <p>(d) details of any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies) and whether such person has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.</p> <p>If there is no such information to be disclosed, a statement to that effect is to be made.</p>		
12.2.	<p>Administrative, management and supervisory bodies and senior management conflicts of interests</p> <p>Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 12.1, and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.</p> <p>Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 12.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management.</p> <p>Details of any restrictions agreed by the persons referred to in item 12.1 on the disposal within a certain period of time of their holdings in the issuer's securities.</p>	Part II - Section B	<p>69 (10.5 Conflicts of Interest - sentence starting "To the Company's knowledge...")</p> <p>69 – 70 (10.5 Conflicts of Interest - Controlled Company)</p> <p>70 – 71 (10.5 Conflicts of Interest – Certain Relationships and Related Transactions)</p>
13.	REMUNERATION AND BENEFITS		
13.1.	<p>The amount of remuneration paid to the members of the administrative, management, supervisory and senior management bodies or to the general managers of the issuer.</p>	Part II - Section B	<p>60 – 65 (10.3 Executive Compensation)</p> <p>65 – 69 (10.4 Non-Employee Director Compensation)</p>
		Exhibit VI	<p>14 – 18 (Non-Employee Director Compensation)</p> <p>27 – 35 (Elements of Individual Executive Compensation)</p>

CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
			37 – 47 (2022 Compensation Tables)
13.2.	The total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits to the above persons.	Part II - Section B	60 – 65 (10.3 Executive Compensation) 65 – 69 (10.4 Non-Employee Director Compensation)
		Exhibit VI	14 – 18 (Non-Employee Director Compensation) 27 – 35 (Elements of Individual Executive Compensation) 37 – 47 (2022 Compensation Tables)
14.	BOARD PRACTICES		
14.1.	Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office.	Part II - Section B	55 – 59 (10.1 Directors and Executive Officers)
14.2.	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer of any of its subsidiaries providing for benefits upon termination of employment.	Part II - Section B	61 – 62 (10.3 Executive Compensation - Executive Employment Terms) 63 (10.3 Executive Compensation - Resignation; Retirement, Other Termination, or Change in Control Arrangements)

CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
14.3.	Information about the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committee operates.	Exhibit VI	12 (Board Meetings and Committee) 13 (Audit Committee) 13 (Compensation Committee)
14.4.	A statement as to whether or not the issuer complies with the corporate governance regime(s) applicable to the issuer. In the event that the issuer does not comply with such a regime, a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime.	Part II - Section B	34 (4.2 Legislation Under Which the Securities Have Been Created) 69 – 70 (10.5 Conflicts of Interest - Controlled Company)
		Exhibit VI	6 – 18 (Corporate Governance)
14.5.	Potential material impacts on the corporate governance.	Not applicable	Not applicable
15.	EMPLOYEES		
15.1.	Number of employees.	Part II - Section B	33 (2.1 Eligible Independent Agents) 71 – 72 (11.1 Overview)
		Exhibit V	8 (Human Capital)
15.2.	Shareholdings and stock options with respect to each person referred to in points (a) and (d) of the first subparagraph of item 12.1.	Part II - Section B	72 – 74 (11.2 Major Stockholders, Directors' and Executive Officers' Holdings of Shares and Options)
15.3.	Description of any arrangements for involving the employees in the capital of the issuer.	Part II - Section B	75 (11.3 Stock Plans)

Item #	Item contents	Chapter/Exhibit	Page
		Exhibit V	56 - 59 (Note 9. Stockholders' Equity)
16.	MAJOR STOCKHOLDERS		
16.1.	Name of any stockholders who are not members of administrative and/or management bodies.	Part II - Section B	72 – 74 (11.2 Major Stockholders, Directors' and Executive Officers' Holdings of Shares and Options)
16.2.	Whether the issuer's major stockholders have different voting rights.	Part II - Section B	36 (4.5 Rights Attached to the Securities - Voting Rights - No Cumulative Voting)
16.3.	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.	Part II - Section B	69 – 70 (10.5 Conflicts of Interest - Controlled Company) 72 – 74 (11.2 Major Stockholders, Directors' and Executive Officers' Holdings of Shares and Options)
16.4.	Arrangements known to the issuer that may result in a change in control of the issuer.	Not applicable	Not applicable
17.	RELATED PARTY TRANSACTIONS		
17.1.	Details of related party transactions that the issuer has entered into.	Part II - Section B	70 - 71 (10.5 Conflicts of Interest – Certain Relationships and Related Transactions)
18.	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES		

Item #	Item contents	Chapter/Exhibit	Page
18.1.	Historical Financial Information.		
18.1.1	Audited historical financial information covering the latest three financial years (or such shorter period as the issuer has been in operation) and the audit report in respect of each year	Part II - Section B	47 – 50 (6.1 Selected Financial Data)
		Exhibit V	44 - 65 (Item 8. Financial Statements and Supplementary Data)
18.1.2	<p>Change of accounting reference date</p> <p>If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 36 months, or the entire period for which the issuer has been in operation, whichever is shorter.</p>	Not applicable	Not applicable
18.1.3	<p>Accounting standards</p> <p>The financial information must be prepared according to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002.</p> <p>If Regulation (EC) No 1606/2002 is not applicable, the financial information must be prepared in accordance with:</p> <p>(a) a Member State's national accounting standards for issuers from the EEA, as required by Directive 2013/34/EU;</p> <p>(b) a third country's national accounting standards equivalent to Regulation (EC) No 1606/2002 for third country issuers. If such third country's national accounting standards are not equivalent to Regulation (EC) No 1606/2002 the financial statements shall be restated in compliance with that Regulation.</p>	Part II - Section B	47 – 50 (6.1 Selected Financial Data)
18.1.4	<p>Change of accounting framework</p> <p>The last audited historical financial information, containing comparative information for the previous year, must be presented and prepared in a form consistent with the accounting standards framework that will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements.</p> <p>Changes within the accounting framework applicable to an issuer do not require the audited financial statements to be restated solely for the purposes of the</p>	Not applicable	Not applicable

Item #	Item contents	Chapter/Exhibit	Page
	prospectus. However, if the issuer intends to adopt a new accounting standards framework in its next published financial statements, at least one complete set of financial statements (as defined by IAS 1 Presentation of Financial Statements as set out in Regulation (EC) No 1606/2002), including comparatives, must be presented in a form consistent with that which will be adopted in the issuer's next published annual financial statements, having regard to accounting standards and policies and legislation applicable to such annual financial statements.		
18.1.5	Where the audited financial information is prepared according to national accounting standards, it must include at least the following: (a) the balance sheet; (b) the income statement; (c) a statement showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and distributions to owners; (d) the cash flow statement; (e) the accounting policies and explanatory notes	Exhibit V	44 - 65 (Item 8. Financial Statements and Supplementary Data)
18.1.6	Consolidated financial statements If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document.	Not applicable	Not applicable
18.1.7	Age of financial information The balance sheet date of the last year of audited financial information may not be older than one of the following: (a) 18 months from the date of the registration document if the issuer includes audited interim financial statements in the registration document; (b) 16 months from the date of the registration document if the issuer includes unaudited interim financial statements in the registration document.	Exhibit V	44 - 65 (Item 8. Financial Statements and Supplementary Data)
18.2.	Interim and other financial information.		
18.2.1	If the issuer has published quarterly or half-yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half-yearly financial information has been audited or reviewed, the audit or review report must also be included. If the	Part II - Section B	47 – 50 (6.1 Selected Financial Data)
		Exhibit VII	4 – 18 (Item 1. Financial

Item #	Item contents	Chapter/Exhibit	Page
	<p>quarterly or half-yearly financial information is not audited or has not been reviewed, state that fact.</p> <p>If the registration document is dated more than nine months after the date of the last audited financial statements, it must contain interim financial information, which may be unaudited (in which case that fact must be stated) covering at least the first six months of the financial year.</p> <p>Interim financial information prepared in accordance with the requirements of Regulation (EC) No 1606/2002.</p> <p>For issuers not subject to Regulation (EC) No 1606/2002, the interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the year's end balance sheet in accordance with the applicable financial reporting framework.</p>		Statements (Unaudited))
18.3.	AUDITING OF HISTORICAL ANNUAL FINANCIAL INFORMATION		
18.3.1.	Statement that the historical financial information has been audited.	Exhibit V	41 - 43 (Report of Independent Registered Public Accounting Firm)
18.3.1.	Report of Independent Registered Public.	Exhibit V	41 - 43 (Report of Independent Registered Public Accounting Firm)
18.3.2.	Indication of other information in the prospectus which has been audited by the auditors.	Not applicable	Not applicable
18.3.3.	Unaudited financial data in prospectus.	Part II - Section B	47 – 50 (6.1 Selected Financial Data)
18.3.3.		Exhibit VII	4 – 18 (Item 1. Financial Statements (Unaudited))
18.4.	Pro forma financial information.	Not applicable	Not applicable
18.5.	Dividend policy		
18.5.1.	Description of dividend policy.	Part II - Section B	35 (4.5 Rights Attached to the

CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
			Securities - Dividend Rights)
		Exhibit V	25 (Dividends)
18.5.2.	The amount of the dividend per share for each financial year for the period covered by the historical financial information.	Part II - Section B	35 (4.5 Rights Attached to the Securities - Dividend Rights)
		Exhibit V	25 (Dividends)
18.6.	Legal and arbitration proceedings		
18.6.1.	Information on any governmental, legal or arbitration proceedings.	Part II - Section B	52 – 54 (7.3 Indirect and Contingent Indebtedness)
		Exhibit V	63 - 64 (Note 13. Commitments and Contingencies)
18.7.	Significant change in issuer's financial position		
18.7.1.	Significant change in the issuer's financial position since the end of the last financial period, or provide an appropriate negative statement.	Part II - Section B	51 (7.1 Capitalization and Indebtedness)
19	ADDITIONAL INFORMATION		
19.1	Share Capital		
19.1.1.	Total authorized share capital.	Part II - Section B	34 (4.1 Type and the Class of the Securities Being Offered, Including the Security Identification Code)
		Exhibit V	44 (Consolidated Balance Sheets)
	The amount of issued capital.	Part II - Section B	34 (4.1 Type and the Class of the Securities Being Offered, Including the Security Identification Code)

CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
		Exhibit V	44 (Consolidated Balance Sheets)
	Par value per share.	Part II - Section B	34 (4.1 Type and the Class of the Securities Being Offered, Including the Security Identification Code)
		Exhibit V	Cover Page
	Reconciliation of number of shares outstanding at beginning and end of year.	Exhibit V	44 (Consolidated Balance Sheets) 56 - 59 (Note 9. Stockholders' Equity)
19.1.2.	Shares not representing capital.	Not applicable	Not applicable
19.1.3.	Shares in the issuer held by the issuer or subsidiaries.	Exhibit V	25 - 26 (Purchases of Equity Securities by the Issuer and Affiliated Purchasers) 58 (Stock Repurchase Program)
19.1.4.	The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.	Not applicable	Not applicable
19.1.5.	Information about and terms of any acquisition rights and or obligations over authorized but unissued capital or an undertaking to increase the capital.	Exhibit V	56 - 59 (Note 9. Stockholders' Equity)
19.1.6.	Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option.	Exhibit V	56 - 59 (Note 9. Stockholders' Equity)
19.1.7.	A history of share capital for the period covered by the historical financial information.	Exhibit V	46 (Consolidated Statements of Equity)
19.2.	Memorandum and Articles of Association		

CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
19.2.1.	Issuer's objects and purposes.	Exhibit VIII	(Article II. Purpose)
19.2.2.	A description of the rights, preferences and restrictions attaching to each class of the existing shares.	Part II - Section B	35 – 38 (4.5 Rights Attached to the Securities)
19.2.3.	Provisions of the issuer's articles of association, statutes, charter or by-laws that would have an effect of delaying deferring or preventing a change in control of the issuer.	Part II - Section A	29 - 30 (Last Risk Factor starting "Delaware law and our organizational documents may impede or discourage a takeover (...)")
20.	MATERIAL CONTRACTS		
20.1.	Summary of material contract.	Part II - Section B	75 (XII. Material Contracts)
		Exhibit V	48 (Variable interest entities ("VIEs")) 48 (Joint ventures) 53 (Note 3. Acquisitions)
21.	DOCUMENTS ON DISPLAY		
21.1.	Statement confirming where documents can be inspected.	Part II - Section B	76 (XIII. Documents on Display)

ANNEX 11 OF DELEGATED REGULATION 2019/980

SECURITIES NOTE FOR EQUITY SECURITIES OR UNITS ISSUED BY COLLECTIVE INVESTMENT UNDERTAKINGS OF THE CLOSED-END TYPE

(Page numbering refers to the page contained in the relevant document)

Item #	Item contents	Chapter/Exhibit	Page
1.	PERSONS RESPONSIBLE		
1.1.	All persons responsible for the information given in the prospectus.	Prospectus	1 (Company Representative for Prospectus)
		Exhibit V	Exhibits 31.1 and 32.1
1.2.	A declaration by those responsible for the prospectus.	Prospectus	1 (Company Representative for Prospectus)
1.3.	Attribution to experts.	Not applicable	Not applicable
1.4.	Third party sources.	Not applicable	Not applicable
1.5.	Statement of approval of document by competent authority.	Prospectus	Cover Page
2.	RISK FACTORS		
2.1.	Description of the material risks that are specific to the securities being admitted to trading.	Part II - Section A	27 – 30 (V. Risks Related to the Company's Stock)
3.	ESSENTIAL INFORMATION		
3.1.	Working capital Statement.	Part II - Section B	54 (VIII. Working Capital Statement)
3.2.	Capitalization and indebtedness.	Part II - Section B	51 – 54 (VII. Statement of Capitalization and Indebtedness as of March 31, 2024)
3.3.	Interest of natural and legal persons involved in the issue/offer	Part II - Section B	69 – 71 (10.5 Conflicts of Interest)

CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
			72 – 74 (11.2 Major Stockholders, Directors, and Executive Officers' Holdings of Shares and Options)
3.4.	Reasons for the offer and use of proceeds.	Part II - Section B	31 (1.1 Purpose of the Program) 55 (9.2 Net Proceeds)
4.	INFORMATION CONCERNING THE SECURITIES TO BE OFFERED/ ADMITTED TO TRADING		
4.1.	A description of the type and the class of the securities being offered and/or admitted to trading, including the international security identification number.	Part II - Section B	34 (4.1 Type and the Class of the Securities being Offered, Including the Security Identification Code)
4.2.	Legislation under which the securities have been created.	Part II - Section B	34 (4.2 Legislation Under Which the Securities Have Been Created)
4.3.	Form of securities, name and address of the entity in charge of keeping the records.	Part II - Section B	34 (4.3 Form of Securities, Name and address of the Entity in Charge of Keeping the Records)
4.4.	Currency of the securities issue.	Part II - Section B	35 (4.4 Currency of the Securities Issue)
4.5.	Rights attached to the securities.	Part II - Section B	35 – 38 (4.5 Rights Attached to the Securities)

CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
4.6.	In the case of new issues, statement of the resolutions, authorizations and approvals by virtue of which the securities have been or will be created and/or issued.	Part II - Section B	31 (1.1 Purpose of the Program) 38 (4.6 Transferability)
		Exhibit I	(2.1 Number of Shares Available)
		Exhibit II	(2.1 Number of Shares Available)
4.7.	In the case of new issues, the expected issue date of the securities.	Part II - Section B	31 (1.3 Purchase Period)
4.8.	Description of any restrictions on the free transferability of the securities.	Part II - Section B	33 (III. Delivery and Sale of the Shares) 38 (4.6 Transferability)
4.9.	Mandatory takeover bids and/or squeeze-out and sell-out rules in relation to the securities.	Part II - Section A	29 - 30 (Risk Factor starting ("Delaware law and our organizational documents may impede or discourage a takeover (...)"
		Part II - Section B	38 – 39 (4.7 General Provisions Applying to Business Combinations)
4.10.	An indication of public takeover bids by third parties in respect of the issuer's equity, which have occurred during the last financial year and the current financial year. The price or exchange terms attaching to such offers and the outcome thereof must be stated.	Not applicable	Not applicable
4.11.	Information on taxes on the income from the securities withheld at source.	Part II - Section B	76 – 79 (XIV. Tax Consequences)

Item #	Item contents	Chapter/Exhibit	Page
4.12.	Where applicable, the potential impact on the investment in the event of resolution under Directive 2014/59/EU of the European Parliament and of the Council.	Not applicable	Not applicable
4.13.	If different from the issuer, the identity and contact details of the offeror of the securities and/or the person asking for admission to trading, including the LEI where the offeror has legal personality.	Not applicable	Not applicable
5.	TERMS AND CONDITIONS OF THE OFFER		
5.1.	Conditions, offer statistics, expected timetable and action required to apply for the offer.		
5.1.1.	Conditions to which the offer is subject.	Part II - Section B	31 – 33 (I. The Outline, II. Eligibility and III. Delivery and Sale of the Shares)
		Exhibit I	All sections
		Exhibit II	All sections
		Exhibit III	All sections
		Exhibit IV	All sections
5.1.2.	Total amount of the issue/offer.	Part II - Section B	55 (9.2 Net Proceeds)
5.1.3.	Time period during which the offer will be open and description of the application process.	Part II - Section B	31 – 33 (I. The Outline, II. Eligibility and III. Delivery and Sale of the Shares)
5.1.4.	Circumstances under which the offer may be revoked or suspended and whether revocation can occur after dealing has begun.	Part II - Section B	32 (1.6 Term of the Program) 32 (1.7 Amendment or Discontinuance of the Plan and the Program) 33 (2.4 Discontinuance of Participation of Participants)

CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
5.1.5.	Possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants.	Part II - Section B	33 (2.3 Contributions)
5.1.6.	Minimum and/or maximum amount of application.	Part II - Section B	33 (2.3 Contributions)
5.1.7.	Period during which an application may be withdrawn.	Part II - Section B	33 (2.4 Discontinuance of Participation of Participants)
5.1.8.	Method and time limits for paying up the securities and for delivery of the securities.	Part II - Section B	33 (2.3 Contributions) 33 (III. Delivery and Sale of the Shares)
5.1.9.	A full description of the manner and date in which results of the offer are to be made public.	Part II - Section B	33 (III. Delivery and Sale of the Shares) 75 (11.3 Stock Plans - Agent Equity Program)
		Exhibit V	56 (9. Stockholders' Equity - Agent Equity Program)
		Exhibit VII	12 - 13 (7. Stockholders' Equity - Agent Equity Program)
5.1.10.	The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.	Not applicable	Not applicable
5.2.	PLAN OF DISTRIBUTION AND ALLOTMENT		
5.2.1.	The various categories of potential investors to which the securities are offered.	Part II - Section B	32 (2.1 Eligible Independent Agents)
5.2.2.	To the extent known to the issuer, an indication of whether major shareholders or members of the issuer's management, supervisory or administrative bodies intend to subscribe in the offer, or whether any person intends to subscribe for more than five per cent of the offer.	Not applicable	Not applicable

CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
5.2.3.	Pre-allotment Disclosure	Not applicable	Not applicable
5.2.4.	Process for notifying applicants of the amount allotted and an indication whether dealing may begin before notification is made.	Part II - Section B	33 (2.3 Contributions)
5.3.	PRICING		
5.3.1.	An indication of the price at which the securities will be offered.	Part II - Section B	31 (1.4 Purchase Price)
5.3.2.	Process for the disclosure of the offer price.	Part II - Section B	31 (1.4 Purchase Price) 34 (4.3 Form of Securities, Name and Address of the Entity in Charge of Keeping the Records)
5.3.3.	If the issuer's equity holders have pre-emptive purchase rights and this right is restricted or withdrawn.	Part II - Section B	38 (4.5 Rights Attached to the Securities - No Preemptive, Redemptive or Conversion Provisions)
5.3.4.	Where there is or could be a material disparity between the public offer price and the effective cash cost to members of the administrative, management or supervisory bodies or senior management, or affiliated persons, of securities acquired by them in transactions during the past year.	Not applicable	Not applicable
5.4.	PLACING AND UNDERWRITING		
5.4.1.	Name and address of the co-coordinator(s) of the global offer.	Not applicable	Not applicable
5.4.2.	Name and address of any paying agents and depository agents in each country.	Part II - Section B	34 (4.3 Form of Securities, Name and Address of the Entity in Charge of Keeping the Records)
5.4.3.	Name and address of the entities agreeing to underwrite the issue on a firm commitment basis.	Not applicable	Not applicable

Item #	Item contents	Chapter/Exhibit	Page
5.4.4.	When the underwriting agreement has been or will be reached.	Not applicable	Not applicable
6.	ADMISSION TO TRADING AND DEALING ARRANGEMENTS		
6.1.	Whether the securities offered are or will be the object of an application for admission to trading.	Part II - Section B	31 (1.2 Shares Offered Under the Program) 34 (4.1 Type and Class of the Securities Being Offered, Including the Security Identification Code)
6.2.	Regulated markets or equivalent markets on which securities of the same class of the securities to be offered or admitted to trading are already admitted to trading.	Part II - Section B	34 (4.1 Type and Class of the Securities being Offered, Including the Security Identification Code)
6.3.	Simultaneous private placement.	Not applicable	Not applicable
6.4.	Details of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity.	Not applicable	Not applicable
6.5.	Stabilization.	Not applicable	Not applicable
6.5.1.	The fact that stabilization may be undertaken, that there is no assurance that it will be undertaken and that it may be stopped at any time.	Not applicable	Not applicable
6.5.1.1.	The fact that stabilization transactions aim at supporting the market price of the securities during the stabilization period.	Not applicable	Not applicable
6.5.2.	The beginning and the end of the period during which stabilization may occur.	Not applicable	Not applicable
6.5.3.	Identity of the stabilization manager.	Not applicable	Not applicable

Item #	Item contents	Chapter/Exhibit	Page
6.5.4.	The fact that stabilization transactions may result in a market price that is higher than would otherwise prevail.	Not applicable	Not applicable
6.5.5.	The place where the stabilisation may be undertaken including, where relevant, the name of the trading venue(s).	Not applicable	Not applicable
6.6.	Over-allotment and 'green shoe'.	Not applicable	Not applicable
7.	SELLING SECURITIES HOLDERS		
7.1.	Name and business address of the person or entity offering to sell the securities.	Not applicable	Not applicable
7.2.	The number and class of securities being offered by each of the selling security holders.	Not applicable	Not applicable
7.3.	Where a major shareholder is selling the securities, the size of its shareholding both before and immediately after the issuance.	Not applicable	Not applicable
7.4.	Lock-up agreements.	Not applicable	Not applicable
8.	EXPENSE OF THE ISSUE/OFFER		
8.1.	The total net proceeds and an estimate of the total expenses of the issue/offer.	Part II - Section B	55 (9.2 Net Proceeds)
9.	DILUTION		
9.1.	A comparison of: (a) participation in share capital and voting rights for existing shareholders before and after the capital increase resulting from the public offer, with the assumption that existing shareholders do not subscribe for the new shares; (b) the net asset value per share as of the date of the latest balance sheet before the public offer (selling offer and/or capital increase) and the offering price per share within that public offer.	Part II - Section B	54- 55 (9.1 Maximum Dilution)
9.2.	Where existing shareholders will be diluted regardless of whether they subscribe for their entitlement, because a part of the relevant share issue is reserved only for certain investors (e.g. an institutional placing coupled with an offer to shareholders), an indication of the dilution existing shareholders will experience shall also be presented on the basis that they do take up their entitlement (in addition to the situation in item 9.1 where they do not).	Not applicable	Not applicable

CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
10.	ADDITIONAL INFORMATION		
10.1.	If advisors connected with an issue are mentioned in the Securities Note, a statement of the capacity in which the advisors have acted.	Not applicable	Not applicable
10.2.	An indication of other information in the Securities Note which has been audited or reviewed by statutory auditors.	Not applicable	Not applicable

COMPANY REPRESENTATIVE FOR PROSPECTUS

- 1.1 Kent Cheng, Chief Accounting Officer and Principal Financial Officer, acting for and on behalf of eXp World Holdings, Inc.
- 1.2 I hereby declare that the information contained in this prospectus is, to the best of my knowledge, in accordance with the facts and that it makes no omission likely to affect its import.

/s/ Kent Cheng

Kent Cheng
Chief Accounting Officer and Principal Financial Officer
of eXp World Holdings, Inc.

Chalfont, Pennsylvania, U.S.A., June 27, 2024

PART I — PROSPECTUS SUMMARY

VISA NUMBER 24-243 DATED JUNE 28, 2024 OF THE AMF

SECTION A — INTRODUCTION AND WARNINGS

Name and ISIN of the securities	eXp World Holdings, Inc.'s shares of common stock, par value \$0.00001 (the " Shares ") are quoted on the NASDAQ Global Market (" Nasdaq ") operated by NASDAQ, Inc. under the trading symbol "EXPI." The international securities identification number (" ISIN ") of the Shares is US30212W1009 and the U.S. security identification number (the CUSIP number) for the Shares is 30212W100. The Shares were initially traded on the over-the-counter market for U.S. stocks (OTCQB) and have been traded on Nasdaq since May 21, 2018 as a result of Nasdaq's approval to uplist the Shares on May 17, 2018. There was no capital raising. The initial quote price of the Shares on Nasdaq was \$9.65.
Identity and contact details of the issuer, including its LEI	eXp World Holdings, Inc. (" eXp " or the " Company "). The Company's legal entity identifier (" LEI ") is 549300TWWVZC283VEC32. The Company's principal offices are located at 2219 Rimland Drive, Suite 301, Bellingham, WA 98226, United States of America (" U.S.A. ") Telephone number: +1 (360) 685-4206; website: https://expworldholdings.com .
Identity and contact details of the offeror	Not applicable.
Identity and contact details of the competent authority approving the prospectus	Autorité des marchés financiers 17, place de la Bourse, 75082 Paris Cedex 02, France https://www.amf-france.org/
Date of approval of the prospectus	June 28, 2024
Warning to the reader	This summary should be read as an introduction to the prospectus. Any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor. Where applicable, the investor could lose all or part of the invested capital. Where a claim relating to the information contained in a prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.

SECTION B — KEY INFORMATION ON THE ISSUER

WHO IS THE ISSUER OF THE SECURITIES?

Domicile and legal form, LEI, the legislation under which it operates and its country of incorporation	The Company's principal offices are located at 2219 Rimland Drive, Suite 301, Bellingham, WA 98226, U.S.A. The Company is a corporation incorporated under the laws of the State of Delaware, U.S.A. The Company was incorporated on July 30, 2008. The Company's LEI is 549300TWWVZC283VEC32.
---	--

Principal activities

The Company owns and operates a diversified portfolio of service-oriented businesses whose operations benefit substantially from utilizing its technology platform. The Company strategically prioritizes its efforts to grow its real estate brokerage by strengthening its agent value proposition, developing immersive and cloud-based technology to enable the Company's model and providing affiliate and media services supporting those efforts. Its real estate brokerage is now one of the largest and fastest-growing real estate brokerage companies in the United States and Canada and is rapidly expanding internationally.

In the first quarter of 2024, the Company determined that there has been a significant change to the Virbela business model. As its customers evolve post-COVID, including a return-to-work-offices, and in light of ongoing internal and external demand for web-accessible platforms and artificial intelligence solutions, the Company has experienced a decline in demand for its application-based platform, Virbela, and a rising interest in its web-accessible platform, Frame[®]. Accordingly, the Company has begun the process of winding down the Virbela business, which includes closing out current contracts, and reducing its external customers and internal employee support. Further, the technology is being replaced with Virbela Frame[®] technology that will be primarily utilized internally within the Company. The Company expects the process to wind down the Virbela business to be completed by the fourth quarter of 2024.

In prior years, Virbela represented an operating and reporting segment. Going forward, the remaining operations of Virbela will not meet the operating or reporting segment criteria, therefore, any operating results related to Virbela and Frame[®] technologies will be included in the Other Affiliated Services segment.

Therefore, beginning in January 2024, the Company operates three operating and reportable business segments:

- **North American Realty:** includes real estate brokerage operations in the United States and Canada, as well as lead-generation and other real estate support services provided in North America.
- **International Realty:** includes real estate brokerage operations in all other international locations. The International Realty segment includes the Company's foreign operations in the United Kingdom (the "U.K."), Australia, South Africa, India, Mexico, Portugal, France, Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama, Germany, the Dominican Republic, Greece, New Zealand, Chile, Poland, and Dubai.

PART I — PROSPECTUS SUMMARY

- **Other Affiliated Services:** includes the Company's SUCCESS[®] Magazine, Frame technology, and other smaller ventures.

The following table provides information about the Company's reportable segments (in thousands). Financial information for the comparable prior periods presented have been revised to conform with the current year presentation.

	Revenues	
	Three Months Ended March 31,	
	2024	2023
North American Realty	\$ 927,137	\$ 837,114
International Realty	15,596	10,758
Other Affiliated Services	1,788	1,677
Revenues reconciliation:		
Segment eliminations	(1,467)	(1,096)
Consolidated revenues	<u>\$ 943,054</u>	<u>\$ 848,453</u>

As of December 31, 2022, the Company had approximately 2,016 full-time equivalent employees and 86,203 real estate agents. As of December 31, 2023, the Company had approximately 2,114 full-time equivalent employees and 87,515 real estate agents. As of March 31, 2024, the Company had approximately 85,780 real estate agents. The number of agents declined as the Company continues to off board less productive agents.

The following are developments in the Company's business since the beginning of the fiscal year ended December 31, 2023:

- During 2023, the Company announced various new agent incentive programs to enhance the agent experience and to attract culturally aligned agents, teams of agents and independent brokerages to the Company. New incentive programs include Boost, Accelerate, and Thrive, which offer unique financial incentives.
- In 2023, the Company launched various new ancillary programs and services to support the development and success of its agents, brokers and customers, including the continued global expansion of eXp Luxury[™], Military Rewards Program, Listing Kits, Bundle Select[™], eXp Exclusives[™], My Link My Lead[™], and affiliate relationships like HomeHunter[™].
- Additional talent joined the Company in 2023, including the appointment of Peggie Pelosi to the Board of Directors of the Company (the "**Board**") in January 2023 and the appointment of Fred Reichheld to the Board in September 2023.

The Company did not complete any material acquisitions during the year ended December 31, 2023.

On March 11, 2024, eXp Realty, the core subsidiary of the Company, announced its 2023 revenue share and agent equity distribution statistics, underscoring its competitive compensation framework as a catalyst for ongoing agent expansion. The Company paid agents and brokers over \$230 million in revenue share and equity benefits in 2023, compared to \$240 million in 2022.

Major stockholders

The following table shows, as of January 31, 2024 (except as noted otherwise), stockholders known to the Company who beneficially own more than 5% of the outstanding Shares. To the best knowledge of the Company, there has been no material change to the beneficial ownership of the stockholders listed in the table below since January 31, 2024. Beneficial ownership represents sole voting power and investment power. Unless otherwise noted below, the address of each person listed on the table is c/o eXp World Holdings, Inc. at 2219 Rimland Drive, Suite 301, Bellingham, WA 98226, U.S.A.

Name and Address	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percentage of Class
Group of stockholders ⁽²⁾	70,606,984	45.51%
• Glenn Sanford	• 43,622,941	• 28.12%
• Penny Sanford	• 26,984,043	• 17.39%
BlackRock, Inc.	12,349,144 ⁽³⁾	7.96%
The Vanguard Group	12,002,402 ⁽⁴⁾	7.74%

(1) The information is based on 155,127,060 Shares issued and outstanding as of January 31, 2024. As of March 31, 2024, there were 154,846,563 Shares outstanding. The beneficial ownership of the stockholders listed in the table above has not changed significantly as of January 31, 2024 and the percentage ownership does not change by more than one percent.

(2) In March 2021, Mr. Sanford, Ms. Sanford, Jason Gesing and Eugene Frederick filed a Schedule 13D/A with the SEC indicating that they had entered into an agreement to vote their shares as a group with respect to the election of directors and any other matter on which the Shares are entitled to vote (the "**Voting Group**"). On July 31, 2023, Ms. Sanford and Messrs. Sanford and Gesing filed a Schedule 13D/A disclosing that Mr. Frederick was no longer a member of the Voting Group. As of January 10, 2024, Mr. Gesing has elected to no longer vote together with the Voting Group with respect to the election of directors of the Company and on any other matter on which any Shares are entitled to vote. The Voting Group is now comprised solely of Mr. Sanford and Ms. Sanford. Based on information set forth in a Schedule 13D filed with the SEC on January 12, 2024 by Mr. Sanford and Ms. Sanford.

(3) As of December 31, 2023, based on information set forth in a Schedule 13G filed with the SEC on January 25, 2024 by BlackRock, Inc. BlackRock, Inc.'s business address is 50 Hudson Yards, New York, NY 10001, U.S.A.

(4) As of December 29, 2023, based on information set forth in a Schedule 13G/A filed with the SEC on February 13, 2024 by The Vanguard Group. The Vanguard Group's business address is 100 Vanguard Blvd., Malvern, PA 19355, U.S.A.

Because no person or group holds more than 50% of the voting power for the election of the Company's directors, the Company no longer qualifies as a "controlled company" under Nasdaq rules.

Until July 31, 2023, the Company qualified as a "controlled company" within the meaning of Nasdaq corporate governance standards and, accordingly, the Company qualified for and from time-to-time relied on exemptions to certain governance requirements. Under Nasdaq rules, a company may phase-in to compliance with certain governance requirements after ceasing to be a "controlled company", including the requirement to have a compensation committee that is composed entirely of independent directors within a year of losing controlled company status. At present, the Company is in compliance with all Nasdaq rules and is not relying on governance exemptions and, as of July 31, 2024, will no longer be exempt from the governance requirements.

Key managing directors	The key managing directors of the issuer are its executive officers. These are: Glenn Sanford, James Bramble, Michael Valdes, Kent Cheng and Leo Pareja.
Statutory auditors	Deloitte & Touche LLP, San Francisco, California

WHAT IS THE KEY FINANCIAL INFORMATION REGARDING THE ISSUER?**Financial information concerning the Company for the fiscal years ended December 31, 2023, 2022 and 2021, and for the quarterly periods ended March 31, 2024 and 2023**

The consolidated statements of comprehensive income (loss) and the consolidated balance sheets data of the Company for the fiscal years ended December 31, 2023, 2022 and 2021, set out in this prospectus have been derived from the Company's audited consolidated financial statements prepared in accordance with the accounting principles generally accepted in the United States ("U.S. GAAP"). The condensed consolidated statements of comprehensive income (loss) for the quarterly periods ended March 31, 2024 and 2023 and the condensed consolidated balance sheets data of the Company as of March 31, 2024 and December 31, 2023, set out in this prospectus have been derived from the Company's unaudited condensed consolidated financial statements prepared in accordance with U.S. GAAP.

SELECTED THREE-YEAR FINANCIAL DATA
(In thousands, except share amounts and per share data) (audited)

	Year Ended December 31,		
	2023	2022	2021
Consolidated Statements of Comprehensive (Loss) Income:			
Revenues (1)	\$ 4,281,105	\$ 4,598,161	\$ 3,771,170
Total operating expenses (2)	4,297,566	4,592,753	3,737,018
Operating (loss) income (3)	(16,461)	5,408	34,152
Total other (income) expense, net	(3,026)	820	480
Income tax (benefit) expense (4)	(4,462)	(10,836)	(47,487)
Net (loss) income (5)	(8,973)	15,424	81,159
Net income attributable to noncontrolling interest	—	18	61
Net (loss) income attributable to eXp World Holdings, Inc.	(8,973)	15,442	81,220
(Loss) earnings per share			
Basic	(0.06)	0.10	0.56
Diluted	(0.06)	0.10	0.51
Weighted average shares outstanding			
Basic	153,232,129	151,036,110	146,170,871
Diluted	153,232,129	156,220,165	157,729,374

	As of December 31,		
	2023	2022	2021
Consolidated Balance Sheets Data: (6)			
Cash and cash equivalents (A)	126,864	121,594	108,237
Restricted cash	44,020	37,789	67,673
Other noncurrent assets	7,400	1,703	2,827
Total assets	385,668	381,682	413,826
Current portion of lease obligation - operating lease (B)	10	175	311
Long-term payable, net of current portion (C)	20	4,697	2,714
Long-term lease obligation - operating lease, net of current portion (D)	—	694	765
Total liabilities	141,660	132,690	190,293
Equity	244,008	248,992	223,533

	Year Ended December 31,		
	2023	2022	2021
Consolidated Statements of Cash Flows:			
Net cash provided by operating activities	209,131	210,535	246,892
Net cash used in investing activities (7)	(13,503)	(22,461)	(18,923)
Dividends declared and paid	(28,519)	(25,229)	(11,548)
Net cash used in financing activities	(184,089)	(204,514)	(179,924)
Cash, cash equivalents and restricted cash, ending balance	\$ 170,884	\$ 159,383	\$ 175,910

- (1) The Company's total revenues were \$4.3 billion in 2023 compared to \$4.6 billion in 2022, a decrease of (\$317.1) million, or (7)%. Total revenues decreased primarily as a result of lower volume of real estate brokerage commissions, which is attributable to a decrease of overall real estate transactions and lower home sales prices in the Company's markets, partially offset by growth in the Company's agent base, compared to 2022.
- (2) 2023 includes impairment charges for goodwill and amortizable intangible assets of \$9.2 million related to the Virbela segment.
- (3) Operating loss in 2023 reflects lower revenue and impairment charges, partially offset by reduced operating costs.
- (4) The Company's provision for income taxes amounted to a benefit of (\$4.5) million, a benefit decrease of \$6.4 million for the year ended December 31, 2023. The decrease in income tax benefit was primarily attributable to the decrease in excess benefit from stock-based compensation in current year and higher non-deductible executive compensation expenses.
- (5) Net loss in 2023 reflects lower revenue and impairment charges, partially offset by reduced operating costs and income tax benefit. The difference between the operating loss and the lower (loss) before income taxes is due to interest income recognized due to higher interest rates on cash balances.
- (6) As of December 31, 2023, the Company's total financial indebtedness is \$(126,834,000) (i.e., (B + C + D) - A).

- (7) For the year ended December 31, 2023, cash used in the Company's investing activities decreased primarily due to a decrease of (\$6.7) million in capital expenditures and an increase of \$5.4 million invested in unconsolidated subsidiaries in the current year offset by \$9.9 million Zoocasa business acquisition in 2022.

SELECTED QUARTERLY FINANCIAL DATA
(In thousands, except share amounts) (unaudited)

In the first quarter of 2024, the Company determined that there has been a significant change to the Virbela business model. As its customers evolve post-COVID, including a return-to-work-offices, and in light of ongoing internal and external demand for web-accessible platforms and artificial intelligence solutions, the Company has experienced a decline in demand for its application-based platform, Virbela, and a rising interest in its web-accessible platform, Frame®. Accordingly, the Company has begun the process of winding down the Virbela business, which includes closing out current contracts, and reducing its external customers and internal employee support. Further, the technology is being replaced with Virbela Frame® technology that will be primarily utilized internally within the Company. The Company expects the process to wind down the Virbela business to be completed by the fourth quarter of 2024. As a result of this change, the Company has determined that Virbela qualifies for reporting as discontinued operations and is reported as discontinued operations. The Company will present the assets and liabilities of Virbela within discontinued operations in the Company's consolidated balance sheet and Virbela's results of operations will be included in discontinued operations in the Company's condensed consolidated statements of comprehensive income.

Prior year segment and financial statement information has been reclassified to reflect Virbela as discontinued operations.

	Three months ended March 31,	
	2024	2023
Condensed Consolidated Statements of Comprehensive Income (loss):		
Revenues (1)	\$ 943,054	\$ 848,453
Total operating expenses	961,228	848,451
Operating (loss) income (2)	(18,174)	2
Income tax benefit	(3,305)	(1,458)
Net (loss) income from continuing operations	(13,830)	1,992
Net loss from discontinued operations	(1,809)	(539)
Net (loss) income	(15,639)	1,453
(Loss) earnings per share		
Basic, net (loss) income from continuing operations	\$ (0.09)	\$ 0.01
Basic, net loss from discontinued operations	\$ (0.01)	\$ (0.00)
Basic, net (loss) income	\$ (0.10)	\$ 0.01
Diluted, net (loss) income from continuing operations	\$ (0.09)	\$ 0.01
Diluted, net loss from discontinued operations	\$ (0.01)	\$ (0.00)
Diluted, net (loss) income	\$ (0.10)	\$ 0.01
Weighted average shares outstanding		
Basic	154,740,334	152,546,766
Diluted	154,740,334	155,668,712

- (1) Revenues represent the commission revenue earned by the Company for closed brokerage real estate transactions. In the first quarter of 2024, compared to the first quarter of 2023, the Company's revenue increased due to increased real estate transactions driven by increased agent productivity and higher home sales prices, which more than offset declines in the U.S. real estate markets. The Company's revenues also increased due to increased international production in previously launched markets.
- (2) The operating loss in the first quarter of 2024 of \$18.2 million compared to operating profit of \$0.2 million in the first quarter of 2023, reflects the litigation contingency accrual of \$16 million, and increased legal expenses related to the antitrust lawsuits, as well as increased severance and employee-related expenses, partially offset by increased revenues, net of agent commissions and other agent-related costs. In the third and fourth quarters of 2023, the Company proceeded to workforce reductions resulting in severance payments that impacted its first quarter of 2024. These workforce reductions were the result of the general contraction of home sale transaction volume in the Company's markets.

	As of	
	March 31, 2024	December 31, 2023 (audited)
Condensed Consolidated Balance Sheets Data: (1)		
Cash and cash equivalents (A)	\$ 109,169	\$ 125,873
Restricted cash	74,735	44,020
Other noncurrent assets	11,058	7,400
Total assets	426,749	385,668
Current portion of lease obligation – operating lease (B)	7	10
Long-term payable, net of current portion (C)	20	20
Total liabilities	204,312	141,660
Equity	222,437	244,008

- (1) As of March 31, 2024, the Company's total financial indebtedness is \$(109,142,000) (i.e., (B + C) - A).

	Three months ended March 31,	
	2024	2023
Condensed Consolidated Statements of Cash Flows:		
Net cash provided by operating activities	\$ 60,654	\$ 56,144
Net cash used in investing activities	(5,245)	(1,782)
Net cash used in financing activities	(40,809)	(36,205)
Cash, cash equivalents and restricted cash, ending balance	183,904	178,134

ASSETS AND LIABILITIES OF DISCONTINUED OPERATIONS
(In thousands) (Unaudited)

As mentioned above, the Company has determined that Virbela qualifies for reporting as discontinued operations and is reported as discontinued operations. Further, the Company reclassified the assets and liabilities of the Virbela segment as assets and liabilities of discontinued operations in the consolidated balance sheets.

	March 31, 2024	December 31, 2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,064	\$ 991
Accounts receivable, net of allowance for credit losses of \$16 and \$99, respectively	310	626
Prepays and other assets	257	347
TOTAL CURRENT ASSETS	1,631	1,964
Property, plant, and equipment, net	9	11
Intangible assets, net	3,396	3,469
Deferred tax assets	2,390	2,308
TOTAL ASSETS	\$ 7,426	\$ 7,752
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 26	\$ 110
Accrued expenses	1,380	1,699
TOTAL CURRENT LIABILITIES	1,406	1,809
TOTAL LIABILITIES	\$ 1,406	\$ 1,809

Pro forma financial information	Not applicable. This prospectus does not contain pro forma financial information.
--	---

Qualifications in the audit report on the historical financial information

The independent registered public accounting firm's reports expressed an unqualified opinion on the financial statements of the Company as of and for the years ended December 31, 2023, 2022 and 2021.

WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE ISSUER?

Set forth below are summaries of the key risks, uncertainties and other factors that may affect eXp's future results. The risks and uncertainties described below are not the only ones facing eXp. Within each of the risk categories below, the key risks are set out in order of priority according to the risk that the Company considers, at the date of this prospectus, to be the most significant.

Risks Related to the Company's Industries

- The Company's profitability is tied to the strength of the residential real estate market, which is subject to a number of general business and macroeconomic conditions beyond its control.
- Monetary policies of the U.S. federal government and its agencies may have a material adverse impact on the Company's operations.
- The introduction and integration of emerging technologies into the real estate industry and any delay or inability to successfully integrate such technologies into the Company's business or the businesses of its real estate professionals could result in competitive harm.

Risks Related to the Company's General Business and Operations

- Loss of the Company's current executive officers or other key management could significantly harm its business.
- The Company's international operations are subject to risks not generally experienced by its U.S. operations.
- Cybersecurity incidents could disrupt the Company's business operations, result in the loss of critical and confidential information, adversely impact its reputation and harm its business.

Risks Related to the Company's Real Estate Business

- Inflation and rising interest rates have and may continue to contribute to declining real estate transaction volumes, which have and may continue to materially impact operating results, profits and cash flows.
- The Company may be unable to maintain its agent growth rate, which would adversely affect its revenue growth and results of operations.
- Any reduction in the Company's portion of the commission revenue from property sales transactions could harm its financial performance.
- The Company's value proposition for agents and brokers includes allowing them to participate in the revenues of the Company and is not typical in the real estate industry. If agents and brokers do not understand its value proposition, the Company may not be able to attract, retain and incentivize agents.

Risks Related to Legal and Regulatory Matters

- The Company is subject to certain risks related to legal proceedings filed by or against the Company and adverse results may harm its business and financial condition. The Company and/or its subsidiaries have been named as defendants in numerous putative class action complaints brought in various U.S. district courts and the Federal Court of Canada relating to antitrust matters. Each antitrust lawsuit is in the pleadings phase. The plaintiffs in these lawsuits seek a permanent injunction enjoining the defendants from requiring home sellers to pay buyer-broker commissions or from otherwise restricting competition among brokers, an award of declaratory relief and damages or restitution on behalf of certain home sellers or buyers, as applicable, in those states or provinces, as applicable, as well as attorneys' fees and costs of suit. Plaintiffs allege joint and several liability and seek treble or other multiple damages. The Company intends to vigorously defend against all claims. The Company may become involved in additional litigation or other legal proceedings concerning the same or similar claims.
- Adverse outcomes in litigation and regulatory actions against other companies and agents in the Company's industry could adversely impact the Company's financial results.

SECTION C — KEY INFORMATION ON THE SECURITIES	
WHAT ARE THE MAIN FEATURES OF THE SECURITIES?	
Type and class of the securities being offered, including the ISIN	eXp World Holdings, Inc.'s shares of common stock, par value \$0.00001, are quoted on Nasdaq under the trading symbol "EXPI." The ISIN of the Shares is US30212W1009 and the U.S. security identification number (the CUSIP number) for the Shares is 30212W100.
Currency of the securities issue and number of securities issued and the term of the securities	The United States Dollar is the currency of the securities issue. As of May 1, 2024, the Company was authorized to issue 900,000,000 Shares. As of March 31, 2024, there were 154,846,563 Shares outstanding. There have been no material changes in the number of Shares issued and outstanding since that date. The term of the Shares is unlimited.
Rights attached to the securities	Eligible independent agents who enroll and participate in the Program are referred to as " Participants ." No Participant will have any voting, dividend, or other stockholder rights with respect to any offering under the Program until the Shares have been purchased and delivered to Participant. Following such purchase and delivery, Participant will be entitled to the rights attached to the Shares, as further described below: Dividend Rights. Holders of Shares are entitled to receive such dividends and other distributions (payable in cash, property, or capital stock of the Company) when, as and if declared thereon by the Board from time to time out of any assets or funds of the Company legally available therefor, and share equally on a per Share basis in such dividends and distributions. Voting Rights. Holders of Shares are entitled to one vote per Share on each matter submitted to a vote of stockholders, including the election of directors. The Shares do not have cumulative voting rights. No Preemptive, Redemptive or Conversion Provisions. The Shares are not entitled to preemptive rights and are not subject to conversion or redemption.
Relative seniority of the securities in the issuer's capital structure in the event of insolvency	In the event of any voluntary or involuntary liquidation, dissolution, or winding-up of the Company, after payment or provision for payment of the debts and other liabilities of the Company, holders of Shares will be entitled to receive all the remaining assets of the Company available for distribution to its stockholders, ratably in proportion to the number of Shares held by them.
Transferability restrictions	The Shares offered under the Program are registered on Form S-8 with the SEC and are generally freely transferable (subject however to any transferability restrictions resulting from applicable insider trading laws and the Company's insider trading policy).
Dividend policy	On August 4, 2021, the Board declared and subsequently paid its first cash dividend. The Company then declared and paid subsequent dividends during each quarter of the fiscal years ended December 31, 2023 and 2022. The Company has not paid cash dividends on its Shares during the fiscal year ended December 31, 2020 or in prior years. Payment of cash dividends is at the discretion of the Board in accordance with applicable law after taking into account various factors, including the Company's financial condition, operating results, current and anticipated cash needs and plans for growth. Under Delaware law, the Company can only pay dividends either out of surplus or out of the current or the immediately preceding year's earnings. Therefore, no assurance is given that the Company will pay any future dividends to its common stockholders, or as to the amount of any such dividends.
WHERE WILL THE SECURITIES BE TRADED?	
Admission to trading on a regulated market	The Shares are listed on Nasdaq under the trading symbol "EXPI." The Shares are not traded, and have not been subject to a request for listing, on a regulated market or a multilateral trading facility located in the European Economic Area ("EEA").
IS THERE A GUARANTEE ATTACHED TO THE SECURITIES?	
Brief description of the nature and scope of the guarantee	Not applicable.
WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE SECURITIES?	
<ul style="list-style-type: none"> • Glenn Sanford, the Company's Chairman and Chief Executive Officer, together with Penny Sanford, a significant shareholder, own a significant percentage of the Company's stock and have agreed to act as a group on any matter submitted to a vote of the Company's stockholders. As a result, the trading price for the Shares may be depressed and they can significantly influence actions that may be adverse to the interests of the Company's other stockholders. • Because the Company can issue additional Shares and because the Company issues stock under equity incentive plan, the Company's stockholders may experience dilution in the future. • The stock price of the Shares has been and likely will continue to be volatile and may decline in value regardless of the Company's performance. 	

SECTION D — KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

UNDER WHICH CONDITIONS AND TIMETABLE CAN I INVEST IN THIS SECURITY?

Description of the terms and conditions of the offer

The Company is offering eligible independent agents of the Company the right to purchase Shares at a discount under the Program, which is a share purchase program under the Plans. The grants to eligible independent agents will be administered under and subject to the Plans.

The 2015 Plan was adopted by the Board on March 12, 2015 and approved by the Company's stockholders on March 12, 2015, which was subsequently amended on August 28, 2017 and December 11, 2019. The 2024 Plan was adopted by the Board on March 20, 2024 and approved by the Company's stockholders on May 13, 2024. The 2024 Plan will replace the 2015 Plan, which expires by its terms in March 2025, ten years after it was adopted by the Board in 2015. The Company will continue issuing Shares under the 2015 Plan until the shares reserve is depleted or the 2015 Plan expires, at which time, the Company will start issuing Shares under the 2024 Plan.

The offering of the Program may be considered a public offering of securities pursuant to the Prospectus Regulation in the following EEA countries: France, Portugal and Spain. As of March 31, 2024, there were 494 eligible independent agents in France, 310 eligible independent agents in Portugal and 465 eligible independent agents in Spain. The offering of the Program may also be made in other EEA countries. However, such offering is not considered a public offering of securities and/or the obligation to publish a prospectus does not apply to the offering under the legislation implementing the Prospectus Regulation in these countries.

This prospectus along with summary translations (as applicable) will be posted on eXp World Holdings, Inc.'s website (<https://expworldholdings.com/financials/>), and free copies will be made available upon request by contacting the Investor Relations department of eXp World Holdings, Inc. at investors@expworldholdings.com. This prospectus and the French translation of its summary will also be available on the website of the AMF, www.amf-france.org.

Administration: The Program is offered on a wholly discretionary basis. The Program is administered by the Board or a committee of the Board, officers of the Company or other persons, as may be designated by the Board (the "**Administrator**"). The Administrator has the authority to designate grantees, determine the number of Shares to be subject to awards, establish the terms and conditions of awards, prescribe the form of each award agreement, construe and interpret the terms of the Plans (including the Program) and any award agreement, to determine the meaning of their terms and to prescribe, amend and rescind rules and procedures related to the Plans (including the Program) and its administration.

Eligibility: Subject to applicable law, all agents and brokers that have entered into an independent contractor agreement with the Company or one of its subsidiaries and who are in good standing with the Company or its applicable subsidiaries are eligible to participate in the Program.

Time Frame of the Offer and Enrollment: The Company will continue offering the Program on or after the date this prospectus will be approved by the AMF, i.e., June 28, 2024. This prospectus will expire after twelve months from the date of the AMF approval and the Company will seek a subsequent approval to continue the offering of the Program.

The Program is offered on a monthly basis ("**Monthly Offering**") starting on the first business day of each month.

In order to participate in the Program, an eligible independent agent must enroll in the Program by accepting the terms and conditions of the Agent Equity Program Participation Election Form (the "**Election Form**") in an account created in the Participant's name with Morgan Stanley at Work (the "**Broker**"). Enrollment becomes effective the first of the proceeding month following acceptance.

The Participant will be automatically re-enrolled in each succeeding Monthly Offering, provided that the Participant remains eligible to participate to the Program. If a Participant timely withdraws from the Program, or has terminated his or her services with the Company, the Participant will not be automatically re-enrolled in the succeeding Monthly Offering.

Amount of Contributions: By enrolling in the Program, Participant agrees that five percent (5%) of his or her net commission payment (after splits, fees, and any other required withholdings) (the "**Contributions**") on real estate transactions that close in Participant's name, commencing with transactions closing on or after Participant's enrollment in the Program, will be used to purchase Shares at the Purchase Price, as defined below. The Company does not presently cap the dollar amount of such Contributions. The Contributions are calculated on a monthly basis and deducted from Participant's net commission payment that the local subsidiary for which Participant is providing services would otherwise pay for real estate transactions that have closed that month. Participant cannot change the percentage of his or her Contributions other than to withdraw from the Program. The Company does not pay interest on the Contributions, unless required by local law.

Details of the Price: The "**Purchase Price**" for Shares issued under the Program will be equal to ninety-five percent (95%) of the fair market value of the Shares on the last trading day of the month. The fair market value of a Share will be the closing price of the Shares (or the closing bid, if no sales were reported) as quoted on Nasdaq on the applicable date.

Nature of the Offer: Participation in the Program is completely voluntary.

On the last trading day of each month (each a "**Purchase Date**"), Participants' accumulated Contributions will be used to purchase Shares. The number of Shares purchased will be determined by dividing Participant's accumulated Contributions by the Purchase Price. No fractional Shares will be issued upon purchase; however, the Participant's account will be credited with a fractional share economic interest.

Shares under the Program will be issued on the last trading day of the month during which the closing on the sales of any properties from which a Contribution has been authorized results in an accumulated Contribution of not less the purchase price of one whole Share.

Any cash remaining to buy less than a whole Share will be automatically rolled over into the next Monthly Offering.

As soon as administratively practicable after each Purchase Date, the Purchase Price and Purchase Date information is available to Participant from the Broker (defined below) in the account established in Participant's name at the Broker. The Company does not provide additional or ancillary communications to Participant as such communications are managed by the Broker.

Delivery of the Shares: Following the end of each monthly purchase, the number of Shares purchased by each Participant will be deposited into an account established in Participant's name at the Broker (defined below). As soon as administratively practicable after each Purchase Date, Participant's Shareworks account at the Broker will be credited with the Shares that were purchased on Participant's behalf. The Shares will remain in Participant's Shareworks account until Participant gives further instructions to the Broker to transfer or sell the Shares, and will remain in such Participant's account following termination from participation in the Program or from the Company. Each quarter a summary statement is available from the Broker that details the activity in Participant's account,

PART I — PROSPECTUS SUMMARY

including any purchases and sales, the total number of Shares held at the end of the quarter and the total value of Participant’s account. The fourth quarter statement will include a summary of any transactions that occurred during the year.

Number and Nature of the Securities Offered: For the years ended December 31, 2023, 2022 and 2021, the Company issued 8,897,804, 11,462,940 and 3,645,386 Shares, respectively, to agents and brokers for \$135,226, \$164,104 and \$144,437, respectively, net of discount. During the three months ended March 31, 2024 and 2023, the Company issued 2,189,922 and 2,106,369 Shares, respectively, to agents and brokers with a value of \$25,868 and \$26,775, respectively, inclusive of discount. As of March 31, 2024, 155,481,911 Shares were available for future issuance under the Program (out of the 238,596,220 Shares available for the duration of the Plans). Shares offered under the Program can only be authorized but unissued Shares under the Program that are registered with applicable securities authorities.

Commission: Participants will not have to pay a fee for opening an account with the Broker (defined below) nor for the management of their account or the purchase of Shares. Participants are responsible for all the commissions and fees related to any sale or transfer of the Shares from the account at the Broker. In addition, the SEC applies a fee to most securities transactions at a rate determined by the SEC. Such commission and fees are subject to change at any time.

Termination of Participation in the Plan: A Participant may withdraw from the Program at any time by completing a new Election Form indicating his or her intention to withdraw from the Program through the Participant’s Shareworks portal. A Participant completing the withdrawal process will have his/her outstanding Contributions returned to him/her within approximately 30 days from completing the Participant’s withdrawal Election Form through the Participant’s Shareworks portal.

Termination of Service: A Participant’s participation in the Program will be terminated immediately if a Participant is no longer in good standing with the Company or any of its subsidiaries, as determined by the Administrator in its sole discretion. In such case, any amounts owed to Participant will be refunded to Participant as soon as practicable and will not be used to purchase additional Shares.

Non-transferability of Purchase Rights: Purchase rights granted to Participants may not be voluntarily or involuntarily assigned, transferred, pledged, or otherwise disposed of in any way, and are exercisable during the Participant’s lifetime only by the Participant.

Termination, Suspension, or Amendment of the Plan and the Program: The Board may alter, amend, suspend or terminate the Plans (including the Program) as to any awards that have not been made. No amendment, suspension, or termination of the Plans will, without Participant’s consent, deprive participant of any award granted to Participant or any rights thereunder. Stockholder approval of amendments will be required only to comply with applicable laws or regulatory requirements.

Details of admission to trading on a regulated market	Not applicable.		
Plan for distribution	All Shares issued under the Program will initially be placed and held in an account created in the Participant’s name with the Broker.		
Maximum dilution	Hypothetically, assuming that the eligible independent agents participating in the offer would purchase the maximum number of Shares remaining available for issuance pursuant to the Program (i.e., 155,481,911), the holdings of a stockholder of the Company currently holding 1% of the total outstanding share capital of the Company as of March 31, 2024, i.e., 1,548,465 Shares, and who is not an eligible independent agent participating in the offer, would be diluted as indicated in the following table:		
		Percentage of the total outstanding Shares	Total number of outstanding Shares
	Before the issuance of Shares under the Program (as of March 31, 2024)	1.00%	154,846,563
	After issuance of 155,481,911 Shares under the Program	0.50%	310,328,474
Estimated expenses charged to the investor	Not applicable. No expenses will be charged to any Participants by the Company.		
WHY IS THIS PROSPECTUS BEING PRODUCED?			
Reasons for the offer	The purpose of the Program is to attract, retain and motivate independent agents whose present and potential contributions are important to the success of the Company and its affiliates.		
Use and estimated net amount of the proceeds	<p>Hypothetically, assuming that all 155,481,911 Shares remaining available for issuance under the Program pursuant to this prospectus would be purchased by the independent agents participating in the Program, and taking into account a Share price of \$10.66 (95% of a hypothetical Share price of \$11.22 which was the closing price of the Shares on June 27, 2024), then the gross proceeds of the Company in connection with the offer under the Program pursuant to this prospectus would be \$1,657,437,171.26. After deducting approximately \$160,000 in legal and accounting expenses in connection with the offer, the net proceeds would be \$1,657,277,171.26.</p> <p>However, in reality, the Company does not expect to issue all the Shares it is authorized to issue under the Program. The net proceeds from the issuance of Shares over the life of the Program will depend on the level of independent agent participation.</p> <p>The net proceeds will be used for general corporate purposes.</p>		
Underwriting agreement on a firm commitment basis	Not applicable.		
Description of material interest to the offer including conflict of interests	Not applicable.		

THE FOLLOWING INFORMATION IS NOT PART OF THE PROSPECTUS SUMMARY**PART II — PROSPECTUS****SECTION A — RISK FACTORS**

In addition to the other information set forth in this prospectus, you should carefully consider the following factors, which could materially affect our business, financial condition or results of operations in future periods. The risks described below are not the only risks facing the Company. Additional risks not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or results of operations in future periods.

In accordance with the provisions of Article 16 of the Prospectus Regulation, the present section describes the main risks which could, as of the date hereof, have an impact on the Company's activity, financial situation, reputation, results or perspectives, as notably identified when mapping the Company's major risks, which assesses their criticality, i.e. their severity and probability of occurrence, after taking into account the action plans implemented. Within each of the risk categories below, the risk factors are set out in order of priority according to the risk that the Company considers, at the date of this prospectus, to be the most significant (marked with an asterisk).

The table below summarizes the main risk factors identified by the Company, organized into five categories: (i) risks related to the Company's industries; (ii) risks related to the Company's general business and operations; (iii) risks related to the Company's real estate business; (iv) risks related to legal and regulatory matters; and (v) risks related to the Company's stock. The right column indicates specific risk factors that are deemed by the Company to be more significant based on the potential adverse impacts on the Company and the probability of occurrence.

Categories of Risk Factors	Considered particularly material
1. Risks Related to the Company's Industries	
Our profitability is tied to the strength of the residential real estate market, which is subject to a number of general business and macroeconomic conditions beyond our control.	*
Monetary policies of the U.S. federal government and its agencies may have a material adverse impact on our operations.	*
The introduction and integration of emerging technologies into the real estate industry and any delay or inability to successfully integrate such technologies into our business or the businesses of our real estate professionals could result in competitive harm.	*
Home inventory levels may result in excessive or insufficient supply, which could negatively impact home sale transaction growth.	
Material decreases in the average brokerage commission rate, due to conditions beyond our control, could materially adversely affect our financial results.	
Our operating results are subject to seasonality and vary significantly among quarters during each calendar year, making meaningful comparisons of successive quarters difficult.	

General changes in consumer attitudes and behaviors could negatively impact home sale transaction volume.	
Home sale transaction volume can be impacted by natural disasters and other climate-related interruptions.	
2. Risks Related to the Company's General Business and Operations	
Loss of our current executive officers or other key management could significantly harm our business.	*
Our international operations are subject to risks not generally experienced by our U.S. operations.	*
Cybersecurity incidents could disrupt our business operations, result in the loss of critical and confidential information, adversely impact our reputation and harm our business.	*
We may be unable to attract and retain additional qualified personnel.	
Our business, financial condition and reputation may be substantially harmed by security breaches, interruptions, delays and failures in our systems and operations.	
We may not be able to utilize a portion of our net operating loss or research tax credit carryforwards, which may adversely affect our profitability.	
We could be subject to changes in tax laws and regulations that may have a material adverse effect in our business.	
We may be unable to effectively and efficiently manage growth in our business.	
Our business could be adversely affected if we are unable to expand, maintain and improve the systems and technologies which we rely on to operate or fail to adopt and integrate new technologies.	
We intend to evaluate acquisitions, mergers, joint ventures or investments in third-party technologies and businesses, but we may not realize the anticipated benefits from and may have to pay substantial costs related to, any acquisitions, mergers, joint ventures, or investments that we undertake.	
Failure to protect intellectual property rights could adversely affect our business.	
We are actively and intend to continue, developing new products and services complementary to our brokerage business and our failure to accurately predict their demand or growth could have an adverse effect on our business.	
3. Risks Related to the Company's Real Estate Business	
Inflation and rising interest rates have and may continue to contribute to declining real estate transaction volumes, which have and may continue to materially impact operating results, profits and cash flows.	*
We may be unable to maintain our agent growth rate, which would adversely affect our revenue growth and results of operations.	*
Any reduction in the Company's portion of the commission revenue from property sales transactions could harm our financial performance.	*
Our value proposition for agents and brokers includes allowing them to participate in the revenues of our Company and is not typical in the real estate industry. If agents	*

and brokers do not understand our value proposition, we may not be able to attract, retain and incentivize agents.	
If we fail to grow in the various local markets that we serve or are unsuccessful in identifying and pursuing new business opportunities our long-term prospects and profitability will be harmed.	
Negligence or willful misconduct of independent real estate professionals affiliated with our Company owned brokerages could materially and adversely affect our reputation and subject us to liability.	
4. Risks Related to Legal and Regulatory Matters	
We are subject to certain risks related to legal proceedings filed by or against us and adverse results may harm our business and financial condition.	*
Adverse outcomes in litigation and regulatory actions against other companies and agents in our industry could adversely impact our financial results.	*
We face significant risk to our brand and revenue if we fail to maintain compliance with the law and regulations of federal, state, county and foreign governmental authorities, or private associations and governing boards.	
We offer our independent agents the opportunity to earn additional commissions through our revenue sharing plan, which pays under a multi-tiered compensation structure similar in some respects to network marketing. Network marketing is subject to intense government scrutiny and regulation and changes in the law, or the interpretation and enforcement of the law, might adversely affect our business.	
We may suffer significant financial harm and loss of reputation if we do not comply, cannot comply, or are alleged to have not complied with applicable laws, rules and regulations concerning our classification and compensation practices for the agents in our owned-and-operated brokerage.	
We are and may, in the future, be blocked from or limited in providing our agent compensation plans in certain jurisdictions and may be required to modify our business model in those jurisdictions as a result.	
If we fail to protect the privacy and personal information of our customers, agents or employees, we may be subject to legal claims, government action and damage to our reputation.	
SUCCESS Lending and SUCCESS Franchising are relatively new business initiatives with regulatory and compliance risks, many of which are beyond our control.	
5. Risks Related to the Company's Stock	
Glenn Sanford, our Chairman and Chief Executive Officer, together with Penny Sanford, a significant shareholder, own a significant percentage of our stock and have agreed to act as a group on any matter submitted to a vote of our stockholders. As a result, the trading price for our shares may be depressed and they can significantly influence actions that may be adverse to the interests of our other stockholders.	*
Because we can issue additional Shares and because we issue stock under equity incentive plan, our stockholders may experience dilution in the future.	*
The stock price of the Shares has been and likely will continue to be volatile and may decline in value regardless of our performance.	*

Until July 31, 2023, we were a “controlled company” within the meaning of Nasdaq rules and, as a result, we qualified for and relied on, exemptions from certain corporate governance requirements. Under applicable Nasdaq rules, we qualify for and intend to rely on certain phase-in periods to comply with the previously exempt governance requirements.	
Because we may not pay any cash dividends on the Shares in the near future, our stockholders may not be able to receive a return on their shares unless they sell them.	
Delaware law and our organizational documents may impede or discourage a takeover, which could deprive our investors of the opportunity to receive a premium for their shares.	
6. Risks Related to the risk of the loss of fair value resulting from adverse changes in market rates and prices	
We are exposed to foreign exchange rate fluctuation due to our international operations.	

I. RISKS RELATED TO THE COMPANY’S INDUSTRIES

Our profitability is tied to the strength of the residential real estate market, which is subject to a number of general business and macroeconomic conditions beyond our control.*

Our profitability is closely related to the strength of the residential real estate market, which is cyclical in nature and typically is affected by changes in national, state and local economic conditions, which are beyond our control. Macroeconomic conditions that could adversely impact the growth of the real estate market and have a material adverse effect on our business include, but are not limited to, economic slowdown or recession, increased unemployment, increased energy costs, reductions in the availability of credit or higher interest rates, increased costs of obtaining mortgages, an increase in foreclosure activity, inflation, disruptions in capital markets, declines in the stock market, adverse tax policies or changes in other regulations, lower consumer confidence, lower wage and salary levels, war, terrorist attacks or other geopolitical and security issues, including Russia’s ongoing war with Ukraine, the conflict between Israel and Hamas and rising tensions between China and Taiwan, natural disasters or adverse weather events, or the public perception that any of these events may occur. Unfavorable general economic conditions, such as a recession or economic slowdown, in the U.S., Canada, or other markets we enter and operate within, could negatively affect the affordability of and consumer demand for, our services, which could have a material adverse effect on our business and profitability. In addition, international, federal and state governments, agencies and government-sponsored entities such as Fannie Mae, Freddie Mac and Ginnie Mae could take actions that result in unforeseen consequences to the real estate market or that otherwise could negatively impact our business.

Monetary policies of the U.S. federal government and its agencies may have a material adverse impact on our operations.*

The U.S. real estate market is substantially reliant on the monetary policies of the U.S. federal government and its agencies and is particularly affected by the policies of the Federal Reserve Board, which regulates the supply of money and credit in the U.S., which, in turn impacts interest rates. Our business could be negatively impacted by any rising interest rate environment. As mortgage rates rise, the number of home sale transactions may decrease as potential home sellers choose to stay with their lower mortgage rate rather than sell their home and pay a higher mortgage rate with the purchase of another home. Similarly, in higher interest rate environments, potential homebuyers may choose to rent rather than pay higher mortgage rates. Changes in the interest rate environment and mortgage market are beyond our control and are difficult to predict and, as such, could have a material adverse effect on our business and profitability.

The introduction and integration of emerging technologies into the real estate industry and any delay or inability to successfully integrate such technologies into our business or the businesses of our real estate professionals could result in competitive harm.*

The real estate brokerage industry is susceptible to disruption by emerging technologies, particularly artificial intelligence and machine learning. Integrating advancements like natural language processing, artificial intelligence, and machine learning is vital for optimizing efficiency and reducing operational costs for real estate brokerages, professionals, and clients. These tools have the potential to streamline operations, enhance client interactions, and provide insights derived from vast data sets. These emerging technologies may also allow for new industry entrants and new industry platforms that compete with existing industry brokerages, including the Company, and agents and such new entrants and platforms could offer solutions that are more cost-effective, efficient, or user-friendly, and which may change broker, agent, and client expectations. Delays in embracing and integrating these AI-driven technologies could adversely impact existing industry participants to compete or risk displacement of traditional real estate offerings and services. If we and our affiliated real estate professionals are unable to provide enhancements and new features and efficiencies for our existing offerings or innovate quickly enough to keep pace with these rapid technological developments, our business could be harmed.

Home inventory levels may result in excessive or insufficient supply, which could negatively impact home sale transaction growth.

Home inventory levels have been meaningfully declining or increasing in certain markets and price points in recent years. In both instances, homeowners are more likely to retain their homes for longer periods of time, resulting in a negative impact on home sale volume growth. Insufficient home inventory levels can cause a reduction in housing affordability, which can result in potential homebuyers deferring entry or reentry into the residential real estate market. Alternatively, excessive home inventory levels can contribute to a reduction in home values, which can result in some potential home sellers deferring entry into the residential real estate market. These inventory trends are caused by many pressures outside of our control, including slow or accelerated new housing construction, macroeconomic conditions, including rising interest rates and inflation, real estate industry models that purchase homes for long-term rental or corporate use and other market conditions and behavioral trends discussed herein. The U.S. home inventory levels have been low throughout 2023 and 2022. Continuing constraints on home inventory levels may adversely impact the volume of home sale transactions closed by our brokers and agents and, as such, could have a material adverse effect on our business and profitability.

Material decreases in the average brokerage commission rate, due to conditions beyond our control, could materially adversely affect our financial results.

There are many factors that contribute to average broker commission rates that are beyond our control. Factors that can contribute to a material decrease in brokerage commissions include regulation, litigation (including pending litigation described elsewhere in this prospectus), the rise of certain competitive brokerage or non-traditional competitor modes, an increase in the popularity of discount brokers and agents, increased adoption of flat fees, commission models with more competitive rates, rebates or lower commission rates on transactions, adverse outcomes of pending antitrust litigation across our industry, as well as other competitive factors. The average broker commission rate for a real estate transaction is a key determinant of our profitability and a material decrease in brokerage commission rates could have a material adverse effect on our business and profitability.

Our operating results are subject to seasonality and vary significantly among quarters during each calendar year, making meaningful comparisons of successive quarters difficult.

Seasons and weather traditionally impact the real estate industry. Continuous poor weather or natural disasters negatively impact listings and sales. Spring and summer seasons historically reflect greater sales periods in comparison to fall and winter seasons. We have historically experienced lower revenues during the fall and winter seasons, as well as during periods of unseasonable weather, which reduces our operating income, net income, operating margins and cash flow.

Real estate listings precede sales and a period of poor listings activity will negatively impact revenue. Past performance in similar seasons or during similar weather events can provide no assurance of future or current performance and macroeconomic shifts in the markets we serve can conceal the impact of poor weather or seasonality.

Home sales in successive quarters can fluctuate widely due to a wide variety of factors, including holidays, national or international emergencies, the school year calendar's impact on timing of family relocations, interest rate changes, speculation of pending interest rate changes and the overall macroeconomic market. Our revenue and operating margins each quarter will remain subject to seasonal fluctuations, poor weather and natural disasters and macroeconomic market changes that may make it difficult to compare or analyze our financial performance effectively across successive quarters.

General changes in consumer attitudes and behaviors could negatively impact home sale transaction volume.

The real estate market is affected by changes in consumer attitudes and behaviors, including as a result of changing attitudes toward and behaviors related to home ownership. Certain real estate markets have or may experience a decline in homeownership based on changing social behaviors, including as a result of declining marriage and birth rates. Because of these changing attitudes and behaviors, consumers may be more or less likely to prefer renting a home versus purchasing a home. In the event consumer attitudes and behaviors in any of our markets cause a declining interest in home purchasing, it may adversely impact the volume of home sale transactions closed by our brokers and agents and, as such, could have a material adverse effect on our business and profitability.

Home sale transaction volume can be impacted by natural disasters and other climate-related interruptions.

Natural disasters are occurring more frequently and/or with more intense effects and may impact general population trends. Areas afflicted by natural disasters may experience a decline in home sale transaction volume due to home destruction and/or general population movement out of the afflicted area, and the risk of non-insurability against such disasters. Such events can make it difficult or impossible for home owners and builders to sell their homes and result in slowdowns in home sale transaction volume. Additionally, the risk of non-insurability may disqualify certain prospective homebuyers whether due to heightened mortgage underwriting requirements or the perceived risk of loss to the homebuyer. Because the real estate industry relies on home sale transactions, climate crises can exacerbate negative financial results for real estate companies operating in particularly affected areas.

II. RISKS RELATED TO THE COMPANY'S GENERAL BUSINESS AND OPERATIONS

Loss of our current executive officers or other key management could significantly harm our business.*

We depend on the industry experience and talent of our current executives. We believe that our future results will depend in part upon our ability to retain and attract highly skilled and qualified management. The loss of our executive officers could have a material adverse effect on our operations because other officers may not have the experience and expertise to readily replace these individuals. To the extent that one or more of our top executives or other key management personnel depart from the Company, our operations and business prospects may be adversely affected. In addition, changes in executives and key personnel could be disruptive to our business.

Our international operations are subject to risks not generally experienced by our U.S. operations.*

We have operations in Canada, the United Kingdom ("U.K."), Australia, France, India, Mexico, Portugal, South Africa, Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama, Germany, the

Dominican Republic, Greece, New Zealand, Chile, Poland and Dubai. Our international operations are subject to risks not generally experienced by our U.S. operations. The risks involved in our international operations and relationships that could result in losses against which we are not insured and, therefore, affect our profitability include:

- fluctuations in foreign currency exchange rates;
- exposure to local economic conditions and local laws and regulations;
- employment laws that are significantly different than U.S. laws;
- diminished ability to legally enforce our contractual rights and use of our trademarks in foreign countries;
- difficulties in registering, protecting or preserving trade names and trademarks in foreign countries;
- restrictions on the ability to obtain or retain licenses required for operations;
- withholding and other taxes on third-party cross-border transactions as well as remittances and other payments by subsidiaries;
- onerous requirements, subject to broad interpretation, for indirect taxes and income taxes that can result in audits with potentially significant financial outcomes;
- changes in foreign taxation structures;
- compliance with the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, or similar laws of other countries; and
- regional and country specific data protection and privacy laws including the European Union's General Data Protection Regulation ("**GDPR**").

In addition, activities of agents and brokers outside of the U.S. are more difficult and more expensive to monitor and improper activities or mismanagement may be more difficult to detect. Negligent or improper activities involving our agents and brokers may result in reputational damage to us and may lead to direct claims against us based on theories of vicarious liability, negligence, joint operations and joint employer liability which, if determined adversely, could increase costs and subject us to incremental liability for their actions.

Cybersecurity incidents could disrupt our business operations, result in the loss of critical and confidential information, adversely impact our reputation and harm our business.*

Cybersecurity threats and incidents directed at us could range from uncoordinated individual attempts to gain unauthorized access to information technology systems to sophisticated and targeted measures aimed at disrupting business or gathering personal data of customers. Additionally, bad actors are increasingly using artificial intelligence technology to launch more automated, targeted and coordinated attacks generally. In the ordinary course of our business, we and our agents and brokers collect and store sensitive data, including proprietary business information and personal information about our clients and customers. Our business and particularly our cloud-based platform, is reliant on the uninterrupted functioning of our information technology systems. The secure processing, maintenance and transmission of information are critical to our operations, especially the processing and closing of real estate transactions. Although we employ measures designed to prevent, detect, address and mitigate these threats (including access controls, data encryption, vulnerability assessments and maintenance of backup and protective systems), cybersecurity incidents, depending on their nature and scope, could potentially result in the misappropriation, destruction, corruption, or unavailability of critical data and confidential or proprietary information (our own or that of third parties, including potentially sensitive personal information of our clients and customers) and the disruption of business operations. Any such compromises to our security could cause harm to our reputation, which could cause customers to lose trust and confidence in us or could cause agents and brokers to stop working for us. In addition, we may incur significant costs for remediation that may include liability for stolen assets or information, repair of system damage and compensation to

clients, customers and business partners. We may also be subject to legal claims, government investigations and additional state and federal statutory requirements.

The potential consequences of a material cybersecurity incident include regulatory violations of applicable U.S. and foreign privacy and other laws, reputational damage, loss of market value, litigation with third parties (which could result in our exposure to material civil or criminal liability), diminution in the value of the services we provide to our customers and increased cybersecurity protection and remediation costs (that may include liability for stolen assets or information), which in turn could have a material adverse effect on our competitiveness and results of operations.

We may be unable to attract and retain additional qualified personnel.

To execute our business strategy, we must attract and retain highly qualified personnel. In particular, we compete with many other real estate brokerages for qualified brokers who manage our operations in each state. We must also compete with technology companies for developers with high levels of experience in designing, developing and managing cloud-based software, as well as for skilled service and operations professionals and we may not be successful in attracting and retaining the professionals we need. Additionally, in order to realize the potential benefits of acquisitions, we may need to retain employees from the acquired businesses or hire additional personnel to fully capitalize on the opportunities that such acquisitions may offer and we may not be successful in retaining or attracting such individuals following an acquisition. From time to time in the past, we have experienced and we expect to continue to experience in the future, difficulty in hiring and retaining highly skilled employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel have greater resources than we do. In addition, in making employment decisions, particularly in the software industry, job candidates often consider the value of the stock options or other equity incentives they are to receive in connection with their employment. If the price of our stock declines or continues to experience significant volatility, our ability to attract or retain key employees may be adversely affected. If we fail to attract new personnel or fail to retain and motivate our current personnel, our growth prospects could be severely harmed.

Our business, financial condition and reputation may be substantially harmed by security breaches, interruptions, delays and failures in our systems and operations.

The performance and reliability of our systems and operations are critical to our reputation and ability to attract agents, teams of agents and brokers into our company as well as our ability to service homebuyers and sellers. Our systems and operations are vulnerable to security breaches, interruption or malfunction due to events beyond our control, including natural disasters, such as earthquakes, fire and flood, power loss, telecommunication failures, break-ins, sabotage, computer viruses, intentional acts of vandalism and similar events. In addition, we rely on third-party vendors to provide the cloud office platform and to provide additional systems and related support. If we cannot continue to retain these services on acceptable terms, our access to these systems and services could be interrupted. Any security breach, interruption, delay or failure in our systems and operations could substantially reduce the transaction volume that can be processed with our systems, impair quality of service, increase costs, prompt litigation and other consumer claims and damage our reputation, any of which could substantially harm our financial condition.

We may not be able to utilize a portion of our net operating loss or research tax credit carryforwards, which may adversely affect our profitability.

As of December 31, 2023, we had federal, state and foreign net operating losses carryforward due to prior years' losses. Pre-fiscal 2018 certain state and foreign net operating losses will carry forward for a limited number of years. Federal, as well as some state and foreign net operating losses generated in and after fiscal 2018 do not expire and can be carried forward indefinitely. We also have recorded federal research tax credits for the years 2020-2023 which will carry forward for 20 years and are expected to be fully utilized before expiration. A nominal portion of our net operating loss may expire, increasing future income tax liabilities which may adversely affect our profitability.

In addition, under Section 382 of the U.S. Internal Revenue Code of 1986, as amended, our ability to utilize net operating loss carryforwards or other tax attributes, in any taxable year, may be limited if we experience an "ownership change." A Section 382 "ownership change" generally occurs if one or more stockholders or groups of stockholders who own at least 5% of our stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period. Similar rules may apply under state tax laws. It is possible that an ownership change, or any future ownership change, could have a material effect on the use of our net operating loss carryforwards or other tax attributes, which could adversely affect our profitability.

We could be subject to changes in tax laws and regulations that may have a material adverse effect in our business.

We operate and are subject to taxes in the United States and numerous other jurisdictions throughout the world. Changes to federal, state, local, or international tax laws on income, sales, use, indirect, or other tax laws, statutes, rules or regulations may adversely affect our effective tax rate, operating results or cash flows.

Our effective tax rate could increase due to several factors, including: changes in the relative amounts of income before taxes in the various jurisdictions in which we operate that have differing statutory tax rates; changes in tax laws, tax treaties, and regulations or the interpretation of them, including the U.S. Tax Cuts and Jobs Act of 2017 (the "**Tax Act**") which requires research and experimental expenditures attributable to research conducted in the United States to be capitalized as of January 1, 2022 and amortized over a five-year period or expenditures attributable to research conducted outside the United States to be amortized over a fifteen-year period; the Inflation Reduction Act of 2022 which imposes a one-percent non-deductible excise tax on repurchases of stock that are made by U.S. publicly traded corporation after December 31, 2022; changes to our assessment about our ability to realize our deferred tax assets that are based on estimates of our future results, the prudence and feasibility of possible tax planning strategies, and the economic and political environments in which we do business; the outcome of current and future tax audits, examinations or administrative appeals; and limitations or adverse findings regarding our ability to do business in some jurisdictions.

In particular, new income, sales and use or other tax laws or regulations could be enacted at any time, which could adversely affect our business operations and financial performance. Further, existing tax laws and regulations could be interpreted, modified or applied adversely to us. For example, the Tax Act enacted many significant changes to the U.S. tax laws. Future guidance from the Internal Revenue Service and other tax authorities with respect to the Tax Act may affect us, and certain aspects of the Tax Act could be repealed or modified in future legislation. In addition, it is uncertain if and to what extent various states will conform to the Tax Act or any newly enacted federal tax legislation. Changes in corporate tax rates, the realization of net operating losses, and other deferred tax assets relating to our operations, the taxation of foreign earnings, and the deductibility of expenses under the Tax Act or future reform legislation could have a material impact on the value of our deferred tax assets and could increase our future U.S. tax expense.

We may be unable to effectively and efficiently manage growth in our business.

We may struggle to manage growth in our business efficiently. Failing to scale our operations to meet the increasing demands of our real estate professionals could negatively impact our performance. As we onboard more real estate professionals, the need to enhance our systems, integrate third-party systems, and maintain infrastructure becomes vital. Any delay in these upgrades can lead to system issues and reduced satisfaction among our real estate professionals. This could deter existing and potential professionals from associating with our Company. Expanding our systems efficiently may be challenging and also poses inherent risks, and we cannot guarantee timely and effective implementation. Such efforts might lead to decreased revenues and margins, impacting our financial results.

Our business could be adversely affected if we are unable to expand, maintain and improve the systems and technologies which we rely on to operate or fail to adopt and integrate new technologies.

As the number of agents and brokers in our company grows, our success will depend on our ability to expand, maintain and improve the technology that supports our business operations, including, but not limited to, our cloud office platform, as well as our ability to adopt and integrate new technologies, including, but not limited to, machine learning and artificial intelligence solutions. Loss of key personnel or the lack of adequate staffing with the requisite expertise and training could impede our efforts in this regard. If we do not adopt and offer new in-demand technologies and/or if our systems and technologies lack capacity or quality sufficient to service agents and their clients, then the number of agents who wish to use our products could decrease, the level of client service and transaction volume afforded by our systems could suffer and our costs could increase. In addition, our competitors or other third parties may incorporate artificial intelligence and emerging technologies into their products or operations more quickly or more successfully than we do, which could impair our ability to compete effectively. Additionally, artificial intelligence algorithms and other emerging technologies may be flawed and datasets underlying such technologies may be insufficient or contain biased information. If the new technologies integrated into our products or that we use in our operations produce analyses or recommendations that are or are alleged to be deficient, inaccurate, or biased, our reputation, business, financial condition, and results of operations may be adversely affected.

We intend to evaluate acquisitions, mergers, joint ventures or investments in third-party technologies and businesses, but we may not realize the anticipated benefits from and may have to pay substantial costs related to, any acquisitions, mergers, joint ventures, or investments that we undertake.

As part of our business and growth strategy, we evaluate acquisitions of, or investments in, a wide array of potential strategic opportunities, including third-party technologies and businesses, as well as other real estate brokerages. If we are not able to effectively integrate acquired businesses and assets or successfully execute joint venture strategies, our operating results and prospects could be harmed. Since 2019, we have acquired new technology and operations and entered into various joint venture arrangements. We will continue to look for opportunities to acquire technologies or operations that we believe will contribute to our growth and development. The success of our future acquisition strategy will depend on our ability to identify, negotiate, complete and integrate acquisitions. The success of our future joint venture strategies will depend on our ability to identify, negotiate, complete and successfully manage and grow joint ventures with other parties. In addition, acquisitions and joint ventures could cause potentially dilutive issuances of equity securities or incurrence of debt.

Acquisitions and joint ventures are inherently risky and any we complete may not be successful. Any acquisitions and joint ventures we pursue would involve numerous risks, including the following:

- difficulties in integrating and managing the operations and technologies of the companies we acquire, including higher than expected integration costs and longer integration periods;
- diversion of our management's attention from normal daily operations of our business;
- our inability to maintain the customers, key employees, key business relationships and reputations of the businesses we acquire;
- our inability to generate sufficient revenue or business efficiencies from acquisitions or joint ventures to offset our increased expenses associated with acquisitions or joint ventures;
- our responsibility for the liabilities of the businesses we acquire or gain ownership in through joint ventures, including, without limitation, liabilities arising out of their failure to maintain effective data security, data integrity, disaster recovery and privacy controls prior to the acquisition, their infringement or alleged infringement of third-party intellectual property, contract or data access

rights prior to the acquisition, or failure to comply with regulatory standards applicable to new business lines;

- difficulties in complying with new markets or regulatory standards to which we were not previously subject;
- delays in our ability to implement internal standards, controls, procedures and policies in the businesses we acquire or gain ownership in through joint ventures and increased risk that our internal controls will be ineffective;
- operations in a nascent state depend directly on utilization by eXp Realty agents and brokers and new and existing customers;
- adverse effects of acquisition and joint venture activity on the key performance indicators we use to monitor our performance as a business; and
- inability to fully realize intangible assets recognized through acquisitions or joint ventures and related non-cash impairment charges that may result if we are required to revalue such intangible assets.

Our failure to address these risks or any other challenges we encounter with our future acquisitions, joint ventures and investments could cause us to not realize all or any of the anticipated benefits of such acquisitions, mergers, joint ventures or investments, incur unanticipated liabilities and harm our business, which could negatively impact our operating results, financial condition and cash flows.

Failure to protect intellectual property rights could adversely affect our business.

Our intellectual property rights, including existing and future trademarks, trade secrets, patents and copyrights, are important assets of the business. We have taken measures to protect our intellectual property, but these measures may not be sufficient or effective. We may bring lawsuits to protect against the potential infringement of our intellectual property rights and other companies, including our competitors, could make claims against us alleging our infringement of their intellectual property rights. There can be no assurance that we would prevail in such lawsuits. Any significant impairment of our intellectual property rights could harm our business.

We are actively, and intend to continue, developing new products and services complementary to our brokerage business and our failure to accurately predict their demand or growth could have an adverse effect on our business.

We are actively and intend in the future to continue, investing resources in developing new technology, services, products and other offerings complementary to our brokerage business. New business initiatives are inherently risky and may involve unproven business strategies and markets with which we have limited or no prior development or operating experience. Risks from these new initiatives include those associated with potential defects in the design, ongoing development and maintenance of technologies, reliance on data or user inputs that may prove inadequate or unavailable, failure to design products and services in a way that is more effective or affordable than competing third-party products and services and failure to scale businesses as they grow, among others. As a result of these risks, we could experience increased legal claims, reputational damage, financial loss or other adverse effects, which could be material. We can provide no assurance that we will be able to efficiently or effectively develop, commercialize and achieve market acceptance of new products and services. Additionally, the human and financial capital committed to develop new products and services may either be insufficient or result in expenses that exceed the revenue actually originated from these new products and services. In addition, our efforts to develop new products and services could distract management from current operations and could divert capital and other resources from our existing business, including our brokerage business. Failure to achieve the expected benefits of our investments may occur and could harm our business.

III. RISKS RELATED TO THE COMPANY'S REAL ESTATE BUSINESS

Inflation and rising interest rates have and may continue to contribute to declining real estate transaction volumes, which have and may continue to materially impact operating results, profits and cash flows.*

Inflation and rising interest rates have generally impacted real estate transaction volumes in the U.S., Canada and other international markets. In 2022 and 2023, the Company has experienced declining transaction volume, which has had an impact on operating results. If we are not able to organically grow our market share, to offset the declining transactions, our operating results, profits and cash flow may be materially impacted in the event interest rates stay level or continue to rise. The Company believes that it continues to be well positioned for growth in the current economic climate, due to our strong base of agent support, and the superior agent value proposition enabled by our efficient operating model, with lower fixed costs and no brick-and-mortar locations, but we cannot provide assurances that our operating results or cash flows will not be materially impacted by the macroeconomic factors.

We may be unable to maintain our agent growth rate, which would adversely affect our revenue growth and results of operations.*

During the year ended December 31, 2023, our agent and broker base grew to 87,515 agents and brokers, or by 2%, from 86,203 agents and brokers as of December 31, 2022. Because we derive revenue from real estate transactions in which our brokers and agents receive commissions, the amount and rate of growth of our revenue typically correlate to the amount and rate of growth of our agent and broker base, respectively. The rate of growth of our agent and broker base cannot be predicted and is subject to many factors outside of our control, including actions taken by our competitors and macroeconomic factors affecting the real estate industry in general. We cannot provide assurances that we will be able to maintain or increase our recent agent growth rate or that our agent and broker base will continue to expand in future periods. A slowdown in our agent growth rate would have a material adverse effect on revenue growth and could adversely affect our business, results of operations, financial condition and cash flows.

Any reduction in the Company's portion of the commission revenue from property sales transactions could harm our financial performance.*

Our industry faces intense competition for real estate professionals, and our efforts to attract and retain real estate sales agents and brokers may continue to put upward pressure on our commissions and related costs. For example, the Company competes with other brokerages that may have reduced operating margins and access to capital resources permitting them to prioritize market share over profits, as well as the growing popularity of non-traditional platforms such as listing aggregators, which may put additional pressure on our commissions and related costs. If our brokerage has to pay a larger share of commissions to independent real estate professionals involved in property transactions, or if our commission earnings from these transactions decrease, it could harm the operating margins of our Company.

Our value proposition for agents and brokers includes allowing them to participate in the revenues of our Company and is not typical in the real estate industry. If agents and brokers do not understand our value proposition, we may not be able to attract, retain and incentivize agents.*

Participation in our revenue sharing plan represents a key component of our agent and broker value proposition. Agents and brokers may not understand or appreciate its value due to the intricacies of our programs. In addition, agents may not appreciate other components of our value proposition, including the cloud office platform, the mobility it affords, the systems and tools that we provide to agents and brokers and the professional development opportunities we create and deliver. If agents and brokers do not understand the elements of our agent value proposition, or do not perceive it to be more valuable than the models used by most competitors, we may not be able to attract, retain and incentivize new and existing agents and brokers to grow our revenues.

If we fail to grow in the various local markets that we serve or are unsuccessful in identifying and pursuing new business opportunities our long-term prospects and profitability will be harmed.

To capture and retain market share in the various local markets that we serve, we must compete successfully against other brokerages for agents and brokers and for the consumer relationships that they bring. Our competitors could lower the fees that they charge to agents and brokers or could raise the compensation structure for those agents. Our competitors may have access to greater financial resources than us, allowing them to undertake expensive local advertising or marketing efforts. In addition, our competitors may be able to leverage local relationships, referral sources and strong local brand and name recognition that we have not established. Our competitors could, as a result, have greater leverage in attracting new and established agents in the market and in generating business among local consumers. Our ability to grow in the local markets that we serve will depend on our ability to compete with these local brokerages.

We may implement changes to our business model and operations to improve revenues that cause a disproportionate increase in our expenses or reduce profit margins. For example, we may allocate resources to acquiring lower margin brokerage models and have invested in the development of a mortgage servicing division, a commercial real estate division, a title and escrow company, a mortgage lending company, a personal development company or a continuing education division. Expanding our service offerings could involve significant up-front costs that may only be recovered after lengthy periods of time. The barrier to entry in new real estate markets is low given our cloud-based operating model; however, attempts to pursue new business opportunities could result in a disproportionate increase in our expenses and in reduced profit margins. In addition, expansion into new markets and business lines, including internationally, could expose us to additional compliance obligations and regulatory risks. If we fail to continue to grow in the local markets we serve or if we fail to successfully identify and pursue new business opportunities, our long-term prospects, financial condition and results of operations may be harmed and our stock price may decline.

Negligence or willful misconduct of independent real estate professionals affiliated with our Company owned brokerages could materially and adversely affect our reputation and subject us to liability.

Our Company-owned brokerage operations rely on the performance of independent real estate professionals. If the independent real estate professionals engage in poor quality services, negligent or willful misconduct, our image and reputation could be materially adversely affected. In addition, we could also be subject to litigation and regulatory claims arising out of their actions, which if adversely determined, could materially and adversely affect us, our operations, and our financial condition. To mitigate these risks, we have executed contractual agreements with our real estate professionals that mandate compliance with applicable laws and adherence to our established policies and procedures, and stipulate potential liabilities for agents in the event of contractual breaches.

IV. RISKS RELATED TO LEGAL AND REGULATORY MATTERS

We are subject to certain risks related to legal proceedings filed by or against us and adverse results may harm our business and financial condition.*

We are subject to risk of and are from time to time involved in, or may in the future be subject to, claims, suits, government investigations and proceedings arising from our business, including actions with respect to securities, intellectual property, privacy, information security, data protection or law enforcement matters, tax matters, labor and employment, including claims challenging the classification of our agents and brokers as independent contractors and compliance with wage and hour regulations and claims alleging violations of the U.S. Real Estate Settlement Procedures Act (“**RESPA**”) or state consumer fraud statutes and commercial arrangements. We are also subject to risk related to stockholder derivative actions, standard brokerage disputes like the failure to disclose hidden defects in a property such as mold, vicarious liability

based upon conduct of individuals or entities outside of our control, including our agents, brokers, third-party service or product providers and purported class action lawsuits. Such litigation and other proceedings may include, but are not limited to, the currently pending antitrust litigation as disclosed in Part II - Section B.7.3 of this prospectus. A substantial unsatisfied judgment against us or one of our subsidiaries could result in bankruptcy, which would materially and adversely affect our business and operating results.

We cannot predict with certainty the cost of defense, the cost of prosecution, insurance coverage or the ultimate outcome of litigation and other proceedings filed by or against us, including remedies or damage awards. Adverse results in such litigation and other proceedings may harm our business and financial condition. Class action lawsuits can often be particularly burdensome given the breadth of claims, large potential damages and significant costs of defense. In the case of intellectual property litigation and proceedings, adverse outcomes could include the cancellation, invalidation or other loss of material intellectual property rights used in our business and injunctions prohibiting our use of business processes or technology that is subject to third-party patents or other third-party intellectual property rights. In addition, we may be required to enter into licensing agreements (if available on acceptable terms) and be required to pay royalties. In the case of securities litigation and proceedings, adverse outcomes could include the cancellation, invalidation, or modification of our existing equity incentive program.

From time to time, we may become involved in lawsuits and legal proceedings which arise in the ordinary course of business. Except as set forth in Part II - Section B.7.3 of this prospectus, we are not involved in any material pending legal proceedings and there are no proceedings in which any of our directors, officers or affiliates is an adverse party or has a material interest adverse to our interest.

Adverse outcomes in litigation and regulatory actions against other companies and agents in our industry could adversely impact our financial results.*

Adverse outcomes in legal and regulatory actions against other companies, brokers, and agents in the residential and commercial real estate industry may adversely impact the financial condition of the Company and our real estate brokers and agents when those matters relate to business practices shared by the Company, our real estate brokers and agents, or our industry at large. Such matters may include, without limitation, RESPA, Telephone Consumer Protection Act of 1991 and state consumer protection law, antitrust and anticompetition, and worker classification claims. Additionally, if plaintiffs or regulatory bodies are successful in such actions, this may increase the likelihood that similar claims are made against the Company and/or our real estate brokers and agents which claims could result in significant liability and be adverse to our financial results if we or our brokers and agents are unable to distinguish or defend our business practices.

As an example, in the matter of *Burnett v. National Association of Realtors* (U.S. District Court for the Western District of Missouri), a federal jury found the National Association of Realtors (“NAR”) and certain other remaining brokerage defendants liable for \$1.8 billion in damages, which verdict was appealed on October 31, 2023. That same day, the Company, along with other brokerage and non-brokerage defendants, were named as defendants in *Gibson v. National Association of Realtors*, alleging a similar fact pattern and antitrust violations. Since that time, the Company has been named as a defendant in additional putative class action lawsuits alleging similar fact patterns and antitrust violations. NAR and certain brokerage defendants have settled certain of these lawsuits (which lawsuits remain subject to final court approval), which include both monetary and non-monetary settlement terms. Those settlement terms may impact business practices within the industry which could adversely impact the Company’s business, results of operations, and financial condition.

We face significant risk to our brand and revenue if we fail to maintain compliance with the law and regulations of federal, state, county and foreign governmental authorities, or private associations and governing boards.

We operate in a heavily regulated industry subject to complex, federal, state, provincial and local laws and regulations within the markets in which we operate and third-party organizations’ regulations, policies and bylaws governing the real estate business.

In general, the laws, rules and regulations that apply to our business practices include, without limitation, the RESPA, the federal Fair Housing Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank Act**"), the U.S. Securities Exchange Act of 1934, as amended, and federal advertising and other laws, as well as comparable state statutes; rules of trade organizations such as NAR, local multiple listing services ("**MLSs**") and state and local Associations of Realtors; licensing requirements and related obligations that could arise from our business practices relating to the provision of services other than real estate brokerage services, including without limitation, our mortgage lending services; privacy regulations relating to our use of personal information collected from the registered users of our websites; laws relating to the use and publication of information through the internet; and state real estate brokerage and mortgage lending licensing requirements, as well as statutory due diligence, disclosure, record keeping and standard-of-care obligations relating to these licenses.

Additionally, the Dodd-Frank Act contains the Mortgage Reform and Anti-Predatory Lending Act ("**Mortgage Act**"), which imposes a number of additional requirements on lenders and servicers of residential mortgage loans, by amending certain existing provisions and adding new sections to RESPA and other federal laws. It also broadly prohibits unfair, deceptive or abusive acts or practices and knowingly or recklessly providing substantial assistance to a covered person in violation of that prohibition. The penalties for noncompliance with these laws are also significantly increased by the Mortgage Act, which could lead to an increase in lawsuits against mortgage lenders and servicers.

As we expand our business in international markets, including new and existing international markets, we are subject to additional foreign governmental regulation. Ensuring compliance with these newly applicable laws could substantially increase our operating expenses. In addition, entry into these new markets exposes us to increased risk and liability. A violation of any of these applicable laws could have a material adverse effect on our business.

Maintaining legal compliance is challenging and increases our costs due to resources required to continually monitor business practices for compliance with applicable laws, rules and regulations and to monitor changes in the applicable laws themselves.

We may not become aware of all the laws, rules and regulations that govern our business, or be able to comply with all of them, given the rate of regulatory changes, ambiguities in regulations, contradictions in regulations between jurisdictions and the difficulties in achieving both company-wide and region-specific knowledge and compliance.

If we fail, or we have alleged to have failed, to comply with any existing or future applicable laws, rules and regulations, we could be subject to lawsuits and administrative complaints and proceedings, as well as criminal proceedings. Our noncompliance could result in significant defense costs, settlement costs, damages and penalties.

Our business licenses could be suspended or revoked, our business practices enjoined, or we could be required to modify our business practices, which could materially impair, or even prevent, our ability to conduct all or any portion of our business. Any such events could also damage our reputation and impair our ability to attract and service homebuyers, home sellers, agents, clients and customers as well our ability to attract brokerages, brokers, teams of agents and agents to our company, without increasing our costs.

Further, if we lose our ability to obtain and maintain all of the regulatory approvals and licenses necessary to conduct business as we currently operate, our ability to conduct business may be harmed. Lastly, any lobbying or related activities we undertake in response to mitigate liability of current or new regulations could substantially increase our operating expenses.

We offer our independent agents the opportunity to earn additional commissions through our revenue sharing plan, which pays under a multi-tiered compensation structure similar in some respects to network marketing. Network marketing is subject to intense government scrutiny and

regulation and changes in the law, or the interpretation and enforcement of the law, might adversely affect our business.

Various laws and regulations in the United States and other countries regulate network marketing. These laws and regulations exist at many levels of government in many different forms, including statutes, rules, regulations, judicial decisions and administrative orders. Network marketing regulations are inherently fact-based and often do not include "bright line" rules. Additionally, we are subject to the risk that the regulations, or a regulator's interpretation and enforcement of the regulations, could change. From time to time, we have received requests to supply information regarding our revenue sharing plan to regulatory agencies. We could potentially in the future be required to modify our revenue sharing plan in certain jurisdictions in order to comply with the interpretation of the regulations by local authorities.

In the United States, the Federal Trade Commission ("FTC") has entered into several highly publicized settlements with network marketing companies that required those companies to modify their compensation plans and business models. Those settlements resulted from actions brought by the FTC involving a variety of alleged violations of consumer protection laws, including misleading earnings representations by the companies' independent distributors, as well as the legal validity of the companies' business model and distributor compensation plans. FTC determinations such as these have created an ambiguity regarding the proper interpretation of the law and regulations applicable to network marketing companies in the U.S. Although a consent decree between the FTC and a specific company does not represent judicial precedent, FTC officials have indicated that the network marketing industry should look to these consent decrees and the principles contained therein, for guidance. Additionally, following the issuance of these consent decrees, the FTC issued non-binding guidance to the network marketing industry, suggesting it intended to reinforce the principles contained in the consent decrees and provide other operational guidance to the network marketing industry.

While we strive to ensure that our overall business model and revenue-sharing plan, are regulatory compliant in each of our markets, we cannot assure you that a regulator, if it were to review our business, would agree with our assessment and would not require us to change one or more aspects of our operations. Any action against us in the future by the FTC or another regulator could materially and adversely affect our operations.

We cannot predict the nature of any future law, regulation, or guidance, nor can we predict what effect additional governmental regulations, judicial decisions, or administrative orders, when and if promulgated, would have on our business. Failure by us, or our independent agents, to comply with these laws, could adversely affect our business.

We may suffer significant financial harm and loss of reputation if we do not comply, cannot comply, or are alleged to have not complied with applicable laws, rules and regulations concerning our classification and compensation practices for the agents in our owned-and-operated brokerage.

Except for our employed state brokers and commission-only employees, all real estate professionals in our brokerage operations have been retained as independent contractors, either directly or indirectly through third-party entities formed by these independent contractors for their business purposes. With respect to these independent contractors, like most brokerage firms, we are subject to the taxing authorities' regulations and applicable laws regarding independent contractor classification. These regulations and guidelines are subject to judicial and agency interpretation and it might be determined that the independent contractor classification is inapplicable to any of our affiliated real estate professionals. Further, if legal standards for classification of real estate professionals as independent contractors change or appear to be changing, it may be necessary to modify our compensation and benefits structure for our affiliated real estate professionals in some or all of our markets, including by paying additional compensation or reimbursing expenses.

In the future we could incur substantial costs, penalties and damages, including back pay, unpaid benefits, taxes, expense reimbursement and attorneys' fees, in defending future challenges by our affiliated real estate professionals to our employment classification or compensation practices.

We are and may, in the future, be blocked from or limited in providing our agent compensation plans in certain jurisdictions and may be required to modify our business model in those jurisdictions as a result.

Our agent compensation plans represent a key lever in our strategy to attract and retain independent agents and brokers and are subject to various international, federal, state, territorial and local laws, rules and regulations which differ in each of our existing and future markets. As a result, we are and may, in the future, be blocked from or limited in providing each of our agent compensation plans in certain markets. In addition, these laws, rules and regulations are subject to judicial and agency interpretation and it might be determined that our agent compensation plans are not permitted to be offered to independent contractors. In response to such limitations, we have and may, in the future, be required to modify our agent compensation practices in such markets. Failure to comply with applicable law, rules and regulations or failure to subsequently modify our business model in certain jurisdictions to effectively attract and retain agents and brokers could negatively affect our business, results of operations or financial condition. The costs attributable to developing compliant agent compensation plans can be significant and could adversely affect our financial condition.

If we fail to protect the privacy and personal information of our customers, agents or employees, we may be subject to legal claims, government action and damage to our reputation.

Hundreds of thousands of consumers, independent contractors and employees have shared personal information with us during the normal course of our business processing real estate transactions. This includes, but is not limited to, Social Security numbers, annual income amounts and sources, consumer names, addresses, telephone and cell phone numbers and email addresses. To run our business, it is essential for us to store and transmit this sensitive information in our systems and networks. At the same time, we are subject to numerous laws, regulations and other requirements that require businesses like ours to protect the security of personal information, notify customers and other individuals about our privacy practices and limit the use, disclosure, or transfer of personal data across country borders. Regulators in the U.S. and abroad continue to enact comprehensive new laws or legislative reforms imposing significant privacy and cybersecurity restrictions. The result is that we are subject to increased regulatory scrutiny, additional contractual requirements from corporate customers and heightened compliance costs. These ongoing changes to privacy and cybersecurity laws also may make it more difficult for us to operate our business and may have a material adverse effect on our operations. For example, the European Union's GDPR conferred new and significant privacy rights on individuals (including employees and independent agents) and materially increased penalties for violations. In the U.S., California enacted the California Consumer Privacy Act ("**CCPA**") — which went into full effect in 2021 — imposing new and comprehensive requirements on organizations that collect and disclose personal information about California residents. In March 2017, the New York Department of Financial Services' cybersecurity regulation went into effect, requiring regulated financial institutions to establish a detailed cybersecurity program. Program requirements include corporate governance, incident planning, data management, system testing, vendor oversight and regulator notification rules. Now, other state regulatory agencies are expected to enact similar requirements following the adoption of the Insurance Data Security Model Law by the National Association of Insurance Commissioners that is consistent with the New York regulation.

Any significant violations of privacy, including as a result of cybersecurity breaches, could result in the loss of new or existing business, litigation, regulatory investigations, the payment of fines, damages and penalties and damage to our reputation, which could have a material adverse effect on our business, financial condition and results of operations.

We could also be adversely affected if legislation or regulations are expanded to require changes in our business practices or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively affect our business, results of operations or financial condition. For example, we have and may continue to incorporate new technologies such as machine learning and artificial intelligence into our processes and systems, which are under increased regulatory scrutiny. We may be required to change our platforms and services due to new laws and/or decisions related to emerging technologies which may decrease our operational efficiency and/or hinder our ability to improve our services.

In addition, while we disclose our information collection and dissemination practices in a published privacy statement on our websites, which we may modify from time to time, we may be subject to legal claims, government action and damage to our reputation if we act or are perceived to be acting inconsistently with the terms of our privacy statement, customer expectations or state, national and international regulations. Our policy and safeguards could be deemed insufficient if third parties with whom we have shared personal information fail to protect the privacy of that information.

The occurrence of a significant claim in excess of our insurance coverage or which is not covered by our insurance in any given period could have a material adverse effect on our financial condition and results of operations during the period. In the event we or the vendors with which we contract to provide services on behalf of our customers were to suffer a breach of personal information, our customers and independent agents could terminate their business with us. Further, we may be subject to claims to the extent individual employees or independent contractors breach or fail to adhere to Company policies and practices and such actions jeopardize any personal information. Our legal liability could include significant defense costs, settlement costs, damages and penalties, plus, damage our reputation with consumers, which could significantly damage our ability to attract customers. Any or all of these consequences would result in a meaningful unfavorable impact on our brand, business model, revenue, expenses, income and margins.

In addition, concern among potential homebuyers or sellers about our privacy practices could result in regulatory investigations, especially in the European Union as related to the GDPR. Additionally, concern among potential homebuyers or sellers could keep them from using our services or require us to incur significant expense to alter our business practices or educate them about how we use personal information.

SUCCESS Lending and SUCCESS Franchising are relatively new business initiatives with regulatory and compliance risks, many of which are beyond our control.

Both the SUCCESS Lending joint venture and SUCCESS Franchising business, both launched in 2021, have limited operating histories and have encountered and will continue to encounter risks, uncertainties, difficulties and expenses, including, without limitation, ongoing compliance with a complex and evolving regulatory environment. If we are not able to timely and effectively respond to these requirements, or if risks arise outside our reasonable ability to respond effectively, our business and financial condition may be harmed.

V. RISKS RELATED TO THE COMPANY'S STOCK

Glenn Sanford, our Chairman and Chief Executive Officer, together with Penny Sanford, a significant stockholder, own a significant percentage of the Shares and have agreed to act as a group on any matter submitted to a vote of our stockholders. As a result, the trading price for the Shares may be depressed and they can significantly influence actions that may be adverse to the interests of our other stockholders.*

On January 12, 2024, Glenn Sanford and Penny Sanford filed an amended Schedule 13D with the SEC, which disclosed that they beneficially owned approximately 45.73% of the outstanding Shares as of November 30, 2023¹ and that they had agreed to vote their shares as a group with respect to the election of directors and any other matter on which the Shares are entitled to vote. This significant concentration of share ownership may adversely affect the trading price for the Shares because investors may perceive disadvantages in owning stock in a company with a stockholder group holding a significant number of the Shares. The group can significantly influence all matters requiring approval by our stockholders, including the election and removal of directors and any proposed merger, consolidation or sale of all or substantially all of our assets. In addition, due to his significant ownership stake and his service as our Chief Executive Officer and Chairman of the Board, Mr. Sanford significantly influences the management of our business and affairs. This concentration of ownership and influence could have the effect of delaying, deferring, or

¹ As of January 31, 2024, Glenn Sanford and Penny Sanford beneficially owned approximately 45.51% of the total combined voting power of the outstanding Shares. Please refer to Part II, Section B.11.2 of this prospectus.

preventing a change in control, or impeding a merger or consolidation, takeover or other business combination that could be favorable to our other stockholders.

Because we can issue additional Shares and because we issue stock under equity incentive plan, our stockholders may experience dilution in the future.*

We are authorized to issue up to 900,000,000 Shares, of which 183,606,708 Shares were issued and 154,669,037 Shares were outstanding as of December 31, 2023.² Additionally, the Company maintains a 2015 Plan from which employees, agents, brokers and certain service providers of the Company and its affiliates can receive awards of the Shares. As of December 31, 2023, there were 88,596,220 Shares registered and authorized under the 2015 Plan, of which 20,760,284 are available for future issuance. The Board has the authority to cause us to issue additional Shares without consent of any of our stockholders, subject to applicable Nasdaq listing rules. Consequently, current stockholders may experience more dilution in their ownership of the Shares in the future.

The stock price of the Shares has been and likely will continue to be volatile and may decline in value regardless of our performance.*

The market price for the Shares could fluctuate significantly for various reasons, many of which are outside our control, including those described above and the following:

- our operating and financial performance and prospects;
- future sales of substantial amounts of the Shares in the public market, including but not limited to shares we may issue as consideration for acquisitions or investments;
- housing and mortgage finance markets;
- our quarterly or annual earnings or those of other companies in our industry;
- the public's reaction to our press releases, other public announcements and filings with the SEC;
- changes in recommendations or analysis of our prospects by securities analysts who track the Shares;
- market and industry perception of our success, or lack thereof, in pursuing our growth strategy;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- actual or potential changes in laws, regulations and regulatory interpretations;
- changes in interest rates;
- changes in demographics relating to housing such as household formation or other consumer preferences toward home ownership;
- changes in accounting standards, policies, guidance, interpretations or principles;
- arrival and departure of key personnel;
- the filing of and/or adverse resolution of new or pending litigation or regulatory proceedings against us; and
- changes in general market, economic and political conditions in the United States and global economies.

In addition, the stock markets have experienced periods of high price and volume fluctuations that have affected and continue to affect the market prices of the equity securities of many companies, including technology companies and real estate brokerages. Such price fluctuations can be unrelated or

² As of March 31, 2024, there were 186,361,476 Shares were issued and 154,846,563 Shares outstanding.

disproportionate to the operating performance of those companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business and harm our business.

Until July 31, 2023, we were a “controlled company” within the meaning of Nasdaq rules and, as a result, we qualified for and relied on, exemptions from certain corporate governance requirements. Under applicable Nasdaq rules, we qualify for and intend to rely on certain phase-in periods to comply with the previously exempt governance requirements.

Until July 31, 2023, we qualified as a “controlled company” within the meaning of Nasdaq corporate governance standards and, accordingly, we qualified for and from time-to-time relied on exemptions to certain governance requirements. Under Nasdaq rules, a company may phase-in to compliance with certain governance requirements after ceasing to be a “controlled company”, including the requirement that we have a compensation committee that is composed entirely of independent directors within a year of losing controlled company status.

We are presently using this exemption. As a result, our compensation committee will not consist entirely of independent directors in the immediate future. Consequently, our stockholders do not presently have the same protection afforded to stockholders of companies that are subject to all of the Nasdaq corporate governance rules and requirements. Our reliance on this exemption could make our common stock less attractive to some investors or otherwise harm the Share price.

Because we may not pay any cash dividends on the Shares in the near future, our stockholders may not be able to receive a return on their shares unless they sell them.

On August 4, 2021, the Board declared and subsequently paid its first cash dividend. The Company then declared and paid subsequent dividends during each quarter of the fiscal year ended December 31, 2023. There is no assurance that future dividends will be paid and if dividends are paid, there is no assurance with respect to the amount of any such dividend. The declaration, payment and amount of any future dividends will be made at the discretion of the Board and will depend upon, among other things, the results of operations, cash flows and financial condition, operating and capital requirements and other factors as the Board considers relevant. Unless we pay dividends, our stockholders will not be able to receive a return on their Shares unless they sell them.

Delaware law and our organizational documents may impede or discourage a takeover, which could deprive our investors of the opportunity to receive a premium for their Shares.

We are a Delaware corporation and the anti-takeover provisions of Delaware law impose various impediments to the ability of a third party to acquire control of us, even if a change of control would be beneficial to our existing stockholders. In addition, provisions of our amended and restated certificate of incorporation (as amended, the "**Certificate**") and amended and restated bylaws (as amended, the "**Bylaws**") may make it more difficult for, or prevent a third party from, acquiring control of us without the approval of the Board. Among other things, these provisions:

- do not permit cumulative voting in the election of directors, which would otherwise allow less than a majority of stockholders to elect director candidates;
- delegate the sole power to a majority of the Board to fix the number of directors;
- provide the power to the Board to fill any vacancy on the Board, whether such vacancy occurs as a result of an increase in the number of directors or otherwise;
- eliminate the ability of stockholders to call special meetings of stockholders; and
- establish advance notice requirements for nominations for election to the Board or for proposing matters that can be acted on by stockholders at stockholder meetings.

The foregoing factors could impede a merger, takeover or other business combination or discourage a potential investor from making a tender offer for the Shares which, under certain circumstances, could reduce the market value of the Shares and our investors' ability to realize any potential change-in-control premium.

VI. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk relates to the risk of the loss of fair value resulting from adverse changes in market rates and prices, such as interest rates and foreign currency exchange rates. Market risk is directly influenced by the volatility and liquidity in the markets in which the related underlying financial instruments are traded. Sensitivity analysis measures the impact of hypothetical changes in interest rates, foreign exchange rates and other market rates or prices on the profitability of market-sensitive financial instruments and our results of operations. While we are exposed to market risk from foreign currency and exchange rate fluctuation, we do not have significant exposures to interest rate changes or commodity prices nor do we expect to have significant exposure to interest rate changes or commodity prices in the foreseeable future.

Additional information about the historical and current trading price of the Shares can be found on its website at <https://expworldholdings.com/financials/>, being specified that the information on the website does not form part of this prospectus unless that information is incorporated by reference into this prospectus.

Foreign Currency Risk

The majority of our net sales, expenses and capital purchases were transacted in U.S. dollars. However, exposure with respect to foreign exchange rate fluctuation existed due to our operations in Canada, the U.K., Australia, France, India, Mexico, Portugal, South Africa, Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama, Germany, the Dominican Republic, Greece, New Zealand, Chile, Poland and Dubai albeit each individually and in the aggregate to a small extent. As of December 31, 2023, our largest international operations were in Canada. Based on fiscal 2023 performance, a hypothetical appreciation or decline in the value of the Canadian dollar in relation to the U.S. dollar of 10% would have an immaterial impact on operating income. The individual impacts to the operating income of hypothetical currency fluctuations in the Canadian dollar have been calculated in isolation from any potential responses to address such exchange rate changes in our other foreign markets. Our exposures to foreign currency risk related to our other operations in our other international locations were immaterial and have been excluded from this analysis.

Our investments in the net assets of our international operations were also subject to currency risk. As of December 31, 2023, the impacts of translations of foreign-denominated net assets of our international operations were immaterial to the Company's consolidated financial statements. The translation impacts related to the net assets of our international operations are recorded within accumulated other comprehensive income. Historically, we have not hedged this exposure, although we may elect to do so in future periods.

SECTION B — SUPPLEMENTAL INFORMATION CONCERNING THE COMPANY AND THE PROGRAM**I. THE OUTLINE****1.1 Purpose of the Program**

The purpose of the Program is to attract, retain and motivate independent agents whose present and potential contributions are important to the success of the Company and its affiliates.

The Program is offered under the Plans. The 2015 Plan was adopted by the Board on March 12, 2015 and approved by the Company's stockholders on March 12, 2015, which was subsequently amended on August 28, 2017 and December 11, 2019. The 2024 Plan was adopted by the Board on March 20, 2024 and approved by the Company's stockholders on May 13, 2024. The 2024 Plan will replace the 2015 Plan, which expires by its terms in March 2025, ten years after it was adopted by the Board in 2015. The Company will continue issuing Shares under the 2015 Plan until the shares reserve is depleted or the 2015 Plan expires, at which time, the Company will start issuing Shares under the 2024 Plan.

1.2 Shares Offered Under the Program

As of March 31, 2024, 155,481,911 Shares were available for future issuance under the Program (out of the 238,596,220 Shares available for the duration of the Plans), representing approximately 100% of the 154,846,563 Shares outstanding as of March 31, 2024. Each Share has a par value of \$0.00001. The Shares offered under the Program are or will be, after their issuance, listed on NASDAQ under the trading symbol "EXPI."

1.3 Purchase Period

The Program is offered via Monthly Offering starting on the first business day of each month. Each Monthly Offering consists of a single purchase period during which Participants' Contributions are accumulated under the Program.

1.4 Purchase Price

The Purchase Price for Shares issued under the Program will be equal to ninety-five percent (95%) of the fair market value of the Shares on the Purchase Date.

The fair market value of a Share will be the closing price of the Shares (or the closing bid, if no sales were reported) as quoted on Nasdaq on the applicable date.

As soon as administratively practicable after each Purchase Date, the Purchase Price and Purchase Date information is available to the Participant from the Broker in the account established in the Participant's name at the Broker. The Company does not provide additional or ancillary communications to the Participant as such communications are managed by the Broker.

1.5 Purchase of Shares

Participation in the Program is completely voluntary.

On each Purchase Date, the Contributions will be used to purchase whole Shares. The number of Shares purchased will be determined by dividing the Participant's accumulated Contributions by the Purchase Price. No fractional Shares will be issued upon purchase; however, the Participant's account will be credited with a fractional share economic interest.

Shares under the Program will be issued on the last trading day of the month during which the closing on the sales of any properties from which a Contribution has been authorized results in an accumulated Contribution of not less the purchase price of one whole Share.

Any cash remaining to buy less than a whole Share will be automatically rolled over into the next Monthly Offering.

1.6 Term of the Program

The Program does not have a termination date but the 2015 Plan under which the Program is offered will terminate on March 12, 2025. The 2024 Plan was adopted by the Board on March 20, 2024 and approved by the Company's stockholders on May 13, 2024. The 2024 Plan will replace the 2015 Plan. The 2024 Plan will terminate on March 20, 2034.

The Company will continue offering the Program on or after the date this prospectus will be approved by the AMF, i.e., June 28, 2024. The prospectus will expire after twelve months from the date of the AMF approval and the Company will seek a subsequent approval to continue the offering of the Program.

1.7 Amendment or Discontinuance of the Plan and the Program

The Board may alter, amend, suspend or terminate the Plans (including the Program) as to any awards that have not been made. No amendment, suspension, or termination of the Plan will, without Participant's consent, deprive participant of any award granted to Participant or any rights thereunder. Stockholder approval of amendments will be required only to comply with applicable laws or regulatory requirements.

II. ELIGIBILITY

2.1 Eligible Independent Agents

All agents and brokers in participating jurisdictions that have entered into an independent contractor agreement with the Company or one of its subsidiaries and who are in good standing with the Company or its applicable subsidiaries are eligible to participate in the Program.

As of March 31, 2024, there were 494 eligible independent agents in France, 310 eligible independent agents in Portugal and 465 eligible independent agents in Spain. As of March 31, 2024, the Company had approximately 85,780 real estate agents.

2.2 Participation of Eligible Independent Agents

In order to participate in the Program, an eligible independent agent must enroll in the Program by accepting the terms and conditions of the Agent Equity Program Participation Election Form (the "**Election Form**") in an account created in the Participant's name with Morgan Stanley at Work (the "**Broker**"). Enrollment becomes effective the first of the proceeding month following acceptance.

The Participant will be automatically re-enrolled in each succeeding Monthly Offering, provided that the Participant remains eligible to participate to the Program.

If a Participant timely withdraws from the Program, or has terminated his or her services with the Company, the Participant will not be automatically re-enrolled in the succeeding Monthly Offering.

2.3 Contributions

By enrolling in the Program, Participant agrees that five percent (5%) of his or her net commission payment (after splits, fees, and any other required withholdings) (the “**Contributions**”) on real estate transactions that close in Participant’s name, commencing with transactions closing on or after Participant’s enrollment in the Program, will be used to purchase Shares at the Purchase Price. The Company does not presently cap the dollar amount of such Contributions. The Contributions are calculated on a monthly basis and deducted from Participant’s net commission payment that the local subsidiary for which Participant is providing services would otherwise pay for real estate transactions that have closed that month.

Participant cannot change the percentage of his or her Contributions other than to withdraw from the Program.

Any cash remaining to buy less than a whole Share will be automatically rolled over into the next Monthly Offering, unless Participant has withdrawn from the Program as described below.

The Company does not pay interest on the Contributions, unless required by local law.

2.4 Discontinuance of Participation of Participants

A Participant may withdraw from the Program at any time by completing a new Election Form indicating his or her intention to withdraw from the Program through the Participant’s Shareworks portal.

If a Participant withdraws from a Monthly Offering, he or she may resume participation in any subsequent Monthly Offering, provided he or she remains eligible, by accepting the terms and conditions of the Election Form in an account created in the Participant’s name with Shareworks by the Broker. Enrollment becomes effective the first of the proceeding month following acceptance.

Upon such voluntary withdrawal, Participant’s accumulated Contributions which have not been applied toward the purchase of Shares will be refunded to Participant within approximately 30 days from completing the Participant’s withdrawal Election Form through the Participant’s Shareworks portal.

2.5 Termination of Service of Participants

A Participant’s participation in the Program will be terminated immediately if a Participant is no longer in good standing with the Company or any of its subsidiaries, as determined by the Administrator in its sole discretion. In such case, any amounts owed to Participant will be refunded to Participant as soon as practicable and will not be used to purchase additional Shares.

III. DELIVERY AND SALE OF THE SHARES

As soon as administratively practicable after each Purchase Date, Participant’s Shareworks account at the Broker will be credited with the Shares that were purchased on Participant’s behalf. The Shares will remain in Participant’s Shareworks account until Participant gives further instructions to the Broker to transfer or sell the Shares, and will remain in such Participant’s account following termination from participation in the Program or from the Company. Each quarter a summary statement is available from the Broker that details the activity in Participant’s account, including any purchases and sales, the total number of Shares held at the end of the quarter and the total value of Participant’s account. The fourth quarter statement will include a summary of any transactions that occurred during the year.

No Participant is permitted to sell, assign, transfer, pledge or otherwise dispose of or encumber either the Contributions credited to his/her account or any rights with regards to the purchase rights or rights to receive Shares under the Program.

IV. RIGHTS RELATED TO THE SHARES

4.1 Type and the Class of the Securities Being Offered, Including the Security Identification Code

eXp World Holdings, Inc.'s shares of common stock, par value \$0.00001 are quoted on Nasdaq under the trading symbol "EXPI." The ISIN of the Shares is US30212W1009 and the U.S. security identification number (the CUSIP number) for the Shares is 30212W100. The Shares are not traded, and have not been subject to a request for listing, on a regulated market or a multilateral trading facility located in the European Union.

The Shares were initially traded on the over-the-counter market for U.S. stocks (OTCQB) and have been traded on Nasdaq since May 21, 2018 as a result of Nasdaq's approval to uplist the Shares on May 17, 2018. There was no capital raising. The initial quote price of the Shares on Nasdaq was \$9.65.

As of May 1, 2024, the Company was authorized to issue 900,000,000 Shares. As of March 31, 2024, there were 154,846,563 Shares outstanding. There have been no material changes in the number of Shares issued and outstanding since that date.

4.2 Legislation Under Which the Securities Have Been Created

The Shares were created under the US Delaware General Corporation Law (the "DGCL"). Except as otherwise expressly required under the laws of a country, the Program and all rights thereunder will be governed by and construed in accordance with the laws of the State of Delaware, U.S.A. The Company is in compliance with the DGCL.

4.3 Form of Securities, Name and Address of the Entity in Charge of Keeping the Records

In general, stockholders may hold Shares either in certificated, uncertificated or street name form. The records are kept by the Company's transfer agent, Broadridge Corporation (the "Transfer Agent").

The Transfer Agent can be contacted through the web at www.shareholder.broadridge.com/exp, by telephone at +1 800-586-1585 or by mail at: P.O. Box 1342, Brentwood, NY 11717, U.S.A.

The Company's designated Broker is currently Morgan Stanley at Work. The address of the Broker is 222 S. Mill Avenue, Suite 424, Tempe, AZ 85281, U.S.A. and its telephone number is +1 (480) 308-8181.

Participants will receive quarterly account statements from the Broker.

Commissions

There is no charge to Participants for the acquisition or holding of the Shares under the Program. Commissions related to the sale of Shares are described below.

As of the date of this prospectus, the commission charged by the Broker on sales of Shares acquired under the Program is \$0.01 per share.

In addition, the SEC imposes a fee on the transfer of shares at a rate determined by the SEC. This fee is paid to the SEC at the time of sale and is required for all equity trades.

Such commission and fee are subject to change at any time.

4.4 Currency of the Securities Issue

The United States Dollar is the currency of the securities issue. Participants assume the risk of any currency fluctuations at the time of (i) their contribution to the Program and (ii) the selling of their Shares.

4.5 Rights Attached to the Securities

The Company only issues one class of shares. No Participant will have any voting, dividend, or other stockholder rights with respect to any offering under the Program until the Shares have been purchased and delivered to Participant. Following such purchase and delivery, Participant will be entitled to the rights attached to the Shares, as further described below:

Dividend Rights. Holders of Shares are entitled to receive such dividends and other distributions (payable in cash, property, or capital stock of the Company) when, as and if declared thereon by the Board from time to time out of any assets or funds of the Company legally available therefor, and share equally on a per Share basis in such dividends and distributions.

On August 4, 2021, the Board declared and subsequently paid its first cash dividend. The Company then declared and paid subsequent dividends during each quarter of the fiscal years ended December 31, 2023 and 2022. The Company has not paid cash dividends on its Shares during the fiscal year ended December 31, 2020 or in prior years. Payment of cash dividends is at the discretion of the Board in accordance with applicable law after taking into account various factors, including the Company's financial condition, operating results, current and anticipated cash needs and plans for growth. Under Delaware law, the Company can only pay dividends either out of surplus or out of the current or the immediately preceding year's earnings. Therefore, no assurance is given that the Company will pay any future dividends to its common stockholders, or as to the amount of any such dividends.

The following table summarizes quarterly cash dividends declared for the years ended December 31, 2021 2022 and 2023:

2023			2022			2021		
Declaration Date	Payable Date	Per Share	Declaration Date	Payable Date	Per Share	Declaration Date	Payable Date	Per Share
02/09/2023	03/31/2023	\$0.045	02/17/2022	03/31/2022	\$0.040	—	—	—
04/27/2023	05/31/2023	\$0.045	04/29/2022	05/31/2022	\$0.040	—	—	—
07/28/2023	09/04/2023	\$0.050	07/29/2022	08/29/2022	\$0.045	08/04/2021	08/30/2021	\$0.040
10/25/2023	11/30/2023	\$0.050	10/27/2022	11/28/2022	\$0.045	10/26/2021	11/29/2021	\$0.040

On February 14, 2024, the Board approved a cash dividend of \$0.05 per Share to was paid on March 29, 2024 to stockholders of record on March 8, 2024. On April 24, 2024, the Board declared a dividend of \$0.05 per Share paid on May 27, 2024, to stockholders of record as of the close of business on May 13, 2024.

A stockholder's entitlement to dividends will not lapse while that stockholder remains a registered stockholder of the Company. There are no dividend restrictions in place for stockholders and no special procedures for the payment of dividends to non U.S. resident stockholders.

Voting Rights. Holders of Shares are entitled to one vote per Share on each matter submitted to a vote of stockholders, including the election of directors. The Shares do not have cumulative voting rights.

Board of Directors Vacancies. The Company's Certificate and Bylaws authorize only the Board to fill vacant directorships, including newly created seats. In addition, the number of directors constituting the Board is only permitted to be set by a resolution adopted by a majority vote of the entire Board. These provisions prevent a stockholder from increasing the size of the Board and then gaining control of the Board by filling

the resulting vacancies with its own nominees. This makes it more difficult to change the composition of the Board and will promote continuity of management.

Special Meeting of Stockholders. The Company's Bylaws provide that special meetings of the Company's stockholders may be called only by a majority of the Board, thus prohibiting a stockholder from calling a special meeting. These provisions might delay the ability of the Company's stockholders to force consideration of a proposal or for stockholders controlling a majority of the Company's capital stock to take any action, including the removal of directors.

Stockholder Action Outside of a Meeting. The Company's Certificate of Incorporation provide that any action required or permitted to be taken at any annual or special meeting of stockholders may be taken without a meeting and without prior notice by written consent, if such consent is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting. However, if at any time Glenn Sanford and Penny Sanford no longer are the beneficial owners, in the aggregate, of at least a majority in voting power of all shares entitled to vote in the election of directors, then any action required or permitted to be taken by the holders of the common stock of the Company must be taken at a duly called annual or special meeting of the stockholders and may no longer be effected by a written consent. As a result, holder or holders controlling a majority of our capital stock are not be able to take action without holding a meeting of our stockholders called in accordance with our Certificate of Incorporation.

Advance Notice Requirements for Stockholder Proposals and Director Nominations. The Company's Bylaws provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. The Company's Bylaws also specify certain requirements regarding the form and content of a stockholder's notice. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at The Company's annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

No Cumulative Voting. The DGCL provides that stockholders are not entitled to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. Our Certificate does not provide for cumulative voting.

Removal of Directors. Any one or more or all of the directors may be removed, with or without cause, by the holders of at least a majority of the outstanding shares of capital stock then entitled to vote at an election of directors.

Exclusive Venue. Our Certificate provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for internal corporate claims, which would include derivative action or proceeding brought on our behalf; claims based on violations of duty by a current or former director or officer or stockholder in such capacity; and claims against us arising pursuant to the DGCL or our Certificate or Bylaws. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with any action, a court could find the choice of forum provisions contained in our Certificate to be inapplicable or unenforceable in such action.

Pursuant to Section 242 of the DGCL, after a corporation has received payment for any of its capital stock, or after a nonstock corporation has members, it may amend its certificate of incorporation, from time to time, in any and as many respects as may be desired, so long as its certificate of incorporation as amended would contain only such provisions as it would be lawful and proper to insert in an original certificate of incorporation filed at the time of the filing of the amendment; and, if a change in stock or the rights of stockholders, or an exchange, reclassification, subdivision, combination or cancellation of stock or rights of stockholders is to be made, such provisions as may be necessary to effect such change, exchange, reclassification, subdivision, combination or cancellation. In particular, and without limitation upon such

general power of amendment, a corporation may amend its certificate of incorporation, from time to time, so as:

- (1) To change its corporate name; or
- (2) To change, substitute, enlarge or diminish the nature of its business or its corporate powers and purposes; or
- (3) To increase or decrease its authorized capital stock or to reclassify the same, by changing the number, par value, designations, preferences, or relative, participating, optional, or other special rights of the shares, or the qualifications, limitations or restrictions of such rights, or by changing shares with par value into shares without par value, or shares without par value into shares with par value either with or without increasing or decreasing the number of shares, or by subdividing or combining the outstanding shares of any class or series of a class of shares into a greater or lesser number of outstanding shares; or
- (4) To cancel or otherwise affect the right of the holders of the shares of any class to receive dividends which have accrued but have not been declared; or
- (5) To create new classes of stock having rights and preferences either prior and superior or subordinate and inferior to the stock of any class then authorized, whether issued or unissued; or
- (6) To change the period of its duration; or
- (7) To delete:
 - a. Such provisions of the original certificate of incorporation which named the incorporator or incorporators, the initial board of directors and the original subscribers for shares; and
 - b. Such provisions contained in any amendment to the certificate of incorporation as were necessary to effect a change, exchange, reclassification, subdivision, combination or cancellation of stock, if such change, exchange, reclassification, subdivision, combination or cancellation has become effective.

Any or all such changes or alterations may be effected by one certificate of amendment.

In order to effectuate an amendment to the certificate of incorporation, the Board shall adopt a resolution setting forth the amendment proposed, declaring its advisability, and either calling a special meeting of the stockholders entitled to vote in respect thereof for the consideration of such amendment or directing that the amendment proposed be considered at the next annual meeting of the stockholders; provided, however, that unless otherwise expressly required by the certificate of incorporation, no meeting or vote of stockholders shall be required to adopt an amendment that effects only changes described in paragraph (1) or (7) above. Such special or annual meeting shall be called and held upon written notice given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting. The notice shall set forth such amendment in full or a brief summary of the changes to be effected thereby, as the directors shall deem advisable. At the meeting, a vote of the stockholders entitled to vote thereon shall be taken for and against the proposed amendment. Notwithstanding the above, unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders or which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if consents setting forth the action so taken are signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and are delivered to the corporation in the manner required by the DGCL, the certificate of incorporation and the bylaws; provided, however, that if at any time the Company ceases to be a

“controlled company” under the rules of Nasdaq, then any action required or permitted to be taken by the holders of the common stock of the Company must be taken at a duly called annual or special meeting of the stockholders and may no longer be effected by a written consent. Subject to the foregoing, if a majority of the outstanding stock entitled to vote thereon, and a majority of the outstanding stock of each class entitled to vote thereon as a class has been voted in favor of the amendment, a certificate setting forth the amendment and certifying that such amendment has been duly adopted in accordance with Section 242 of the DGCL shall be executed, acknowledged and filed and shall become effective.

Right to Receive Liquidation Distributions. In the event of any voluntary or involuntary liquidation, dissolution, or winding-up of the Company, after payment or provision for payment of the debts and other liabilities of the Company, holders of Shares will be entitled to receive all the remaining assets of the Company available for distribution to its stockholders, ratably in proportion to the number of Shares held by them.

No Preemptive, Redemptive or Conversion Provisions. The Shares are not entitled to preemptive rights and are not subject to conversion or redemption.

4.6 Transferability

The Shares in this offering under the Program are registered on a registration statement on Form S-8 with the SEC and are generally freely transferable.

The Program is intended to provide Shares for investment and not for resale. The Company does not, however, intend to restrict or influence any Participant in the conduct of his or her own affairs. An eligible independent agent, therefore, may sell Shares purchased under the Program at any time he or she chooses, subject to compliance with the Company’s stock trading policy, applicable securities laws and the notice provisions mentioned in Section II above. PARTICIPANTS ASSUME THE RISK OF ANY CURRENCY AND / OR MARKET FLUCTUATIONS AT THE TIME OF (I) THEIR COMMISSION PAYMENT CONTRIBUTION TO THE PROGRAM AND (II) THE SELLING OF THEIR SHARES.

4.7 General Provisions Applying to Business Combinations

The Company is subject to Section 203 of the DGCL, which, subject to certain exceptions, prohibits a Delaware corporation from engaging in any “business combination” with an “interested stockholder” for a period of three (3) years following the time that such stockholder became an interested stockholder, unless:

- Prior to such time the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- Upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least eighty-five percent (85%) of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- At or subsequent to such time the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66²/₃% of the outstanding voting stock which is not owned by the interested stockholder.

With certain exceptions, an “interested stockholder” under Section 203 of the DGCL is a person or group who or which owns fifteen percent (15%) or more of the corporation’s outstanding voting stock (including any rights to acquire stock pursuant to an option, warrant, agreement, arrangement or understanding, or upon the exercise of conversion or exchange rights, and stock with respect to which the person has voting rights only), or is an affiliate or associate of the corporation and was the owner of fifteen percent (15%) or more of such voting stock at any time within the previous three (3) years.

In general, Section 203 of the DGCL defines a business combination to include:

- any merger or consolidation involving the corporation or any of its subsidiaries and the interested stockholder;
- any sale, transfer, pledge or other disposition of ten percent (10%) or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation or any of its subsidiaries to the interested stockholder;
- any transaction involving the corporation or any of its subsidiaries that has the effect of increasing the proportionate share of the stock or any class or series of the corporation or of any such subsidiary beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation or any of its subsidiaries.

A Delaware corporation, such as the Company, may “opt out” of this provision with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or bylaws resulting from a stockholders’ amendment approved by at least a majority of the outstanding voting shares. The Company has not “opted out” of this provision. Section 203 could prohibit or delay mergers or other takeover or change-in-control attempts and, accordingly, may discourage attempts to acquire the Company.

Section 253 of the DGCL authorizes the members of the board of directors of a Delaware corporation that owns ninety percent (90%) or more of each of the outstanding classes of stock of a subsidiary that are entitled to vote on a merger to merge the subsidiary into itself or to merge itself into the subsidiary without any requirement for action to be taken by the stockholders of the subsidiary, provided that if the parent corporation owns less than 100% of the subsidiary, the resolutions of the parent corporation’s board of directors approving the merger shall state the terms and conditions of the merger, including the consideration to be paid for each share of the subsidiary not owned by the parent corporation.

Section 251(h) of the DGCL, subject to certain exceptions, permits parties entering into a merger agreement to eliminate the requirement for approval of the merger by the target corporation’s stockholders if, following a tender or exchange offer, the acquirer has accumulated sufficient shares to approve the merger agreement (a majority unless the target corporation has adopted a higher vote requirement) but less than the 90% necessary to effect a merger under Section 253 of the DGCL. Section 251(h) of the DGCL applies only to target corporations that have a class or series of stock that is listed on a national securities exchange or held of record by more than 2,000 holders, such as the Company.

V. INFORMATION ON THE COMPANY

5.1 Business Overview

eXp World Holdings, Inc.'s principal offices are located at 2219 Rimland Drive, Suite 301, Bellingham, WA 98226, U.S.A. Telephone number: +1 (360) 685-4206; website: <https://expworldholdings.com>, being specified that the information on the website does not form part of this prospectus unless that information is incorporated by reference into this prospectus. The Company is a corporation incorporated under the laws of the State of Delaware, U.S.A. The Company was incorporated on July 30, 2008 for a perpetual term. The Company's LEI is 549300TWWVZC283VEC32.

Description of Business

The Company owns and operates a diversified portfolio of service-oriented businesses whose operations benefit substantially from utilizing its technology platform. The Company strategically prioritizes its efforts to grow its real estate brokerage by strengthening its agent value proposition, developing immersive and cloud-based technology to enable the Company's model and providing affiliate and media services supporting those efforts. Its real estate brokerage is now one of the largest and fastest-growing real estate brokerage companies in the United States and Canada and is rapidly expanding internationally.

In the first quarter of 2024, the Company determined that there has been a significant change to the Virbela business model. As its customers evolve post-COVID, including a return-to-work-offices, and in light of ongoing internal and external demand for web-accessible platforms and artificial intelligence solutions, the Company has experienced a decline in demand for its application-based platform, Virbela, and a rising interest in its web-accessible platform, Frame[®]. Accordingly, the Company has begun the process of winding down the Virbela business, which includes closing out current contracts, and reducing its external customers and internal employee support. Further, the technology is being replaced with Virbela Frame[®] technology that will be primarily utilized internally within the Company. The Company expects the process to wind down the Virbela business to be completed by the fourth quarter of 2024.

In prior years, Virbela represented an operating and reporting segment. Going forward, the remaining operations of Virbela will not meet the operating or reporting segment criteria, therefore, any operating results related to Virbela and Frame[®] technologies will be included in the Other Affiliated Services segment.

Therefore, beginning in January 2024, the Company operates three operating and reportable business segments:

- **North American Realty:** includes real estate brokerage operations in the United States and Canada, as well as lead-generation and other real estate support services provided in North America.
- **International Realty:** includes real estate brokerage operations in all other international locations.
- **Other Affiliated Services:** includes the Company's SUCCESS[®] Magazine, Frame technology, and other smaller ventures.

As of December 31, 2022, the Company had approximately 2,016 full-time equivalent employees and 86,203 real estate agents. As of December 31, 2023, the Company had approximately 2,114 full-time equivalent employees and 87,515 real estate agents. As of March 31, 2024, the Company had approximately 85,780 real estate agents. The number of agents declined as the Company continues to off board less productive agents.

The following are developments in the Company's business since the beginning of the fiscal year ended December 31, 2023:

- During 2023, the Company announced various new agent incentive programs to enhance the agent experience and to attract culturally aligned agents, teams of agents and independent brokerages to the Company. New incentive programs include Boost, Accelerate, and Thrive, which offer unique financial incentives.
- In 2023, the Company launched various new ancillary programs and services to support the development and success of its agents, brokers and customers, including the continued global expansion of eXp Luxury™,³ Military Rewards Program,⁴ Listing Kits,⁵ Bundle Select™,⁶ eXp Exclusives™,⁷ My Link My Lead™,⁸ and affiliate relationships like HomeHunter™.⁹
- Additional talent joined the Company in 2023, including the appointment of Peggie Pelosi to the Board in January 2023 and the appointment of Fred Reichheld to the Board in September 2023.

The Company did not complete any material acquisitions during the year ended December 31, 2023.

On March 11, 2024, eXp Realty, the core subsidiary of the Company, announced its 2023 revenue share and agent equity distribution statistics, underscoring its competitive compensation framework as a catalyst for ongoing agent expansion. The Company paid agents and brokers over \$230 million in revenue share and equity benefits in 2023, compared to \$240 million in 2022.

Segment Information

The reportable segments presented below represent the Company's segments for which separate financial information is available and which is utilized on a regular basis by its chief operating decision maker to assess performance and to allocate resources. In identifying its reportable segments, the Company also considers the nature of services provided by its segments.

Management evaluates the operating results of each of its reportable segments based upon revenue and Adjusted Segment EBITDA. Adjusted Segment EBITDA is defined by us as a segment's operating profit (loss) from continuing operations plus depreciation and amortization, litigation contingency and stock-based compensation expenses. The Company's presentation of Adjusted Segment EBITDA may not be comparable to similar measures used by other companies. Historically, the Company has reported results for four reportable segments. In the first quarter of 2024, the Company determined that the Virbela segment qualified for reporting as discontinued operations. In prior years, Virbela represented an operating and reporting segment under ASC 280. Going forward, the remaining operations of Virbela will not meet the operating or reporting segment criteria, therefore, any operating results related to Virbela technology will be included in the Other Affiliated Services segment. Prior year segment information has been reclassified to remove Virbela from the segment disclosure, in accordance with discontinued operations treatment.

³ eXp Luxury is a forward-thinking luxury real estate program, which leverages eXp Realty's exclusive tools and innovative technology.

⁴ Military Rewards Program: a real estate moving services program to better serve active duty and veteran armed forces members and their families.

⁵ Listing Kits is a crafted package of assets providing agents with necessary tools and resources to effectively demonstrate their comprehensive marketing efforts to potential clients directly, available through the eXp Marketing Center.

⁶ Bundle Select is a platform that offers relocating employees information and agents to buy, sell, refinance a home, or relocate, all in one place.

⁷ eXp Exclusives is a platform that gives eXp Realty agents visibility to all pre-market and off-market listings across the U.S. and Canada.

⁸ My Link My Lead enables eXp agents to share links to eXp Realty's national search site and automatically refer the leads generated outside of the agent's market service area. This patent pending technology is exclusively available to eXp Realty agents to help them grow their businesses by leveraging exprealty.com's nationwide coverage.

⁹ HomeHunter is an innovative web application designed to improve the home search process for consumers across Europe, the Middle East, South Africa, India, Australia and New Zealand.

The Company's three reportable segments are as follows:

- North American Realty: includes real estate brokerage operations in the United States and Canada, as well as lead-generation and other real estate support services provided in North America.
- International Realty: includes real estate brokerage operations in all other international locations.
- Other Affiliated Services: includes our SUCCESS[®] Magazine, Frame[®] technology, and other smaller ventures.

The Company also reports corporate expenses, as further detailed below, as "Corporate and other" which include expenses incurred in connection with business development support provided to the agents as well as resources, including administrative, brokerage operations and legal functions.

All segments follow the same basis of presentation and accounting policies as those described throughout the Notes to the Condensed Consolidated Financial Statements included in the Company's Form 10-Q. The Company accounts for intersegment sales and transfers as if the sales or transfers were to third parties, that is, at current market prices. The following table provides information about the Company's reportable segments and a reconciliation of the total segment Revenues to consolidated Revenues and Adjusted Segment EBITDA to the consolidated operating profit (loss) from continuing operations and Goodwill (in thousands). Financial information for the comparable prior periods presented have been revised to conform with the current year presentation.

	Revenues	
	Three Months Ended March 31,	
	2024	2023
North American Realty	\$ 927,137	\$ 837,114
International Realty	15,596	10,758
Other Affiliated Services	1,788	1,677
Revenues reconciliation:		
Segment eliminations	(1,467)	(1,096)
Consolidated revenues	<u>\$ 943,054</u>	<u>\$ 848,453</u>
	Adjusted EBITDA	
	Three Months Ended March 31,	
	2024	2023
North American Realty	\$ 17,807	\$ 21,203
International Realty	(3,355)	(3,676)
Other Affiliated Services	(767)	(681)
Corporate expenses and other	(2,643)	(2,223)
Consolidated Adjusted EBITDA	<u>\$ 11,042</u>	<u>\$ 14,623</u>
Operating (Loss) Profit Reconciliation:		
Depreciation and amortization expense	2,399	2,215
Litigation contingency	16,000	-
Stock compensation expense	8,827	9,660
Stock option expense	1,990	2,746
Consolidated operating (loss) profit	<u>(\$ 18,174)</u>	<u>\$ 2</u>
	Goodwill	
	March 31, 2024	December 31, 2023
North American Realty	\$ 14,295	\$ 14,595
International Realty	-	-
Other Affiliated Services	2,387	2,387
Segment and consolidated total	<u>\$ 16,682</u>	<u>\$ 16,982</u>

The Company does not use segment assets to allocate resources or to assess performance of the segments and therefore, total segment assets have not been disclosed.

Geographical information

For the years ended December 31, 2023, 2022 and 2021 approximately 9%, 9% and 8%, respectively, of the Company's total revenue was generated outside of the U.S. Long-lived assets held outside of the U.S. were 14% and 6% as of December 31, 2023 and 2022, respectively.

The Company's CODM does not use segment assets to allocate resources or to assess performance of the segments and therefore, total segment assets have not been disclosed.

Competition

Our real estate brokerage competes with local, regional, national and international residential and commercial real estate brokerages with respect to the sale of homes and commercial properties and to attract and retain agents, teams of agents, brokers and consumers — both home sellers and buyers. We compete primarily on the basis of our service, culture, collaboration, and utilization of cloud-based systems and technologies that reduce costs, while providing relevant and substantial professional development and opportunities for our agents and brokers to generate more business and participate in the growth of our Company.

Real estate brokerage companies typically realize revenues in the form of a commission based on a percentage of the price of each property purchased or sold, which varies based on geographical location and specific customer-agent negotiations, among other factors. Therefore, variability in the commissions earned in the real estate industry exists based on general economic and market factors, as well as the price and volume of properties sold. We are positioned to earn commissions on either — or both — of the buy side or sell side of real estate transactions, as well as the ability to receive other fees for complementary services provided during the closing process.

We believe that we are the only international real estate brokerage presently using a 3D immersive office environment in place of physical brick-and-mortar offices. Additionally, this innovative operational structure coupled with our distribution model allows us to effectively enter new markets with speed and flexibility and without much of the investment and cost associated with establishing a traditional brokerage. We also believe our compensation and incentive programs to attract and retain highly productive agents are one of the most compelling in the industry. As such, we believe that we are well positioned in our competitive landscape.

During fiscal quarter ended March 31, 2024, home sales transactions in the United States were down 2.7%, year over year, whereas the home sales transactions of the Company's residential real estate brokerage in the U.S. grew 2.0%, year over year. During that same period, the estimated market share of the Company's U.S. residential real estate brokerage grew its market share. These competitive gains are due to agent growth and productivity gains.¹⁰

Q1 2024 Home Sales Transactions Growth (Y/Y)			eXp Estimated Market Share			
	eXp Realty	Industry		2023	2024	Growth (Y/Y)
Q1	+2.0%	-2.7%	Q1	4.2%	4.4%	4.9%

¹⁰ Sources: Industry transactions based on NAR existing home sales (assuming 2 sides per sale) and U.S. Census Bureau new home sales (assuming 1 side per sale); eXp Realty represents YoY Percent Change in eXp U.S. residential realty sales units as per Company data excluding leases and rentals.

Government Regulation

See Part II - Section B.7.3 of this prospectus for additional information on the Company's legal proceedings. For additional information with respect to related risks facing our business, see Part II – Section A "Risk Factors" included elsewhere within this prospectus.

Legal and Regulatory Environment

All of our businesses, as well as our joint ventures (such as mortgage origination, title underwriting, and ancillary agent support services), operate in highly regulated industries and are subject to changes in government policy, variations in the interpretation and enforcement of laws by regulatory bodies and other government entities, and modifications to existing laws, regulatory frameworks, and guidelines.

Residential Real Estate

We primarily serve the residential real estate industry, which is regulated by federal, international, state, provincial and local laws and authorities as well as private associations or state-sponsored associations or organizations. Further, lawsuits, investigations, disputes and regulatory proceedings against us or other professionals or businesses in the residential real estate industry and tangential industries may impact the Company and its affiliated real estate professionals when the outcomes of those cases address practices common to the broader industry, business community, or the Company and may result in litigation or investigations for the Company.

We are a participant in MLSs through our subsidiary entities, employees, and affiliated real estate professionals. Many of our affiliated real estate professionals are members of the NAR and state Realtor associations. The regulations, rules and policies of these organizations are subject to change, which changes can be influenced by regulatory developments, litigation, and other actions.

From time to time, certain industry practices come under federal or state scrutiny or are the subject of litigation. The industry is currently experiencing increased scrutiny by private parties, regulators and other government offices, both on a federal and state level, particularly in the areas of antitrust and competition, RESPA compliance (and similar state statutes), Telephone Consumer Protection Act compliance ("TCPA") (and similar state statutes) and worker classification.

RESPA

RESPA, along with various state and international real estate laws, governs the payments and referrals associated with residential sales and settlement services, such as mortgages, title insurance, and home insurance. These laws may impose limitations on arrangements involving our real estate brokerage, affiliated real estate professionals, lead generation efforts, and the businesses of our joint ventures, in addition to mandating timely disclosure about such relationships. While RESPA and similar statutes allow for certain payments, fee splits, and affiliated business arrangements, compliance can be challenging due to varying interpretations by courts and regulators. Violations can result in significant penalties, including fines and legal fees, particularly where RESPA and similar statutes have been invoked by plaintiffs in private litigation for various purposes. Additionally, we're bound by state laws that restrict inducements and gifts to consumers, affecting our lead-generation efforts.

Antitrust

Our business is subject to various antitrust and competition laws, including the Sherman Antitrust Act, the Federal Trade Commission Act, the Clayton Act, and other related federal, state, and provincial laws in the jurisdictions in which we operate. These laws prevent anti-competitive behaviors such as price-fixing and other conduct that unreasonably restrains trade and competition.

In 2021, the Department of Justice (“DOJ”) withdrew its consent to a November 2020 proposed settlement with NAR concerning alleged anti-competitive practices in real estate. While the DOJ dismissed its lawsuit against NAR in July 2021, it indicated a broader investigation into NAR’s activities. In November 2021, NAR modified its rules to implement most of the changes the DOJ settlement sought. In January 2023, a court set aside the DOJ’s new investigative demand related to NAR. The indirect and direct effects, if any, of this action upon the real estate industry are not yet clear.

While anti-competition enforcement has intensified across industries, there is a unique focus on the real estate industry in the United States and Canada. For example, the White House issued an Executive Order in July 2021 identifying real estate brokerages and listings as an area of focus. In 2018, a joint workshop by the DOJ and FTC addressed potential competition issues in the residential real estate sector which could be the subject of future enforcement actions.

As disclosed in Part II - Section B.7.3 of this prospectus, we are a defendant in certain antitrust class action complaints which allege violations of federal antitrust law in the United States and Canada. These lawsuits, together with similar lawsuits against other businesses in our industry, have prompted discussion of regulatory changes to rules established by local or state real estate boards or MLSs. The resolution of the antitrust litigation and/or other regulatory changes may require changes to our or our brokers’ business models, including changes in agent and broker compensation. This could reduce the fees we receive from our affiliated real estate professionals, which, in turn, could adversely affect our financial condition and results of operations.

Internationally, our operations are also subject to laws against improper payments, including the U.S. Foreign Corrupt Practices Act and similar global regulations.

Worker Classification

Except for certain employees who have an active real estate license or in jurisdictions with unique local laws, our real estate professionals in our brokerage operations have been retained as independent contractors, either directly or indirectly through third-party entities formed by these independent contractors for their business purposes. With respect to these independent contractors, we are subject to the Internal Revenue Service regulations, foreign regulations and applicable state and provincial law guidelines regarding independent contractor classification. These regulations and guidelines are subject to judicial and agency interpretation. We continue to monitor these matters as well as related federal and state developments.

Cybersecurity and Data Privacy Regulations

Our business necessitates collecting and handling sensitive personal data, and we are governed by various domestic and international privacy and cybersecurity laws. For example, in the U.S., we are required to comply with the Gramm-Leach-Bliley Act, which governs the disclosure and safeguarding of consumer financial information, as well as state statutes governing privacy and cybersecurity matters like the CCPA. California further strengthened privacy regulations with the California Privacy Rights Act in 2020, effective January 1, 2023, introducing more stringent requirements and creating a dedicated enforcement agency. Other states have enacted or are considering their own privacy laws. Internationally, the GDPR grants extensive privacy rights and enforces strict penalties for non-compliance. With the E.U.-U.S. Privacy Shield being invalidated in 2020, businesses have turned to alternative mechanisms like standard contractual clauses for data transfer. Additionally, global data privacy regulations continue to evolve.

For additional information with respect to related risks facing our business, see Part II – Section A - Risk Factors in this prospectus, in particular under the caption “Cybersecurity incidents could disrupt our business operations, result in the loss of critical and confidential information, adversely impact our reputation and harm our business.”

TCPA

The TCPA limits specific telemarketing actions, such as autodialing and using artificial voice messages, and has established a national Do-Not-Call registry. The TCPA has a broad definition of autodialing and mandates written consent for some communications to mobile phones. Some states have, or might introduce, their own versions of the TCPA. We are susceptible to class action claims suggesting we're responsible for contacts made by our real estate professionals.

Environmental Regulation

The Company operates in a cloud-based model which gives us an insignificant physical geographical footprint. Due to this, we are not materially impacted by any environmental regulation. However, sustainable investing and environmental, social, and governance practices continue to be the focus of increased regulatory scrutiny across jurisdictions. In the U.S., the SEC has proposed climate disclosure rules to require public issuers to include enhanced disclosure regarding corporate climate-related information in their periodic reports and registration statements. Such information would include climate-related risks that are reasonably likely to have a material impact on an issuer's business or results of operations, as well as certain climate-related financial statement metrics. In addition, we expect state laws and regulations regarding these topics to continue to evolve and impose new and additional requirements. For example, in October 2023, California enacted a new climate accountability package pursuant to its new Climate Corporate Data Accountability Act that will require annual disclosure of certain greenhouse gas emissions and new Climate-Related Financial Risk Act that will require biennial disclosure of certain climate-related financial risks and mitigation measures, each beginning in 2026, subject to applicable implementing regulations and rulemaking that may impact final scope and compliance timing. Globally, the International Sustainability Standards Board and applicable sustainability disclosure standards impact how national regulators and governance bodies approach these and related topics.

Other Regulation

We operate in multiple geographies and industries which subject us to various governmental and non-governmental rules and regulations, including without limitation, franchising, fair trade, health and data privacy rules. As we expand into new businesses and markets, we assign and/or engage appropriate personnel to manage and comply with such requirements.

5.2 Organizational Structure

For a description of the Company's beneficial ownership, please refer to Section 11.2 below.

Subsidiaries

eXp is the parent company of the eXp group. The Company holds, directly or indirectly, the capital and voting rights of each of its subsidiaries listed below.

Pursuant to Item 601(b)(21)(ii) of U.S. Regulation S-K, the names of other subsidiaries of the Company are omitted because, considered in the aggregate, they would not constitute a significant subsidiary.

Name	Jurisdiction of Organization	Percentage of Ownership by the Company (%)
eXp Realty, LLC	Washington, U.S.A.	100%
eXp Realty of California, Inc.	Washington, U.S.A.	100%
eXp Realty of Connecticut, LLC	Connecticut, U.S.A.	100%
eXp Realty Associates, LLC	Georgia, U.S.A.	100%
eXp Realty of Canada, Inc.	Canada	100%
eXp Realty North, LLC	North Dakota, U.S.A.	100%
eXp International Holdings, Inc.	Delaware, U.S.A.	100%
Zoocasa Realty Inc.	Canada	100%

Name	Jurisdiction of Organization	Percentage of Ownership by the Company (%)
eXp World Technologies, LLC	Delaware, U.S.A.	100%
SUCCESS Enterprises LLC	Delaware, U.S.A.	100%

Joint Ventures and Variable Interest Entity

Variable interest entities (“VIEs”)

A company is deemed to be the primary beneficiary of a VIE and must consolidate the entity if the company has both: (i) the power to direct a VIE’s activities that most significantly impact the VIE’s economic performance and (ii) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE.

Joint ventures

A joint venture is a contractual arrangement whereby the Company and other parties undertake an economic activity through a jointly controlled entity. Joint control exists when strategic, financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control. Joint ventures are accounted for using the equity method and are recognized initially at cost. Joint ventures are typically included in the Other Affiliated Services unless the joint venture specifically supports one of the reportable segments.

The Company has several joint venture investments. As of December 31, 2023, the operations of these joint ventures are not material to the Company’s financial position or results of operations.

5.3 Plant, Property and Equipment, Net

The Company’s plant, property and equipment, net consisted of the following:

(in thousands)	March 31, 2024	December 31, 2023
Computer hardware and software	\$ 38,372	\$ 37,444
Furniture, fixture and equipment	2,253	2,254
Total depreciable property and equipment	40,625	39,698
Less: accumulated depreciation	(29,778)	(27,733)
Depreciable property, net	10,847	11,965
Discontinued operations	(9)	(11)
Assets under development	1,393	1,013
Property, plant and equipment, net	\$ 12,231	\$ 12,967

For the three months ended March 31, 2024 and 2023 depreciation expense was \$2,059 and \$2,067, respectively.

VI. SELECTED FINANCIAL INFORMATION

6.1 Selected Financial Data

The selected consolidated financial data of the Company set out in this prospectus have been prepared in accordance with U.S. GAAP. The following consolidated statements of comprehensive income (loss) and the consolidated balance sheets data of the Company for the fiscal years ended December 31, 2023, 2022 and 2021 are derived in part from and should be read in conjunction with Management’s Discussion and Analysis of Financial Condition and Results of Operations and the Company’s audited consolidated financial statements and notes thereto appearing respectively on pages 26 – 38 and 44 – 65 of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed with the SEC

on February 22, 2024 (the “**Company’s Form 10-K**”). The selected consolidated balance sheet data as of December 31, 2021, are derived from the Company’s audited consolidated financial statements contained in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022, filed with the SEC on February 28, 2023, which is available, free of charge, on the website of the SEC. The following selected condensed consolidated statements of comprehensive income (loss) for the quarterly periods ended March 31, 2024 and 2023 and the condensed consolidated balance sheets data of the Company as of March 31, 2024 and December 31, 2023, are derived from the Company’s unaudited condensed consolidated financial statements contained on pages 4 – 18 of Company’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024, filed with the SEC on May 1, 2024 (the “**Company’s Form 10-Q**”).

SELECTED THREE-YEAR FINANCIAL DATA
(In thousands, except share amounts and per share data) (audited)

	Year Ended December 31,		
	2023	2022	2021
Consolidated Statements of Comprehensive (Loss) Income:			
Revenues (1)	\$ 4,281,105	\$ 4,598,161	\$ 3,771,170
Total operating expenses (2)	4,297,566	4,592,753	3,737,018
Operating (loss) income (3)	(16,461)	5,408	34,152
Total other (income) expense, net	(3,026)	820	480
Income tax (benefit) expense (4)	(4,462)	(10,836)	(47,487)
Net (loss) income (5)	(8,973)	15,424	81,159
Net income attributable to noncontrolling interest	—	18	61
Net (loss) income attributable to eXp World Holdings, Inc.	(8,973)	15,442	81,220
(Loss) earnings per share			
Basic	(0.06)	0.10	0.56
Diluted	(0.06)	0.10	0.51
Weighted average shares outstanding			
Basic	153,232,129	151,036,110	146,170,871
Diluted	153,232,129	156,220,165	157,729,374

	As of December 31,		
	2023	2022	2021
Consolidated Balance Sheets Data: (5)			
Cash and cash equivalents (A)	126,864	121,594	108,237
Restricted cash	44,020	37,789	67,673
Other noncurrent assets	7,400	1,703	2,827
Total assets	385,668	381,682	413,826
Current portion of lease obligation - operating lease (B)	10	175	311
Long-term payable, net of current portion (C)	20	4,697	2,714
Long-term lease obligation - operating lease, net of current portion (D)	—	694	765
Total liabilities	141,660	132,690	190,293
Equity	244,008	248,992	223,533

	Year Ended December 31,		
	2023	2022	2021
Consolidated Statements of Cash Flows:			
Net cash provided by operating activities	209,131	210,535	246,892
Net cash used in investing activities (7)	(13,503)	(22,461)	(18,923)
Dividends declared and paid	(28,519)	(25,229)	(11,548)
Net cash used in financing activities	(184,089)	(204,514)	(179,924)
Cash, cash equivalents and restricted cash, ending balance	\$ 170,884	\$ 159,383	\$ 175,910

- (1) The Company’s total revenues were \$4.3 billion in 2023 compared to \$4.6 billion in 2022, a decrease of (\$317.1) million, or (7)%. Total revenues decreased primarily as a result of lower volume of real estate brokerage commissions, which is attributable to a decrease of overall real estate transactions and lower home sales prices in the Company’s markets, partially offset by growth in the Company’s agent base, compared to 2022.
- (2) 2023 includes impairment charges for goodwill and amortizable intangible assets of \$9.2 million related to the Virbela segment.
- (3) Operating loss in 2023 reflects lower revenue and impairment charges, partially offset by reduced operating costs.
- (4) The Company’s provision for income taxes amounted to a benefit of (\$4.5) million, a benefit decrease of \$6.4 million for the year ended December 31, 2023. The decrease in income tax benefit was primarily attributable to the decrease in excess benefit from stock-based compensation in current year and higher non-deductible executive compensation expenses.

- (5) Net loss in 2023 reflects lower revenue and impairment charges, partially offset by reduced operating costs and income tax benefit. The difference between the operating loss and the lower (loss) before income taxes is due to interest income recognized due to higher interest rates on cash balances.
- (6) As of December 31, 2023, the Company's total financial indebtedness is \$(126,834,000) (i.e., (B + C + D) - A).
- (7) For the year ended December 31, 2023, cash used in the Company's investing activities decreased primarily due to a decrease of (\$6.7) million in capital expenditures and an increase of \$5.4 million invested in unconsolidated subsidiaries in the current year offset by \$9.9 million Zoocasa business acquisition in 2022.

SELECTED QUARTERLY FINANCIAL DATA
(In thousands, except share amounts) (unaudited)

In the first quarter of 2024, the Company determined that there has been a significant change to the Virbela business model. As its customers evolve post-COVID, including a return-to-work-offices, and in light of ongoing internal and external demand for web-accessible platforms and artificial intelligence solutions, the Company has experienced a decline in demand for its application-based platform, Virbela, and a rising interest in its web-accessible platform, Frame[®]. Accordingly, the Company has begun the process of winding down the Virbela business, which includes closing out current contracts, and reducing its external customers and internal employee support. Further, the technology is being replaced with Virbela Frame[®] technology that will be primarily utilized internally within the Company. The Company expects the process to wind down the Virbela business to be completed by the fourth quarter of 2024. As a result of this change, the Company has determined that Virbela qualifies for reporting as discontinued operations and is reported as discontinued operations. The Company will present the assets and liabilities of Virbela within discontinued operations in the Company's consolidated balance sheet and Virbela's results of operations will be included in discontinued operations in the Company's condensed consolidated statements of comprehensive income. Prior year segment and financial statement information has been reclassified to reflect Virbela as discontinued operations.

	Three months ended March 31,	
	2024	2023
Condensed Consolidated Statements of Comprehensive Income (loss):		
Revenues (1)	\$ 943,054	\$ 848,453
Total operating expenses	961,228	848,451
Operating (loss) income (2)	(18,174)	2
Income tax benefit	(3,305)	(1,458)
Net (loss) income from continuing operations	(13,830)	1,992
Net loss from discontinued operations	(1,809)	(539)
Net (loss) income	(15,639)	1,453
(Loss) earnings per share		
Basic, net (loss) income from continuing operations	\$ (0.09)	\$ 0.01
Basic, net loss from discontinued operations	\$ (0.01)	\$ (0.00)
Basic, net (loss) income	\$ (0.10)	\$ 0.01
Diluted, net (loss) income from continuing operations	\$ (0.09)	\$ 0.01
Diluted, net loss from discontinued operations	\$ (0.01)	\$ (0.00)
Diluted, net (loss) income	\$ (0.10)	\$ 0.01
Weighted average shares outstanding		
Basic	154,740,334	152,546,766
Diluted	154,740,334	155,668,712

- (1) Revenues represent the commission revenue earned by the Company for closed brokerage real estate transactions. In the first quarter of 2024, compared to the first quarter of 2023, the Company's revenue increased due to increased real estate transactions driven by increased agent productivity and higher home sales prices, which more than offset declines in the U.S. real estate markets. The Company's revenues also increased due to increased international production in previously launched markets.
- (2) The operating loss in the first quarter of 2024 of \$18.2 million compared to operating profit of \$0.2 million in the first quarter of 2023, reflects the litigation contingency accrual of \$16 million, and increased legal expenses related to the antitrust lawsuits, as well as increased severance and employee-related expenses, partially offset by increased revenues, net of agent commissions and other agent-related costs. In the third and fourth quarters of 2023, the Company proceeded to workforce reductions resulting in severance payments that impacted its first quarter of 2024. These workforce reductions were the result of the general contraction of home sale transaction volume in the Company's markets.

	As of	
	March 31, 2024	December 31, 2023 (audited)
Condensed Consolidated Balance Sheets Data: (1)		
Cash and cash equivalents (A)	\$ 109,169	\$ 125,873
Restricted cash	74,735	44,020
Other noncurrent assets	11,058	7,400
Total assets	426,749	385,668
Current portion of lease obligation – operating lease (B)	7	10
Long-term payable, net of current portion (C)	20	20
Total liabilities	204,312	141,660
Equity	222,437	244,008

(1) As of March 31, 2024, the Company's total financial indebtedness is \$(109,142,000) (i.e., (B + C) - A).

	Three months ended March 31,	
	2024	2023
Condensed Consolidated Statements of Cash Flows:		
Net cash provided by operating activities	\$ 60,654	\$ 56,144
Net cash used in investing activities	(5,245)	(1,782)
Net cash used in financing activities	(40,809)	(36,205)
Cash, cash equivalents and restricted cash, ending balance	183,904	178,134

ASSETS AND LIABILITIES OF DISCONTINUED OPERATIONS (In thousands) (Unaudited)

As mentioned above, the Company has determined that Virbela qualifies for reporting as discontinued operations and is reported as discontinued operations. Further, the Company reclassified the assets and liabilities of the Virbela segment as assets and liabilities of discontinued operations in the consolidated balance sheets.

	March 31, 2024	December 31, 2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,064	\$ 991
Accounts receivable, net of allowance for credit losses of \$16 and \$99, respectively	310	626
Prepays and other assets	257	347
TOTAL CURRENT ASSETS	1,631	1,964
Property, plant, and equipment, net	9	11
Intangible assets, net	3,396	3,469
Deferred tax assets	2,390	2,308
TOTAL ASSETS	\$ 7,426	\$ 7,752
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 26	\$ 110
Accrued expenses	1,380	1,699
TOTAL CURRENT LIABILITIES	1,406	1,809
TOTAL LIABILITIES	\$ 1,406	\$ 1,809

There has been no material change to the Company's financial position since March 31, 2024 (the date to which the latest financial information of the Company was prepared).

6.2 Independent Registered Public Accounting Firm

Since 2019, the independent registered public accounting firm of the Company is Deloitte & Touche LLP, 555 Mission Street, Suite 1400, San Francisco, California 94105, U.S.A. Deloitte & Touche LLP is registered with the Public Company Accounting Oversight Board (United States) and a member of the American Institute of Certified Public Accountants.

VII. STATEMENT OF CAPITALIZATION AND INDEBTEDNESS AS OF MARCH 31, 2024

The following tables set forth the Company's capitalization and indebtedness as of March 31, 2024 and the Company's statement of indebtedness as of March 31, 2024, in accordance with paragraphs 166 and 175 of the Guidelines on disclosure requirements under the Prospectus Regulation issued by the European Securities and Markets Authority (ESMA 32-382-1138 dated March 4, 2021).

7.1 Capitalization and Indebtedness (in thousands - unaudited)

Total current debt (including current portion of non-current debt)	\$	7
- Guaranteed		—
- Secured	\$	7
- Unguaranteed / Unsecured		—
Total non-current debt (excluding current portion of non-current debt)	\$	20
- Guaranteed		—
- Secured		—
- Unguaranteed / Unsecured	\$	20
Stockholders' equity		
a. Share capital and additional paid-in capital	\$	841,578
b. Legal reserve		—
c. Total other reserves	\$	(619,141)
- Treasury stock, at cost: 31,514,913 shares held at March 31, 2024	\$	(578,591)
- Accumulated deficit	\$	(39,993)
- Accumulated other comprehensive loss	\$	(557)
Total equity	\$	222,437

There has been no material change to the Company's capitalization and indebtedness since March 31, 2024 (the date to which the latest financial information of the Company was prepared).

7.2 Statement of Indebtedness (in thousands - unaudited)

A. Cash	\$	62,504
B. Cash equivalents	\$	46,665
C. Other current financial assets		—
D. Liquidity (A + B + C)	\$	109,169
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	\$	7
F. Current portion of non-current financial debt		—
G. Current financial indebtedness (E + F)	\$	7
H. Net current financial indebtedness (G - D)	\$	(109,162)
I. Non-current financial debt (excluding current portion and debt instruments)	\$	20
J. Debt instruments		—
K. Non-current trade and other payables		—
L. Non-current financial indebtedness (I + J + K)	\$	20
M. Total financial indebtedness (H + L)	\$	(109,142)

As of March 31, 2024, the Company also had restricted cash of \$74,735. Restricted cash consists of cash held in escrow by the Company on behalf of real estate buyers. The Company recognizes a corresponding customer deposit liability until the funds are released. Once the cash transfers from escrow, the Company reduces the respective customers' deposit liability.

7.3 Indirect and Contingent Indebtedness

Contingencies

From time to time, the Company is subject to potential liability under laws and government regulations and various claims and legal actions that may be asserted against us that could have a material adverse effect on the business, reputation, results of operations, cash flows or financial condition. Such litigation includes, but is not limited to, actions or claims relating to cyber-attacks, data breaches, the RESPA, the Telephone Consumer Protection Act of 1991 and state consumer protection laws, antitrust and anticompetition, worker classification, timely filing required SEC filings and non-compliance with contractual or other legal obligations.

Litigation and other legal matters are inherently unpredictable and subject to substantial uncertainties and adverse resolutions could occur. In addition, litigation and other legal matters, including class-action lawsuits, government investigations and regulatory proceedings can be costly to defend and, depending on the class size and claims, could be costly to settle. The Company believes that its defenses and assertions in pending legal proceedings have merit and the Company believes that it has adequately and appropriately accrued for legal matters that are estimable. However, substantial unanticipated judgments, penalties, sanctions, and fines do occur. As a result, the Company could from time to time incur judgments, enter into settlements, or revise its expectations regarding the outcome of certain matters, and such developments could have a material adverse effect on its results of operations in the period in which the amounts are accrued and/or its cash flows in the period in which the amounts are paid.

For the cases described below, management is currently unable to reasonably estimate the possible loss or range of possible loss because, among other reasons, (i) the proceedings are in preliminary stages, (ii) specific damage amounts have not been sought, (iii) damages sought are, in our opinion, unsupported and/or exaggerated, (iv) there is uncertainty as to the outcome of pending appeals or motions in these and similar lawsuits affecting the industry, (v) there are significant factual issues to be resolved; and/or (vi) there are novel legal issues or unsettled legal theories presented. For the matters described below, we have not recorded any accruals as of December 31, 2023. However, the Company has determined that a material loss is reasonably possible in the near term, and facts could emerge through the course of the lawsuits that lead the Company to determine that a loss is estimable, resulting in an accrued liability that could be material.

Since October 31, 2023, the Company and/or its subsidiaries have been named as defendants in numerous putative class action complaints brought in various U.S. district courts and the Federal Court of Canada relating to antitrust matters, which lawsuits are described below.

The following lawsuits, brought by putative classes of residential property sellers, allege that defendants participated in a system that resulted in sellers of residential property purportedly paying inflated buyer broker commissions in violation of federal and state antitrust laws, as applicable: *Gibson et al. v. National Association of Realtors et al.*, Case No. 4:23-cv-00788-FJG (filed in the United States District Court for the Western District of Missouri, Western Division); *1925 Hooper LLC, et al. v. The National Association of Realtors et al.*, Case No. 1:23-cv-05392- SEG (United States District Court for the Northern District of Georgia, Atlanta Division); *Grace v. The National Association of Realtors, et al.*, Case No. 3:23-cv-06352 (United States District Court for the Northern District of California, San Francisco Division); *Umpa, et al. v. The National Association of Realtors et al.*, Case No. 4:23-cv-00945 (United States District Court for the Western District of Missouri, Western Division); *Gael Fierro et al. v. The National Association of Realtors, et al.*, Case No. 2:24-cv-00449 (United States District Court for the Central District of California) ("Fierro Litigation"); *Willsim Latham, LLC, et al. v. MetroList Services, Inc., et al.*, Case No. 2:24-at-00067 (United States District Court for the Eastern District of California, Sacramento Division) ("Latham Litigation"); *Kevin*

McFall v. Canadian Real Estate Association, et al., Case No. T-119-24-ID 1 (Federal Court of Canada) ("McFall Litigation"); and *Nathaniel Whaley et al. v. The National Association of Realtors, et al.*, Case No. 2:24-cv-00105 (United States District Court for the District of Nevada) ("Whaley Litigation"); *Boykin v. The National Association of Realtors, et al.*, Case No. 2:24-cv-00340 (United States District Court for the District of Nevada); and *Shauntell Burton et al. v. Bluefield Realty Group, LLC, et al.*, Case No. 7:24-cv-01800-JDA (United States District Court for the District of South Carolina). The following lawsuit, brought by a putative class of residential property buyers, alleges that defendants participated in a system that resulted in buyers of residential property purportedly paying inflated home prices as a result of sellers purportedly paying inflated buyer broker commissions in violation of federal and Illinois antitrust laws: *Batton v. Compass, Inc., et al.*, Case No. 1:23-cv-15618 (United States District Court for the Northern District of Illinois, Eastern Division). The plaintiffs in these lawsuits seek a permanent injunction enjoining the defendants from requiring home sellers to pay buyer-broker commissions or from otherwise restricting competition among brokers, an award of declaratory relief and damages or restitution on behalf of certain home sellers or buyers, as applicable, in those states or provinces, as applicable, as well as attorneys' fees and costs of suit. Plaintiffs allege joint and several liability and seek treble or other multiple damages.

As of March 31, 2024, the Company has determined that it is probable that a loss associated with the antitrust litigation has occurred and that the lower boundary of potential loss is reasonably estimable.

Based on an analysis of settlements negotiated by co-defendants companies in similar legal matters and ongoing developments in the antitrust litigation, the Company has recorded a provision for loss of \$16.0 million which represents the lower boundary of a reasonably possible range of loss. The high-end range of loss cannot be reasonably estimated at this time due to the dynamic nature of the lawsuit and the contingent nature of possible outcomes. We have determined that it is at least reasonably possible that the loss estimate provision could change in the near term and that such change could be material. This contingent uncertainty highlights the provisional nature of the current loss estimate. Additionally, we cannot provide any assurances that results of such litigation will not have a material adverse effect on our business, results of operations, cash flows or financial condition.

The Company continues to vigorously defend against these claims. However, due to the complexities inherent in such litigation, including the uncertainty of legal processes and potential developments in the cases, the ultimate liability may differ from the current provision. The Company will reassess this estimate as additional information becomes available or as circumstances change.

Commitments

In March and April 2022, an indirect subsidiary and unconsolidated joint venture of the Company, SUCCESS Lending, entered into Mortgage Warehouse Agreements and related ancillary agreements (the "**Credit Agreements**") with Flagstar Bank FSB and Texas Capital Bank, which each provide SUCCESS Lending with a revolving warehouse credit line of up to \$25 million. It is customary for mortgage businesses like SUCCESS Lending to obtain warehouse credit lines in order to enable them to close and fund residential mortgage loans for subsequent sale to investors. SUCCESS Lending will use the borrowing capacity under the Credit Agreements exclusively for such purposes and borrowings will generally be repaid with the proceeds received from the sale of mortgage loans.

In connection with the Credit Agreements, the Company has entered into Capital Maintenance Agreements with each of Flagstar Bank FSB and Texas Capital Bank whereby the Company agrees to provide certain funds necessary to ensure that SUCCESS Lending is at all times in compliance with its financial covenants under the Credit Agreements. The Company's capital commitment liability under the Capital Maintenance Agreement with Flagstar Bank FSB is limited to \$2.0 million. The Company's capital commitment liability under the Capital Maintenance Agreement with Texas Capital Bank is limited to \$1.25 million. The Credit Agreements represent off-balance sheet arrangements for the Company.

Legal Proceedings

See Contingencies and Commitments above for additional information regarding the Company's legal proceedings, which is incorporated herein by reference. We cannot provide any assurances that results of such litigation will not have a material adverse effect on our business, results of operations, cash flows or financial condition.

Litigation and other legal matters are inherently unpredictable and subject to substantial uncertainties and adverse resolutions could occur. In addition, litigation and other legal matters, including class action lawsuits, government investigations and regulatory proceedings can be costly to defend and, depending on the class size and claims, could be costly to settle. As such, the Company could incur judgments, penalties, sanctions, fines or enter into settlements of claims with liability that are materially in excess of amounts accrued and these settlements could have a material adverse effect on the Company's financial condition, results of operations or cash flows in any particular period.

There are no proceedings in which any of the Company's directors, officers or affiliates, or any registered or beneficial stockholder is an adverse party or has a material interest adverse to the Company's interest.

VIII. WORKING CAPITAL STATEMENT

As of the date of this prospectus, the Company believes that its existing balances of cash and cash equivalents and cash flows expected to be generated from the Company's operations will be sufficient to satisfy its operating requirements for at least the next twelve months.

IX. MAXIMUM DILUTION AND NET PROCEEDS**9.1 Maximum Dilution**

Assuming that the eligible independent agents participating in the offer would purchase the maximum number of Shares that may be issued pursuant to the Program (i.e., 155,481,911), the holdings of a stockholder of the Company currently holding 1% of the total outstanding share capital of the Company as of March 31, 2024, i.e., 1,548,465 Shares, and who is not an eligible independent agent participating in the offer, would be diluted as indicated in the following table:

	Percentage of the total outstanding Shares	Total number of outstanding Shares
Before the issuance of Shares under the Program (as of March 31, 2024)	1.00%	154,846,563
After issuance of 155,481,911 Shares under the Program	0.50%	310,328,474

Assuming that the eligible independent agents participating in the offer would purchase the maximum number of Shares that may be issued pursuant to the Program (i.e., 155,481,911), and based on consolidated equity as of March 31, 2024 and the total number of Shares outstanding as of March 31, 2024, the impact of the issuance of the Shares issuable under the Program on the consolidated equity per outstanding Share of a stockholder of the Company who is not an eligible independent agent participating in the offer, would be as indicated in the following table:

	Consolidated equity per outstanding Shares
Before the issuance of Shares under the Program (as of March 31, 2024)	\$1.43 ⁽¹⁾
After issuance of 155,481,911 Shares under the Program	\$6.05 ⁽²⁾

(1) Based on the total equity as of March 31, 2024, i.e., \$222,437,000.

(2) Based the total equity as of March 31, 2024 and the net proceeds as calculated below in Section 9.2.

9.2 Net Proceeds

Hypothetically, assuming that all 155,481,911 Shares remaining available for issuance under the Program pursuant to this prospectus would be purchased by the independent agents participating in the Program, and taking into account a Share price of \$10.66 (95% of a hypothetical Share price of \$11.22 which was the closing price of the Shares on June 27, 2024), then the gross proceeds of the Company in connection with the offer under the Program pursuant to this prospectus would be \$1,657,437,171.26. After deducting approximately \$160,000 in legal and accounting expenses in connection with the offer, the net proceeds would be \$1,657,277,171.26.

However, in reality, the Company does not expect to issue all the Shares it is authorized to issue under the Program. The net proceeds from the issuance of Shares over the life of the Program will depend on the level of independent agents participation and the exercise of the Committee's discretion in granting awards.

The net proceeds will be used for general corporate purposes.

X. DIRECTORS AND EXECUTIVE OFFICERS

10.1 Directors and Executive Officers

As of the date of this prospectus, the following individuals serve as directors and executive officers of the Company. All directors of the Company hold office until the next annual meeting of our stockholders or until their successors have been elected and qualified. The executive officers of the Company are appointed by the Board and hold office until their resignation or removal from office.

Name	Position	Age (as of March 27, 2024)	Date First Elected, Appointed or Hired
Board of Directors			
Glenn Sanford	Director, Chairman, Chief Executive Officer (eXp World Holdings, Inc.)	57	March 12, 2013
Randall Miles	Director, Vice-Chair	67	July 20, 2016
Dan Cahir	Director	41	November 29, 2018
Monica Weakley	Director and Independent Contractor Real Estate Agent	55	June 20, 2022
Peggie Pelosi	Director	68	January 26, 2023
Fred Reichheld	Director	72	September 7, 2023
Executive Officers			
Glenn Sanford	Director, Chairman, Chief Executive Officer (eXp World Holdings, Inc.)	57	March 12, 2013
James Bramble	Chief Legal Counsel, General Counsel, and Corporate Secretary	54	March 18, 2019
Michael Valdes	Chief Growth Officer, eXp Realty	57	May 4, 2020

<u>Name</u>	<u>Position</u>	<u>Age</u> (as of March 27, 2024)	<u>Date First Elected, Appointed or Hired</u>
Kent Cheng	Principal Financial Officer and Chief Accounting Officer	57	April 15, 2021
Leo Pareja	Chief Executive Officer, eXp Realty, LLC	41	May 23, 2022

The following is a brief description of the business experience and education of each director and executive officer during at least the past five years, indicating the person's principal occupation during that period, and the name and principal business of the organization in which such occupation and employment were carried out.

Business Experience - Board of Directors

Glenn Sanford is the founder, Chairman of the Board of Directors, and Chief Executive Officer of the Company.

Prior to real estate, Mr. Sanford was an executive with a number of technology-related companies. In 1998, Mr. Sanford founded and served as President for eShippers.com, an online e-commerce and logistics company. Since 2002, Mr. Sanford has been actively involved in the residential real estate space. Mr. Sanford ran a large mega-agent team and consulted to Keller Williams International as a member of the Agent Technology Council in the areas of online client acquisition, client conversion and technology. Mr. Sanford was also a significant contributor to Keller Williams Internet Lead Generation Masterminds. In early 2007, Mr. Sanford launched BuyerTours Realty, LLC and grew the Company to three offices and into two states. After the decline in the real estate market in 2008, Mr. Sanford and his executive team rewrote the entire business model to reduce costs and provide consumers with more information and access. In October 2009, Glenn Sanford founded and launched eXp Realty, LLC as the first truly cloud-based national real estate brokerage which replaced the traditional brick and mortar environment with a fully-immersive 3D virtual office environment where agents, brokers and staff collaborate across borders while learning and transacting business from anywhere in the world. Since that time, eXp Realty has quickly grown throughout the United States and internationally.

Glenn Sanford has proven leadership in scaling the Company into a global cloud brokerage, which highlights his strategic foresight and commitment to innovation, essential for guiding the Company's future growth.

For over 25 years, **Randall Miles** has held senior leadership positions in global financial services, financial technology and investment banking companies. His extensive investment banking background at bulge bracket, regional and boutique firms advising financial services companies on strategic and capital structure needs has crossed many disciplines. Mr. Miles' transactional and advisory experience is complemented by leadership roles at public and private equity backed financial technology, specialty finance and software companies that have included Chairman and CEO at LIONMTS where he was nominated for the Ernst & Young Entrepreneur of the Year award, CEO at Syngence Corporation, COO of AtlasBanc Holdings Corp. and CEO of Advantage Funding / NAFCO Holdings.

Mr. Miles is Managing Partner at SCM Capital Group, a global strategic and capital structure advisory firm, where he has served since in 2003. Previously, he served as Head of Investment Banking at Tigress Financial Partners, Managing Director at Riparian Partners, a division of Oppenheimer & Co., Inc. as Senior Managing Director, and Head of FIG and COO, Investment Banking at Cantor Fitzgerald & Co. Mr. Miles has held senior leadership roles at Oppenheimer & Co., D.A. Davidson and Co., The First Boston Corporation (Credit Suisse), Meridian Capital and Greenwich Capital Markets. Mr. Miles has broad public, private and nonprofit board experience and has been active for many years in leadership roles with the Make-A-Wish Foundation. He presently serves on the boards of Troika Media Group, Inc., RESAAS Services Inc., Kuity, Corp., Arthur H. Thomas Company as Chairman, Independent Director, Chairman, and Vice Chairman respectively. Mr. Miles holds a BBA from the University of Washington and holds FINRA licenses Series 7, 24, 63 and 79

Randall Miles brings valuable expertise in strategic leadership and finance, contributing critical insights and skills necessary to support the Company's ambitions in expanding its footprint and enhancing stockholder value.

Dan Cahir has more than 15 years of experience managing public and private equity investments across a variety of industries. Currently, Mr. Cahir serves as the Chief Executive Officer and Chief Investment Officer of Sapling Capital, LLC, positions he has held at Sapling Capital, LLC and its related entities since June 2018.

From June 2013 to June 2018, Mr. Cahir served as a portfolio manager at Long Light Capital, managing a public equity portfolio and evaluating venture capital and private equity investments and allocations to external fund managers. From September 2011 to April 2013, Mr. Cahir was a member of the investment team at Ziff Brothers Investments, a private investment firm. From August 2007 to September 2009, Mr. Cahir was a member of the investment team at Madrone Capital Partners where he led the analysis on venture capital, private equity and public equity investments. Mr. Cahir began his career in September 2005 with Bain & Co., where he advised Fortune 500 and private equity clients on M&A, growth and efficiency initiatives until June 2007.

Mr. Cahir completed his studies and earned his Bachelor of Arts Degree in Economics in 2005, graduating with the summa cum laude distinction from Claremont McKenna College and completed his studies and earned a Master of Business Administration from Harvard Business School in 2011.

Dan Cahir, with an expertise in finance and risk management and experience advising Fortune 500 clients on M&A, growth strategies, and cost-cutting, is ideally suited for the Board. His strategic insights are pivotal for guiding the Company through financial complexities, driving sustainable expansion, and maximizing stockholder value.

Monica Weakley joined eXp Realty as an independent contractor real estate agent in July 2017. Ms. Weakley has more than 20 years of experience in the real estate industry, including being a team leader. Ms. Weakley has also been coaching and training agents since 2007 and founded her own real estate referral service company, GhostPostr, in 2019. In 2021, Ms. Weakley joined the Company's Agent Advisory Council which represents the interests of agents to the Board and other Company leadership.

Ms. Weakley completed her studies and earned her Bachelor of Science in Speech/Communications from Denison University in 1990.

Monica Weakley's deep industry insights from her successful career in real estate coaching and as a top agent make her a strategic asset to the Board, offering important perspectives on agent success and market strategy essential for the Company's continued growth and innovation.

Peggie Pelosi has more than 20 years of experience as a sales and network development professional and 15 years of experience as a corporate social responsibility and sustainability practitioner. Ms. Pelosi serves as the founding partner and strategic advisor of Orenda Social Purpose, positions she has held since September 2005. Until March 2023, she has also served as the Executive Director of Innovators Alliance, a network of CEOs focused on sustainable and profitable growth through innovation. Prior to her career and academic work in corporate social responsibility and sustainability, Ms. Pelosi served as a member of USANA Health Sciences, Inc.'s ("USANA") management team, first as Executive Director of Sales for Canada from 1999 until 2000 and then as Vice President of Network Development from 2000 until 2004. Since 2018, Ms. Pelosi has served as a member of USANA's Board of Directors and currently serves on USANA's Audit Committee, Compensation Committee, Governance, Risk & Nominating Committee, and serves as Chair of the Sustainability Committee.

Ms. Pelosi has received a graduate diploma from St. Michael's College at the University of Toronto in Corporate Social Responsibility & Sustainability, and has completed the NACD Directorship Certification (NACD.CD) and the ESG Competent Boards Director Certification (GCB.D).

Peggie Pelosi's leadership in corporate social responsibility and her vast experience in sales and network development uniquely qualify her for the Board, aligning with the Company's commitment to sustainable growth.

Fred Reichheld has more than 45 years of experience as a leading expert on customer and employee loyalty. Mr. Reichheld joined Bain & Company, Inc., a global business consulting firm, in 1977, was elected to the partnership of Bain & Company, Inc. in 1982, and was elected as the first Bain Fellow in January 1999, a position he continues to hold currently. Mr. Reichheld is the creator of the Net Promoter® system of management and founded Bain's Loyalty practice, which helps clients achieve superior results through improvements in customer, employee, partner and investor loyalty and has also served in a variety of other roles, including as a member of Bain & Company's Worldwide Management, Nominating, and Compensation Committees. Mr. Reichheld is a frequent speaker to major business forums and groups of CEOs and senior executives worldwide and has authored several books, including *Winning on Purpose* and *The Ultimate Question 2.0*. Since 2015, Mr. Reichheld has served as a member of FirstService Corp.'s Board of Directors and currently serves on its Nominating and Corporate Governance Committee. Since 2020, Mr. Reichheld has also served as a member of Bilt, Inc.'s Board of Directors.

Mr. Reichheld received his Bachelor of Arts in Economics from Harvard University and his Master of Business Administration from Harvard Business School.

Fred Reichheld's expertise in customer loyalty and as creator of the Net Promoter Score system positions him as an essential asset to the Board, offering strategic guidance on enhancing agent satisfaction and fostering a growth-oriented, agent-centric culture.

Business Experience - Executive Officers

Glenn Sanford's biography can be found above under "*Business Experience - Board of Directors.*"

James Bramble joined the Company as its Chief Legal Counsel and General Counsel on March 18, 2019. Mr. Bramble was appointed as the Company's Corporate Secretary on October 1, 2019. As Chief Legal Counsel and General Counsel, Mr. Bramble oversees the company's legal affairs, including corporate governance, litigation and compliance. Mr. Bramble has over 20 years of international business experience and has transformed the Company's legal and compliance functions to empower an agent-centric, globally-scaled organization. Mr. Bramble is an active member of the Association of Corporate Counsel (ACC) and is a licensed real estate agent. Mr. Bramble champions eXtend a Hand, the Company's charitable foundation and leverages his expertise in service of his community and on non-profit and private company boards.

Recently, Mr. Bramble served as Chief Legal Officer, General Counsel and Corporate Secretary at USANA, a producer of nutritional products, dietary supplements and skincare products, from February 1998 until 2018.

Mr. Bramble is a graduate of University of Utah where he obtained his B.S. (majoring in Political Science) and J.D.

Michael Valdes joined the Company on May 5, 2020 and served as our Executive Vice President of International Expansion until September 2020 when Mr. Valdes became our President of eXp Global. In July 2022, Mr. Valdes was promoted to Chief Growth Officer, eXp Realty. Mr. Valdes brings more than 25 years of expertise in global real estate and finance to eXp Realty. From November 2018 to May 2020, Mr. Valdes was Senior Vice President of Global Servicing for all brands of Realogy Corporation, an integrated provider of real estate services in the U.S., including Better Homes & Gardens, Century 21, Coldwell Banker, Corcoran, ERA and Sotheby's International Realty. In his role, Mr. Valdes oversaw the international servicing platform for all Realogy brands across more than 100 countries and opened more than 70 countries during his tenure. Prior to that, Mr. Valdes was Global Vice President of Sotheby's

International Realty, a franchise focusing on brokering and marketing of residential real estate, from December 2014 until May 2020.

Kent Cheng joined the Company as Global Controller on March 30, 2020. He was appointed the Company's Chief Accounting Officer on April 15, 2021 and Principal Financial Officer on December 1, 2023. Mr. Cheng is responsible for leading and developing the Company's global accounting, finance practices and procedures. He also ensures the preparation and analysis of all financial reports comply with applicable regulations. Mr. Cheng has decades of finance expertise in global finance, accounting and information technology functions in large, complex and geographically dispersed multi-billion-dollar global businesses.

From July 2019 until March 2020, Mr. Cheng served as the Corporate Controller at Ocean Spray, an agricultural cooperative of growers of cranberries and grapefruit, where he oversaw corporate accounting, internal controls, financial reporting, and global tax and cost accounting. Prior to that, Mr. Cheng served as Global Finance Director of The Chemours Company, a chemical company, from November 2015 until March 2019. Prior to Chemours, Mr. Cheng worked in the finance department at Akzo Nobel, Dow Chemical, Rohm and Haas, and General Electric.

Mr. Cheng is a graduate of Utah State University, where he obtained his Masters of Accounting and Sun Yat-Sen University, where he obtained a Bachelor of Business Administration. Mr. Cheng is a member of American Institute of Certified Public Accountants.

Leo Pareja joined the Company as its President of Affiliated Services in July 2022 and was subsequently promoted to Chief Strategy Officer, eXp Realty in November 2022. On April 5, 2024, Mr. Pareja was appointed as Chief Executive Officer, eXp Realty, LLC, effective immediately. In his previous role as Chief Strategy Officer, Mr. Pareja created strategies that reinforce and evolve eXp Realty's competitive advantage and industry-leading agent value proposition while also optimizing the organization at large, seizing new opportunities for growth. Mr. Pareja brings more than 20 years of real estate experience and has been recognized as a top real estate agent in RealTrends' The Thousand report, a No. 1 agent on the National Association of Hispanic Real Estate Professionals' (NAHREP) Top 250 list and a 30 under 30 agent in Realtor® Magazine. Mr. Pareja co-founded one of the largest private lending companies on the U.S. East Coast, as well as a fast-growing MLS technology vendor. He has served as founding president of NAHREP's Metro D.C. chapter, and later as national president for the organization.

Prior to joining the Company, Mr. Pareja cofounded Remine, Inc. in January 2016, where he served as CEO and President until October 2021 when Remine, Inc. was acquired by MLS Technology Holdings, LLC, and Mr. Pareja transitioned to Chief Strategy Officer. While at Remine, Mr. Pareja oversaw and managed the creation and growth of the MLS technology suite of services, which served over 1,000,000 real estate professionals in North America.

Mr. Pareja is a graduate of George Mason University where he obtained his B.A. in Integrated Studies.

There are no family relationships between any of the executive officers and directors listed above.

10.2 Fraudulent Offences and Bankruptcy, Etc.

For at least the previous five years, none of the directors or executive officers of the Company has:

- (a) been convicted in relation to fraudulent offenses;
- (b) been associated with any bankruptcies, receiverships or liquidations when acting in their capacity of directors or executive officers of the Company; or
- (c) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

10.3 Executive Compensation

The following table sets forth summary information regarding the compensation awarded to, earned by, or paid to each of the named executive officers (“NEOs”) for services rendered to us for the fiscal years ended December 31, 2023, 2022 and 2021.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards ⁽¹⁾ (\$)	Option Awards ⁽²⁾ (\$)	All Other Compensation (\$)	Total (\$)
Glenn Sanford <i>Chief Executive Officer (EXPI and eXp Realty) and Chairman of the Board</i>	2023	1,506,251	81,040	2,779,500	3,424,288	137 ⁽³⁾	7,791,216
	2022 ⁽⁴⁾	1,505,769	205,248	-	-	502	1,711,519
	2021 ⁽⁴⁾	1,528,365	398,644	-	-	189	1,927,198
Jeff Whiteside <i>Chief Financial Officer and Chief Collaboration Officer</i>	2023 ⁽⁵⁾	576,923 ⁽⁶⁾	468,750	-	2,221,094	2,854 ⁽⁷⁾	3,269,621
	2022 ⁽⁴⁾	566,731	575,000	-	-	3,435	1,145,166
	2021 ⁽⁴⁾	501,923	500,000	-	1,621,749	8,343	2,632,015
Kent Cheng <i>Chief Accounting Officer and Principal Financial Officer</i>	2023 ⁽⁸⁾	386,851	193,424	-	888,437	10,403 ⁽⁹⁾	1,479,115
Shoeb Ansari <i>Chief Information Officer</i>	2023 ⁽¹⁰⁾	500,000	250,000	-	1,776,875	10,213 ⁽¹¹⁾	2,537,088
	2022 ⁽¹²⁾	384,615	193,750 ⁽¹³⁾	-	4,600,196	14,189	5,192,750
James Bramble <i>Chief Legal Counsel, General Counsel and Corporate Secretary</i>	2023	406,000	203,000	-	1,332,656	11,973 ⁽¹⁴⁾	1,953,629
Leo Pareja <i>Chief Strategy Officer, eXp Realty</i>	2023	451,923 ⁽¹⁵⁾	225,000	-	888,437	10,184 ⁽¹⁶⁾	1,575,544

- (1) In accordance with SEC rules, the amounts shown reflect the aggregate grant date fair value of stock awards granted to NEOs during 2023, computed in accordance with FASB ASC 718, excluding the impact of forfeitures. The grant date fair value for RSUs is measured based on the closing price of the Shares on the date of grant. The assumptions used in the valuation of the stock awards are consistent with the valuation methodologies specified in *Note 9 - Stockholders' Equity* to our consolidated financial statements included in the Company's Form 10-K. Stock award vesting for the person listed is contingent on continued service.
- (2) In accordance with SEC rules, the amounts shown reflect the aggregate grant date fair value of stock option awards granted to NEOs during the covered year, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, excluding the impact of forfeitures. The grant date fair value for stock option awards is measured based on the closing price of the Shares on the date of grant. The assumptions used in the valuation of the stock options granted in 2023 are consistent with the valuation methodologies specified in *Note 9 - Stockholders' Equity* to our consolidated financial statements included in the Company's Form 10-K. Option award vesting is contingent on continued service and achievement of certain performance measures described herein, as applicable (see “*Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards)*” in the Company's Definitive Proxy Statement filed with the SEC on March 27, 2024 (the “**Company's Proxy Statement**”) for additional details).
- (3) Consists of \$137 in life insurance premiums paid by the Company on behalf of Mr. Sanford.

- (4) Due to an administrative error, the “Salary” presented for Mr. Sanford and Mr. Whiteside was overstated in 2022, by approximately \$62,981 and \$9,615, respectively, and in 2021 understated by approximately \$28,365 and \$1,923, respectively. The adjusted values are reflected in this Summary Compensation Table. In 2023, as described in the “Compensation Discussion and Analysis” in the Company’s Proxy Statement, Mr. Sanford voluntarily elected to reduce his base salary by 50% for January and February 2023.
- (5) Mr. Whiteside’s employment ceased on December 1, 2023.
- (6) Reflects Mr. Whiteside’s mid-year salary increase in May 2023.
- (7) Consists of \$137 in life insurance premiums paid by the Company and \$2,717 in Company 401(k) contributions on behalf of Mr. Whiteside.
- (8) Mr. Cheng assumed the role of Principal Financial Officer on December 1, 2023.
- (9) Consists of \$137 in life insurance premiums paid by the Company and \$10,266 in Company 401(k) contributions on behalf of Mr. Cheng.
- (10) Mr. Ansari’s employment ceased on March 20, 2024.
- (11) Consists of \$137 in life insurance premiums paid by the Company, \$760 in employer-paid health savings account contributions, and \$9,316 in Company 401(k) contributions on behalf of Mr. Ansari.
- (12) Mr. Ansari’s employment with the Company commenced on March 21, 2022.
- (13) Mr. Ansari received a \$6,250 bonus payment during 2023 but not paid due to an inadvertent administrative error. Due to the administrative error, the previously reported amount was \$187,500 for Mr. Ansari in 2022.
- (14) Consists of \$137 in life insurance premiums paid by the Company, \$1,080 in employer-paid health savings account contributions, and \$10,756 in Company 401(k) contributions on behalf of Mr. Bramble.
- (15) Reflects Mr. Pareja’s mid-year salary increase in May 2023.
- (16) Consists of \$137 in life insurance premiums paid by the Company and \$10,047 in Company 401(k) contributions on behalf of Mr. Pareja.

Health and Welfare Benefits

Our NEOs are eligible to participate in our employee benefit programs on the same basis as our other full-time, salaried employees. These benefits include a 401(k) plan, with the Company matching up to 4% of each participant’s eligible compensation, medical (including a medical waiver reimbursement of \$100 per paycheck if he/she declines to use Company coverage), dental and vision benefits, disability insurance, basic life insurance coverage, health savings accounts, accidental death and dismemberment insurance, and a monthly technology reimbursement of \$40, as well as employer-paid wellness benefits, including an employee subscriptions to the Calm® and Noom® mobile application. We design our employee benefits programs to be affordable and competitive in relation to the market, as well as compliant with applicable laws and practices. We adjust our employee benefits programs as needed based upon regular monitoring of applicable laws and practices and the competitive market. We believe these benefits are necessary to be competitive within our industry and the expense of these programs is offset by their attraction and retention value.

Special and Other Benefits

In general, we do not view perquisites or other personal benefits as a significant component of our executive compensation program. No NEOs received material perquisites or other personal benefits during 2023 that were not provided to our employees generally.

Executive Employment Terms

We have entered into written offer letters with certain of our NEOs, but each of our NEOs is at-will and we do not have employment contracts with them. In filling NEO positions, we recognize that we have to develop competitive compensation packages to attract qualified candidates in a dynamic labor market.

- *Mr. Sanford:* Mr. Sanford is the founder of the Company, and currently the CEO of the Company, and no formal offer letter or engagement letter was entered into between Mr. Sanford and the Company. Mr. Sanford’s current annual base salary is \$1,575,000. Subject to the Board’s

discretion, Mr. Sanford is eligible to receive certain cash bonus compensation and long-term incentive awards (see “*Compensation Discussion and Analysis – Quarterly and Other Cash Bonuses – Cash Bonus*” and “*Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards) – Glenn Sanford Award Compensation*” in the Company’s Proxy Statement for additional details).

- *Mr. Whiteside:* Mr. Whiteside’s employment with the Company terminated effective December 1, 2023 (see “*Compensation Tables Potential Payments upon Termination or Change in Control*” in the Company’s Proxy Statement for additional details).
- *Mr. Cheng:* We entered into an offer letter with Mr. Cheng, effective March 6, 2020, to serve as our Global Controller. In April 2021, Mr. Cheng was promoted to Chief Accounting Officer. On December 1, 2023, Mr. Cheng assumed the additional role of Principal Financial Officer. Mr. Cheng’s current annual base salary is \$386,851. Subject to Mr. Cheng’s contribution to Company growth, Mr. Cheng is eligible to receive certain annual cash bonus compensation (see “*Compensation Discussion and Analysis – Quarterly and Other Cash Bonuses – Annual Cash Bonus*” in the Company’s Proxy Statement for additional details) and has also received long-term incentive awards (see “*Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards) – 2023 NEO Award Compensation*” in the Company’s Proxy Statement for additional details).
- *Mr. Ansari:* We entered into an offer letter with Mr. Ansari, effective March 14, 2022, to serve as our Chief Information Officer. Mr. Ansari’s annual base salary was \$500,000. Subject to the Board’s discretion and Mr. Ansari’s contributions to Company growth, Mr. Ansari was eligible to receive certain annual cash bonus compensation (see “*Compensation Discussion and Analysis – Quarterly and Other Cash Bonuses – Annual Cash Bonus*” in the Company’s Proxy Statement for additional details) and long-term incentive awards (see “*Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards) – 2023 NEO Award Compensation*” in the Company’s Proxy Statement for additional details). Pursuant to the terms of his offer letter with the Company, Mr. Ansari was eligible to receive a payment (i) equal to four months’ of base pay in the event Mr. Ansari’s employment was terminated by the Company without cause, or (i) equal to one year of base pay in the event Mr. Ansari’s employment was terminated by the Company without cause in connection with a sale of the Company resulting in the Company no longer being publicly listed. Consistent with past practice, such severance would have been paid lump-sum, contingent on the effectiveness of a release of claims in favor of the Company. Mr. Ansari’s employment with the Company terminated effective March 20, 2024.
- *Mr. Bramble:* We entered into an offer letter with Mr. Bramble, effective March 12, 2019, to serve as our Chief Counsel. In October 2019, Mr. Bramble assumed the additional role of Corporate Secretary. Mr. Bramble’s current annual base salary is \$406,000. Subject to Mr. Bramble’s contribution to Company growth, Mr. Bramble is eligible to receive certain annual cash bonus compensation (see “*Compensation Discussion and Analysis – Quarterly and Other Cash Bonuses – Annual Cash Bonus*” in the Company’s Proxy Statement for additional details) and has also received long-term incentive awards (see “*Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards) – 2023 NEO Award Compensation*” in the Company’s Proxy Statement for additional details). Pursuant to the terms of his offer letter, Mr. Bramble is eligible to receive a payment equal to four months’ of base salary in the event Mr. Bramble is terminated by the Company without cause which would be paid lump-sum, contingent on the effectiveness of a release of claims in favor of the Company.
- *Mr. Pareja:* On April 5, 2024, the Company appointed Mr. Pareja as Chief Executive Officer, eXp Realty, LLC, effective immediately. As part of this appointment, the Board approved the following compensatory arrangements with Mr. Pareja: annual base salary of \$750,000; annual bonus opportunity targeted at 50% of annual base salary; an award of options to purchase Shares, with a fair value of \$1,300,000 under generally accepted accounting principles (“Fair Value”); and four

awards of restricted stock units covering Shares, each with a Fair Value of \$325,000. The option award and first restricted stock unit award will be granted effective on the first trading day following the Company's current quarterly blackout period (or as soon as reasonably practicable thereafter) (the "Initial Grant Date"). Each of the remaining three restricted stock unit awards will be granted effective on the first, second, and third anniversaries of the Initial Grant Date. The option award will be eligible to vest in equal quarterly installments over a four-year period following the Initial Grant Date and will otherwise be subject to the terms and conditions of the Company equity compensation plan under which it is granted. Each restricted stock unit award will be eligible to vest in equal quarterly installments over a one-year period following its effective grant date and will otherwise be subject to the terms and conditions of the Company equity compensation plan under which it is granted. Each award is subject to Mr. Pareja's continued service through the effective grant date. The option award will have an exercise price at least equal to the closing stock price of a Share on the trading day immediately preceding the Initial Grant Date. The option award will have an exercise price at least equal to the closing stock price of a share of Common Stock on the trading day immediately preceding the Initial Grant Date. Each award is subject to Mr. Pareja's continued service through the effective vesting date.

Resignation, Retirement, Other Termination, or Change in Control Arrangements

Certain NEOs have been granted post-employment compensation benefits, including severance and change of control arrangements. In the event of employment termination:

- Mr. Sanford's revenue share would continue even after ceasing to be an employee of the Company;
- Per his offer letter, Mr. Bramble is eligible to receive a severance payment of up to four months' of base salary in the event Mr. Bramble's employment is terminated by the Company without cause; and
- Per his offer letter, Mr. Ansari was eligible to receive a severance payment of up to four months' of base salary in the event Mr. Ansari's employment was terminated by the Company without cause (12 months if such termination was in connection with a sale of the Company resulting in the Company no longer being publicly listed).

Additionally, any option awards granted to employees, including NEOs, may be exercised: (i) for 90 days after his or her termination of employment, (ii) for 12 months after his or her death (if such death occurred during such person's employment or if such death occurred during the 90 days after termination), and (iii) for 6 months after certain events of disability (if such death occurred during such person's employment), but in each case only to the extent such option(s) would have been exercisable by such person on the date of termination, death or disability. Pursuant to the terms of the 2015 Plan, the Board may, but is not obligated to, accelerate, vest, cancel for fair value, or issue substitute awards for any option awards upon a change of control.

There are no other arrangements for resignation, retirement, termination, or change in control arrangements (including, without limitation, severance, non-401(k)-retirement or pension benefits) with any NEOs in their capacity as such.

Potential Payments upon Termination or Change in Control

Pursuant to the terms of his offer letter with the Company, Mr. Bramble is eligible to receive a payment of up to four months of base salary, less applicable withholding, in the event Mr. Bramble is terminated by the Company without cause, which term is undefined. Mr. Bramble's receipt of severance is subject to his execution of a general release in the form prescribed by the Company. Such severance payment would be equal to \$135,333, less applicable withholding (as of December 31, 2023). Consistent with past practice,

such severance would be paid lump-sum, contingent on the effectiveness of a release of claims in favor of the Company.

Pursuant to the terms of his offer letter with the Company, Mr. Ansari was eligible to receive a payment (i) equal to four months' of base pay in the event Mr. Ansari's employment was terminated by the Company without cause, or (i) equal to one year of base pay in the event Mr. Ansari's employment was terminated by the Company without cause in connection with a sale of the Company resulting in the Company no longer being publicly listed. Such severance payment would be equal to \$166,666.67 or \$500,000, less applicable withholding (as of December 31, 2023), for each such termination event, respectively. Consistent with past practice, such severance would have been paid lump-sum, contingent on the effectiveness of a release of claims in favor of the Company.

Pursuant to the terms of his offer letter with the Company, Mr. Whiteside was not eligible to receive a payment connection with his termination of employment.

Under our 2015 Plan, if we experience a change in control transaction, the Board may, but is not obligated to: accelerate, vest or cause the restrictions to lapse with respect to all or any portion of an award; cancel awards for fair value (as determined by the Board); provide for the assumption of awards or the issuance of substitute awards that will substantially preserve the otherwise applicable terms of any affected award previously granted hereunder as determined by the Board; or provide advance notice of such change in control transaction to holders of options, after which any options not exercised prior to such change in control may be cancelled. Our 2015 Plan defines a "change in control" as "(i) the dissolution or liquidation of the Company, (ii) a reorganization, merger or consolidation as a result of which the Company is not the surviving entity or as a result of which the outstanding shares of Stock are changed into or exchanged for cash, property or securities not of the Company's issue, except for a merger or consolidation with a wholly-owned subsidiary of the Company or a transaction effected primarily to change the state of the Company's incorporation, or (iii) a sale or other transfer in one or a series of transactions of all or substantially all of the assets of the Company, or of more than eighty percent (80%) of the voting stock of the Company then outstanding, to any person or entity or to persons or entities which are affiliated or acting in concert with respect to such sale or transfer."

Outstanding Equity Awards as of December 31, 2023

The following table provides information regarding the equity awards outstanding as of December 31, 2023 held by each of our NEOs:

Name	Option Awards					Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that have not Vested (#)	Market Value of Shares or Units of Stock that have not Vested (\$)
Glenn Sanford	-	-	-	-	-	127,500 ⁽¹⁾	1,978,800
	40,256 ⁽²⁾	-	-	10.93	7/31/2025	-	-
	959,744 ⁽²⁾	-	-	9.94	7/31/2030	-	-
	750,000 ⁽³⁾	-	-	9.94	7/31/2030	-	-
	13,958 ⁽⁴⁾	135,194 ⁽⁴⁾	-	16.35	9/28/2033	-	-
	-	18,348 ⁽⁴⁾	-	17.99	9/28/2028	-	-
	-	-	167,500 ⁽⁵⁾	16.35	9/28/2033	-	-
Jeff Whiteside	200,000 ⁽⁶⁾⁽⁷⁾	-	-	20.77	3/1/2024	-	-
	31,250 ⁽⁷⁾⁽⁸⁾	-	-	14.46	3/1/2024	-	-
Kent Cheng	12,500 ⁽⁹⁾	6,250 ⁽⁹⁾	-	4.13	3/29/2030	-	-
	12,500 ⁽⁸⁾	87,500 ⁽⁸⁾	-	14.46	5/19/2033	-	-
Shoeb Ansari	131,250 ⁽¹⁰⁾⁽¹¹⁾	168,750 ⁽¹⁰⁾	-	24.56	3/21/2032	-	-
	25,000 ⁽⁸⁾⁽¹¹⁾	175,000 ⁽⁸⁾	-	14.46	5/19/2033	-	-
James Bramble	63,000 ⁽¹²⁾	-	-	5.32	3/17/2029	-	-
	15,000 ⁽¹³⁾	5,000 ⁽¹³⁾	-	29.50	10/9/2030	-	-
	18,750 ⁽⁸⁾	131,250 ⁽⁸⁾	-	14.46	5/19/2033	-	-
Leo Pareja	37,500 ⁽¹⁴⁾	62,500 ⁽¹⁴⁾	-	13.85	5/23/2032	-	-
	12,500 ⁽⁸⁾	87,500 ⁽⁸⁾	-	14.46	5/19/2033	-	-

*Market value is calculated based on the closing price of our common stock on The Nasdaq Global Select Market on December 29, 2023 (the last trading day of our fiscal year), which was \$15.52.

- (1) Stock award was granted on September 28, 2023 and vests in equal quarterly installments over one year following the grant date.
- (2) Option award was granted July 31, 2020 and is fully vested.
- (3) Option award was granted on July 31, 2020 and partially vested based on continued service and based on revenues – see “*Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards) – Glenn Sanford Award Compensation*” in the Company’s Proxy Statement for additional details.
- (4) Option award was granted on September 28, 2023 and vests in equal quarterly installments over three years following the grant date.
- (5) Option award was granted September 28, 2023. 55,833 options vest on the one-year anniversary of the grant date and 111,667 vest in equal quarterly installments over a two year period beginning on the one-year anniversary of the grant date, based on continued service and Company stock performance rules. See “*Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards) – Glenn Sanford Award Compensation*” in the Company’s Proxy Statement for additional details.
- (6) Option award was granted November 1, 2020 and is fully vested.
- (7) Mr. Whiteside’s employment ceased on December 1, 2023 and the option award terminated on February 29, 2024, unless earlier exercised.
- (8) Option award was granted May 19, 2023 and vests in equal quarterly installments over four years following the grant date.
- (9) Option award was granted March 29, 2020 and vests in equal quarterly installments over four years following the grant date.
- (10) Option award was granted March 21, 2022 and vests in equal quarterly installments over four years following the grant date.
- (11) Mr. Ansari’s employment ceased on March 20, 2024 and the option award will terminate on June 20, 2024, unless earlier exercised.
- (12) Option award was granted March 18, 2019 and vests in equal quarterly installments over four years following the grant date.
- (13) Option award was granted October 9, 2020 and vests in equal quarterly installments over four years following the grant date.
- (14) Option award was granted May 23, 2022 and vests in equal quarterly installments over four years following the grant date.

10.4 Non-Employee Director Compensation

General

Our non-employee director compensation program is intended to enhance our ability to attract, retain and motivate directors of exceptional ability and to promote the common interest of directors and stockholders in enhancing the value of the Shares. The Board reviews and approves director compensation. The Compensation Committee, in cooperation with the Nomination and Corporate Governance Committee, reviews and makes recommendations to the Board on director compensation. The Compensation Committee has the authority to engage a consulting firm to evaluate director compensation.

Immediately prior to our 2023 Annual Meeting, the Board was comprised of Glenn Sanford, Eugene Frederick, Darren Jacklin, Jason Gesing, Randall Miles, Dan Cahir, Monica Weakley, and Peggie Pelosi. Pursuant to an action of the Board taken on March 30, 2023, Mr. Frederick was not nominated for re-election to the Board and the size of the Board reduced to seven members upon the expiration of his term on May 19, 2023. At our 2023 Annual Meeting, our stockholders appointed seven directors to our Board: Glenn Sanford, Darren Jacklin, Jason Gesing, Randall Miles, Dan Cahir, Monica Weakley, and Peggie Pelosi. On September 7, 2023, Mr. Jacklin resigned from the Board and Fred Reichheld was appointed by the Board to fill his vacancy as of such date. On January 10, 2024, Mr. Gesing resigned from the Board. On March 14, 2024, the Board unanimously voted to reduce the size of the Board to six members.

During the year ended December 31, 2023, all directors except Messrs. Sanford and Gesing qualified as non-employee directors; Messrs. Sanford and Gesing did not receive compensation for their directorship activities, and Mr. Sanford's compensation for his services as an employee is discussed under "Compensation Discussion and Analysis – Elements of Individual Executive Compensation in the Company's Proxy Statement". While Ms. Weakley and Mr. Frederick are independent contractor real estate agents of eXp Realty, such persons are not employees of the Company or any of its subsidiaries. During the year ended December 31, 2023, Ms. Weakley and Mr. Frederick received compensation for their directorship activities in addition to their real estate agent commission and related income earned in their capacities as independent contractor real estate agents of eXp Realty, as described below.

Independent Director Compensation

Under our independent director compensation policy, independent directors receive standardized cash retainers and equity awards in lieu of individual compensatory arrangements. The Board believes that this policy provides for transparency and parity of compensation among independent directors. Pursuant to that policy, independent directors are eligible to receive \$200,000 in annual cash compensation, paid monthly. Independent directors that assume leadership roles are eligible to receive additional annual cash compensation, paid monthly, as follows: \$25,000 for the Vice Chairman; \$50,000 for the Audit Committee Chairman; \$25,000 for the Compensation Committee Chairman; \$25,000 for the Nominating and Governance Committee Chairman; and \$25,000 for the Sustainability Committee Chairman. When an independent director is first elected to the Board, he or she is granted a stock option award with a value of approximately \$300,000, using the Black Scholes valuation methodology. The stock option vests monthly in equal installments over three years, subject to continued service. Additionally, each independent director is eligible to receive additional annual stock option grants beginning upon the commencement of his or her fourth year of directorship and each year thereafter, with each annual grant having a value of approximately \$100,000 per year using the Black Scholes valuation methodology. The stock option vests monthly in equal installments over three years, subject to continued service.

2023 Compensation for Independent Directors

For the year ended December 31, 2023, the following persons received the compensation set forth below for their directorship activities:

- Mr. Jacklin's cash compensation was \$133,341 and he was granted a stock option on July 31, 2023, scheduled to vest monthly in equal installments over three years, subject to continued service to the Company. Mr. Jacklin ceased serving as a member of our Board on September 7, 2023 and the unvested portion of the option award continued vesting as Mr. Jacklin agreed to provide non-director services to the Company;
- Mr. Miles's cash compensation was \$275,000 and he was granted a stock option on July 31, 2023, which vests monthly in equal installments over three years, subject to continued service;
- Mr. Cahir's cash compensation was \$200,012 and he was granted a stock option on November 29, 2023, which vests monthly in equal installments over three years, subject to continued service;
- Ms. Pelosi's cash compensation was \$229,167 and she was granted a stock option award on January 26 2023, which vests monthly in equal installments over three years, subject to continued service; and
- Mr. Reichheld's cash compensation was \$63,333 and he was granted a stock option on September 7, 2023, which vests monthly in equal installments over three years, subject to continued service.

2023 Compensation for Real Estate Agent Director Seat

Under our rotating agent director compensation policy, our dedicated agent director position is eligible to receive \$25,000 annual cash compensation for directorship services, paid monthly, and an annual stock option award having a value of \$25,000 using the Black Scholes valuation methodology, which vests monthly in equal installments over one year, subject to continued service. During 2023, Ms. Weakley filled the dedicated agent director position. For the year ended December 31, 2023, Ms. Weakley received cash compensation of \$25,000 for her directorship activities and she was granted a stock option award having a value of \$25,027 on June 19, 2023, which vests monthly in equal installments over one year, subject to continued service. Additionally, for the year ended December 31, 2023, Ms. Weakley received the following compensation in her role as an independent contractor real estate agent of eXp Realty and not in connection with her directorship activities:

- stock awards valued at \$2,770 under our Agent Growth Incentive Program;
- cash payment of \$130,606 under our revenue share program;
- cash payment of \$204,285 for earned real estate commission;
- cash payment of \$4,226 for her service as a real estate mentor in our mentorship program; and
- income of \$1,182 for her discount in connection with her participation in the Program.

2023 Compensation for Other Real Estate Agent

Historically, the Board has compensated Mr. Frederick pursuant to an informal policy. Under this informal policy, Mr. Frederick was eligible to receive compensation equal to \$24,000 per year, paid as cash compensation or as a stock award having an equal value, as determined in the discretion of the Board. For the year ended December 31, 2023, Mr. Frederick received \$9,184 in stock awards for his directorship activities. Mr. Frederick did not receive any cash payments for his directorship activities for the year ended December 31, 2023. Additionally, for the year ended December 31, 2023, Mr. Frederick received the following compensation in his role as an independent contractor real estate agent of eXp Realty and not in connection with his directorship activities:

- stock awards valued at \$5,624 under our Agent Growth Incentive Program; and
- cash payment of \$7,699,333 under our revenue share program.

Mr. Frederick's board term expired on May 19, 2023.

Fiscal 2023 Director Compensation Table

The following table sets forth certain information regarding the 2023 compensation earned by or awarded to each non-employee director who served on our Board during 2023. Pursuant to SEC regulations, the table includes compensation earned in connection with a non-employee director's services as an independent contractor real estate agent of eXp Realty. Mr. Sanford and Mr. Gesing did not receive compensation for their service as directors in 2023. Mr. Sanford's compensation for his services as an employee is discussed under "*Compensation Discussion and Analysis – Elements of Individual Executive Compensation*" in the Company's Proxy Statement.

Name*	Fees				Total
	Earned or Paid in Cash ⁽¹⁾	Option Awards ⁽²⁾	Stock Awards ⁽³⁾	All Other Compensation	
Darren Jacklin ⁽⁴⁾	\$ 133,341	\$ 108,003	\$ -	\$ -	\$ 241,344
Gene Frederick ⁽⁵⁾	\$ -	\$ -	\$ 14,808 ⁽⁶⁾	\$ 7,699,333 ⁽⁷⁾	\$ 7,714,141
Randall Miles ⁽⁸⁾	\$ 275,000 ⁽⁹⁾	\$ 108,003	\$ -	\$ -	\$ 383,003
Dan Cahir ⁽¹⁰⁾	\$ 200,012	\$ 100,096	\$ -	\$ -	\$ 300,108
Monica Weakley ⁽¹¹⁾	\$ 25,000	\$ 25,027	\$ 2,770 ⁽¹²⁾	\$ 340,299 ⁽¹³⁾	\$ 393,096
Peggie Pelosi ⁽¹⁴⁾	\$ 229,167 ⁽¹⁵⁾	\$ 327,539	\$ -	\$ -	\$ 556,706
Fred Reichheld ⁽¹⁶⁾	\$ 63,333	\$ 301,354	\$ -	\$ -	\$ 364,687

* Jason Gesing served as director and an executive officer, other than a named executive officer, of the Company during the year ended December 31, 2023. As noted above, he did not receive compensation for his services as a director. His compensation for his employment role as an executive is not disclosed in this table in accordance with SEC rules.

- (1) The dollar amounts shown represent all director fees earned in 2023 (excluding fees which may have been paid in 2023, but were earned in 2022, and including fees which may have been earned in 2023, but were paid in 2024).
- (2) In accordance with SEC rules, the amounts shown reflect the aggregate grant date fair value of stock option awards granted during 2023, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 ("FASB ASC 718"), excluding estimated forfeitures. The assumptions used in the valuation of these stock options are consistent with the valuation methodologies specified in *Note 9 - Stockholders' Equity* to our consolidated financial statements included in the Company's Form 10-K. Awards were granted under the 2015 Plan.
- (3) In accordance with SEC rules, the amounts shown reflect the aggregate grant date fair value of stock awards granted during 2023, computed in accordance with FASB ASC 718, excluding estimated forfeitures. The assumptions used in the valuation of these stock awards are consistent with the valuation methodologies specified in *Note 9 - Stockholders' Equity* to our consolidated financial statements included in the Company's Form 10-K. Awards were granted under the 2015 Plan.
- (4) Mr. Jacklin ceased serving as a director on September 7, 2023. As of December 31, 2023, Mr. Jacklin held vested stock options covering 930 Shares and did not hold any unvested stock awards.
- (5) Mr. Frederick ceased serving as a director on May 19, 2023. As of December 31, 2023, Mr. Frederick had unvested stock awards covering 935 Shares.
- (6) Reflects the aggregate grant date fair value of stock awards computed in accordance with FASB ASC 718, excluding estimated forfeitures, as follows: \$9,184 for stock awards granted to Mr. Frederick for his directorship activities, granted fully vested, and \$5,624 for stock awards granted to Mr. Frederick under our Agent Growth Incentive Program in connection with his role as an independent contractor real estate agent of eXp Realty, vesting over three years, subject to continued service.
- (7) Reflects cash payments made to Mr. Frederick under our revenue share program in connection with his services as an independent contractor real estate agent of eXp Realty.
- (8) As of December 31, 2023, Mr. Miles held vested stock options covering 62,366 Shares and did not hold any unvested stock awards.
- (9) Includes \$200,000 paid to Mr. Miles for his general directorship activities, plus \$25,000 for his directorship activities as Vice Chairman, plus \$50,000 for his directorship activities as Audit Committee Chairman.
- (10) As of December 31, 2023, Mr. Cahir held vested stock options covering 158,241 Shares and did not hold any unvested stock awards.
- (11) As of December 31, 2023, Ms. Weakley held vested stock options covering 4,571 Shares and unvested stock awards covering 493 Shares.
- (12) Reflects the aggregate grant date fair value of stock awards computed in accordance with FASB ASC 718, excluding estimated forfeitures, granted to Ms. Weakley under our Agent Growth Incentive Program in connection with her role as an independent contractor real estate agent of eXp Realty, vesting over three years, subject to continued service.
- (13) Reflects a cash payment of \$130,606 under our revenue share program, a real estate commission of \$204,285, a cash payment of \$4,226 under our agent mentorship program, and \$1,182 for Ms. Weakley's discount under the Program, each in connection with her role as an independent contractor real estate agent of eXp Realty.
- (14) Ms. Pelosi was appointed as a director on January 26, 2023. As of December 31, 2023, Ms. Pelosi held vested stock options covering 10,197 Shares and did not hold any unvested stock awards.
- (15) Includes \$200,000 paid to Ms. Pelosi for her general directorship activities, plus \$20,833 for her directorship activities as Sustainability Committee Chair and \$8,333 for her directorship activities as Nominating & Corporate Governance Committee Chair (which amounts were prorated as Ms. Pelosi did not have these positions during the full calendar year).
- (16) Mr. Reichheld was appointed as a director on September 7, 2023. As of December 31, 2023, Mr. Reichheld held vested stock options covering 2,089 Shares and did not hold any unvested stock awards.

We reimburse our independent directors for expenses incurred in connection with their directorship services, including attending Board and committee meetings, assisting with other Company business, such as meeting with potential officer and director candidates, as well as continuing director education.

Under our revenue share program, real estate professionals affiliated with the Company (including Ms. Weakley and Mr. Frederick) are paid a portion of the Company's commission for their contribution to Company growth, including transactions executed by the participant's frontline qualifying active agents.

Under the Agent Growth Incentive Program, agents and brokers of the Company (including Ms. Weakley and Mr. Frederick) receive restricted stock units (i) upon the agent's or broker's first completed transaction with the Company during an anniversary year, cliff-vesting after three years, subject to continued service; (ii) upon the first completed transaction with the Company by an agent or broker whom the awarded agent or broker most influenced to join, cliff-vesting after three years, subject to continued service of both the awarded agent or broker and the influenced agent or broker; (iii) upon the agent or broker achieving non-reduced "capped status" during an anniversary year, cliff-vesting after three years, subject to continued service; and (iv) upon the agent or broker achieving certain ICON award requirements during an anniversary year, cliff-vesting after three years or one year, subject to continued service, or vesting immediately, depending on the ICON award type.

Mr. Frederick and Ms. Weakley are participants in the Company's Revenue Share Plan and Agent Equity Incentive Program in their capacities as independent contractor real estate agents or brokers of the Company, and not in their roles as directors, and continue to receive those benefits similar to all other agents and brokers affiliated with the Company even after ceasing their directorship services so long as they maintain active real estate licenses and are not affiliated as an agent or broker with a competitive brokerage. During 2023, Mr. Gesing participated in the Revenue Share Plan in his capacity as an employee of the Company with a broker's license, but not in his role as a director. Mr. Sanford would continue to receive revenue if his employment with the Company ceased (see "*Compensation Discussion and Analysis - Cash Bonus*" below).

Anti-Hedging and Anti-Pledging Policies

Certain transactions in our securities (such as short sales, hedging, and transactions in derivatives) create a heightened compliance risk or could create the appearance of misalignment with our stockholders. In addition, securities that are pledged as collateral or held in a margin account create a risk of being sold without consent if the owner fails to meet a margin call or defaults on the secured obligation, thus creating the risk that a sale may occur at a time when a person is aware of material, non-public information or otherwise is not permitted to trade in Company securities. Our insider trading policy prohibits all Company insiders, including our directors, from engaging in short sales, derivative securities transactions, including hedging, with respect to Company securities, and from pledging Company securities as collateral.

To the best of the Company's knowledge, no significant portion of the Company securities has been pledged.

10.5 Conflicts of Interest

To the Company's knowledge as at the date of this prospectus, there were no potential conflicts of interest between the duties to the Company, of Board members and the executive officers, and their private interests.

Controlled Company

The Company is subject to the rules of the Nasdaq Stock Market and is in compliance with such rules.

Until July 31, 2023, we qualified as a "controlled company" within the meaning of Nasdaq corporate governance standards and, accordingly, we qualified for and from time-to-time relied on exemptions to

certain governance requirements. Under Nasdaq rules, a company may phase-in to compliance with certain governance requirements after ceasing to be a “controlled company”, including the requirement to have a compensation committee that is composed entirely of independent directors within a year of losing controlled company status. At present, the Company is in compliance with all Nasdaq rules and is not relying on governance exemptions and, as of July 31, 2024, will no longer be exempt from the governance requirements.

Director Independence

Our Board annually reviews the independence of all non-employee directors. Our Board has determined, after considering all the relevant facts and circumstances, including information requested from and provided by each director concerning his or her background, employment and affiliation, including family relationships, that Mr. Miles, Mr. Cahir, Ms. Pelosi, and Mr. Reichheld are independent directors, as defined by the listing standards of Nasdaq and the SEC, because they have no relationship with us that would interfere with their exercise of independent judgment. There are no family relationships among any of our directors and director nominees or executive officers.

Code of Ethics

The Company adopted a Code of Business Conduct and Ethics that applies to all of its directors, officers (including its chief executive officer, chief financial officer, chief accounting officer, controller and any person performing similar functions) and employees. The Company has made the Code of Ethics available on its website at https://expworldholdings.com/wp-content/uploads/2024/03/Code_of_Business_Conduct_and_Ethic.pdf.

Certain Relationships and Related Transactions

The Board has adopted a written policy requiring a majority of the Board's independent directors approve transactions between the Company and its directors, director nominees, executive officers, greater than 5% beneficial owners of the Shares, and each of their respective immediate family members, where the amount involved in the transaction exceeds or is reasonably expected to exceed \$120,000 in a single fiscal year and the related party has or will have a direct or indirect interest in the transaction (other than solely as a result of being a director or less than 10% beneficial owner of another entity). The policy provides that the Audit Committee must review transactions subject to the policy and determine whether to approve or ratify those transactions. Certain types of transactions are deemed pre-approved pursuant to standing pre-approval guidelines established by the policy. In addition, the Audit Committee has delegated authority to its Chair to pre-approve or ratify transactions under certain circumstances.

In reviewing transactions subject to the policy, the Audit Committee or the Chair of the Audit Committee, as applicable, considers (as it deems appropriate for the circumstances):

- The nature and extent of the related person's interest in the transaction;
- The approximate dollar value involved in the transaction;
- The approximate dollar value of the related person's interest in the transaction without regard to the amount of any profit or loss;
- Whether the transaction was undertaken in the ordinary course of the Company's business;
- The material terms of the transaction, including whether the transaction with the related person is proposed to be, or was entered into, on terms no less favorable to the Company than terms that could have been reached with an unrelated third-party;
- The business purpose of, and the potential benefits to the Company of, the transaction;

- Whether the transaction would impair the independence of a non-employee director;
- Required public disclosure, if any; and
- Any other information regarding the transaction or the related person in the context of the proposed transaction that would be material to the Audit Committee’s decision, in its business judgment, in light of the circumstances of the particular transaction.

Below we describe any transactions to which we have been a participant, in which the amount involved in the transaction exceeds or will exceed \$120,000 and in which any of our directors, director nominees, executive officers, or holders of more than 5% of our capital stock, or any immediate family member of, or person sharing the household with, any of these individuals, had or will have a direct or indirect material interest since January 1, 2023.

- The Company has historically owned a 25% interest in aircraft enrolled in a fractional share program managed by a third-party provider which has been used by certain executive officers, employees and agents of the Company solely for business purposes. During 2023, the third-party provider notified the Company of a temporary oversupply of private aircrafts for ownership acquisition and the Board undertook a multi-month discussion and evaluation of an opportunity to purchase an additional 25% interest in the aircraft. Concurrently, Glenn Sanford considered purchasing up to 50% of a private aircraft for his personal use and evaluated the opportunity to buy-out all third-party interests in the private aircraft partially owned by the Company. After subsequent review and discussion, the Board, with Glenn dismissed and recused from discussion and voting, (i) unanimously agreed that purchasing an additional 25% interest in the aircraft was in the best interests of the Company and its stockholders, that the purchase terms were no less favorable to the Company than terms that could have been reached with an unrelated third-party, that the Company would pursue the purchase of an additional 25% ownership in the aircraft independent of Mr. Sanford’s interest in the transaction, and that there are significant benefits to the Company in connection with the transaction, and (ii) approved the related party transaction. In June 2023, the Company purchased an additional 25% interest in the aircraft for \$1.1 million and Mr. Sanford purchased the remaining 50% interest in the aircraft. The Company’s use of this aircraft is governed by our Aircraft Usage Policy. Under the policy, any personal usage or travel is prohibited and only the CEO, CFO, Directors (excluding audit committee members), or persons designated thereby may schedule the aircraft usage for themselves or their employees, contractor and business associates whose use of the aircraft could be in the best interests of the Company.

None of our current or former directors or executive officers is indebted to us, nor are any of these individuals indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by us.

XI. EMPLOYEES

11.1 Overview

Our employees, including our brokers and our independent contractor real estate agents, represent the human capital investments imperative to our operations. As of December 31, 2023, the Company had approximately 2,114 full-time equivalent employees and 87,515 real estate agents. Our employees are not members of any labor union and we have never experienced business interruptions due to labor disputes. We also utilize part-time and temporary employees and consultants when necessary; in many of our foreign markets we rely on the use of indirect employment structures where personnel providing certain services to the foreign entities are employed by a contractor of the Company and are not employed by the Company.

Management: Our operations are overseen directly by management. Our management oversees all responsibilities in the areas of corporate administration, business development and technological research

and development. We have successfully expanded our current management to retain skilled employees with experience relevant to our business and intend to continue with this initiative. Our management's relationships with agents, brokers, technology providers and customers will provide the foundation with which we expect to grow our business in the future. We believe the skill set of our management team will be a primary asset in the development of our brands and trademarks.

Talent and Culture: Our business is driven by nine core values of community, sustainability, integrity, service, collaboration, innovation, transparency, agile and fun. At eXp, these core values are manifested throughout everything we do and support the Company's overall vision and shape our culture. We believe that our ongoing success is attributable in large part to our eXp employees who work across the U.S. and internationally in the cloud environment to support our agent-centric business model and core values. Attracting and retaining employee talent is a high priority for us and we look to hire passionate and driven individuals who want to be a part of our mission to continue to grow the brokerage and our related suite of services. We also value transparency and are committed to an open and accountable workplace where employees are empowered to raise issues. The Company provides multiple channels to speak up, ask for guidance and report concerns. eXp has been named one of the Best Places to Work on Glassdoor for each of the years 2019 through 2023. In 2021, 2022, and 2023, we were named as one of the Top 100 Companies to Watch for Remote Jobs by FlexJobs.

Health & Safety: Our employees operate in a fully remote environment and are located across the U.S. and internationally. During 2023, the Company offered self-defense training to real estate agents and brokers attending our annual fall convention and our human resources department expanded existing offerings to support the health and safety of our employees in their remote work environments. The Realtor Safety Taskforce has been established to continue fostering an environment of safety and ensure that all company related activities, events and meetings are planned and executed with safety at the forefront.

Independent Agent and Broker Support: We provide entrepreneurial business opportunities and a competitive compensation structure to our agents and brokers. Additionally, our agents and brokers have a unique choice to attain a greater vested interest in eXp through the acceptance of equity awards in eXp stock as part of their compensation offerings. These programs and our agent support platforms — including training, back-office support and communications — allow agents and brokers to successfully operate their own businesses that are aligned with our strategies and goals, creating synergies across our distribution network. We believe it is critical to our success that agent voices are heard at every level of the Company, including management, whose mission is supported by our Agent Advisory Council and the Board, which includes a rotating agent director seat.

11.2 Major Stockholders, Directors' and Executive Officers' Holdings of Shares and Options

Securities Ownership of Principal Stockholders

The following table shows, as of January 31, 2024 (except as noted otherwise), stockholders known to the Company who beneficially own more than 5% of the outstanding Shares. To the best knowledge of the Company, there has been no material change to the beneficial ownership of the stockholders listed in the table below since January 31, 2024. Beneficial ownership represents sole voting power and investment power. Unless otherwise noted below, the address of each person listed on the table is c/o eXp World Holdings, Inc. at 2219 Rimland Drive, Suite 301, Bellingham, WA 98226, U.S.A.

Name and Address	Amount and Nature of Beneficial Ownership⁽¹⁾	Percentage of Class
Group of stockholders ⁽²⁾	70,606,984	45.51%
• Glenn Sanford	• 43,622,941	• 28.12%
• Penny Sanford	• 26,984,043	• 17.39%
BlackRock, Inc.	12,349,144 ⁽³⁾	7.96%
The Vanguard Group	12,002,402 ⁽⁴⁾	7.74%

- (1) The information is based on 155,127,060 Shares issued and outstanding as of January 31, 2024. As of March 31, 2024, there were 154,846,563 Shares outstanding. The beneficial ownership of the stockholders listed in the table above has not changed significantly as of December 31, 2023 and the percentage ownership does not change by more than one percent.
- (2) In March 2021, Mr. Sanford, Ms. Sanford, Jason Gesing and Eugene Frederick filed a Schedule 13D/A with the SEC indicating that they had entered into an agreement to vote their shares as a group with respect to the election of directors and any other matter on which the Shares are entitled to vote (the "**Voting Group**"). On July 31, 2023, Ms. Sanford and Messrs. Sanford and Gesing filed a Schedule 13D/A disclosing that Mr. Frederick was no longer a member of the Voting Group. As of January 10, 2024, Mr. Gesing has elected to no longer vote together with the Voting Group with respect to the election of directors of the Company and on any other matter on which any Shares are entitled to vote. The Voting Group is now comprised solely of Mr. Sanford and Ms. Sanford. Based on information set forth in a Schedule 13D filed with the SEC on January 12, 2024 by Mr. Sanford and Ms. Sanford.
- (3) As of December 31, 2023, based on information set forth in a Schedule 13G filed with the SEC on January 24, 2024 by BlackRock, Inc. BlackRock, Inc.'s business address is 50 Hudson Yards, New York, NY 10001, U.S.A.
- (4) As of December 29, 2023, based on information set forth in a Schedule 13G/A filed with the SEC on February 13, 2024 by The Vanguard Group. The Vanguard Group's business address is 100 Vanguard Blvd., Malvern, PA 19355, U.S.A.

Because no person or group holds more than 50% of the voting power for the election of the Company's directors, the Company no longer qualifies as a "controlled company" under Nasdaq rules.

Securities Ownership of Executive Officers and Directors

The following table provides certain information regarding the ownership of the Shares, as of January 31, 2024 (except as otherwise indicated) by each person known to us to own more than 5% of our outstanding Shares; each of our NEOs; each of our directors; and all of our executive officers and directors as a group.

The number of Shares beneficially owned by each person is determined under the rules of the SEC. Under these rules, beneficial ownership includes any shares as to which the individual has sole or shared voting power or investment power and also any shares that the individual has the right to acquire by March 31, 2024 (sixty days after January 31, 2024) through the exercise or conversion of a security or other right. Unless otherwise indicated, each person has sole investment and voting power, or shares such power with a family member, with respect to the shares set forth in the following table. The inclusion in this table of any shares deemed beneficially owned does not constitute an admission of beneficial ownership of those Shares for any other purpose. Unless otherwise noted below, the address of each person listed on the table is c/o eXp World Holdings, Inc., 2219 Rimland Drive, Suite 301, Bellingham, WA 98226, USA.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership⁽¹⁾	Percentage of Class⁽²⁾
	More than 5% stockholders:		
Common Stock	Penny Sanford	26,984,043 ⁽³⁾	17.39 %
Common Stock	The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	12,002,402 ⁽⁴⁾	7.74 %
Common Stock	BlackRock, Inc. 50 Hudson Yards New York, NY 10001	12,349,144 ⁽⁵⁾	7.96 %
	Directors and named executive officers:		
Common Stock	Glenn Sanford	43,622,941 ⁽³⁾⁽⁶⁾	28.12 %
Common Stock	Randall Miles	641,864 ⁽⁷⁾	*
Common Stock	Dan Cahir	160,817 ⁽⁸⁾	*
Common Stock	Monica Weakley	11,204 ⁽⁹⁾	*
Common Stock	Peggie Pelosi	12,978 ⁽¹⁰⁾	*
Common Stock	Fred Reichheld	4,177 ⁽¹¹⁾	*
Common Stock	Kent Cheng	37,500 ⁽¹²⁾	*
Common Stock	James Bramble	107,375 ⁽¹³⁾	*
Common Stock	Leo Pareja	62,500 ⁽¹⁴⁾	*
Common Stock	All executive officers and directors as a group (10 persons)	44,754,393 ⁽¹⁵⁾	28.85 %

* - Less than one percent.

- (1) Except as otherwise indicated, we believe that the beneficial owners of the common stock listed above, based on information furnished by such owners, have sole investment and voting power with respect to such shares, subject to community property laws where applicable. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities.

- (2) Percentage of ownership is based on 155,127,060 Shares issued and outstanding as of January 31, 2024. Shares subject to options or warrants exercisable within 60 days of January 31, 2024 are deemed outstanding for purposes of computing the percentage ownership of the person holding such option or warrants, but are not deemed outstanding for purposes of computing the percentage ownership of any other person.
- (3) On January 12, 2024, Penny Sanford and Glenn Sanford (collectively, the “Group Members”) filed a Schedule 13D/A with the SEC (as amended from time-to-time, the “Schedule 13D/A”) indicating that they had entered into an agreement to vote their shares as a group with respect to the election of directors and any other matter on which our shares of common stock are entitled to vote. By virtue of the relationship described in the Schedule 13D/A, the Group Members may be deemed to constitute a “group” within the meaning of Rule 13d-5 under the Act. As a member of a group, each Group Member may be deemed to share voting and dispositive power with respect to, and therefore beneficially own, the securities of the Company beneficially owned by the Group Members as a whole. As of January 31, 2024, the Group Members are collectively the beneficial owners of 70,606,984 Shares. Such Shares represent beneficial ownership of 45.51% of outstanding Shares.
- (4) Represents Shares beneficially owned as of December 29, 2023, based on a Schedule 13G/A filed with the SEC on February 13, 2024, by The Vanguard Group. The Vanguard Group lists its address as 100 Vanguard Blvd., Malvern, PA 19355, and indicates that it has shared voting power with respect to 131,411 Shares, sole dispositive power with respect to 11,795,955 Shares, and shared dispositive power with respect to 206,447 Shares.
- (5) Represents Shares beneficially owned as of December 31, 2023, based on a Schedule 13G filed with the SEC on January 24, 2024, by BlackRock, Inc. BlackRock, Inc. lists its address as 50 Hudson Yards, New York, NY 10001, and indicates that it has sole voting power with respect to 12,052,396 Shares and sole dispositive power with respect to 12,349,144 Shares.
- (6) Includes 41,566,489 Shares, stock options to acquire 1,777,917 Shares and restricted stock unit awards to acquire 42,500 Shares, each within 60 days of January 31, 2024, and 236,035 Shares owned by Deborah Biery.
- (7) Includes 577,665 Shares and stock options to acquire 64,199 Shares exercisable within 60 days of January 31, 2024.
- (8) Includes stock options to acquire 160,817 Shares exercisable within 60 days of January 31, 2024.
- (9) Includes 6,130 Shares and stock options to acquire 5.074 Shares stock exercisable within 60 days of January 31, 2024.
- (10) Includes stock options to acquire 12,978 Shares exercisable within 60 days of January 31, 2024.
- (11) Includes stock options to acquire 4,177 Shares exercisable within 60 days of January 31, 2024.
- (12) Includes stock options to acquire 37,500 Shares exercisable within 60 days of January 31, 2024.
- (13) Includes stock options to acquire 107,375 Shares exercisable within 60 days of January 31, 2024.
- (14) Includes stock options to acquire 62,500 Shares exercisable within 60 days of January 31, 2024.
- (15) Includes beneficial ownership of the directors and executive officers listed above, together with Michael Valdes.

Subject to the information for Mr. Sanford provided under “Securities Ownership of Principal Stockholders” described above, the Company’s directors and executive officers listed in the above table, respectively, hold, individually, less than 1% of the Shares representing the Company’s capital stock as of the date of this prospectus.

Overview of 5% Shareholders

The following table shows, as of January 31, 2024, January 31, 2023 and March 31, 2022, stockholders known to the Company who beneficially own more than 5% of the outstanding Shares.

Name of Beneficial Owner	January 31, 2024		January 31, 2023		March 31, 2022	
	Amount and Nature of Beneficial Ownership	Percentage of Class	Amount and Nature of Beneficial Ownership	Percentage of Class	Amount and Nature of Beneficial Ownership	Percentage of Class
Glenn Sanford	43,622,941	28.12%	43,941,026	28.76%	44,378,888	29.50%
Penny Sanford	26,984,043	17.39%	27,284,043	17.86%	27,764,043	18.46%
The Vanguard Group	12,002,402	7.74%	10,487,220	6.86%	9,630,878	6.40%
BlackRock, Inc.	12,349,144	7.96%	—	—	—	—

11.3 Stock Plans

Agent Equity Program

The Company provides agents and brokers the opportunity to elect to receive 5% of commissions earned from each completed real estate transaction in the form of Shares. If agents and brokers elect to receive portions of their commissions in Shares, they are entitled to receive the equivalent number of Shares, based on the fixed monetary value of the commission payable. The Company recognizes a 10% discount on these issuances for the period beginning January 1, 2024 through February 29, 2024, and a 5% discount on these issuances beginning as of March 1, 2024, as an additional cost of sales charge during the periods presented.

During the three months ended March 31, 2024 and 2023, the Company issued 2,189,922 and 2,106,369 Shares, respectively, to agents and brokers with a value of \$25,868 and \$26,775, respectively, inclusive of discount.

Agent Growth Incentive Program

The Company administers an equity incentive program whereby agents and brokers become eligible to receive awards of the Shares through agent attraction and performance benchmarks (the “Agent Growth Incentive Program” or “AGIP”). The incentive program encourages greater performance and awards agents with Shares based on achievement of performance milestones. Awards typically vest after performance benchmarks are reached and three years of subsequent service is provided to the Company. Share-based performance awards are granted on a fixed-dollar amount of shares based on the achievement of performance metrics. As such, the awards are classified as liabilities until the number of share awards becomes fixed once the performance metric is achieved.

For the three months ended March 31, 2024 and 2023 the Company’s stock compensation expense attributable to the Agent Growth Incentive Program was \$8,827 and \$9,660, respectively, of which the total amount of stock compensation attributable to liability classified awards was \$650 and \$993, respectively.

Agent Thrive Program

Announced in October 2023, the Thrive program provides a stock incentive to the individual teams of leaders of culturally aligned teams that join the Company as part of the program. After affiliating with the Company, the team leader becomes eligible to receive an award of the Company’s common stock through team performance benchmarks. Awards typically vest after production benchmarks are reached and three years of subsequent service is provided to the Company. Share-based performance awards are based on a fixed-dollar amount of shares based on the achievement of production metrics. As such, the awards are classified as liabilities until the number of share awards becomes fixed once the production metric is achieved.

XII. MATERIAL CONTRACTS

Except for the variable interest entities and noncontrolling interests, and joint ventures described in Section 5.2 above, there are no other material contracts within the past 24 months.

XIII. DOCUMENTS ON DISPLAY

The Company's Internet address is <https://expworldholdings.com/>. At its Investor Relations website, <https://expworldholdings.com/financials/>, the Company makes available free of charge a variety of information for investors, including its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports, as soon as reasonably practicable after the Company electronically files such material with or furnishes it to the SEC (www.sec.gov).

The Company's Form 10-K, the Company's Form 10-Q and the Company's Proxy Statement, referred to in this prospectus, may be obtained free of charge upon request by a stockholder of record as of March 15, 2024.

The Company's Bylaws and Certificate can be found as exhibits to the Company's latest Annual Report on Form 10-K filed with the SEC.

The Company expects to issue, in late July 2024 or early August 2024, its earnings release for the quarter ended June 30, 2024. The quarterly report on Form 10-Q for such quarter will be filed with the SEC no later than August 9, 2024. The annual report on Form 10-K for the fiscal year ending December 31, 2024 will be filed with the SEC no later than March 3, 2025. These documents will be available on the web sites of the Company and the SEC indicated above.

XIV. TAX CONSEQUENCES

The following summaries are based on the income and social tax laws in effect in the respective countries as of the date of this prospectus. However, because tax and other laws are complex and can change frequently, the information below may be out of date at the time Participant purchases Shares or sells Shares under the Program. Moreover, the information in the summaries is based on certain assumptions which may or may not apply to the particular situation of Participant. Finally, in some countries, there may be exemptions and deductions applicable to Participant that are not described herein.

Therefore, Participants are strongly advised to consult their own independent personal tax advisors as to how the tax or other laws in their respective countries apply to their specific situations.

14.1 French Tax Consequences

The following summary is based on the income and social tax laws in effect in France as of the date of this prospectus. Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time Participant purchases Shares, sells Shares or receives dividends.

The following applies only to Participants who are French tax residents. If Participant is a citizen or resident of another country for local law purposes or transfers residency to another country after a Purchase Period begins, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and the Company is not in a position to assure them of any particular tax result.

Participants should address any particular questions to a specialized advisor.

Enrollment in the Program

Participant is not subject to tax or social security contributions when he/she enrolls in the Program.

Contributions

The five percent (5%) of a Participant's commission compensation are after-tax contributions and, as such, they remain subject to social security contributions (including general insurance contribution, "CSG" and contribution for the reimbursement of social insurance debt, "CRDS") and are not deductible from the total taxable salary subject to personal income tax.

Purchase of Shares

When Shares are purchased under the Program, Participant will be subject to tax on the difference (or discount) between the Fair Market Value of the Shares on the Purchase Date and the Purchase Price, net of any social security contributions which are tax deductible for income tax purposes. The discount will be taxed as income from business or profession (commission) and Participant also will be subject to social security contributions on the discount.

Sale of Shares

When Participant subsequently sells the Shares acquired under the Program, the net sale gain, calculated as the difference between the net sale price and the Fair Market Value of the Shares on the Purchase Date, will be subject to personal income tax and social tax at a combined flat tax rate. Alternatively, Participant may choose to be taxed at progressive income tax rates, in which case a portion of the social taxes will be tax deductible; however, such election will be applied to all of Participant's other investment income and may thus trigger unintended tax consequences.

Withholding and Reporting

The Company subsidiary with which Participant has an independent contractor agreement (the "Service Provider") is not required to report the taxable amount or withhold tax. It is Participant's responsibility to report and pay any tax due upon purchase of the Shares, as well as any taxes resulting from the sale of the Shares or the receipt of any dividends. If Participant is subject to additional surtax, he/she should contact his/her own personal advisor or tax office regarding the availability of a surtax reduction.

14.2 Portuguese Tax Consequences

The following summary is based on the income and social tax laws in effect in Portugal as of the date of this prospectus. Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time Participant purchases Shares, sells Shares or receives dividends.

The following applies only to Participants who are Portuguese tax residents. If Participant is a citizen or resident of another country for local law purposes or transfers residency to another country after a Purchase Period begins, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and the Company is not in a position to assure them of any particular tax result.

Participants should address any particular questions to a specialized advisor.

Enrollment in the Program

Participant is not subject to tax or social contributions when he/she enrolls in the Program.

Purchase of Shares

When Shares are purchased under the Program, Participant will be subject to income tax (plus solidarity surcharge, if applicable) on the difference between the Fair Market Value of the Shares on the Purchase Date and the Purchase Price.

Sale of Shares

Participant will be subject to tax when he/she subsequently sells the Shares purchased under the Program on the difference between the sale price and the Fair Market Value of the Shares on the Purchase Date. A tax exemption may apply up to a certain threshold on the capital gain.

Withholding and Reporting

The Company subsidiary with which Participant has an independent contractor agreement (the “Service Provider”) will be required to report the taxable amount and may withhold income tax (or solidarity surcharge, if applicable). Notwithstanding any withholding obligation by the Service Provider, it is Participant’s responsibility to report and pay any tax due upon purchase of the Shares, as well as any taxes resulting from the sale of the Shares or the receipt of any dividends.

14.3 Spanish Tax Consequences

The following summary is based on the income and social tax laws in effect in Spain as of the date of this prospectus. Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time Participant purchases Shares, sells Shares or receives dividends.

The following applies only to Participants who are Spanish tax residents. If Participant is a citizen or resident of another country for local law purposes or transfers residency to another country after a Purchase Period begins, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant’s particular tax or financial situation, and the Company is not in a position to assure them of any particular tax result.

Participants should address any particular questions to a specialized advisor.

Enrollment in the Program

Participant is not subject to tax or social contributions when he/she enrolls in the Program.

Purchase of Shares

When Shares are purchased under the Program, Participant will be subject to income tax on the difference between the Fair Market Value of the Shares on the Purchase Date and the Purchase Price.

Sale of Shares

Participant will be subject to tax at a flat rate when he/she subsequently sells the Shares purchased under the Program on the difference between the sale price and the Fair Market Value of the Shares on the Purchase Date.

Withholding and Reporting

The Company subsidiary with which Participant has an independent contractor agreement (the “Service Provider”) may be required to report the taxable amount and withhold tax. Notwithstanding any withholding obligation by the Service Provider, it is Participant’s responsibility to report and pay any tax due upon

purchase of the Shares, as well as any taxes resulting from the sale of the Shares or the receipt of any dividends.

EXHIBITS

EXHIBIT I
2024 EQUITY INCENTIVE PLAN

eXp World Holdings, Inc. 2024 Equity Incentive Plan

1. PURPOSE. eXp World Holdings, Inc., a Delaware corporation (the “Company”) has established this Plan to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company, and any Parents and Subsidiaries that exist now or in the future, by offering them an opportunity to participate in the Company’s future performance through the grant of equity based Awards. Capitalized terms not defined herein are defined in Appendix 2.

2. SHARES SUBJECT TO THE PLAN.

2.1 Number of Shares Available. Subject to Sections 2.4 and 20 and any other applicable provisions hereof, the total number of Shares reserved and available for grant and issuance pursuant to this Plan, including Shares that may be made subject to ISOs, is 150,000,000 Shares. The aggregate number of Shares reserved for grant and issuance hereunder will automatically increase on January 1 of each year, commencing on January 1, 2024, and ending on (and including) January 1, 2034, in an amount equal to the lesser of (i) three percent (3%) of the total number of shares of Common Stock outstanding on December 31 of the preceding calendar year, or (ii) such number of shares of Common Stock as determined by the Board.

2.2 Lapsed, Returned Awards. Shares subject to Awards, and Shares issued under the Plan under any Award, will again be available for grant and issuance in connection with subsequent Awards under this Plan to the extent such Shares: (i) are subject to issuance upon exercise of an Option granted under this Plan but which cease to be subject to the Option for any reason other than exercise of the Option; (ii) are subject to Awards granted under this Plan that are forfeited or are repurchased by the Company at (a) the original issue price or (b) the lower of the original issue price or current fair market value, as applicable; or (iii) are subject to Awards granted under this Plan that otherwise terminate without such Shares being issued. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan. Shares used or withheld to pay the exercise price of an Award or to satisfy the tax withholding obligations related to an Award (such as through a “net exercise”) will remain available for future grant or sale under the Plan. No fractional Shares shall be issued under the Plan.

2.3 Minimum Share Reserve. At all times the Company shall reserve and keep available a sufficient number of Shares as shall be required to satisfy the requirements of all outstanding Awards granted under this Plan.

2.4 Adjustment of Shares. If the number of outstanding Shares is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of the Company, without the receipt of consideration, or in the event of an extraordinary cash dividend, then (i) the number and kind of Shares reserved for issuance and future grant under the Plan set forth in Section 2.1, (ii) the Exercise Prices of outstanding Options or Purchase Prices (if applicable) for Other Stock-Based Awards, (iii) the number and kind of Shares and Performance Factors subject to outstanding Awards and (iv) any other terms that the Board or its delegate hereunder determines require adjustment, shall be appropriately adjusted consistent with such change or event in such manner as the Board may determine. Fractional Shares resulting from any adjustment in Awards shall be eliminated by rounding down.

3. ELIGIBILITY. ISOs may be granted only to Employees. All other Awards may be granted to Employees, Consultants and Directors of the Company or any Parent or Subsidiary of the Company whose participation in the Plan the Board or its delegate hereunder determines to be in the company’s best interests.

4. ADMINISTRATION.

4.1 Authority. This Plan will be administered by the Board. The Board, in its discretion, may delegate the granting of Awards and other administration of the Plan to a committee of the Board or to officers of the Company or other persons, subject to any applicable legal limitations and, in such event, references to the Board shall be references to such delegate(s), subject to the terms and conditions of such delegation. Subject to the general purposes, terms and conditions of this Plan, the Board will have full power to implement and carry out this Plan. The Board will have the authority, without limitation, to:

(i) determine eligible Employees, Consultants and Directors to whom Awards shall be granted from time to time and the number of Shares to be covered by each Award;

(ii) determine, from time to time, the Fair Market Value of Shares;

(iii) determine, and to set forth in Award Agreements, the terms and conditions of all Awards, including any applicable exercise or purchase price, the installments and conditions under which an Award shall become vested (which may be based on performance), terminated, expired, cancelled, or replaced, and the circumstances for vesting acceleration or waiver of forfeiture restrictions, and other restrictions and limitations, which terms and conditions need not be uniform among Awards or Participants;

(iv) approve the forms of Award Agreements and all other documents, notices and certificates in connection therewith which need not be identical either as to type of Award or among Participants;

(v) construe and interpret the terms of the Plan and any Award Agreement, to determine the meaning of their terms, and to prescribe, amend, and rescind rules and procedures relating the Plan and its administration;

(vi) delegate any of the foregoing to a subcommittee consisting of one or more executive officers pursuant to a specific delegation; and

(vii) grant Awards to eligible Employees, Consultants and Directors residing outside the U.S. or to otherwise adopt or administer such procedures or sub-plans for such Awards on such terms and conditions different from those specified in the Plan.

4.2 Board Interpretation and Discretion. Any determination made by the Board with respect to any Award shall be made in its sole discretion at the time of grant of the Award or, unless in contravention of any express term of the Plan or Award, at any later time, and such determination shall be final and binding on the Company and all persons having an interest in any Award under the Plan. Any dispute regarding the interpretation of the Plan or any Award Agreement shall be submitted by the Participant or Company to the Board for review. The resolution of such a dispute by the Board shall be final and binding on the Company and the Participant. The Board may delegate to one or more executive officers the authority to review and resolve disputes with respect to Awards held by Participants who are not Insiders, and such resolution shall be final and binding on the Company and the Participant.

4.3 Documentation. The Award Agreement for a given Award, the Plan and any other documents may be delivered to, and accepted by, a Participant or any other person in any manner (including electronic distribution or posting) that meets applicable legal requirements.

5. OPTIONS. The Board may grant Options to Participants and will determine whether such Options will be Incentive Stock Options within the meaning of the Code ("ISOs") or Nonqualified Stock Options ("NQSOs"), the number of Shares subject to the Option, the Exercise Price of the Option, the period during which the Option may vest and be exercised, and all other terms and conditions of the Option, subject to the following:

5.1 Option Grant. Each Option granted under this Plan will identify the Option as an ISO or an NQSO. An Option may be, but need not be, awarded upon satisfaction of such Performance Factors during any Performance Period as are set out in the Participant's individual Award Agreement. If the Option is being earned upon the satisfaction of Performance Factors, then the Board will: (x) determine the nature, length and starting date of any Performance Period for each Option; and (y) select from among the Performance Factors to be used to measure the performance. Performance Periods may overlap and Participants may participate simultaneously with respect to Options that are subject to different performance goals and other criteria.

5.2 Exercise Period. Options may be vested and exercisable within the times or upon the conditions as set forth in the Award Agreement governing such Option; provided, however, that no Option will be exercisable after the expiration of ten (10) years from the date the Option is granted; and provided further that no ISO granted to a person who, at the time the ISO is granted, directly or by attribution owns more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any Parent or Subsidiary of the Company as described in Section 422(b)(6) of the Code ("Ten Percent Stockholder") will be exercisable after the expiration of five (5) years from the date the ISO is granted. The Board also may provide for Options to become exercisable at one time or from time to time, periodically or otherwise, in such number of Shares or percentage of Shares as the Board determines.

5.3 Exercise Price. The Exercise Price of an Option will be determined by the Board when the Option is granted; provided that:

(i) the exercise price per share of an ISO shall not be less than 100% (or, with respect to ISOs granted to a Ten Percent Stockholder, 110%) of the Fair Market Value per share of the Common Stock on the date of grant; and

(ii) Options granted in substitution for outstanding options of another company in connection with the merger, consolidation, acquisition of property or stock or other reorganization involving such other company and the Company or any Subsidiary may be granted with an exercise price equal to the exercise price for the substituted option of the other company, subject to any adjustment consistent with the terms of the transaction pursuant to which the substitution is to occur.

(iii) The Board may issue Awards in settlement or assumption of, or in substitution for, outstanding Awards in connection with the Company or a Subsidiary acquiring another entity, an interest in another entity or an additional interest in a Subsidiary whether by merger, stock purchase, asset purchase or other form of transaction. Any Shares issuable pursuant to such Awards shall not be counted against the Share limit set forth in Section 2.1.

5.4 Method of Exercise. Any Option granted hereunder will be vested and exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Board and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share. An Option will be deemed exercised when the Company receives: (i) notice of exercise (in such form as the Board may specify from time to time) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with applicable withholding taxes). Shares issued upon exercise of an Option will be issued in the name of the Participant. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 2.4 of the Plan. Payment for Stock purchased upon any exercise of an Option shall be made in full in cash concurrently with such exercise, except that, if the Board shall have authorized it and the Company is not then legally prohibited from receiving such consideration, any other method in accordance with Section 9 of the Plan.

5.5 Termination. The exercise of an Option will be subject to the following (except as may be otherwise provided in an Award Agreement or authorized by the Board):

(i) If the Participant is Terminated for any reason except for Cause or the Participant's death or Disability, then the Participant may exercise such Participant's Options only to the extent that such Options would have been exercisable by the Participant on the Termination Date no later than ninety (90) days after the Termination Date, but in any event no later than the expiration date of the Options.

(ii) If the Participant is Terminated because of the Participant's death (or the Participant dies within ninety (90) days after a Termination other than for Cause or because of the Participant's Disability), then the Participant's Options may be exercised only to the extent that such Options would have been exercisable by the Participant on the Termination Date and must be exercised by the Participant's legal representative, or authorized assignee, no later than twelve (12) months after the Termination Date, but in any event no later than the expiration date of the Options.

(iii) If the Participant is Terminated because of the Participant's Disability, then the Participant's Options may be exercised only to the extent that such Options would have been exercisable by the Participant on the Termination Date and must be exercised by the Participant (or the Participant's legal representative or authorized assignee) no later than twelve (12) months after the Termination Date, but in any event no later than the expiration date of the Options.

(iv) If the Participant is terminated for Cause, then Participant's Options shall expire on such Participant's Termination Date.

5.6. Limitations on Exercise. The Board may specify a minimum number of Shares that may be purchased on any exercise of an Option, provided that such minimum number will not prevent any Participant from exercising the Option for the full number of Shares for which it is then exercisable.

5.7. Limitations on ISOs. With respect to Awards granted as ISOs, to the extent that the aggregate Fair Market Value of the Shares with respect to which such ISOs are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds one hundred thousand dollars (\$100,000), such Options will be treated as NQSOs. For purposes of this Section 5.7, ISOs will be taken into account in the order in which they were granted. The Fair Market Value of the Shares will be determined as of the date the Option with respect to such Shares is granted. In the event that the Code or the regulations promulgated thereunder are amended after the Effective Date to provide for a different limit on the Fair Market Value of Shares permitted to be subject to ISOs, such different limit will be automatically incorporated herein and will apply to any Options granted after the effective date of such amendment.

5.8. Modification, Extension or Renewal. The Board may modify, extend or renew outstanding Options, subject to applicable law, provided that any such action may not, without the written consent of a Participant, materially impair any of such Participant's rights under any Option previously granted. Any outstanding ISO that is modified, extended, renewed or otherwise altered will be treated in accordance with Section 424(h) of the Code.

6. RESTRICTED STOCK AWARDS.

6.1 Awards of Restricted Stock. A Restricted Stock Award is an offer by the Company to sell to, or a grant to, a Participant Shares that are subject to restrictions ("Restricted Stock"). The Board will determine to whom an offer will be made, the number of Shares the Participant may purchase, the Purchase Price (if any), the restrictions under which the Shares will be subject and all other terms and conditions of the Restricted Stock Award, subject to the Plan.

6.2 Purchase Price. The Purchase Price for a Restricted Stock Award will be determined by the Board and may be less than Fair Market Value on the date the Restricted Stock Award is granted (including zero). Payment of the Purchase Price (if any) must be made in accordance with Section 9 of the Plan, and the Award Agreement and in accordance with any procedures established by the Company.

6.3 Terms of Restricted Stock Awards. Restricted Stock Awards will be subject to such restrictions as the Board may impose or are required by law. These restrictions may be based on completion of a specified number of years of service with the Company or upon completion of Performance Factors, if any, during any Performance Period as set out in the Participant's Award Agreement. Prior to the grant of a Restricted Stock Award, the Board shall: (a) determine the nature, length and starting date of any Performance Period for the Restricted Stock Award; (b) select from among the Performance Factors to be used to measure performance goals, if any; and (c) determine the number of Shares that may be awarded to the Participant. Performance Periods may overlap and a Participant may participate simultaneously with respect to Restricted Stock Awards that are subject to different Performance Periods and having different performance goals and other criteria.

6.4 Termination of Participant. Except as may be set forth in the Participant's Award Agreement, vesting ceases on such Participant's Termination Date (unless determined otherwise by the Board).

7. RESTRICTED STOCK UNITS.

7.1 Awards of Restricted Stock Units. A Restricted Stock Unit ("RSU") is an award to a Participant covering a number of Shares that may be settled in cash, or by issuance of those Shares (which may consist of Restricted Stock). All RSUs shall be made pursuant to an Award Agreement.

7.2 Terms of RSUs. The Board will determine the terms of an RSU including, without limitation: (i) the number of Shares subject to the RSU; (ii) the time or times at which the RSU vests; (iii) the consideration to be distributed on settlement; and (iv) the effect of the Participant's Termination on each RSU. An RSU may vest upon satisfaction of such performance goals based on Performance Factors during any Performance Period as are set out in the Participant's Award Agreement. If the RSU vests upon satisfaction of Performance Factors, then the Board will: (x) determine the nature, length and starting date of any Performance Period for the RSU; (y) select from among the Performance Factors to be used to measure the performance, if any; and (z) determine the number of Shares deemed

subject to the RSU. Performance Periods may overlap and participants may participate simultaneously with respect to RSUs that are subject to different Performance Periods and different performance goals and other criteria.

7.3 Form and Timing of Settlement. The Board, in its sole discretion, may settle earned RSUs in cash, Shares, or a combination of both. The Board may also permit a Participant to defer settlement under a RSU to a date or dates after the RSU vests, provided that the terms of the RSU and any deferral satisfy the requirements of Section 409A of the Code.

7.4 Termination of Participant. Except as may be set forth in the Participant's Award Agreement, vesting ceases on such Participant's Termination Date (unless determined otherwise by the Board).

8. OTHER STOCK-BASED AWARDS.

8.1 Other Stock-Based Awards. The Board is authorized to grant to Participants Other Stock-Based Awards, including shares of Common Stock awarded purely as a bonus and not subject to any restrictions or conditions, shares of Common Stock in payment of the amounts due under an incentive or performance plan sponsored or maintained by the Company, stock equivalent units, deferred stock units, and Awards valued by reference to the value of shares of Common Stock. The Board may condition the grant or vesting of Other Stock-Based Awards upon the attainment of specified Performance Factors or such other factors as the Board may determine. The Board may also provide for the grant of Common Stock under such Awards upon the completion of a specified Performance Period. Other Stock-Based Awards may be granted either alone or in addition to or in tandem with other Awards granted under this Plan.

8.2 Terms of Other Stock-Based Awards. The Board will determine, and each Award Agreement shall set forth, the terms of each Other Stock-Based Award including, without limitation: (i) any vesting conditions; (ii) the number of Shares upon which such Other Stock-Based Award is based; (iii) the Performance Factors and Performance Period (if any) that shall determine the time and extent to which each Performance Award shall be vested or granted; (d) the consideration to be distributed on settlement; and (iv) the effect of the Participant's Termination on each Other Stock-Based Award. In establishing Performance Factors and the Performance Period (if any) the Board will: (x) determine the nature, length and starting date of any Performance Period; and (y) select from among the Performance Factors to be used. Prior to settlement the Board shall determine the extent to which Other Stock-Based Awards have been earned. Performance Periods may overlap and Participants may participate simultaneously with respect to Other Stock-Based Awards that are subject to different Performance Periods and different performance goals and other criteria.

8.3 Deferral of Other-Stock Based Awards. To the extent permitted by law, the Board may permit Participants to defer all or a portion of their compensation in the form of Other Stock-Based Awards granted under this Plan, subject to the terms and conditions of any deferred compensation arrangement established by the Company, which shall be in a manner intended to comply with Section 409A of the Code.

8.4 Termination of Participant. Except as may be set forth in the Participant's Award Agreement, vesting ceases on such Participant's Termination Date (unless determined otherwise by the Board).

9. PAYMENT FOR SHARE PURCHASES.

Payment from a Participant for Shares purchased pursuant to this Plan may be made in cash or by check or, where expressly approved for the Participant by the Board and where permitted by law (and to the extent not otherwise set forth in the applicable Award Agreement):

- (i) by forgiveness of indebtedness owed by the Company to the purchaser;
- (ii) by surrender of shares of the Company held by the Participant that have a Fair Market Value on the date of surrender equal to the aggregate exercise price or purchase price of the Shares as to which said Award will be exercised or settled;
- (iii) by reducing the number of shares of Stock to be delivered to the Participant upon exercise of the Option or settlement of an Award, with the reduction valued on the basis of the aggregate Fair Market Value on the Date of

Exercise or purchase of the additional shares of Stock that would otherwise have been delivered to the Participant upon the Option exercise or Award settlement;

(iv) by the delivery, concurrently with such exercise and in accordance with Regulation T promulgated under the Securities Exchange Act of 1934, or any successor rule or regulation, of a properly executed exercise notice for the Option and irrevocable instructions to a broker promptly to deliver to the Company to pay the exercise price a specified amount of the proceeds of a sale of the Option shares or loan secured by the Option shares;

(v) by waiver of compensation due or accrued to the Participant for services rendered or to be rendered to the Company or a Parent or Subsidiary of the Company; and/or

(vi) by any combination of the foregoing or by other means determined by the Board to be consistent with this Plan's purposes.

Subject to any Board approval requirements or other limitations under applicable laws, the Board may also assist any Participant in the payment for Shares by authorizing a loan from the Company, permitting the Participant to pay the exercise price or purchase price in installments or authorizing a guarantee by the Company of a third party loan to the Participant, and the terms and conditions of any such loan, installment sale or guarantee will be determined by the Board.

10. WITHHOLDING TAXES.

10.1 Withholding Generally. Whenever Shares are to be issued in satisfaction of Awards granted under this Plan, the Company may require the Participant to remit to the Company, or to the Parent or Subsidiary employing the Participant, an amount sufficient to satisfy applicable U.S. federal, state, local and international withholding tax requirements or any other tax liability legally due from the Participant prior to the delivery of Shares pursuant to exercise or settlement of any Award. Whenever payments in satisfaction of Awards granted under this Plan are to be made in cash, such payment will be net of an amount sufficient to satisfy applicable U.S. federal, state, local and international withholding tax requirements or any other tax liability legally due from the Participant.

10.2 Stock Withholding. The Board, in its sole discretion and pursuant to such procedures as it may specify from time to time and to limitations of local law, may require or permit a Participant to satisfy such tax withholding obligation or any other tax liability legally due from the Participant, in whole or in part by (without limitation) (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable cash or Shares having a Fair Market Value up to the maximum statutory amount required to be withheld, or (iii) delivering to the Company already-owned Shares having a Fair Market Value equal to the minimum amount required to be withheld.

11. TRANSFERABILITY. An Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution. Notwithstanding the foregoing, the Board may determine that an Award, other than an ISO, may be transferred to a Permitted Transferee, upon such additional terms and conditions as the Board deems appropriate. All Awards shall be exercisable: (i) during the Participant's lifetime only by (a) the Participant, or (b) the Participant's guardian or legal representative; (ii) after the Participant's death, by the legal representative of the Participant's heirs or legatees; and (iii) in the case of all Awards except ISOs, by a Permitted Transferee.

12. PRIVILEGES OF STOCK OWNERSHIP; RESTRICTIONS ON SHARES.

12.1 Voting and Dividends. No Participant will have any of the rights of a stockholder with respect to any Shares until the Shares are issued to the Participant, except for any dividend equivalent rights permitted by an applicable Award Agreement. After Shares are issued to the Participant, the Participant will be a stockholder and have all the rights of a stockholder with respect to such Shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares.

12.2 Restrictions on Shares. At the discretion of the Board, the Company may reserve to itself and/or its assignee(s) a right to repurchase (a "Right of Repurchase") a portion of any or all Shares held by a Participant following such Participant's Termination at any time after the later of the Participant's Termination Date and the date the Participant

purchases Shares under this Plan, for cash and/or cancellation of purchase money indebtedness, at the Participant's Purchase Price or Exercise Price, as the case may be.

13. CERTIFICATES. All Shares or other securities whether or not certificated, delivered under this Plan will be subject to such stock transfer orders, legends and other restrictions as the Board may deem necessary or advisable, including restrictions under any applicable U.S. federal, state or foreign securities law, or any rules, regulations and other requirements of the SEC or any stock exchange or automated quotation system upon which the Shares may be listed or quoted and any non-U.S. exchange controls or securities law restrictions to which the Shares are subject.

14. ESCROW; PLEDGE OF SHARES. To enforce any restrictions on a Participant's Shares, the Board may require the Participant to deposit all certificates representing Shares, together with stock powers or other instruments of transfer approved by the Board, appropriately endorsed in blank, with the Company or an agent designated by the Company to hold in escrow until such restrictions have lapsed or terminated, and the Board may cause a legend or legends referencing such restrictions to be placed on the certificates. Any Participant who is permitted to execute a promissory note as partial or full consideration for the purchase of Shares under this Plan will be required to pledge and deposit with the Company all or part of the Shares so purchased as collateral to secure the payment of the Participant's obligation to the Company under the promissory note; provided, however, that the Board may require or accept other or additional forms of collateral to secure the payment of such obligation. In connection with any pledge of the Shares, the Participant will be required to execute and deliver a written pledge agreement in such form as the Board will from time to time approve. The Shares purchased with the promissory note may be released from the pledge on a pro rata basis as the promissory note is paid.

15. SECURITIES LAW AND OTHER REGULATORY COMPLIANCE. An Award will not be effective unless such Award is in compliance with all applicable U.S. and foreign federal and state securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system upon which the Shares may then be listed or quoted, as they are in effect on the date of grant of the Award and also on the date of exercise or other issuance. Notwithstanding any other provision in this Plan, the Company will have no obligation to issue or deliver certificates for Shares under this Plan prior to: (i) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and/or (ii) completion of any registration or other qualification of such Shares under any state or federal or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable. The Company will be under no obligation to register the Shares with the SEC or to effect compliance with the registration, qualification or listing requirements of any foreign or state securities laws, stock exchange or automated quotation system, and the Company will have no liability for any inability or failure to do so.

16. NO OBLIGATION TO EMPLOY. Nothing in this Plan or any Award granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Parent or Subsidiary of the Company or limit in any way the right of the Company or any Parent or Subsidiary of the Company to terminate Participant's employment or other relationship at any time.

17. CORPORATE TRANSACTIONS.

In the event of (i) the dissolution or liquidation of the Company, (ii) a reorganization, merger or consolidation as a result of which the Company is not the surviving entity or as a result of which the outstanding shares of Stock are changed into or exchanged for cash, property or securities not of the Company's issue, except for a merger or consolidation with a wholly-owned subsidiary of the Company or a transaction effected primarily to change the state of the Company's incorporation, or (iii) a sale or other transfer in one or a series of transactions of all or substantially all of the assets of the Company, or of more than fifty percent (50%) of the voting stock of the Company then outstanding, to any person or entity or to persons or entities which are affiliated or acting in concert with respect to such sale or transfer (each, a "Change in Control"), the Board may, but shall not be obligated to:

(a) accelerate, vest or cause the restrictions to lapse with respect to all or any portion of an Award;

(b) cancel Awards for fair value (as determined by the Board) which, in the case of Options may equal the excess, if any, of the per share value of the consideration to be paid in the Change in Control transaction for Common Stock over the Exercise Price of such Options (or, if such Exercise Price is greater than the consideration paid in the Change in Control transaction, the Board may cancel such Options for no consideration);

(c) provide for the assumption of Awards or the issuance of substitute Awards that will substantially preserve the otherwise applicable terms of any affected Award previously granted hereunder as determined by the Board;

(d) provide advance notice of such Change in Control transaction to holders of Options, after which any Options not exercised prior to such Change in Control may be cancelled; or

(e) cancel Awards (whether vested or unvested).

Any Award granted under this Plan shall automatically terminate upon the closing of a Change in Control, unless provision shall be made in connection with such Change in Control for the assumption of the Award by, or the substitution for such Award of a new Award covering the stock or other equity securities of, the surviving, successor or purchasing entity or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares or other securities or property to be issued upon exercise of the Award and the exercise price, as applicable. This paragraph shall not restrict the Board from permitting or requiring other accelerations of vesting upon transactions described in this paragraph or any other acquisitions of the Company's shares or business or changes in control of the Company or any other event. The treatment of Awards upon a Change in Control need not be uniform among Awards or Participants.

Notwithstanding anything in this Section 17 to the contrary, if a payment under an Award Agreement is subject to Section 409A of the Code and if the change in control definition contained in the Award Agreement or other written agreement related to the Award does not comply with the definition of "change in control" for purposes of a distribution under Section 409A of the Code, then any payment of an amount that otherwise is accelerated under this Section 17 will be delayed until the earliest time that such payment would be permissible under Section 409A of the Code without triggering any penalties applicable under Section 409A of the Code.

18. **ADOPTION AND STOCKHOLDER APPROVAL.** This Plan shall be submitted for the approval of the Company's stockholders, consistent with applicable laws, within twelve (12) months before or after the date this Plan is adopted by the Board.

19. **TERM OF PLAN/GOVERNING LAW.** Unless earlier terminated as provided herein, this Plan will become effective on the Effective Date and will terminate ten (10) years from the date this Plan is adopted by the Board or is approved by the Company's stockholders, whichever is earlier. This Plan and all Awards granted hereunder shall be governed by and construed in accordance with the laws of the State of Delaware.

20. **AMENDMENT OR TERMINATION OF PLAN.** The Board shall have complete power and authority to alter, amend, suspend or terminate this Plan, provided that no such action shall materially impair a Participant, without his or her consent, of any Award or any rights granted thereunder or hereunder. Stockholder approval of amendments shall be required only to permit the issuance of Incentive Options or otherwise to comply with applicable laws or regulatory requirements.

21. **AWARD AGREEMENTS AND AMENDMENTS.** Each Award granted under this Plan shall be evidenced by an agreement between the Company and the Participant, which shall be approved by the Board or an executive officer of the Company. The Award Agreement shall comply with the provisions of this Plan and the terms of the Award's grant by the Board and may contain additional terms not inconsistent with this Plan and such grant which are deemed necessary or desirable by the Board or the executive officer. Subject to the terms and limitations set forth in this Plan, the Board and the Participant may without approval modify, extend, renew or terminate any outstanding Award or Award Agreement.

22. **NONEXCLUSIVITY OF THE PLAN.** Neither the adoption of this Plan by the Board, the submission of this Plan to the stockholders of the Company for approval, nor any provision of this Plan will be construed as creating any limitations on the power of the Company to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock awards and bonuses otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

23. **COMPLIANCE WITH SECTION 409A OF THE CODE.** Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Section 409A of the Code such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A of the Code, except as otherwise determined in the sole discretion of the Board or its delegate

hereunder. The Plan and each Award Agreement under the Plan is intended to be either exempt from the application of or meet the requirements of Section 409A of the Code and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Board or its delegate hereunder. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A of the Code, the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A of the Code, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A of the Code. In no event will the Company or any of its Subsidiaries or Parents have any obligation or liability under the terms of the Plan to reimburse, indemnify, or hold harmless any Participant or any other person in respect of Awards, for any taxes, interest or penalties imposed, or other costs incurred, as a result of Section 409A of the Code.

Appendix 2: Definitions

As used in the Plan, the following definitions shall apply:

“Award” means any award under the Plan, including any Option, Restricted Stock, or Other Stock-Based Award.

“Award Agreement” means, with respect to each Award, the written or electronic agreement between the Company and the Participant setting forth the terms and conditions of the Award, which shall be in substantially a form (which need not be the same for each Participant) that the Board has from time to time approved, and will comply with and be subject to the terms and conditions of this Plan.

“Board” means the Board of Directors of the Company.

“Cause” means (a) in the case where there is no employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Company and the Participant at the time of the grant of the Award (or where there is such an agreement but it does not define “cause” (or words of like import), (i) Participant’s willful failure substantially to perform his or her duties and responsibilities to the Company or deliberate violation of a Company policy; (ii) Participant’s commission of any act of fraud, embezzlement, dishonesty or any other willful misconduct that has caused or is reasonably expected to result in material injury to the Company; (iii) unauthorized use or disclosure by Participant of any proprietary information or trade secrets of the Company or any other party to whom the Participant owes an obligation of nondisclosure as a result of his or her relationship with the Company; or (iv) Participant’s willful breach of any of his or her obligations under any written agreement or covenant with the Company; or (b) in the case where there is an employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Company and the Participant at the time of the grant of the Award that defines “cause” (or words of like import), “cause” as defined under such agreement. The determination as to whether a Participant is being terminated for Cause shall be made in good faith by the Company and shall be final and binding on the Participant. The foregoing definition does not in any way limit the Company’s ability to terminate a Participant’s employment or consulting relationship at any time as provided in Section 16 above, and the term “Company” will be interpreted to include any Subsidiary or Parent, as appropriate.

“Code” means the United States Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

“Common Stock” means the Company’s Common Stock, par value \$0.00001 per share.

“Company” means eXp World Holdings, Inc., a Delaware corporation, or any successor corporation.

“Consultant” means any person or entity, including an advisor or independent contractor, engaged by the Company or a Parent or Subsidiary to render services to such entity other than in connection with the offer or sale of securities in a capital raising transaction.

“Director” means a member of the Board.

“Disability” means in the case of ISOs, total and permanent disability as defined in Section 22(e)(3) of the Code and in the case of other Awards, that the Participant is unable to engage in any substantial gainful activity by reason of

any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

“Effective Date” means the date on which the Plan has received approval by the Company’s stockholders required in accordance with the Company’s governing documents and applicable law.

“Employee” means any person, including Officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director’s fee by the Company will be sufficient to constitute “employment” by the Company.

“Exchange Act” means the United States Securities Exchange Act of 1934, as amended.

“Exercise Price” means the price at which a holder may purchase the Shares issuable upon exercise of an Option.

“Fair Market Value” means, as of any date, the value of a share of the Company’s Common Stock determined as follows: (i) If the Common Stock is traded on an established securities market, the closing price of a share of the Common Stock on such date on the composite transactions report of the principal securities market on which the Common Stock is so traded, or, if there is no sale of the Common Stock on such date, then on the last previous date on which there was a sale; or, (ii) if the Common Stock is not then traded on an established securities market, the fair market value of a share of the Common Stock as determined by the Board in a manner it considers reasonable or appropriate under the circumstances, taking into account the requirements of Section 409A or 422 of the Code, as applicable. The determination of fair market value for purposes of tax withholdings may be made in the Board’s (or its delegate’s) discretion subject to applicable laws and is not required to be consistent with the determination of Fair Market Value described above or for other purposes.

“Insider” means any person providing services to the Company or a Subsidiary whose transactions in the Company’s Common Stock are subject to Section 16 of the Exchange Act.

“Option” means an award of an option to purchase Shares pursuant to Section 5.

“Other Stock-Based Award” means an Award under Section 8 that is valued in whole or part by reference to, or is payable in or otherwise based on, Common Stock.

“Parent” means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of such corporations other than the Company owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

“Participant” means a person who holds an Award under this Plan.

“Performance Factors” means any performance goal, metric or measure, individually or in combination, as determined by the Board or its delegate hereunder.

“Performance Period” means the period of service determined by the Board, during which years of service or performance is to be measured for the Award.

“Permitted Transferee” means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (including adoptive relationships) of the Participant, any person sharing the Participant’s household (other than a tenant or employee), a trust in which these persons (or the Participant) have more than 50% of the beneficial interest, a foundation in which these persons (or the Participant) control the management of assets, and any other entity in which these persons (or the Participant) own more than 50% of the voting interests.

“Plan” means this eXp World Holdings, Inc. 2024 Equity Incentive Plan.

“Purchase Price” means the price to be paid for Shares acquired under the Plan, other than Shares acquired upon exercise of an Option.

“Restricted Stock Award” means an award of Shares pursuant to Section 6 or Section 8 of the Plan, or issued pursuant to the early exercise of an Option.

“Restricted Stock Unit” means an Award granted pursuant to Section 7 or Section 8 of the Plan.

“SEC” means the United States Securities and Exchange Commission.

“Securities Act” means the United States Securities Act of 1933, as amended.

“Shares” means shares of the Company’s Common Stock and the common stock of any successor security.

“Subsidiary” means any subsidiary corporation of the Company, whether now or hereafter existing, as defined in Section 424(f) of the Code.

“Termination” or “Terminated” means, for purposes of this Plan with respect to a Participant, that the Participant has for any reason ceased to provide services as an employee, officer, director, consultant, independent contractor or advisor to the Company or a Parent or Subsidiary of the Company. An employee will not be deemed to have ceased to provide services in the case of (i) sick leave, (ii) military leave, or (iii) any other leave of absence approved by the Board; provided, that such leave is for a period of not more than 90 days, unless reemployment upon the expiration of such leave is guaranteed by contract or statute or unless provided otherwise pursuant to formal policy adopted from time to time by the Company and issued and promulgated to employees in writing. In the case of any employee on an approved leave of absence, the Board may make such provisions respecting suspension of vesting of the Award while on leave from the employ of the Company or a Parent or Subsidiary of the Company as it may deem appropriate, except that in no event may an Award be exercised after the expiration of the term set forth in the applicable Award Agreement. In the event of military leave, if required by applicable laws, vesting shall continue for the longest period that vesting continues under any other statutory or Company approved leave of absence and, upon a Participant’s returning from military leave (under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given vesting credit with respect to Awards to the same extent as would have applied had the Participant continued to provide services to the Company throughout the leave on the same terms as he or she was providing services immediately prior to such leave. An employee shall have terminated employment as of the date he or she ceases to be employed (regardless of whether the termination is in breach of local laws or is later found to be invalid) and employment shall not be extended by any notice period or garden leave mandated by local law. The Board will have sole discretion to determine whether a Participant has ceased to provide services for purposes of the Plan and the effective date on which the Participant ceased to provide services (the “Termination Date”).

EXHIBIT II
2015 EQUITY INCENTIVE PLAN

**SECOND AMENDMENT
TO
2015 EQUITY INCENTIVE PLAN
OF
EXP WORLD HOLDINGS, INC.**

2015 Equity Incentive Plan

(as adopted on March 12, 2015, first amendment August 28, 2017, second amendment December 11, 2019)

1. **PURPOSE.** eXp World Holdings, Inc. (formerly eXp Realty International Corporation), a Delaware corporation (the “Company”) has established this Plan to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company, and any Parents and Subsidiaries that exist now or in the future, by offering them an opportunity to participate in the Company’s future performance through the grant of equity based Awards. Capitalized terms not defined herein are defined in Appendix A.

2. **SHARES SUBJECT TO THE PLAN.**

2.1 **Number of Shares Available.** Subject to Sections 2.4 and 20 and any other applicable provisions hereof, the total number of Shares reserved and available for grant and issuance pursuant to this Plan, including Shares that may be made subject to ISOs, is 30,000,000 Shares plus (i) any reserved shares not issued or subject to outstanding grants under the Company’s 2013 Stock Option Plan (the “Prior Plan”) on the Effective Date (as defined below) and (ii) shares that are subject to stock options or other awards granted under the Prior Plan that cease to be subject to such stock options or other awards by forfeiture or otherwise after the Effective Date. The aggregate number of Shares reserved for grant and issuance hereunder will automatically increase on December 1 of each year, commencing on December 1, 2019, and ending on (and including) December 1, 2024, in an amount equal to the lesser of (a) three percent (3%) of the total number of shares of Common Stock outstanding on December 31 of the preceding calendar year, or (b) the number of shares of Common Stock repurchased by the Company pursuant to any issuer repurchase plan then in effect. Notwithstanding the foregoing, the Board may act prior to December 1 of a given year to provide that there will be no share increase for such year or that the increase for such year will be a lesser number of Shares than provided herein.

2.2 **Lapsed, Returned Awards.** Shares subject to Awards, and Shares issued under the Plan under any Award, will again be available for grant and issuance in connection with subsequent Awards under this Plan to the extent such Shares: (a) are subject to issuance upon exercise of an Option granted under this Plan but which cease to be subject to the Option for any reason other than exercise of the Option; (b) are subject to Awards granted under this Plan that are forfeited or are repurchased by the Company at the original issue price; (c) are subject to Awards granted under this Plan that otherwise terminate without such Shares being issued; or (d) are surrendered pursuant to an Exchange Program. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan. Shares used or withheld to pay the exercise price of an Award or to satisfy the tax withholding obligations related to an Award (such as through a “net exercise”) will remain available for future grant or sale under the Plan. No fractional Shares shall be issued under the Plan.

2.3 **Minimum Share Reserve.** At all times the Company shall reserve and keep available a sufficient number of Shares as shall be required to satisfy the requirements of all outstanding Awards granted under this Plan.

2.4 **Adjustment of Shares.** If the number of outstanding Shares is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of the Company, without consideration, or in the event of an extraordinary cash dividend, then (a) the number and kind of Shares reserved for issuance and future grant under the Plan set

forth in Section 2.1, (b) the Exercise Prices of outstanding Options, and (c) the number and kind of Shares subject to outstanding Awards, shall be appropriately adjusted consistent with such change or event in such manner as the Board may determine. Fractional Shares resulting from any adjustment in Awards shall be eliminated by rounding down.

3. ELIGIBILITY. ISOs may be granted only to Employees. All other Awards may be granted to Employees, Consultants and Directors of the Company or any Parent or Subsidiary of the Company whose participation in the Plan the Board determines to be in the company's best interests.

4. ADMINISTRATION.

4.1 Authority. This Plan will be administered by the Board. The Board, in its discretion, may delegate the granting of Awards and other administration of the Plan to a committee of the Board or to officers of the Company or other persons, subject to any applicable legal limitations. Subject to the general purposes, terms and conditions of this Plan, the Board will have full power to implement and carry out this Plan. The Board will have the authority, without limitation, to:

(i) determine Eligible Persons to whom Awards shall be granted from time to time and the number of Shares to be covered by each Award;

(ii) determine, from time to time, the Fair Market Value of Shares;

(iii) determine, and to set forth in Award Agreements, the terms and conditions of all Awards, including any applicable exercise or purchase price, the installments and conditions under which an Award shall become vested (which may be based on performance), terminated, expired, cancelled, or replaced, and the circumstances for vesting acceleration or waiver of forfeiture restrictions, and other restrictions and limitations, which terms and conditions need not be uniform among Awards or Participants;

(iv) approve the forms of Award Agreements and all other documents, notices and certificates in connection therewith which need not be identical either as to type of Award or among Participants;

(v) construe and interpret the terms of the Plan and any Award Agreement, to determine the meaning of their terms, and to prescribe, amend, and rescind rules and procedures relating the Plan and its administration; and

(vi) delegate any of the foregoing to a subcommittee consisting of one or more executive officers pursuant to a specific delegation.

4.2 Board Interpretation and Discretion. Any determination made by the Board with respect to any Award shall be made in its sole discretion at the time of grant of the Award or, unless in contravention of any express term of the Plan or Award, at any later time, and such determination shall be final and binding on the Company and all persons having an interest in any Award under the Plan. Any dispute regarding the interpretation of the Plan or any Award Agreement shall be submitted by the Participant or Company to the Board for review. The resolution of such a dispute by the Board shall be final and binding on the Company and the Participant. The Board may delegate to one or more executive officers the authority to review and resolve disputes with respect to Awards held by Participants who are not Insiders, and such resolution shall be final and binding on the Company and the Participant.

4.3 Documentation. The Award Agreement for a given Award, the Plan and any other documents may be delivered to, and accepted by, a Participant or any other person in any manner (including electronic distribution or posting) that meets applicable legal requirements.

5. OPTIONS. The Board may grant Options to Participants and will determine whether such Options will be Incentive Stock Options within the meaning of the Code ("ISOs") or Nonqualified Stock Options ("NQSOS"), the number of Shares subject to the Option, the Exercise Price of the Option, the period

during which the Option may vest and be exercised, and all other terms and conditions of the Option, subject to the following:

5.1 Option Grant. Each Option granted under this Plan will identify the Option as an ISO or an NQSO. An Option may be, but need not be, awarded upon satisfaction of such Performance Factors during any Performance Period as are set out in advance in the Participant's individual Award Agreement. If the Option is being earned upon the satisfaction of Performance Factors, then the Board will: (x) determine the nature, length and starting date of any Performance Period for each Option; and (y) select from among the Performance Factors to be used to measure the performance. Performance Periods may overlap and Participants may participate simultaneously with respect to Options that are subject to different performance goals and other criteria.

5.2 Exercise Period. Options may be vested and exercisable within the times or upon the conditions as set forth in the Award Agreement governing such Option; provided, however, that no Option will be exercisable after the expiration of ten (10) years from the date the Option is granted; and provided further that no ISO granted to a person who, at the time the ISO is granted, directly or by attribution owns more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any Parent or Subsidiary of the Company as described in Section 422(b)(6) of the

Code ("Ten Percent Stockholder") will be exercisable after the expiration of five (5) years from the date the ISO is granted. The Board also may provide for Options to become exercisable at one time or from time to time, periodically or otherwise, in such number of Shares or percentage of Shares as the Board determines.

5.3 Exercise Price. The Exercise Price of an Option will be determined by the Board when the Option is granted; provided that:

(i) the exercise price per share of an Option shall not be less than 100% (or, with respect to ISOs granted to a Ten Percent Stockholder, 110%) of the Fair Market Value per share of the Common Stock on the date of grant; and

(ii) Options granted in substitution for outstanding options of another company in connection with the merger, consolidation, acquisition of property or stock or other reorganization involving such other company and the Company or any subsidiary of the Company may be granted with an exercise price equal to the exercise price for the substituted option of the other company, subject to any adjustment consistent with the terms of the transaction pursuant to which the substitution is to occur.

5.4 Method of Exercise. Any Option granted hereunder will be vested and exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Board and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share. An Option will be deemed exercised when the Company receives: (i) notice of exercise (in such form as the Board may specify from time to time) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with applicable withholding taxes). Shares issued upon exercise of an Option will be issued in the name of the Participant. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 2.4 of the Plan. Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised. Payment for Stock purchased upon any exercise of an Option shall be made in full in cash concurrently with such exercise, except that, if the Board shall have authorized it and the Company is not then legally prohibited from receiving such consideration, any other method in accordance with Section 9 of the Plan.

5.5. Termination. The exercise of an Option will be subject to the following (except as may be otherwise provided in an Award Agreement or authorized by the Board):

- (a) If the Participant is Terminated for any reason except for Cause or the Participant's death or Disability, then the Participant may exercise such Participant's Options only to the extent that such Options would have been exercisable by the Participant on the Termination Date no later than ninety (90) days after the Termination Date, but in any event no later than the expiration date of the Options.
- (b) If the Participant is Terminated because of the Participant's death (or the Participant dies within ninety (90) days after a Termination other than for Cause or because of the Participant's Disability), then the Participant's Options may be exercised only to the extent that such Options would have been exercisable by the Participant on the Termination Date and must be exercised by the Participant's legal representative, or authorized assignee, no later than twelve (12) months after the Termination Date, but in any event no later than the expiration date of the Options.
- (c) If the Participant is Terminated because of the Participant's Disability, then the Participant's Options may be exercised only to the extent that such Options would have been exercisable by the Participant on the Termination Date and must be exercised by the Participant (or the Participant's legal representative or authorized assignee) no later than twelve (12) months after the Termination Date, but in any event no later than the expiration date of the Options.
- (d) If the Participant is terminated for Cause, then Participant's Options shall expire on such Participant's Termination Date.

5.6. Limitations on Exercise. The Board may specify a minimum number of Shares that may be purchased on any exercise of an Option, provided that such minimum number will not prevent any Participant from exercising the Option for the full number of Shares for which it is then exercisable.

5.7. Limitations on ISOs. With respect to Awards granted as ISOs, to the extent that the aggregate Fair Market Value of the Shares with respect to which such ISOs are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds one hundred thousand dollars (\$100,000), such Options will be treated as NQSOs. For purposes of this Section 5.7, ISOs will be taken into account in the order in which they were granted. The Fair Market Value of the Shares will be determined as of the date the Option with respect to such Shares is granted. In the event that the Code or the regulations promulgated thereunder are amended after the Effective Date to provide for a different limit on the Fair Market Value of Shares permitted to be subject to ISOs, such different limit will be automatically incorporated herein and will apply to any Options granted after the effective date of such amendment.

5.8. Modification, Extension or Renewal. The Board may modify, extend or renew outstanding Options, and may accept the surrender of outstanding Options and authorize the grant of new Options in substitution therefor, provided that (a) any such action may not, without the written consent of a Participant, impair any of such Participant's rights under any Option previously granted, and (b) other than substitutions and adjustments pursuant to Section 2.4, an outstanding Option may not be modified to reduce the Exercise Price thereof, and a new Option may not be substituted for a surrendered Option, unless such action is approved by the Company's stockholders if the Shares are at such time traded on an established securities market. Any outstanding ISO that is modified, extended, renewed or otherwise altered will be treated in accordance with Section 424(h) of the Code. Subject to the preceding sentences of this Section 5.8, by written notice to affected Participants, the Board may reduce the Exercise Price of outstanding Options without the consent of such Participants; provided, however, that the Exercise Price may not be reduced below the Fair Market Value on the date the action is taken to reduce the Exercise Price.

5.9 No Disqualification. Notwithstanding any other provision in this Plan, no term of this Plan relating to ISOs will be interpreted, amended or altered, nor will any discretion or authority granted under

this Plan be exercised, so as to disqualify this Plan under Section 422 of the Code or, without the consent of the Participant affected, to disqualify any ISO under Section 422 of the Code.

6. RESTRICTED STOCK AWARDS.

6.1 Awards of Restricted Stock. A Restricted Stock Award is an offer by the Company to sell to, or a grant to, a Participant Shares that are subject to restrictions ("Restricted Stock"). The Board will determine to whom an offer will be made, the number of Shares the Participant may purchase, the Purchase Price (if any), the restrictions under which the Shares will be subject and all other terms and conditions of the Restricted Stock Award, subject to the Plan.

6.2 Purchase Price. The Purchase Price for a Restricted Stock Award will be determined by the Board and may be less than Fair Market Value on the date the Restricted Stock Award is granted (including zero). Payment of the Purchase Price (if any) must be made in accordance with Section 9 of the Plan, and the Award Agreement and in accordance with any procedures established by the Company.

6.3 Terms of Restricted Stock Awards. Restricted Stock Awards will be subject to such restrictions as the Board may impose or are required by law. These restrictions may be based on completion of a specified number of years of service with the Company or upon completion of Performance Factors, if any, during any Performance Period as set out in advance in the Participant's Award Agreement. Prior to the grant of a Restricted Stock Award, the Board shall: (a) determine the nature, length and starting date of any Performance Period for the Restricted Stock Award; (b) select from among the Performance Factors to be used to measure performance goals, if any; and (c) determine the number of Shares that may be awarded to the Participant. Performance Periods may overlap and a Participant may participate simultaneously with respect to Restricted Stock Awards that are subject to different Performance Periods and having different performance goals and other criteria.

6.4 Termination of Participant. Except as may be set forth in the Participant's Award Agreement, vesting ceases on such Participant's Termination Date (unless determined otherwise by the Board).

7. RESTRICTED STOCK UNITS.

7.1 Awards of Restricted Stock Units. A Restricted Stock Unit ("RSU") is an award to a Participant covering a number of Shares that may be settled in cash, or by issuance of those Shares (which may consist of Restricted Stock). All RSUs shall be made pursuant to an Award Agreement.

7.2 Terms of RSUs. The Board will determine the terms of an RSU including, without limitation: (a) the number of Shares subject to the RSU; (b) the time or times at which the RSU vests; (c) the consideration to be distributed on settlement; and (d) the effect of the Participant's Termination on each RSU. An RSU may vest upon satisfaction of such performance goals based on Performance Factors during any Performance Period as are set out in advance in the Participant's Award Agreement. If the RSU vests upon satisfaction of Performance Factors, then the Board will: (x) determine the nature, length and starting date of any Performance Period for the RSU; (y) select from among the Performance Factors to be used to measure the performance, if any; and (z) determine the number of Shares deemed subject to the RSU. Performance Periods may overlap and participants may participate simultaneously with respect to RSUs that are subject to different Performance Periods and different performance goals and other criteria.

7.3 Form and Timing of Settlement. The Board, in its sole discretion, may settle earned RSUs in cash, Shares, or a combination of both. The Board may also permit a Participant to defer settlement under a RSU to a date or dates after the RSU vests, provided that the terms of the RSU and any deferral satisfy the requirements of Section 409A of the Code.

7.4 Termination of Participant. Except as may be set forth in the Participant's Award Agreement, vesting ceases on such Participant's Termination Date (unless determined otherwise by the Board).

8. OTHER STOCK-BASED AWARDS.

8.1 Other Stock-Based Awards. The Board is authorized to grant to Participants Other Stock-Based Awards, including shares of Common Stock awarded purely as a bonus and not subject to any restrictions or conditions, shares of Common Stock in payment of the amounts due under an incentive or performance plan sponsored or maintained by the Company, stock equivalent units, deferred stock units, and Awards valued by reference to the value of shares of Common Stock. The Board may condition the grant or vesting of Other Stock-Based Awards upon the attainment of specified Performance Factors or such other factors as the Board may determine. The Board may also provide for the grant of Common Stock under such Awards upon the completion of a specified Performance Period. Other Stock-Based Awards may be granted either alone or in addition to or in tandem with other Awards granted under this Plan.

8.2 Terms of Other Stock-Based Awards. The Board will determine, and each Award Agreement shall set forth, the terms of each Other Stock-Based Award including, without limitation: (a) any vesting conditions; (b) the number of Shares upon which such Other Stock-Based Award is based; (c) the Performance Factors and Performance Period (if any) that shall determine the time and extent to which each Performance Award shall be vested or granted; (d) the consideration to be distributed on settlement; and (e) the effect of the Participant's Termination on each Other Stock-Based Award. In establishing Performance Factors and the Performance Period (if any) the Board will: (x) determine the nature, length and starting date of any Performance Period; and (y) select from among the Performance Factors to be used. Prior to settlement the Board shall determine the extent to which Other Stock-Based Awards have been earned. Performance Periods may overlap and Participants may participate simultaneously with respect to Other Stock-Based Awards that are subject to different Performance Periods and different performance goals and other criteria.

8.3 Deferral of Other-Stock Based Awards. To the extent permitted by law, the Board may permit Participants to defer all or a portion of their compensation in the form of Other Stock-Based Awards granted under this Plan, subject to the terms and conditions of any deferred compensation arrangement established by the Company, which shall be in a manner intended to comply with Section 409A of the Code.

8.4 Termination of Participant. Except as may be set forth in the Participant's Award Agreement, vesting ceases on such Participant's Termination Date (unless determined otherwise by the Board).

9. PAYMENT FOR SHARE PURCHASES.

Payment from a Participant for Shares purchased pursuant to this Plan may be made in cash or by check or, where expressly approved for the Participant by the Board and where permitted by law (and to the extent not otherwise set forth in the applicable Award Agreement):

(i) by forgiveness of indebtedness owed by the Company to the purchaser;

(ii) by surrender of shares of the Company held by the Participant that have a Fair Market Value on the date of surrender equal to the aggregate exercise price or purchase price of the Shares as to which said Award will be exercised or settled;

(iii) by reducing the number of shares of Stock to be delivered to the Participant upon exercise of the Option or settlement of an Award, with the reduction valued on the basis of the aggregate Fair Market Value on the Date of Exercise or purchase of the additional shares of Stock that would otherwise have been delivered to the Participant upon the Option exercise or Award settlement;

(iv) by the delivery, concurrently with such exercise and in accordance with Regulation T promulgated under the Securities Exchange Act of 1934, or any successor rule or regulation, of a properly executed exercise notice for the Option and irrevocable instructions to a broker promptly to deliver to the Company to pay the exercise price a specified amount of the proceeds of a sale of the Option shares or loan secured by the Option shares;

(v) by waiver of compensation due or accrued to the Participant for services rendered or to be rendered to the Company or a Parent or Subsidiary of the Company; and/or

(vi) by any combination of the foregoing or by other means determined by the Board to be consistent with this Plan's purposes.

Subject to any Board approval requirements or other limitations under applicable laws, the Board may also assist any Participant (including an officer or director) in the payment for Shares by authorizing a loan from the Company, permitting the Participant to pay the exercise price or purchase price in installments or authorizing a guarantee by the Company of a third party loan to the Participant, and the terms and conditions of any such loan, installment sale or guarantee will be determined by the Board.

10. WITHHOLDING TAXES.

10.1 Withholding Generally. Whenever Shares are to be issued in satisfaction of Awards granted under this Plan, the Company may require the Participant to remit to the Company, or to the Parent or Subsidiary employing the Participant, an amount sufficient to satisfy applicable U.S. federal, state, local and international withholding tax requirements or any other tax liability legally due from the Participant prior to the delivery of Shares pursuant to exercise or settlement of any Award. Whenever payments in satisfaction of Awards granted under this Plan are to be made in cash, such payment will be net of an amount sufficient to satisfy applicable U.S. federal, state, local and international withholding tax requirements or any other tax liability legally due from the Participant.

10.2 Stock Withholding. The Board, in its sole discretion and pursuant to such procedures as it may specify from time to time and to limitations of local law, may require or permit a Participant to satisfy such tax withholding obligation or any other tax liability legally due from the Participant, in whole or in part by (without limitation) (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable cash or Shares having a Fair Market Value equal to the minimum statutory amount required to be withheld, or (iii) delivering to the Company already-owned Shares having a Fair Market Value equal to the minimum amount required to be withheld.

11. TRANSFERABILITY. An Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution. Notwithstanding the foregoing, the Board may determine that an Award, other than an ISO, may be transferred to a Permitted Transferee, upon such additional terms and conditions as the Board deems appropriate. All Awards shall be exercisable: (i) during the Participant's lifetime only by (A) the Participant, or (B) the Participant's guardian or legal representative; (ii) after the Participant's death, by the legal representative of the Participant's heirs or legatees; and (iii) in the case of all Awards except ISOs, by a Permitted Transferee.

12. PRIVILEGES OF STOCK OWNERSHIP; RESTRICTIONS ON SHARES.

12.1 Voting and Dividends. No Participant will have any of the rights of a stockholder with respect to any Shares until the Shares are issued to the Participant, except for any dividend equivalent rights permitted by an applicable Award Agreement. After Shares are issued to the Participant, the Participant will be a stockholder and have all the rights of a stockholder with respect to such Shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares; provided, that if such Shares are Restricted Stock, then any new, additional or different securities the Participant may become entitled to receive with respect to such Shares by virtue of a stock dividend, stock split or any other change in the corporate or capital structure of the Company will be subject to the same restrictions as the Restricted Stock.

12.2 Restrictions on Shares. At the discretion of the Board, the Company may reserve to itself and/or its assignee(s) a right to repurchase (a "Right of Repurchase") a portion of any or all Shares held by a Participant following such Participant's Termination at any time within ninety (90) days after the later of the Participant's Termination Date and the date the Participant purchases Shares under this Plan, for cash and/or cancellation of purchase money indebtedness, at the Participant's Purchase Price or Exercise Price, as the case may be.

13. CERTIFICATES. All Shares or other securities whether or not certificated, delivered under this Plan will be subject to such stock transfer orders, legends and other restrictions as the Board may deem necessary or advisable, including restrictions under any applicable U.S. federal, state or foreign securities law, or any rules, regulations and other requirements of the SEC or any stock exchange or automated quotation system upon which the Shares may be listed or quoted and any non-U.S. exchange controls or securities law restrictions to which the Shares are subject.

14. ESCROW; PLEDGE OF SHARES. To enforce any restrictions on a Participant's Shares, the Board may require the Participant to deposit all certificates representing Shares, together with stock powers or other instruments of transfer approved by the Board, appropriately endorsed in blank, with the Company or an agent designated by the Company to hold in escrow until such restrictions have lapsed or terminated, and the Board may cause a legend or legends referencing such restrictions to be placed on the certificates. Any Participant who is permitted to execute a promissory note as partial or full consideration for the purchase of Shares under this Plan will be required to pledge and deposit with the Company all or part of the Shares so purchased as collateral to secure the payment of the Participant's obligation to the Company under the promissory note; provided, however, that the Board may require or accept other or additional forms of collateral to secure the payment of such obligation and, in any event, the Company will have full recourse against the Participant under the promissory note notwithstanding any pledge of the Participant's Shares or other collateral. In connection with any pledge of the Shares, the Participant will be required to execute and deliver a written pledge agreement in such form as the Board will from time to time approve. The Shares purchased with the promissory note may be released from the pledge on a pro rata basis as the promissory note is paid.

15. SECURITIES LAW AND OTHER REGULATORY COMPLIANCE. An Award will not be effective unless such Award is in compliance with all applicable U.S. and foreign federal and state securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system upon which the Shares may then be listed or quoted, as they are in effect on the date of grant of the Award and also on the date of exercise or other issuance. Notwithstanding any other provision in this Plan, the Company will have no obligation to issue or deliver certificates for Shares under this Plan prior to: (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and/or (b) completion of any registration or other qualification of such Shares under any state or federal or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable. The Company will be under no obligation to register the Shares with the SEC or to effect compliance with the registration, qualification or listing requirements of any foreign or state securities laws, stock exchange or automated quotation system, and the Company will have no liability for any inability or failure to do so.

16. NO OBLIGATION TO EMPLOY. Nothing in this Plan or any Award granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Parent or Subsidiary of the Company or limit in any way the right of the Company or any Parent or Subsidiary of the Company to terminate Participant's employment or other relationship at any time.

17. CORPORATE TRANSACTIONS.

In the event of (i) the dissolution or liquidation of the Company, (ii) a reorganization, merger or consolidation as a result of which the Company is not the surviving entity or as a result of which the outstanding shares of Stock are changed

into or exchanged for cash, property or securities not of the Company's issue, except for a merger or consolidation with a wholly-owned subsidiary of the Company or a transaction effected primarily to change the state of the Company's incorporation, or (iii) a sale or other transfer in one or a series of transactions of all or substantially all of the assets of the Company, or of more than eighty percent (80%) of the voting stock of the Company then outstanding, to any person or entity or to persons or entities which are affiliated or acting in concert with respect to such sale or transfer (each, a "Change in Control"), the Board may, but shall not be obligated to:

(a) accelerate, vest or cause the restrictions to lapse with respect to all or any portion of an Award;

(b) cancel Awards for fair value (as determined by the Board) which, in the case of Options may equal the excess, if any, of the per share value of the consideration to be paid in the Change in Control transaction for Common Stock over the Exercise Price of such Options (or, if such Exercise Price is greater than the consideration paid in the Change in Control transaction, the Board may cancel such Options for no consideration);

(c) provide for the assumption of Awards or the issuance of substitute Awards that will substantially preserve the otherwise applicable terms of any affected Award previously granted hereunder as determined by the Board; or

(d) provide advance notice of such Change in Control transaction to holders of Options, after which any Options not exercised prior to such Change in Control may be cancelled.

Any Award granted under this Plan shall automatically terminate upon the closing of a Change in Control, unless provision shall be made in connection with such Change in Control for the assumption of the Award by, or the substitution for such Award of a new Award covering the stock or other equity securities of, the surviving, successor or purchasing entity or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares or other securities or property to be issued upon exercise of the Award and the exercise price, as applicable. This paragraph shall not restrict the Board from permitting or requiring other accelerations of vesting upon transactions described in this paragraph or any other acquisitions of the Company's shares or business or changes in control of the Company or any other event. The treatment of Awards upon a Change in Control need not be uniform among Awards or Participants.

18. **ADOPTION AND STOCKHOLDER APPROVAL.** This Plan shall be submitted for the approval of the Company's stockholders, consistent with applicable laws, within twelve (12) months before or after the date this Plan is adopted by the Board.

19. **TERM OF PLAN/GOVERNING LAW.** Unless earlier terminated as provided herein, this Plan will become effective on the Effective Date and will terminate ten (10) years from the date this Plan is adopted by the Board or is approved by the Company's stockholders, whichever is earlier. This Plan and all Awards granted hereunder shall be governed by and construed in accordance with the laws of the State of Delaware.

20. **AMENDMENT OR TERMINATION OF PLAN.** The Board shall have complete power and authority to alter, amend, suspend or terminate this Plan, provided that no such action shall deprive a Participant, without his or her consent, of any Award, or of any rights thereunder, previously granted pursuant to this Plan. Stockholder approval of amendments shall be required only to permit the issuance of Incentive Options or otherwise to comply with applicable laws or regulatory requirements; provided, however, that an amendment increasing the maximum number of shares issuable under this Plan shall require approval by the stockholders of the Company.

21. **AWARD AGREEMENTS AND AMENDMENTS.** Each Award granted under this Plan shall be evidenced by an agreement between the Company and the Participant, which shall be approved by the Board or an executive officer of the Company. The Award Agreement shall comply with the provisions of this Plan and the terms of the Award's grant by the Board and may contain additional terms not inconsistent with this Plan and such grant which are deemed necessary or desirable by the Board or the executive officer. Subject to the terms and limitations set forth in this Plan, the Board and the Participant may without approval modify, extend, renew or terminate any outstanding Award or Award Agreement.

22. **NONEXCLUSIVITY OF THE PLAN.** Neither the adoption of this Plan by the Board, the submission of this Plan to the stockholders of the Company for approval, nor any provision of this Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock awards and

bonuses otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

**eXp World Holdings, Inc.
2015 EQUITY INCENTIVE PLAN**

Appendix A: Definitions

As used in the Plan, the following definitions shall apply:

“Award” means any award under the Plan, including any Option, Restricted Stock, or Other Stock-Based Award.

“Award Agreement” means, with respect to each Award, the written or electronic agreement between the Company and the Participant setting forth the terms and conditions of the Award, which shall be in substantially a form (which need not be the same for each Participant) that the Board has from time to time approved, and will comply with and be subject to the terms and conditions of this Plan.

“Board” means the Board of Directors of the Company.

“Cause” means (a) in the case where there is no employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Company and the Participant at the time of the grant of the Award (or where there is such an agreement but it does not define “cause” (or words of like import), (i) Participant’s willful failure substantially to perform his or her duties and responsibilities to the Company or deliberate violation of a Company policy; (ii) Participant’s commission of any act of fraud, embezzlement, dishonesty or any other willful misconduct that has caused or is reasonably expected to result in material injury to the Company; (iii) unauthorized use or disclosure by Participant of any proprietary information or trade secrets of the Company or any other party to whom the Participant owes an obligation of nondisclosure as a result of his or her relationship with the Company; or (iv) Participant’s willful breach of any of his or her obligations under any written agreement or covenant with the Company; or (b) in the case where there is an employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Company and the Participant at the time of the grant of the Award that defines “cause” (or words of like import), “cause” as defined under such agreement. The determination as to whether a Participant is being terminated for Cause shall be made in good faith by the Company and shall be final and binding on the Participant. The foregoing definition does not in any way limit the Company’s ability to terminate a Participant’s employment or consulting relationship at any time as provided in Section 18 above, and the term “Company” will be interpreted to include any Subsidiary or Parent, as appropriate.

“Code” means the United States Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

“Common Stock” means the Company’s Common Stock, par value \$0.00001 per share.

“Company” means eXp World Holdings, Inc., a Delaware corporation, or any successor corporation.

“Consultant” means any natural person, including an advisor or independent contractor, engaged by the Company or a Parent or Subsidiary to render services to such entity other than in connection with the offer or sale of securities in a capital raising transaction.

“Director” means a member of the Board.

“Disability” means in the case of incentive stock options, total and permanent disability as defined in Section 22(e)(3) of the Code and in the case of other Awards, that the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that

can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

“Effective Date” means the date on which the Plan has received approval by a vote of the majority of the votes of the Company’s stockholders required in accordance with the Company’s governing documents and applicable law, which date shall be included at the top of this Plan.

“Employee” means any person, including Officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director’s fee by the Company will be sufficient to constitute “employment” by the Company.

“Exchange Act” means the United States Securities Exchange Act of 1934, as amended.

“Exchange Program” means a program pursuant to which outstanding Awards are surrendered, cancelled or exchanged for cash, the same type of Award or a different Award (or combination thereof).

“Exercise Price” means the price at which a holder may purchase the Shares issuable upon exercise of an Option.

“Fair Market Value” means, as of any date, the value of a share of the Company’s Common Stock determined as follows: (i) If the Common Stock is traded on an established securities market, the closing price of a share of the Common Stock on such date on the composite transactions report of the principal securities market on which the Common Stock is so traded, or, if there is no sale of the Common Stock on such date, then on the last previous date on which there was a sale; or, (ii) if the Common Stock is not then traded on an established securities market, the fair market value of a share of the Common Stock determined by the Board in a manner it considers reasonable or appropriate under the circumstances, taking into account the requirements of Section 409A or 422 of the Code, as applicable.

“Insider” means an officer or director of the Company or any other person whose transactions in the Company’s Common Stock are subject to Section 16 of the Exchange Act.

“Option” means an award of an option to purchase Shares pursuant to Section 5.

“Other Stock-Based Award” means an Award under Section 8 that is valued in whole or part by reference to, or is payable in or otherwise based on, Common Stock.

“Parent” means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of such corporations other than the Company owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

“Participant” means a person who holds an Award under this Plan.

“Performance Factors” means any of the factors selected by the Board and specified in an Award Agreement, from among the following objective measures, either individually, alternatively or in any combination, applied to the Company as a whole or any business unit or Subsidiary, either individually, alternatively, or in any combination, on a GAAP or non-GAAP basis, and measured, to the extent applicable on an absolute basis or relative to a pre-established target, to determine whether the performance goals established by the Board with respect to applicable Awards have been satisfied:

- Profit Before Tax
- Gross Revenue
- Net Revenue

Earnings (which may include earnings before interest and taxes, earnings before taxes, and net earnings);

- Operating Income
- Operating Margin, or;
- Any other metric that is capable of measurement as determined by the Board.

The Board may, in recognition of unusual or non-recurring items such as acquisition-related activities or changes in applicable accounting rules, provide for one or more equitable adjustments (based on objective standards) to the Performance Factors to preserve the Board's original intent regarding the Performance Factors at the time of the initial award grant. It is within the sole discretion of the Board to make or not make any such equitable adjustments.

"Performance Period" means the period of service determined by the Board, during which years of service or performance is to be measured for the Award.

"Permitted Transferee" means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (including adoptive relationships) of the Employee, any person sharing the Employee's household (other than a tenant or employee), a trust in which these persons (or the Employee) have more than 50% of the beneficial interest, a foundation in which these persons (or the Employee) control the management of assets, and any other entity in which these persons (or the Employee) own more than 50% of the voting interests.

"Plan" means this eXp World Holdings, Inc. 2015 Equity Incentive Plan.

"Purchase Price" means the price to be paid for Shares acquired under the Plan, other than Shares acquired upon exercise of an Option.

"Restricted Stock Award" means an award of Shares pursuant to Section 6 or Section 8 of the Plan, or issued pursuant to the early exercise of an Option.

"Restricted Stock Unit" means an Award granted pursuant to Section 7 or Section 8 of the Plan.

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the United States Securities Act of 1933, as amended.

"Shares" means shares of the Company's Common Stock and the common stock of any successor security.

"Subsidiary" means any subsidiary corporation of the Company, as defined in Section 424(f) of the Code.

"Termination" or "Terminated" means, for purposes of this Plan with respect to a Participant, that the Participant has for any reason ceased to provide services as an employee, officer, director, consultant, independent contractor or advisor to the Company or a Parent or Subsidiary of the Company. An employee will not be deemed to have ceased to provide services in the case of (i) sick leave, (ii) military leave, or (iii) any other leave of absence approved by the Board; provided, that such leave is for a period of not more than 90 days, unless reemployment upon the expiration of such leave is guaranteed by contract or statute or unless provided otherwise pursuant to formal policy adopted from time to time by the Company and issued and promulgated to employees in writing. In the case of any employee on an approved leave of absence, the Board may make such provisions respecting suspension of vesting of the Award while on leave from the employ of the Company or a Parent or Subsidiary of the Company as it may deem appropriate, except that in no event may an Award be exercised after the expiration of the term set forth in

the applicable Award Agreement. In the event of military leave, if required by applicable laws, vesting shall continue for the longest period that vesting continues under any other statutory or Company approved leave of absence and, upon a Participant's returning from military leave (under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given vesting credit with respect to Awards to the same extent as would have applied had the Participant continued to provide services to the Company throughout the leave on the same terms as he or she was providing services immediately prior to such leave. An employee shall have terminated employment as of the date he or she ceases to be employed (regardless of whether the termination is in breach of local laws or is later found to be invalid) and employment shall not be extended by any notice period or garden leave mandated by local law. The Board will have sole discretion to determine whether a Participant has ceased to provide services for purposes of the Plan and the effective date on which the Participant ceased to provide services (the "Termination Date").

EXHIBIT III

2024 AGENT EQUITY PROGRAM PARTICIPATION ELECTION FORM

Agent Equity Program Participation Election Form

eXp World Holdings, Inc. (“EXPI” or the “Company”) previously adopted the 2024 Equity Incentive Plan (as amended from time to time, the “Plan”). Pursuant to the Plan, EXPI created the 2015 Agent Equity Program (the “Program”) to be administered at the Company’s Board of Director’s (the “Board”) discretion, and may issue shares of EXPI’s common stock (“Shares”) to the agents and brokers of the real estate brokerage subsidiaries of the Company (individually and collectively referred to as “eXp”) who elect to participate (each, a “Participant”, collectively, “Participants”) as payment of five percent (5%) of the commission compensation earned on a Transaction closed by a Participant. Participation in the Program is subject to the terms and conditions contained herein (the “Election Form”), and in each Participant’s Independent Contractor Agreement (or commission-only real estate employee agreement, if applicable) (the “ICA”), the Program, and the Plan. Capitalized terms used, but not defined, herein shall have the meaning set forth in the ICA or Plan, as applicable.

Appendix: Notwithstanding any provisions in this Election Form, Participant’s participation in the Program shall be subject to any special terms and conditions set forth in any Appendix to this Election Form for Participant’s country. Moreover, if Participant relocates to one of the countries included in the Appendix (if any), the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix (if any) constitutes part of this Election Form. Further, the Plan shall be deemed to include any special terms and conditions set forth in any applicable sub-plan for Participant’s country, and, if Participant relocates to a country for which the Company has established a sub-plan, the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons.

Eligibility: All agents and brokers in Good Standing with eXp are eligible to participate in the Program.

Issuance of Shares As Payment of Commission: By submitting this Election Form, Participant authorizes eXp to set aside five percent (5%) of Participant’s net amount of Contractor Dollar (after splits, fees, and any other required withholdings) (“Shares for Payment”) on Transactions which close in Participant’s name, commencing with Transactions closing on or after Participant’s Onboard Date, to be used to purchase Shares.

Price of Issued Shares: The price for Shares issued under the Program shall be at a five percent (5%) discount to the fair market value of EXPI’s common stock, as determined by the closing market price of EXPI’s common stock on the last trading day of the month during which the closing occurs on Transactions from which Shares for Payment has been authorized.

Issuance Date: Shares under the Program shall be issued on the last trading day of the month during which the closing occurs on Transactions from which a Shares for Payment has been authorized results in an accumulated Shares for Payment amount of not less than the purchase price of one whole Share (each, an “Issue Date”).

Custody of Shares: All Shares issued under the Program shall initially be placed and held in an account created in Participant’s name with Shareworks by Morgan Stanley (or such other equity management

platform determined by the Company from time to time).

Associated Costs: Ownership of Shares issued under the Program may come with associated costs imposed by third parties, including but not limited to, fees that may be imposed by a stockbroker, financial services broker of Participant's choosing, or others.

Issuance Errors: In the event Participant identifies an error in any issued Shares received under the Program, Participant must notify EXPI as soon as possible by writing to the Stock Plan Services team via electronic mail at stock@exprealty.net. When contacting the Stock Plan Services team, Participant must provide (1) their name and Agent ID number; (2) the Transaction number or property address of the Transaction that is the basis of the Shares issued with the error; and (3) a description of what Participant believes is wrong and a clear explanation of why Participant believes it is an error. If Participant does not notify the Stock Plan Services team within 30 (thirty) days after the Issue Date, the issuance will be deemed to be correct and Participant will not be able to dispute any errors. If Participant notifies EXPI orally, EXPI will require Participant to send the notice in writing in the manner described above within 2 (two) business days, which shall not toll the 30 (thirty) day notice period in any way. The Stock Plan Services team will notify Participant of the results of their investigation and if it is concluded that no error has occurred, they will send Participant an explanation. If it is concluded there was an error, the Stock Plan Services team will correct the error and notify Participant.

Cancellation of Participation: Any Participant may cancel his or her participation in the Program by completing a new Election Form online, which shall take effect on the first day of the proceeding month.

Modification or Termination: The Program is subject to modification or termination at the discretion of the Company's Board of Directors.

Responsibility for Taxes: Participant acknowledges that, regardless of any action taken by the Company or eXp, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant's participation in the Program and legally applicable or deemed applicable to Participant ("Tax-Related Items") is and remains Participant's responsibility. Furthermore, Participant acknowledges that the Company and/or the Service Recipient (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Program, including the acquisition of Shares under the Program and/or the receipt of any dividends paid on such Shares, and (b) do not commit to and are under no obligation to structure the terms of the Program or any aspect of Participant's participation in the Program to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is or becomes subject to a Tax-Related Item in more than one jurisdiction, Participant acknowledges that the Company and/or the Service Recipient (or former Service Recipient, as applicable) may be required to account for Tax-Related Items in more than one jurisdiction.

Withholding: Prior to the relevant tax withholding event (if any), Participant agrees to make adequate arrangements satisfactory to the Company and/or eXp to satisfy all Tax-Related Items. In this regard, Participant authorizes the Company or eXp, or their respective agents, at their discretion, to satisfy the obligations with regard to all taxes by one or a combination of the following: (i) withholding from Participant's commissions (or other compensation) payable to Participant by the Company and/or eXp; (ii) withholding from proceeds of the sale of Shares acquired under the Program either through a

voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization and without further consent); (iii) withholding Shares to be issued upon purchase under the Program, provided the Company only withholds a number of Shares equal to the minimum statutory amount required to be withheld (unless otherwise permitted by the Plan); (iv) Participant's payment of a cash amount (including by check representing readily available funds or a wire transfer); or (v) any other arrangement approved by the Board and permitted under applicable law.

Withholding (if any) for Tax-Related Items will be made in accordance with the Plan and such rules and procedures as may be established by the Board, and in compliance with the insider trading policy of the Company, if applicable. In the event of over-withholding using one of the methods described above, Participant may receive a refund of any over-withheld amount in cash but will have no entitlement to the Shares sold or withheld, or if not refunded, Participant may seek a refund from the local tax authorities.

Nature of Grant: By enrolling and participating in the Program, Participant acknowledges, understands and agrees that:

- a. the Program is established voluntarily by the Company and it is discretionary in nature;
- b. participation in the Program is exceptional, voluntary and occasional and does not create any contractual or other right to receive future Shares, or benefits in lieu of Shares, even if participation in the Program has been granted in the past;
- c. all decisions with respect to future Shares or other grants, if any, will be at the sole discretion of the Company;
- d. Participant's participation in the Program does not change the at will nature of Participant's independent contractor relationship with eXp and shall not create a right to employment or be interpreted as forming or amending a service contract, if any, with the Company, eXp or any subsidiary or affiliate and shall not interfere with the ability of the Company, eXp or any subsidiary or affiliate to terminate Participant's independent contractor relationship with eXp;
- e. Participant is voluntarily participating in the Program;
- f. the future value of the Shares is unknown, indeterminable and cannot be predicted with certainty;
- g. the value of the Shares may increase or decrease in the future, even below the purchase price;
- h. unless otherwise provided in the Program, the Plan or by the Company in its sole discretion, participation in the Program and the benefits evidenced by this Election Form do not create any entitlement to have the Program or any such benefits granted thereunder, transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares;
- i. Participant acknowledges and agrees that neither the Company, eXp nor any subsidiary or affiliate, shall be liable for any foreign exchange rate fluctuation between Participant's local

currency and the U.S. dollar that may affect the value of the Shares or any amounts due pursuant to the Shares or the subsequent sale of any Shares under the Program; and

- j. no claim or entitlement to compensation or damages shall arise when Participant withdraws from the Program due to Participant's termination of the service relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of applicable laws in the jurisdiction where Participant is providing services or the terms of Participant's ICA) and in consideration of participation in the Program and the acquisition of Shares under the Program, Participant agrees not to institute any claim against the Company, eXp, and/or its subsidiaries and affiliates.

No Advice Regarding Grant: Neither the Company nor eXp is providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Program or acquisition or sale of the Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding Participant's participation in the Program before taking any action related to the Program.

Data Privacy: *The Company and eXp and their subsidiaries and affiliates hold certain personal information about Participant, including, but not limited to, Participant's name, home address, telephone number, date of birth, social security number or other tax identification number, nationality, job title, any Shares or directorships held in the Company, details of all rights to purchase Shares or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor (the "Data").*

Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's Data as described in this Election Form and any other documents or materials by and among, as applicable, eXp, the Company and its other subsidiaries and affiliates for the exclusive purpose of implementing, administering, and managing Participant's participation in the Program.

Participant understands that the Data will be transferred to Morgan Stanley, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Program. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if Participant resides outside the United States, Participant may request a list with the names and addresses of any potential recipients of the Data by contacting the Company. Participant authorizes the Company, Morgan Stanley and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Program to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing Participant's participation in the Program. Participant understands that the Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Program. Participant understands that if Participant resides outside the United States, Participant may, at any time, view the Data, request information about the storage and processing of the Data, require any necessary amendments to the Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company. Further, Participant understands that Participant is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her

consent, Participant's service with eXp will not be affected; the only consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant participation in the Program or other equity awards to Participant or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Program. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact the Company.

Governing Law and Venue: Participation in the Program and the provisions of this Election Form are governed by, and subject to, the laws of the State of Delaware, without regard to the conflict of law provisions. For purposes of litigating any dispute that arises under participation in the Program or this Election Form, the parties hereby submit to and consent to the exclusive jurisdiction of the State of Delaware and agree that such litigation shall be conducted exclusively in the courts of the State of Delaware.

Language: Participant acknowledges that he or she is proficient in the English language, or has consulted with an advisor who is proficient in the English language, so as to enable Participant to understand the provisions of this Election Form and the Program. If Participant has received this Election Form or any other document related to the Program translated into a language other than English and if the meaning of the translated version is different from the English version, the English version will control.

Severability: The provisions of this Election Form are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

Appendix: Notwithstanding any provisions in this Election Form, participation in the Program shall be subject to any additional terms and conditions set forth in any Appendix to this Enrollment Form for Participant's country. Moreover, if Participant relocates to one of the countries included in the Appendix, the additional terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons.

Imposition of Other Requirements: The Company reserves the right to impose other requirements on Participant's participation in the Program and on any Shares acquired under the Program, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Waiver: Participant acknowledges that a waiver by the Company of breach of any provision of this Election Form shall not operate or be construed as a waiver of any other provision of this Election Form, or of any subsequent breach by Participant or any other Participants.

Insider Trading/Market Abuse: Participant acknowledges that, depending on Participant's or Participant's broker's country or where the Shares are listed, Participant may be subject to insider trading restrictions and/or market abuse laws which may affect Participant's ability to accept, acquire, sell or otherwise dispose of Shares, rights to purchase Shares or rights linked to the value of Shares during such times Participant is considered to have "inside information" regarding the Company, as defined in the laws or regulations in the applicable jurisdictions). Local insider trading laws and

regulations may prohibit the cancellation or amendment of orders Participant placed before Participant possessed inside information. Furthermore, Participant could be prohibited from (i) disclosing the inside information to any third party (other than on a “need to know” basis) and (ii) “tipping” third parties or causing them otherwise to buy or sell securities. Participant is responsible for complying with any restrictions and should speak to his or her personal advisor on this matter.

Exchange Control, Foreign Asset/Account and/or Tax Reporting: Depending upon the country to which laws Participant is subject, Participant may have certain foreign asset/account and/or tax reporting requirements that may affect Participant’s ability to acquire or hold Shares under the Program or cash received from participating in the Program (including from any dividends or dividend equivalents or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside Participant’s country of residence. Participant’s country may require that Participant report such accounts, assets or transactions to the applicable authorities in Participant’s country. Participant also may be required to repatriate cash received from participating in the Program to Participant’s country within a certain period of time after receipt. Participant is responsible for knowledge of and compliance with any such regulations and should speak with his or her personal tax, legal and financial advisors regarding the same.

Acknowledgments: Participant understands that participation in this Program is subject to the terms and conditions contained in his or her ICA, this Election Form, the Program itself, and the Plan. Participant has read and fully understands both the Program and the Plan. By participating in the Plan, Participant agrees to be bound by the terms and conditions of the ICA, the Program and the Plan. By acceptance of this opportunity to receive Shares for Payment, Participant consents to the electronic delivery of all related documents, including the Program, the Plan, any account statements and Plan prospectuses, as applicable, and all other documents that EXPI may be required to deliver to its security holders (including, without limitation, annual reports and proxy statements) or other communications or information related to an investment in EXPI’s stock. Electronic delivery may include the delivery of a link to a Company intranet or the internet site of a third party, the delivery of the document via email or such other delivery method determined at EXPI’s discretion.

By signing this Election Form, Participant certifies that he or she is of legal age in the state, province, or country of his or her residence.

Participant, by signing this Election Form, certifies that:

- a. Participant is not subject to backup withholding because (i) Participant is exempt from backup withholding, (ii) Participant has been notified by the relevant tax authority that Participant is not subject to backup withholding, or (iii) the relevant tax authority has notified Participant that Participant is no longer subject to backup withholding; and
- b. Participant is receiving the Shares solely for Participant’s own account, and not for the benefit of any other person. Participant is being issued the Shares solely for investment purposes and not with a view to distribution or resale, nor with the intention of selling, transferring or otherwise disposing of all or any part thereof for any particular price, or at any particular time, or upon the happening of any particular event or circumstance, except selling, transferring, or disposing of the Shares, in full compliance with all applicable provisions of the Securities Act, the rules and regulations promulgated by the Securities and Exchange Commission thereunder, and applicable state and foreign country securities laws.

Participant confirms that she or he has had the opportunity to ask questions of, and receive answers from, the Company, eXp, or any authorized person acting on its behalf concerning the Company and its businesses, and to obtain any additional information, to the extent possessed by the Company or eXp (or to the extent it could have been acquired by the Company or eXp without unreasonable effort or expense) necessary to verify the accuracy of the information received by Participant.

Participant has carefully considered and has discussed (or accepts the responsibility to discuss) with its own legal, tax, accounting and financial advisors, to the extent the Participant has deemed necessary, the suitability of this investment and the transactions contemplated by this Election Form for the Participant's particular federal, state, provincial, local and foreign tax and financial situation and has independently determined that this investment and the transactions contemplated by this Election Form are a suitable investment for the Participant.

NO AGENT, BROKER OR ELIGIBLE INDIVIDUAL SHALL BE DEEMED A PARTICIPANT UNLESS AND UNTIL THIS COMPLETED ELECTION FORM HAS BEEN SUBMITTED AND RECEIVED BY THE COMPANY OR EXP.

Please select the appropriate choice below and sign:

- YES, I would like to participate in the Program
 NO, I do not wish to participate in the Program at this time.

Contractor Name: _____
Signature: _____
Date: _____

EXHIBIT IV

2015 AGENT EQUITY PROGRAM PARTICIPATION ELECTION FORM

Agent Equity Program Participation Election Form

eXp World Holdings, Inc. (“EXPI” or the “Company”) previously adopted the 2015 Equity Incentive Plan (as amended from time to time, the “Plan”). Pursuant to the Plan, EXPI created the 2015 Agent Equity Program (the “Program”) to be administered at the Company’s Board of Director’s (the “Board”) discretion, and may issue shares of EXPI’s common stock (“Shares”) to the agents and brokers of the real estate brokerage subsidiaries of the Company (individually and collectively referred to as “eXp”) who elect to participate (each, a “Participant”, collectively, “Participants”) as payment of five percent (5%) of the commission compensation earned on a Transaction closed by a Participant. Participation in the Program is subject to the terms and conditions contained herein (the “Election Form”), and in each Participant’s Independent Contractor Agreement (or commission-only real estate employee agreement, if applicable) (the “ICA”), the Program, and the Plan. Capitalized terms used, but not defined, herein shall have the meaning set forth in the ICA or Plan, as applicable.

Appendix: Notwithstanding any provisions in this Election Form, Participant’s participation in the Program shall be subject to any special terms and conditions set forth in any Appendix to this Election Form for Participant’s country. Moreover, if Participant relocates to one of the countries included in the Appendix (if any), the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix (if any) constitutes part of this Election Form. Further, the Plan shall be deemed to include any special terms and conditions set forth in any applicable sub-plan for Participant’s country, and, if Participant relocates to a country for which the Company has established a sub-plan, the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons.

Eligibility: All agents and brokers in Good Standing with eXp are eligible to participate in the Program.

Issuance of Shares As Payment of Commission: By submitting this Election Form, Participant authorizes eXp to set aside five percent (5%) of Participant’s net amount of Contractor Dollar (after splits, fees, and any other required withholdings) (“Shares for Payment”) on Transactions which close in Participant’s name, commencing with Transactions closing on or after Participant’s Onboard Date, to be used to purchase Shares.

Price of Issued Shares: The price for Shares issued under the Program shall be at a five percent (5%) discount to the fair market value of EXPI’s common stock, as determined by the closing market price of EXPI’s common stock on the last trading day of the month during which the closing occurs on Transactions from which Shares for Payment has been authorized.

Issuance Date: Shares under the Program shall be issued on the last trading day of the month during which the closing occurs on Transactions from which a Shares for Payment has been authorized results in an accumulated Shares for Payment amount of not less than the purchase price of one whole Share (each, an “Issue Date”).

Custody of Shares: All Shares issued under the Program shall initially be placed and held in an account created in Participant’s name with Shareworks by Morgan Stanley (or such other equity management

platform determined by the Company from time to time).

Associated Costs: Ownership of Shares issued under the Program may come with associated costs imposed by third parties, including but not limited to, fees that may be imposed by a stockbroker, financial services broker of Participant's choosing, or others.

Issuance Errors: In the event Participant identifies an error in any issued Shares received under the Program, Participant must notify EXPI as soon as possible by writing to the Stock Plan Services team via electronic mail at stock@exprealty.net. When contacting the Stock Plan Services team, Participant must provide (1) their name and Agent ID number; (2) the Transaction number or property address of the Transaction that is the basis of the Shares issued with the error; and (3) a description of what Participant believes is wrong and a clear explanation of why Participant believes it is an error. If Participant does not notify the Stock Plan Services team within 30 (thirty) days after the Issue Date, the issuance will be deemed to be correct and Participant will not be able to dispute any errors. If Participant notifies EXPI orally, EXPI will require Participant to send the notice in writing in the manner described above within 2 (two) business days, which shall not toll the 30 (thirty) day notice period in any way. The Stock Plan Services team will notify Participant of the results of their investigation and if it is concluded that no error has occurred, they will send Participant an explanation. If it is concluded there was an error, the Stock Plan Services team will correct the error and notify Participant.

Cancellation of Participation: Any Participant may cancel his or her participation in the Program by completing a new Election Form online.

Modification or Termination: The Program is subject to modification or termination at the discretion of the Company's Board of Directors.

Responsibility for Taxes: Participant acknowledges that, regardless of any action taken by the Company or eXp, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant's participation in the Program and legally applicable or deemed applicable to Participant ("Tax-Related Items") is and remains Participant's responsibility. Furthermore, Participant acknowledges that the Company and/or the Service Recipient (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Program, including the acquisition of Shares under the Program and/or the receipt of any dividends paid on such Shares, and (b) do not commit to and are under no obligation to structure the terms of the Program or any aspect of Participant's participation in the Program to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is or becomes subject to a Tax-Related Item in more than one jurisdiction, Participant acknowledges that the Company and/or the Service Recipient (or former Service Recipient, as applicable) may be required to account for Tax-Related Items in more than one jurisdiction.

Withholding: Prior to the relevant tax withholding event (if any), Participant agrees to make adequate arrangements satisfactory to the Company and/or eXp to satisfy all Tax-Related Items. In this regard, Participant authorizes the Company or eXp, or their respective agents, at their discretion, to satisfy the obligations with regard to all taxes by one or a combination of the following: (i) withholding from Participant's commissions (or other compensation) payable to Participant by the Company and/or eXp; (ii) withholding from proceeds of the sale of Shares acquired under the Program either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant

to this authorization and without further consent); (iii) withholding Shares to be issued upon purchase under the Program, provided the Company only withholds a number of Shares equal to the minimum statutory amount required to be withheld (unless otherwise permitted by the Plan); (iv) Participant's payment of a cash amount (including by check representing readily available funds or a wire transfer); or (v) any other arrangement approved by the Board and permitted under applicable law.

Withholding (if any) for Tax-Related Items will be made in accordance with the Plan and such rules and procedures as may be established by the Board, and in compliance with the insider trading policy of the Company, if applicable. In the event of over-withholding using one of the methods described above, Participant may receive a refund of any over-withheld amount in cash but will have no entitlement to the Shares sold or withheld, or if not refunded, Participant may seek a refund from the local tax authorities.

Nature of Grant: By enrolling and participating in the Program, Participant acknowledges, understands and agrees that:

- a. the Program is established voluntarily by the Company and it is discretionary in nature;
- b. participation in the Program is exceptional, voluntary and occasional and does not create any contractual or other right to receive future Shares, or benefits in lieu of Shares, even if participation in the Program has been granted in the past;
- c. all decisions with respect to future Shares or other grants, if any, will be at the sole discretion of the Company;
- d. Participant's participation in the Program does not change the at will nature of Participant's independent contractor relationship with eXp and shall not create a right to employment or be interpreted as forming or amending a service contract, if any, with the Company, eXp or any subsidiary or affiliate and shall not interfere with the ability of the Company, eXp or any subsidiary or affiliate to terminate Participant's independent contractor relationship with eXp;
- e. Participant is voluntarily participating in the Program;
- f. the future value of the Shares is unknown, indeterminable and cannot be predicted with certainty;
- g. the value of the Shares may increase or decrease in the future, even below the purchase price;
- h. unless otherwise provided in the Program, the Plan or by the Company in its sole discretion, participation in the Program and the benefits evidenced by this Election Form do not create any entitlement to have the Program or any such benefits granted thereunder, transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares;
- i. Participant acknowledges and agrees that neither the Company, eXp nor any subsidiary or affiliate, shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the U.S. dollar that may affect the value of the Shares or any amounts due pursuant to the Shares or the subsequent sale of any Shares under the Program; and

- j. no claim or entitlement to compensation or damages shall arise when Participant withdraws from the Program due to Participant's termination of the service relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of applicable laws in the jurisdiction where Participant is providing services or the terms of Participant's ICA) and in consideration of participation in the Program and the acquisition of Shares under the Program, Participant agrees not to institute any claim against the Company, eXp, and/or its subsidiaries and affiliates.

No Advice Regarding Grant: Neither the Company nor eXp is providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Program or acquisition or sale of the Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding Participant's participation in the Program before taking any action related to the Program.

Data Privacy: *The Company and eXp and their subsidiaries and affiliates hold certain personal information about Participant, including, but not limited to, Participant's name, home address, telephone number, date of birth, social security number or other tax identification number, nationality, job title, any Shares or directorships held in the Company, details of all rights to purchase Shares or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor (the "Data").*

Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's Data as described in this Election Form and any other documents or materials by and among, as applicable, eXp, the Company and its other subsidiaries and affiliates for the exclusive purpose of implementing, administering, and managing Participant's participation in the Program.

Participant understands that the Data will be transferred to Morgan Stanley, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Program. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if Participant resides outside the United States, Participant may request a list with the names and addresses of any potential recipients of the Data by contacting the Company. Participant authorizes the Company, Morgan Stanley and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Program to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing Participant's participation in the Program. Participant understands that the Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Program. Participant understands that if Participant resides outside the United States, Participant may, at any time, view the Data, request information about the storage and processing of the Data, require any necessary amendments to the Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company. Further, Participant understands that Participant is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, Participant's service with eXp will not be affected; the only consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant participation in the Program or other equity awards to Participant or administer or maintain such awards. Therefore, Participant understands that

refusing or withdrawing his or her consent may affect Participant's ability to participate in the Program. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact the Company.

Governing Law and Venue: Participation in the Program and the provisions of this Election Form are governed by, and subject to, the laws of the State of Delaware, without regard to the conflict of law provisions. For purposes of litigating any dispute that arises under participation in the Program or this Election Form, the parties hereby submit to and consent to the exclusive jurisdiction of the State of Delaware and agree that such litigation shall be conducted exclusively in the courts of the State of Delaware.

Language: Participant acknowledges that he or she is proficient in the English language, or has consulted with an advisor who is proficient in the English language, so as to enable Participant to understand the provisions of this Election Form and the Program. If Participant has received this Election Form or any other document related to the Program translated into a language other than English and if the meaning of the translated version is different from the English version, the English version will control.

Severability: The provisions of this Election Form are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

Appendix: Notwithstanding any provisions in this Election Form, participation in the Program shall be subject to any additional terms and conditions set forth in any Appendix to this Enrollment Form for Participant's country. Moreover, if Participant relocates to one of the countries included in the Appendix, the additional terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons.

Imposition of Other Requirements: The Company reserves the right to impose other requirements on Participant's participation in the Program and on any Shares acquired under the Program, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Waiver: Participant acknowledges that a waiver by the Company of breach of any provision of this Election Form shall not operate or be construed as a waiver of any other provision of this Election Form, or of any subsequent breach by Participant or any other Participants.

Insider Trading/Market Abuse: Participant acknowledges that, depending on Participant's or Participant's broker's country or where the Shares are listed, Participant may be subject to insider trading restrictions and/or market abuse laws which may affect Participant's ability to accept, acquire, sell or otherwise dispose of Shares, rights to purchase Shares or rights linked to the value of Shares during such times Participant is considered to have "inside information" regarding the Company, as defined in the laws or regulations in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders Participant placed before Participant possessed inside information. Furthermore, Participant could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii)

“tipping” third parties or causing them otherwise to buy or sell securities. Participant is responsible for complying with any restrictions and should speak to his or her personal advisor on this matter.

Exchange Control, Foreign Asset/Account and/or Tax Reporting: Depending upon the country to which laws Participant is subject, Participant may have certain foreign asset/account and/or tax reporting requirements that may affect Participant's ability to acquire or hold Shares under the Program or cash received from participating in the Program (including from any dividends or dividend equivalents or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside Participant's country of residence. Participant's country may require that Participant report such accounts, assets or transactions to the applicable authorities in Participant's country. Participant also may be required to repatriate cash received from participating in the Program to Participant's country within a certain period of time after receipt. Participant is responsible for knowledge of and compliance with any such regulations and should speak with his or her personal tax, legal and financial advisors regarding the same.

Acknowledgments: Participant understands that participation in this Program is subject to the terms and conditions contained in his or her ICA, this Election Form, the Program itself, and the Plan. Participant has read and fully understands both the Program and the Plan. By participating in the Plan, Participant agrees to be bound by the terms and conditions of the ICA, the Program and the Plan. By acceptance of this opportunity to receive Shares for Payment, Participant consents to the electronic delivery of all related documents, including the Program, the Plan, any account statements and Plan prospectuses, as applicable, and all other documents that EXPI may be required to deliver to its security holders (including, without limitation, annual reports and proxy statements) or other communications or information related to an investment in EXPI's stock. Electronic delivery may include the delivery of a link to a Company intranet or the internet site of a third party, the delivery of the document via email or such other delivery method determined at EXPI's discretion.

By signing this Election Form, Participant certifies that he or she is of legal age in the state, province, or country of his or her residence.

Participant, by signing this Election Form, certifies that:

- a. Participant is not subject to backup withholding because (i) Participant is exempt from backup withholding, (ii) Participant has been notified by the relevant tax authority that Participant is not subject to backup withholding, or (iii) the relevant tax authority has notified Participant that Participant is no longer subject to backup withholding; and
- b. Participant is receiving the Shares solely for Participant's own account, and not for the benefit of any other person. Participant is being issued the Shares solely for investment purposes and not with a view to distribution or resale, nor with the intention of selling, transferring or otherwise disposing of all or any part thereof for any particular price, or at any particular time, or upon the happening of any particular event or circumstance, except selling, transferring, or disposing of the Shares, in full compliance with all applicable provisions of the Securities Act, the rules and regulations promulgated by the Securities and Exchange Commission thereunder, and applicable state and foreign country securities laws.

Participant confirms that she or he has had the opportunity to ask questions of, and receive answers from, the Company, eXp, or any authorized person acting on its behalf concerning the Company and

its businesses, and to obtain any additional information, to the extent possessed by the Company or eXp (or to the extent it could have been acquired by the Company or eXp without unreasonable effort or expense) necessary to verify the accuracy of the information received by Participant.

Participant has carefully considered and has discussed (or accepts the responsibility to discuss) with its own legal, tax, accounting and financial advisors, to the extent the Participant has deemed necessary, the suitability of this investment and the transactions contemplated by this Election Form for the Participant's particular federal, state, provincial, local and foreign tax and financial situation and has independently determined that this investment and the transactions contemplated by this Election Form are a suitable investment for the Participant.

NO AGENT, BROKER OR ELIGIBLE INDIVIDUAL SHALL BE DEEMED A PARTICIPANT UNLESS AND UNTIL THIS COMPLETED ELECTION FORM HAS BEEN SUBMITTED AND RECEIVED BY THE COMPANY OR EXP.

Please select the appropriate choice below and sign:

- YES, I would like to participate in the Program
- NO, I do not wish to participate in the Program at this time.

Contractor Name: _____

Signature: _____

Date: _____

EXHIBIT V

**ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023,
FILED BY EXP WORLD HOLDINGS, INC. WITH THE SEC ON FEBRUARY 22, 2024**

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

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2023

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-38493



eXp World Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation or organization)

98-0681092

(I.R.S. Employer
Identification No.)

**2219 Rimland Drive, Suite 301
Bellingham, WA**

(Address of principal executive offices)

98226

(Zip Code)

Registrant's telephone number, including area code: (360) 685-4206

Securities registered pursuant to section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.00001 per share	EXPI	The Nasdaq Stock Market

Securities registered pursuant to section 12(g) of the
Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

Based on the registrant's closing price of \$20.28 as quoted on the Nasdaq Stock Market on June 30, 2023, the aggregate market value of the voting and nonvoting common equity held by non-affiliates of eXp World Holdings, Inc. was approximately \$1.3 billion. The number of shares of the registrant's \$0.00001 par value common stock outstanding as of December 31, 2023 was 154,669,037.

DOCUMENTS INCORPORATED BY REFERENCE The registrant intends to file a definitive proxy statement pursuant to Regulation 14A within 120 days after the end of the fiscal year ended December 31, 2023. Portions of such proxy statement are incorporated by reference into Part III of this Form 10-K. Portions of the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 are incorporated into Part I, Item 1 and Part II, Item 7, of this Form 10-K.

TABLE OF CONTENTS

	<u>Page</u>
<u>FORWARD LOOKING STATEMENTS</u>	1
<u>PART 1</u>	2
<u>Item 1. Business</u>	2
<u>Item 1A. Risk Factors</u>	9
<u>Item 1B. Unresolved Staff Comments</u>	22
<u>Item 1C. Cybersecurity</u>	22
<u>Item 2. Properties</u>	24
<u>Item 3. Legal Proceedings</u>	24
<u>Item 4. Mine Safety Disclosures</u>	24
<u>PART II</u>	25
<u>Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u>	25
<u>Item 6. [Reserved]</u>	26
<u>Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	26
<u>Item 7A. Quantitative and Qualitative Disclosures About Market Risk</u>	39
<u>Item 8. Financial Statements and Supplementary Data</u>	40
<u>Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	66
<u>Item 9A. Controls and Procedures</u>	66
<u>Item 9B. Other Information</u>	68
<u>Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections</u>	68
<u>PART III</u>	68
<u>Item 10. Directors, Executive Officers and Corporate Governance</u>	68
<u>Item 11. Executive Compensation</u>	68
<u>Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	68
<u>Item 13. Certain Relationships and Related Transactions and Director Independence</u>	69
<u>Item 14. Principal Accountant Fees and Services</u>	69
<u>PART IV</u>	70
<u>Item 15. Exhibits and Financial Statement Schedules</u>	70
<u>Item 16. Form 10-K Summary</u>	71
<u>SIGNATURES</u>	72

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (this "Annual Report"), the documents incorporated into this Annual Report by reference, and our other public filings contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not based on historical facts but rather represent current expectations and assumptions of future events. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Many of these risks and other factors are beyond our ability to control or predict. Forward-looking statements can be identified by words such as "believe," "expect," "anticipate," "estimate," "project," "plan," "should," "intend," "may," "will," "could," "can," "would," "potential," "seek," "goal" and similar expressions. These risks and uncertainties, as well as other risks and uncertainties that could cause our actual results to differ significantly from management's expectations, are described in greater detail in Item 1A, "Risk Factors", Item 3, "Legal Proceedings," Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 9A. "Controls and Procedures – Inherent Limitations on Effectiveness of Controls of this Annual Report.

Forward-looking statements are based on currently available operating, financial and market information and are inherently uncertain. Investors should not place undue reliance on forward-looking statements, which speak only as of the date they are made and are not guarantees of future performance. Actual future results and trends may differ materially from such forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future developments or otherwise, except as may be required by law.

PART I

Item 1. BUSINESS

General

eXp World Holdings, Inc. (“eXp,” or, collectively with its subsidiaries, the “Company,” “we,” “us,” or “our”) owns and oversees a diversified portfolio of service-oriented businesses. These businesses significantly benefit from the integration of our advanced enabling technology platform. Our strategic focus is on expanding our real estate brokerage operations. To achieve this, we emphasize enhancing the value proposition for our agents, investing in the development of immersive, cloud-based technological solutions, and offering affiliate and media services that bolster these efforts.

The following are developments in our business since the beginning of the fiscal year ended December 31, 2023:

- During 2023, the Company announced various new agent incentive programs to enhance the agent experience and to attract culturally aligned agents, teams of agents and independent brokerages to the Company. New incentive programs include Boost, Accelerate, and Thrive, which offer unique financial incentives.
- In 2023, the Company launched various new ancillary programs and services to support the development and success of its agents, brokers and customers, including the continued global expansion of eXp Luxury™, Military Rewards Program, Listing Kits, Bundle Select™, eXp Exclusives™, My Link My Lead™, and affiliate relationships like HomeHunter™.
- Additional talent joined the Company in 2023, including the appointment of Peggie Pelosi to our Board of Directors in January 2023 and the appointment of Fred Reichheld to our Board of Directors in September 2023.

Business Segments

The Company is operated and managed as four reportable segments which are North American Realty, International Realty, Virbela and Other Affiliated Services. Our business segments bring together related eXp technologies and services to support the success and development of agents, entrepreneurs and businesses and provide them remote business solutions.

North American Realty and International Realty

Both the North American Realty segment and the International Realty segment generate revenue primarily by serving as a licensed broker for the purpose of processing residential and commercial real estate transactions, from which we earn commissions. The Company in turn pays a portion of the commissions earned to the real estate agents and brokers. eXp offers an innovative cloud-based brokerage model, which reduces costs to our agents and brokers. The model features low entry fees, stock ownership opportunities for agents and brokers and a revenue-sharing plan through which agents and brokers can earn commission from transactions conducted by agents and brokers they have attracted to eXp. Our North American Realty segment also includes lead-generation and other real estate support services in North America and Canada. Our International Realty segment includes our foreign operations in the United Kingdom (the “U.K.”), Australia, South Africa, India, Mexico, Portugal, France, Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama, Germany, the Dominican Republic, Greece, New Zealand, Chile, Poland, and Dubai.

Virbela

We operate over the internet and rely on cloud-based technologies to provide our residential real estate brokerage services. Our brokers and agents leverage our technology, services, data, lead generation and marketing tools to represent residential real estate buyers and sellers.

Among other technologies we use to operate our business, our proprietary Virbela® and Frame™ platforms offer metaverse solutions, including 3D, fully immersive, cloud offices. These cloud offices include virtual conference rooms, training centers and individual offices in which our management, employees, agents and brokers all work on a daily basis and, in separate custom settings, in which our customers operate as well, collaborating, socializing and transacting business across geographic regions.

While most Company and customer operations have taken place on the Virbela platform since 2016, many operations have begun to shift to the Frame platform as its development has matured, including its unique capability to operate fully on the web without the requirement for a separate client application. As our customers evolve post-COVID, including a return-to-work-offices, and in light of ongoing internal and external demand for web-accessible platforms and artificial intelligence solutions, we have experienced a decline in demand for our application-based platform, Virbela, and a rising interest our web-accessible platform, Frame.

Other Affiliated Services

Includes key assets such as SUCCESS® magazine and SUCCESS® Coaching, which provide training, classes, resources, and tools to empower our agents, brokers, staff, and general customers to excel and empower their professional development. This segment also includes SUCCESS® Space, a new kind of coworking solution offering highly flexible, on-demand rental work spaces for individual and group use, access to professional development coaching, media production services, virtual-world communications technology and full-service cafes.

Markets and Customers

Real Estate Brokerage: Our clients are primarily residential homeowners and homebuyers in the markets in which we operate as serviced by our international network of independent agents and brokers. These customers are sellers or purchasers of new or existing homes and engage us to aid in the facilitation of the closing of the real estate transaction, including, but not limited to, searching, listing, application processing and other pre- and post-close support. Our experienced agents and brokers are well suited to support our customers' needs with a high level of professionalism, knowledge and support as they endeavor on one of the largest transactions they will most likely experience.

Our North American Realty segment is comprised of operations in the U.S. and Canadian residential real estate markets. Through our network of independent agents and brokers, we have brokerages in all 50 states in the U.S. residential real estate market and residential real estate markets in most of the Canadian provinces. Our North American Realty segment represented 98.6% of total consolidated revenues in 2023.

Our International Realty segment operates in the U.K., Australia, South Africa, India, Mexico, Portugal, France, Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama, Germany, the Dominican Republic, Greece, New Zealand, Chile, Poland and Dubai. Our International Realty segment represented 1.3% of total consolidated revenues in 2023.

Virbela: Our innovative technologies are used primarily by our brokerage real estate agents and their clients within our U.S., Canadian and international markets. We continue to innovate the Virbela portfolio, expanding the product offering to include and enhance our Frame platform. We have experienced a decline, among internal staff and agent users as well as among external unaffiliated customers, in demand for our application-based platform, Virbela, and an increased demand for our web-accessible platform, Frame.

Other Affiliated Services: We provide affiliated services to our agents, brokers and customers that support their professional efforts and personal betterment. Under its ownership, the Company has built upon SUCCESS® magazine and its related media properties to develop a robust SUCCESS® brand of innovative personal and professional development tools, including SUCCESS® Coaching and SUCCESS® Space.

Competition

Our real estate brokerage competes with local, regional, national and international residential real estate brokerages with respect to the sale of homes and to attract and retain agents, teams of agents, brokers and consumers — both home sellers and buyers. We compete primarily on the basis of our service, culture, collaboration, and utilization of cloud-based systems and technologies that reduce costs, while providing relevant and substantial professional development and opportunities for our agents and brokers to generate more business and participate in the growth of our Company.

Residential real estate brokerage companies typically realize revenues in the form of a commission based on a percentage of the price of each home purchased or sold, which varies based on geographical location and specific customer-agent negotiations, among other factors. Therefore, variability in the commissions earned in the real estate industry exists based on general economic and market factors, as well as the price and volume of homes sold. We are positioned to earn commissions on either — or both — of the buy side or sell side of residential real estate transactions, as well as the ability to receive other fees for complementary services provided during the closing process.

We believe that we are the only international real estate brokerage presently using a 3D immersive office environment in place of physical brick-and-mortar offices. Additionally, this innovative operational structure coupled with our distribution model allows us to effectively enter new markets with speed and flexibility and without much of the investment and cost associated with establishing a traditional brokerage. We also believe our compensation and incentive programs to attract and retain highly productive agents are one of the most compelling in the industry. As such, we believe that we are well positioned in our competitive landscape.

Resources

Software Development

Our Company continues to increase our investment in the development of our own cloud-based transaction processing platforms and further expand our technological products and service offerings. We continue to create process efficiencies and provide our agents and brokers with technologies designed to facilitate transactions in an efficient and consumer-friendly way. Our operational model and growth strategies necessitate the proprietary technologies used to support our operations now and in the future, as

well as requiring us to, at times, consider existing and emerging technology companies for acquisition, partnerships and other collaborative relationships.

Intellectual Property

Our cloud-based real estate brokerage is highly dependent on the proprietary technology that we employ and the intellectual property that we create. “eXp Realty” is one of our registered trademarks in the United States, among other registered and nonregistered trademarks. We also own the rights to key domain names used by our domestic and international brokerages: including, for example, <https://exprealty.com> and <https://exprealty.ca>. Additionally, we own registered trademarks and the rights to domain names which are leveraged in our other business segments and in connection with services that complement our real estate brokerage, such as the “SUCCESS” registered trademark and <https://success.com>. We have also engaged various third parties to extend enterprise licenses for critical transaction management, client relationship management and other proprietary software.

While there can be no assurance that registered trademarks and other intellectual property rights will protect our proprietary information, we intend to assert our intellectual property rights against any infringement. Although any assertion of our rights could result in a substantial cost and diversion of management effort, we believe the protection and defense against infringement of our intellectual property rights are essential to our business.

Seasonality of Business

Seasons and weather traditionally impact the real estate industry in the markets in which we operate. Spring and summer seasons historically reflect greater sales periods and, in turn, higher revenues and operating results in comparison to fall and winter seasons. The Company has historically experienced higher revenue during the second and third quarters of its fiscal year due in part to seasonal industry patterns. By contrast, our Virbela and Other Affiliated Services segments experience generally consistent revenue during the year, with some increased adoption around the Company’s spring and fall events.

Government Regulation

See *Note 13 – Commitments and Contingencies* to the consolidated financial statements included elsewhere within this Annual Report for additional information on the Company’s legal proceedings. For additional information with respect to related risks facing our business, see Item “1A. – Risk Factors” included elsewhere within this Annual Report.

Legal and Regulatory Environment

All of our businesses, as well as our joint ventures (such as mortgage origination, title underwriting, and ancillary agent support services), operate in highly regulated industries and are subject to changes in government policy, variations in the interpretation and enforcement of laws by regulatory bodies and other government entities, and modifications to existing laws, regulatory frameworks, and guidelines.

Residential Real Estate

We primarily serve the residential real estate industry, which is regulated by federal, international, state, provincial and local laws and authorities as well as private associations or state-sponsored associations or organizations. Further, lawsuits, investigations, disputes and regulatory proceedings against us or other professionals or businesses in the residential real estate industry and tangential industries may impact the Company and its affiliated real estate professionals when the outcomes of those cases address practices common to the broader industry, business community, or the Company and may result in litigation or investigations for the Company.

We are a participant in multiple listing services (“MLSs”) through our subsidiary entities, employees, and affiliated real estate professionals. Many of our affiliated real estate professionals are members of the National Association of Realtors (“NAR”) and state Realtor associations. The regulations, rules and policies of these organizations are subject to change, which changes can be influenced by regulatory developments, litigation, and other actions.

From time to time, certain industry practices come under federal or state scrutiny or are the subject of litigation. The industry is currently experiencing increased scrutiny by private parties, regulators and other government offices, both on a federal and state level, particularly in the areas of antitrust and competition, Real Estate Settlement Procedures Act (“RESPA”) compliance (and similar state statutes), Telephone Consumer Protection Act compliance (“TCPA”) (and similar state statutes) and worker classification.

RESPA

RESPA, along with various state and international real estate laws, governs the payments and referrals associated with residential sales and settlement services, such as mortgages, title insurance, and home insurance. These laws may impose limitations on arrangements involving our real estate brokerage, affiliated real estate professionals, lead generation efforts, and the businesses of our joint ventures, in addition to mandating timely disclosure about such relationships. While RESPA and similar statutes allow

for certain payments, fee splits, and affiliated business arrangements, compliance can be challenging due to varying interpretations by courts and regulators. Violations can result in significant penalties, including fines and legal fees, particularly where RESPA and similar statutes have been invoked by plaintiffs in private litigation for various purposes. Additionally, we're bound by state laws that restrict inducements and gifts to consumers, affecting our lead-generation efforts.

Antitrust

Our business is subject to various antitrust and competition laws, including the Sherman Antitrust Act, the Federal Trade Commission Act, the Clayton Act, and other related federal, state, and provincial laws in the jurisdictions in which we operate. These laws prevent anti-competitive behaviors such as price-fixing and other conduct that unreasonably restrains trade and competition.

In 2021, the Department of Justice ("DOJ") withdrew its consent to a November 2020 proposed settlement with NAR concerning alleged anti-competitive practices in real estate. While the DOJ dismissed its lawsuit against NAR in July 2021, it indicated a broader investigation into NAR's activities. In November 2021, NAR modified its rules to implement most of the changes the DOJ settlement sought. In January 2023, a court set aside the DOJ's new investigative demand related to NAR. The indirect and direct effects, if any, of this action upon the real estate industry are not yet clear.

While anti-competition enforcement has intensified across industries, there is a unique focus on the real estate industry in the United States and Canada. For example, the White House issued an Executive Order in July 2021 identifying real estate brokerages and listings as an area of focus. In 2018, a joint workshop by the DOJ and FTC addressed potential competition issues in the residential real estate sector which could be the subject of future enforcement actions.

As disclosed in *Note 13 – Commitments and Contingencies* to the consolidated financial statements included elsewhere within this Annual Report, we are a defendant in certain antitrust class action complaints which allege violations of federal antitrust law in the United States and Canada. These lawsuits, together with similar lawsuits against other businesses in our industry, have prompted discussion of regulatory changes to rules established by local or state real estate boards or MLSs. The resolution of the antitrust litigation and/or other regulatory changes may require changes to our or our brokers' business models, including changes in agent and broker compensation. This could reduce the fees we receive from our affiliated real estate professionals, which, in turn, could adversely affect our financial condition and results of operations.

Internationally, our operations are also subject to laws against improper payments, including the U.S. Foreign Corrupt Practices Act and similar global regulations.

Worker Classification

Except for certain employees who have an active real estate license or in jurisdictions with unique local laws, our real estate professionals in our brokerage operations have been retained as independent contractors, either directly or indirectly through third-party entities formed by these independent contractors for their business purposes. With respect to these independent contractors, we are subject to the Internal Revenue Service regulations, foreign regulations and applicable state and provincial law guidelines regarding independent contractor classification. These regulations and guidelines are subject to judicial and agency interpretation. We continue to monitor these matters as well as related federal and state developments.

Cybersecurity and Data Privacy Regulations

Our business necessitates collecting and handling sensitive personal data, and we are governed by various domestic and international privacy and cybersecurity laws. For example, in the U.S., we are required to comply with the Gramm-Leach-Bliley Act, which governs the disclosure and safeguarding of consumer financial information, as well as state statutes governing privacy and cybersecurity matters like the California Consumer Privacy Act ("CCPA"). California further strengthened privacy regulations with the California Privacy Rights Act ("CPRA") in 2020, effective January 1, 2023, introducing more stringent requirements and creating a dedicated enforcement agency. Other states have enacted or are considering their own privacy laws. Internationally, the European Union's General Data Protection Regulation ("GDPR") grants extensive privacy rights and enforces strict penalties for non-compliance. With the E.U.-U.S. Privacy Shield being invalidated in 2020, businesses have turned to alternative mechanisms like standard contractual clauses for data transfer. Additionally, global data privacy regulations continue to evolve.

For additional information with respect to related risks facing our business, see Item 1A - Risk Factors in this Annual Report, in particular under the caption "Cybersecurity incidents could disrupt our business operations, result in the loss of critical and confidential information, adversely impact our reputation and harm our business."

TCPA

The TCPA limits specific telemarketing actions, such as autodialing and using artificial voice messages, and has established a national Do-Not-Call registry. The TCPA has a broad definition of autodialing and mandates written consent for some communications to mobile phones. Some states have, or might introduce, their own versions of the TCPA. We are susceptible to class action claims suggesting we're responsible for contacts made by our real estate professionals.

Environmental Regulation

The Company operates in a cloud-based model which gives us an insignificant physical geographical footprint. Due to this, we are not materially impacted by any environmental regulation. However, sustainable investing and environmental, social, and governance practices continue to be the focus of increased regulatory scrutiny across jurisdictions. In the U.S., the SEC has proposed climate disclosure rules to require public issuers to include enhanced disclosure regarding corporate climate-related information in their periodic reports and registration statements. Such information would include climate-related risks that are reasonably likely to have a material impact on an issuer's business or results of operations, as well as certain climate-related financial statement metrics. In addition, we expect state laws and regulations regarding these topics to continue to evolve and impose new and additional requirements. For example, in October 2023, California enacted a new climate accountability package pursuant to its new Climate Corporate Data Accountability Act that will require annual disclosure of certain greenhouse gas emissions and new Climate-Related Financial Risk Act that will require biennial disclosure of certain climate-related financial risks and mitigation measures, each beginning in 2026, subject to applicable implementing regulations and rulemaking that may impact final scope and compliance timing. Globally, the International Sustainability Standards Board and applicable sustainability disclosure standards impact how national regulators and governance bodies approach these and related topics.

Other Regulation

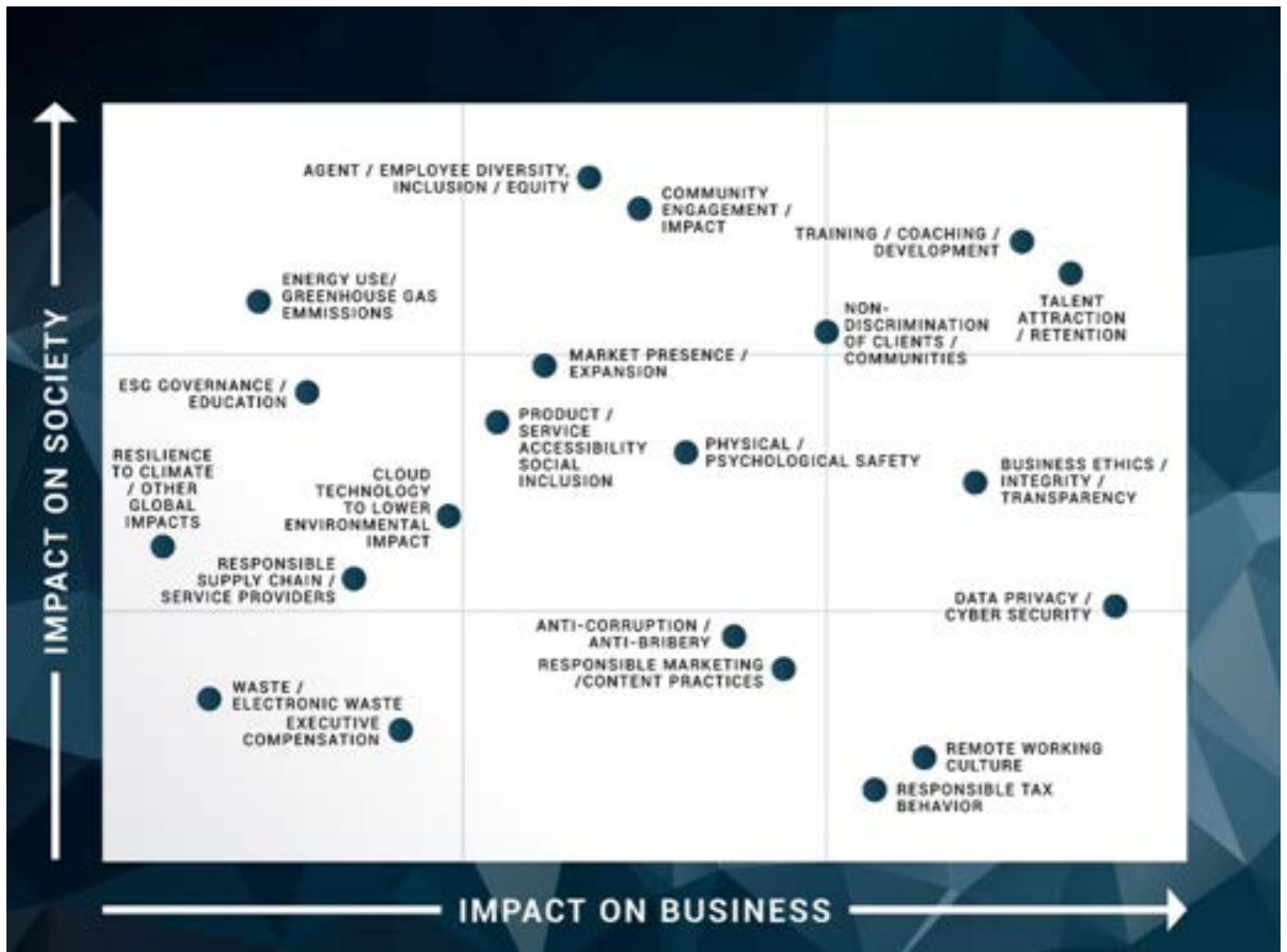
We operate in multiple geographies and industries which subject us to various governmental and non-governmental rules and regulations, including without limitation, franchising, fair trade, health and data privacy rules. As we expand into new businesses and markets, we assign and/or engage appropriate personnel to manage and comply with such requirements.

Environmental, Social and Governance Initiatives

As a company dedicated to disrupting the traditional industry model, eXp understands the importance of ingraining environmental, social and governance (ESG) best practices across the organization. We are committed to running a sustainable business for our agents, their clients, and the greater good of our planet by bringing people together beyond boundaries with advanced collaboration technologies. Our approach leverages the power of community and cloud-based solutions to drive positive impact for people and the environment.

In 2022, we conducted a robust ESG materiality assessment with the assistance of an external consultant, GlobeScan, to identify the material ESG topics that have the greatest impact on the Company's success, which was delivered in January 2023 to our leadership team, employees and agents. In 2023, the Company's Board of Directors created a Sustainability Committee of the Board tasked with overseeing and developing, alongside management, strategies related to the material ESG topics identified in the assessment. We have chosen to focus our efforts on three key pillars that we have termed our "Core Values": empowering people development, building inclusive and equitable communities and advancing climate-positive solutions.

The results of the materiality assessment were provided to the Company's Board and management to identify our key focus areas and to develop a strategy to address the material ESG topics identified in the assessment.



During 2023, the Company had various social initiatives in support of these Core Values, including the following:

- *Empowering People Development:* We are helping people achieve their fullest potential by fostering personal and professional growth through our tools, technology and collaboration. We have continued throughout 2023 to provide tools for productivity and health and wellbeing, for our employees, access to wellness platforms such as Calm, Vitality and Noom, and, for our real estate agents and brokers, providing toolkits for scaling business and entrepreneurship.
- *Building Inclusive and Equitable Communities:* We drive fairness, inclusivity and belonging by supporting diverse groups of clients, agents, brokers and employees, and encouraging them to create a positive impact in their communities through philanthropic initiatives. We are committed to creating an equitable, diverse and inclusive culture for our clients, agents, brokers and employees. Our Employee Experience team operates under the human resources department and supports this mission with diversity, equity and inclusion practices to support employee engagement and global collaboration, including the promotion of ONE eXp, an important vehicle by which we connect diverse agents and brokers with clients identifying as and/or seeking out diverse representation in their home purchase or selling journey.

In 2023 we established the Realtor Safety Taskforce whose mission is ensuring the utmost safety of our agents while they are representing eXp, including at eXp-sponsored events and meetings, and we provide safe and inclusive workspaces within our virtual world. We also created the Women's Impact Network to further the success, health and wellbeing of our female agents and employees while providing an outlet for diverse and inclusive voices. Our employees, agents and brokers are our best embodiment of the Company's commitment to community as a core value. Many of our employees, agents and brokers are involved in their own communities to support the betterment of lives. We contribute to building equitable communities through the sponsorship of many community initiatives which are well attended by our employees, agents and brokers. The first week of October of each year is designated "I Heart eXp" week and employees, agents and brokers across the U.S. mobilize to take part in community charity initiatives. We

have continued expanding initiatives driven by our 501(c)(3) affiliated nonprofit, eXtend-a-Hand, whose mission is to provide financial assistance to independent agents of the Company who suffer catastrophic events, including, without limitation, natural disasters, illness and accidents and in the case of dependents or designated beneficiaries, the death of their independent agent family member.

- *Advancing Climate-Positive Solutions:* We are paving a responsible path to a better planet through our cloud-based model and will continue to promote, scale, and innovate solutions for a low-carbon economy and more resilient communities. We have reduced our GHGs and environmental impact including server energy, waste and agent travel, while also providing ESG training to all agents and employees and offering products for sustainability. We established an incentive plan for electric vehicles for agents and provided education on sustainable homes and energy efficiency.

We are committed to furthering these goals through targets that will be regularly evaluated to ensure our continued success in meeting the pillars of our core values strategy.

Human Capital

Our employees, including our brokers and our independent contractor real estate agents, represent the human capital investments imperative to our operations. As of December 31, 2023, the Company had approximately 2,114 full-time equivalent employees and 87,515 real estate agents. Our employees are not members of any labor union and we have never experienced business interruptions due to labor disputes. We also utilize part-time and temporary employees and consultants when necessary; in many of our foreign markets we rely on the use of indirect employment structures where personnel providing certain services to the foreign entities are employed by a contractor of the Company and are not employed by the Company.

Management: Our operations are overseen directly by management. Our management oversees all responsibilities in the areas of corporate administration, business development and technological research and development. We have successfully expanded our current management to retain skilled employees with experience relevant to our business and intend to continue with this initiative. Our management's relationships with agents, brokers, technology providers and customers will provide the foundation with which we expect to grow our business in the future. We believe the skill set of our management team will be a primary asset in the development of our brands and trademarks.

Talent and Culture: Our business is driven by nine core values of community, sustainability, integrity, service, collaboration, innovation, transparency, agile and fun. At eXp, these core values are manifested throughout everything we do and support the Company's overall vision and shape our culture. We believe that our ongoing success is attributable in large part to our eXp employees who work across the U.S. and internationally in the cloud environment to support our agent-centric business model and core values. Attracting and retaining employee talent is a high priority for us and we look to hire passionate and driven individuals who want to be a part of our mission to continue to grow the brokerage and our related suite of services. We also value transparency and are committed to an open and accountable workplace where employees are empowered to raise issues. The Company provides multiple channels to speak up, ask for guidance and report concerns. eXp has been named one of the Best Places to Work on Glassdoor for each of the years 2019 through 2023. In 2021, 2022, and 2023, we were named as one of the Top 100 Companies to Watch for Remote Jobs by FlexJobs.

Health & Safety: Our employees operate in a fully remote environment and are located across the U.S. and internationally. During 2023, the Company offered self-defense training to real estate agents and brokers attending our annual fall convention and our human resources department expanded existing offerings to support the health and safety of our employees in their remote work environments. The Realtor Safety Taskforce has been established to continue fostering an environment of safety and ensure that all company related activities, events and meetings are planned and executed with safety at the forefront.

Independent Agent and Broker Support: We provide entrepreneurial business opportunities and a competitive compensation structure to our agents and brokers. Additionally, our agents and brokers have a unique choice to attain a greater vested interest in eXp through the acceptance of equity awards in eXp stock as part of their compensation offerings. These programs and our agent support platforms — including training, back-office support and communications — allow agents and brokers to successfully operate their own businesses that are aligned with our strategies and goals, creating synergies across our distribution network. We believe it is critical to our success that agent voices are heard at every level of the Company, including management, whose mission is supported by our Agent Advisory Council and our Board of Directors, which includes a rotating agent director seat. Refer to our Agent Advisory Council section of our website at <https://expworldholdings.com/agent-advisory-council/> for information on agent participation in the management of eXp. Information contained on our website is not incorporated by reference into this Annual Report.

Available Information

The Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended (the "Exchange Act"), are filed with the U.S. Securities and Exchange Commission (the "SEC"). Such reports and information for the previous 12 months are available free of charge through our website at www.expworldholdings.com/investors/sec-filings/.

Additionally, the SEC maintains an internet website that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. The public can obtain any documents that we file with the SEC at www.sec.gov.

Our Company also uses the following channels as a means of disclosing information about the Company on a broad, non-exclusionary basis, including information about our brokerage, upcoming investor and industry conferences, our planned financial and other announcements and other matters and for complying with our disclosure obligations under Regulation FD:

eXp investors website (www.expworldholdings.com/investors/)
eXp Realty X Account (<https://x.com/eXpRealty>)
eXp World Holdings X Account (<https://x.com/eXpWorldIR>)
eXp Realty LinkedIn page (<https://www.linkedin.com/company/exp-realty/>)
eXp World Holdings LinkedIn page (<https://www.linkedin.com/company/expworldholdings/>)
eXp Realty Facebook Page (<https://www.facebook.com/eXpRealty>)
eXp World Holdings Facebook Page (<https://www.facebook.com/eXpWorldHoldings>)
eXp Realty Instagram Page (https://www.instagram.com/eXpRealty_)
eXp World Holdings Instagram Page (<https://www.instagram.com/eXpWorldHoldings>)

Please note that this list may be updated from time to time. The contents of any website referred to in this Annual Report on Form 10-K are not intended to be incorporated into this Annual Report on Form 10-K or in any other report or document we file with the SEC and any references to our websites are intended to be inactive textual references only.

Item 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the following factors, which could materially affect our business, financial condition or results of operations in future periods. The risks described below are not the only risks facing our Company. Additional risks not currently known to us or that we currently deem to be immaterial may materially adversely affect our business, financial condition or results of operations in future periods. You should carefully consider the risk factors described below, together with all of the other information in this Annual Report, including our consolidated financial statements and notes thereto and the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 7 of this Annual Report. Certain statements in this Annual Report are forward-looking statements. See the section of this Annual Report titled “Forward-Looking Statements.”

Risks Related to Our Industries

Our profitability is tied to the strength of the residential real estate market, which is subject to a number of general business and macroeconomic conditions beyond our control.

Our profitability is closely related to the strength of the residential real estate market, which is cyclical in nature and typically is affected by changes in national, state and local economic conditions, which are beyond our control. Macroeconomic conditions that could adversely impact the growth of the real estate market and have a material adverse effect on our business include, but are not limited to, economic slowdown or recession, increased unemployment, increased energy costs, reductions in the availability of credit or higher interest rates, increased costs of obtaining mortgages, an increase in foreclosure activity, inflation, disruptions in capital markets, declines in the stock market, adverse tax policies or changes in other regulations, lower consumer confidence, lower wage and salary levels, war, terrorist attacks or other geopolitical and security issues, including Russia’s ongoing war with Ukraine, the conflict between Israel and Hamas and rising tensions between China and Taiwan, natural disasters or adverse weather events, or the public perception that any of these events may occur. Unfavorable general economic conditions, such as a recession or economic slowdown, in the U.S., Canada, or other markets we enter and operate within, could negatively affect the affordability of and consumer demand for, our services, which could have a material adverse effect on our business and profitability. In addition, international, federal and state governments, agencies and government-sponsored entities such as Fannie Mae, Freddie Mac and Ginnie Mae could take actions that result in unforeseen consequences to the real estate market or that otherwise could negatively impact our business.

Monetary policies of the U.S. federal government and its agencies may have a material adverse impact on our operations.

The U.S. real estate market is substantially reliant on the monetary policies of the U.S. federal government and its agencies and is particularly affected by the policies of the Federal Reserve Board, which regulates the supply of money and credit in the U.S., which, in turn impacts interest rates. Our business could be negatively impacted by any rising interest rate environment. As mortgage rates rise, the number of home sale transactions may decrease as potential home sellers choose to stay with their lower mortgage rate rather than sell their home and pay a higher mortgage rate with the purchase of another home. Similarly, in higher interest rate environments, potential homebuyers may choose to rent rather than pay higher mortgage rates. Changes in the

interest rate environment and mortgage market are beyond our control and are difficult to predict and, as such, could have a material adverse effect on our business and profitability.

Home inventory levels may result in excessive or insufficient supply, which could negatively impact home sale transaction growth.

Home inventory levels have been meaningfully declining or increasing in certain markets and price points in recent years. In both instances, homeowners are more likely to retain their homes for longer periods of time, resulting in a negative impact on home sale volume growth. Insufficient home inventory levels can cause a reduction in housing affordability, which can result in potential homebuyers deferring entry or reentry into the residential real estate market. Alternatively, excessive home inventory levels can contribute to a reduction in home values, which can result in some potential home sellers deferring entry into the residential real estate market. These inventory trends are caused by many pressures outside of our control, including slow or accelerated new housing construction, macroeconomic conditions, including rising interest rates and inflation, real estate industry models that purchase homes for long-term rental or corporate use and other market conditions and behavioral trends discussed herein. The U.S. home inventory levels have been low throughout 2023 and 2022. Continuing constraints on home inventory levels may adversely impact the volume of home sale transactions closed by our brokers and agents and, as such, could have a material adverse effect on our business and profitability.

Material decreases in the average brokerage commission rate, due to conditions beyond our control, could materially adversely affect our financial results.

There are many factors that contribute to average broker commission rates that are beyond our control. Factors that can contribute to a material decrease in brokerage commissions include regulation, litigation (including pending litigation described elsewhere in this Annual Report), the rise of certain competitive brokerage or non-traditional competitor modes, an increase in the popularity of discount brokers and agents, increased adoption of flat fees, commission models with more competitive rates, rebates or lower commission rates on transactions, adverse outcomes of pending antitrust litigation across our industry, as well as other competitive factors. The average broker commission rate for a real estate transaction is a key determinant of our profitability and a material decrease in brokerage commission rates could have a material adverse effect on our business and profitability.

The introduction and integration of emerging technologies into the real estate industry and any delay or inability to successfully integrate such technologies into our business or the businesses of our real estate professionals could result in competitive harm.

The real estate brokerage industry is susceptible to disruption by emerging technologies, particularly artificial intelligence and machine learning. Integrating advancements like natural language processing, artificial intelligence, and machine learning is vital for optimizing efficiency and reducing operational costs for real estate brokerages, professionals, and clients. These tools have the potential to streamline operations, enhance client interactions, and provide insights derived from vast data sets. These emerging technologies may also allow for new industry entrants and new industry platforms that compete with existing industry brokerages, including the Company, and agents and such new entrants and platforms could offer solutions that are more cost-effective, efficient, or user-friendly, and which may change broker, agent, and client expectations. Delays in embracing and integrating these AI-driven technologies could adversely impact existing industry participants to compete or risk displacement of traditional real estate offerings and services. If we and our affiliated real estate professionals are unable to provide enhancements and new features and efficiencies for our existing offerings or innovate quickly enough to keep pace with these rapid technological developments, our business could be harmed.

Our operating results are subject to seasonality and vary significantly among quarters during each calendar year, making meaningful comparisons of successive quarters difficult.

Seasons and weather traditionally impact the real estate industry. Continuous poor weather or natural disasters negatively impact listings and sales. Spring and summer seasons historically reflect greater sales periods in comparison to fall and winter seasons. We have historically experienced lower revenues during the fall and winter seasons, as well as during periods of unseasonable weather, which reduces our operating income, net income, operating margins and cash flow.

Real estate listings precede sales and a period of poor listings activity will negatively impact revenue. Past performance in similar seasons or during similar weather events can provide no assurance of future or current performance and macroeconomic shifts in the markets we serve can conceal the impact of poor weather or seasonality.

Home sales in successive quarters can fluctuate widely due to a wide variety of factors, including holidays, national or international emergencies, the school year calendar's impact on timing of family relocations, interest rate changes, speculation of pending interest rate changes and the overall macroeconomic market. Our revenue and operating margins each quarter will remain subject to seasonal fluctuations, poor weather and natural disasters and macroeconomic market changes that may make it difficult to compare or analyze our financial performance effectively across successive quarters.

General changes in consumer attitudes and behaviors could negatively impact home sale transaction volume.

The real estate market is affected by changes in consumer attitudes and behaviors, including as a result of changing attitudes toward and behaviors related to home ownership. Certain real estate markets have or may experience a decline in homeownership based on changing social behaviors, including as a result of declining marriage and birth rates. Because of these changing attitudes and behaviors, consumers may be more or less likely to prefer renting a home versus purchasing a home. In the event consumer attitudes and behaviors in any of our markets cause a declining interest in home purchasing, it may adversely impact the volume of home sale transactions closed by our brokers and agents and, as such, could have a material adverse effect on our business and profitability.

Home sale transaction volume can be impacted by natural disasters and other climate-related interruptions.

Natural disasters are occurring more frequently and/or with more intense effects and may impact general population trends. Areas afflicted by natural disasters may experience a decline in home sale transaction volume due to home destruction and/or general population movement out of the afflicted area, and the risk of non-insurability against such disasters. Such events can make it difficult or impossible for home owners and builders to sell their homes and result in slowdowns in home sale transaction volume. Additionally, the risk of non-insurability may disqualify certain prospective homebuyers whether due to heightened mortgage underwriting requirements or the perceived risk of loss to the homebuyer. Because the real estate industry relies on home sale transactions, climate crises can exacerbate negative financial results for real estate companies operating in particularly affected areas.

Risks Related to our General Business and Operations

We may be unable to attract and retain additional qualified personnel.

To execute our business strategy, we must attract and retain highly qualified personnel. In particular, we compete with many other real estate brokerages for qualified brokers who manage our operations in each state. We must also compete with technology companies for developers with high levels of experience in designing, developing and managing cloud-based software, as well as for skilled service and operations professionals and we may not be successful in attracting and retaining the professionals we need. Additionally, in order to realize the potential benefits of acquisitions, we may need to retain employees from the acquired businesses or hire additional personnel to fully capitalize on the opportunities that such acquisitions may offer and we may not be successful in retaining or attracting such individuals following an acquisition. From time to time in the past, we have experienced and we expect to continue to experience in the future, difficulty in hiring and retaining highly skilled employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel have greater resources than we do. In addition, in making employment decisions, particularly in the software industry, job candidates often consider the value of the stock options or other equity incentives they are to receive in connection with their employment. If the price of our stock declines or continues to experience significant volatility, our ability to attract or retain key employees may be adversely affected. If we fail to attract new personnel or fail to retain and motivate our current personnel, our growth prospects could be severely harmed.

Our business, financial condition and reputation may be substantially harmed by security breaches, interruptions, delays and failures in our systems and operations.

The performance and reliability of our systems and operations are critical to our reputation and ability to attract agents, teams of agents and brokers into our company as well as our ability to service homebuyers and sellers. Our systems and operations are vulnerable to security breaches, interruption or malfunction due to events beyond our control, including natural disasters, such as earthquakes, fire and flood, power loss, telecommunication failures, break-ins, sabotage, computer viruses, intentional acts of vandalism and similar events. In addition, we rely on third-party vendors to provide the cloud office platform and to provide additional systems and related support. If we cannot continue to retain these services on acceptable terms, our access to these systems and services could be interrupted. Any security breach, interruption, delay or failure in our systems and operations could substantially reduce the transaction volume that can be processed with our systems, impair quality of service, increase costs, prompt litigation and other consumer claims and damage our reputation, any of which could substantially harm our financial condition.

Cybersecurity incidents could disrupt our business operations, result in the loss of critical and confidential information, adversely impact our reputation and harm our business.

Cybersecurity threats and incidents directed at us could range from uncoordinated individual attempts to gain unauthorized access to information technology systems to sophisticated and targeted measures aimed at disrupting business or gathering personal data of customers. Additionally, bad actors are increasingly using artificial intelligence technology to launch more automated, targeted and coordinated attacks generally. In the ordinary course of our business, we and our agents and brokers collect and store sensitive data, including proprietary business information and personal information about our clients and customers. Our business and particularly our cloud-based platform, is reliant on the uninterrupted functioning of our information technology systems. The secure processing, maintenance and transmission of information are critical to our operations, especially the processing and closing of real estate transactions. Although we employ measures designed to prevent, detect,

address and mitigate these threats (including access controls, data encryption, vulnerability assessments and maintenance of backup and protective systems), cybersecurity incidents, depending on their nature and scope, could potentially result in the misappropriation, destruction, corruption, or unavailability of critical data and confidential or proprietary information (our own or that of third parties, including potentially sensitive personal information of our clients and customers) and the disruption of business operations. Any such compromises to our security could cause harm to our reputation, which could cause customers to lose trust and confidence in us or could cause agents and brokers to stop working for us. In addition, we may incur significant costs for remediation that may include liability for stolen assets or information, repair of system damage and compensation to clients, customers and business partners. We may also be subject to legal claims, government investigations and additional state and federal statutory requirements.

The potential consequences of a material cybersecurity incident include regulatory violations of applicable U.S. and foreign privacy and other laws, reputational damage, loss of market value, litigation with third parties (which could result in our exposure to material civil or criminal liability), diminution in the value of the services we provide to our customers and increased cybersecurity protection and remediation costs (that may include liability for stolen assets or information), which in turn could have a material adverse effect on our competitiveness and results of operations.

Loss of our current executive officers or other key management could significantly harm our business.

We depend on the industry experience and talent of our current executives. We believe that our future results will depend in part upon our ability to retain and attract highly skilled and qualified management. The loss of our executive officers could have a material adverse effect on our operations because other officers may not have the experience and expertise to readily replace these individuals. To the extent that one or more of our top executives or other key management personnel depart from the Company, our operations and business prospects may be adversely affected. In addition, changes in executives and key personnel could be disruptive to our business.

We may not be able to utilize a portion of our net operating loss or research tax credit carryforwards, which may adversely affect our profitability.

As of December 31, 2023, we had federal, state and foreign net operating losses carryforward due to prior years' losses. Pre-fiscal 2018 certain state and foreign net operating losses will carry forward for a limited number of years. Federal, as well as some state and foreign net operating losses generated in and after fiscal 2018 do not expire and can be carried forward indefinitely. We also have recorded federal research tax credits for the years 2020-2023 which will carry forward for 20 years and are expected to be fully utilized before expiration. A nominal portion of our net operating loss may expire, increasing future income tax liabilities which may adversely affect our profitability.

In addition, under Section 382 of the Internal Revenue Code of 1986, as amended, our ability to utilize net operating loss carryforwards or other tax attributes, in any taxable year, may be limited if we experience an "ownership change." A Section 382 "ownership change" generally occurs if one or more stockholders or groups of stockholders who own at least 5% of our stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period. Similar rules may apply under state tax laws. It is possible that an ownership change, or any future ownership change, could have a material effect on the use of our net operating loss carryforwards or other tax attributes, which could adversely affect our profitability.

We could be subject to changes in tax laws and regulations that may have a material adverse effect in our business.

We operate and are subject to taxes in the United States and numerous other jurisdictions throughout the world. Changes to federal, state, local, or international tax laws on income, sales, use, indirect, or other tax laws, statutes, rules or regulations may adversely affect our effective tax rate, operating results or cash flows.

Our effective tax rate could increase due to several factors, including: changes in the relative amounts of income before taxes in the various jurisdictions in which we operate that have differing statutory tax rates; changes in tax laws, tax treaties, and regulations or the interpretation of them, including the Tax Cuts and Jobs Act of 2017 (the "Tax Act") which requires research and experimental expenditures attributable to research conducted in the United States to be capitalized as of January 1, 2022 and amortized over a five-year period or expenditures attributable to research conducted outside the United States to be amortized over a fifteen-year period; the Inflation Reduction Act of 2022 which imposes a one-percent non-deductible excise tax on repurchases of stock that are made by U.S publicly traded corporation after December 31, 2022; changes to our assessment about our ability to realize our deferred tax assets that are based on estimates of our future results, the prudence and feasibility of possible tax planning strategies, and the economic and political environments in which we do business; the outcome of current and future tax audits, examinations or administrative appeals; and limitations or adverse findings regarding our ability to do business in some jurisdictions.

In particular, new income, sales and use or other tax laws or regulations could be enacted at any time, which could adversely affect our business operations and financial performance. Further, existing tax laws and regulations could be interpreted, modified or applied adversely to us. For example, the Tax Act enacted many significant changes to the U.S. tax laws. Future guidance from

the Internal Revenue Service and other tax authorities with respect to the Tax Act may affect us, and certain aspects of the Tax Act could be repealed or modified in future legislation. In addition, it is uncertain if and to what extent various states will conform to the Tax Act or any newly enacted federal tax legislation. Changes in corporate tax rates, the realization of net operating losses, and other deferred tax assets relating to our operations, the taxation of foreign earnings, and the deductibility of expenses under the Tax Act or future reform legislation could have a material impact on the value of our deferred tax assets and could increase our future U.S. tax expense.

We may be unable to effectively and efficiently manage growth in our business.

We may struggle to manage growth in our business efficiently. Failing to scale our operations to meet the increasing demands of our real estate professionals could negatively impact our performance. As we onboard more real estate professionals, the need to enhance our systems, integrate third-party systems, and maintain infrastructure becomes vital. Any delay in these upgrades can lead to system issues and reduced satisfaction among our real estate professionals. This could deter existing and potential professionals from associating with our Company. Expanding our systems efficiently may be challenging and also poses inherent risks, and we cannot guarantee timely and effective implementation. Such efforts might lead to decreased revenues and margins, impacting our financial results.

Our business could be adversely affected if we are unable to expand, maintain and improve the systems and technologies which we rely on to operate or fail to adopt and integrate new technologies.

As the number of agents and brokers in our company grows, our success will depend on our ability to expand, maintain and improve the technology that supports our business operations, including, but not limited to, our cloud office platform, as well as our ability to adopt and integrate new technologies, including, but not limited to, machine learning and artificial intelligence solutions. Loss of key personnel or the lack of adequate staffing with the requisite expertise and training could impede our efforts in this regard. If we do not adopt and offer new in-demand technologies and/or if our systems and technologies lack capacity or quality sufficient to service agents and their clients, then the number of agents who wish to use our products could decrease, the level of client service and transaction volume afforded by our systems could suffer and our costs could increase. In addition, our competitors or other third parties may incorporate artificial intelligence and emerging technologies into their products or operations more quickly or more successfully than we do, which could impair our ability to compete effectively. Additionally, artificial intelligence algorithms and other emerging technologies may be flawed and datasets underlying such technologies may be insufficient or contain biased information. If the new technologies integrated into our products or that we use in our operations produce analyses or recommendations that are or are alleged to be deficient, inaccurate, or biased, our reputation, business, financial condition, and results of operations may be adversely affected.

We intend to evaluate acquisitions, mergers, joint ventures or investments in third-party technologies and businesses, but we may not realize the anticipated benefits from and may have to pay substantial costs related to, any acquisitions, mergers, joint ventures, or investments that we undertake.

As part of our business and growth strategy, we evaluate acquisitions of, or investments in, a wide array of potential strategic opportunities, including third-party technologies and businesses, as well as other real estate brokerages. If we are not able to effectively integrate acquired businesses and assets or successfully execute joint venture strategies, our operating results and prospects could be harmed. Since 2019, we have acquired new technology and operations and entered into various joint venture arrangements. We will continue to look for opportunities to acquire technologies or operations that we believe will contribute to our growth and development. The success of our future acquisition strategy will depend on our ability to identify, negotiate, complete and integrate acquisitions. The success of our future joint venture strategies will depend on our ability to identify, negotiate, complete and successfully manage and grow joint ventures with other parties. In addition, acquisitions and joint ventures could cause potentially dilutive issuances of equity securities or incurrence of debt.

Acquisitions and joint ventures are inherently risky and any we complete may not be successful. Any acquisitions and joint ventures we pursue would involve numerous risks, including the following:

- difficulties in integrating and managing the operations and technologies of the companies we acquire, including higher than expected integration costs and longer integration periods;
- diversion of our management's attention from normal daily operations of our business;
- our inability to maintain the customers, key employees, key business relationships and reputations of the businesses we acquire;
- our inability to generate sufficient revenue or business efficiencies from acquisitions or joint ventures to offset our increased expenses associated with acquisitions or joint ventures;
- our responsibility for the liabilities of the businesses we acquire or gain ownership in through joint ventures, including, without limitation, liabilities arising out of their failure to maintain effective data security, data integrity, disaster recovery and privacy controls prior to the acquisition, their infringement or alleged infringement of third-party intellectual property,

contract or data access rights prior to the acquisition, or failure to comply with regulatory standards applicable to new business lines;

- difficulties in complying with new markets or regulatory standards to which we were not previously subject;
- delays in our ability to implement internal standards, controls, procedures and policies in the businesses we acquire or gain ownership in through joint ventures and increased risk that our internal controls will be ineffective;
- operations in a nascent state depend directly on utilization by eXp Realty agents and brokers and new and existing customers;
- adverse effects of acquisition and joint venture activity on the key performance indicators we use to monitor our performance as a business; and
- inability to fully realize intangible assets recognized through acquisitions or joint ventures and related non-cash impairment charges that may result if we are required to revalue such intangible assets.

Our failure to address these risks or any other challenges we encounter with our future acquisitions, joint ventures and investments could cause us to not realize all or any of the anticipated benefits of such acquisitions, mergers, joint ventures or investments, incur unanticipated liabilities and harm our business, which could negatively impact our operating results, financial condition and cash flows.

Our international operations are subject to risks not generally experienced by our U.S. operations.

We have operations in Canada, the U.K., Australia, South Africa, India, Mexico, Portugal, France, Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama, Germany, the Dominican Republic, Greece, New Zealand, Chile, Poland, and Dubai. Our international operations are subject to risks not generally experienced by our U.S. operations. The risks involved in our international operations and relationships that could result in losses against which we are not insured and, therefore, affect our profitability include:

- fluctuations in foreign currency exchange rates;
- exposure to local economic conditions and local laws and regulations;
- employment laws that are significantly different than U.S. laws;
- diminished ability to legally enforce our contractual rights and use of our trademarks in foreign countries;
- difficulties in registering, protecting or preserving trade names and trademarks in foreign countries;
- restrictions on the ability to obtain or retain licenses required for operations;
- withholding and other taxes on third-party cross-border transactions as well as remittances and other payments by subsidiaries;
- onerous requirements, subject to broad interpretation, for indirect taxes and income taxes that can result in audits with potentially significant financial outcomes;
- changes in foreign taxation structures;
- compliance with the Foreign Corrupt Practices Act, the U.K. Bribery Act, or similar laws of other countries; and
- regional and country specific data protection and privacy laws including the European Union's General Data Protection Regulation ("GDPR").

In addition, activities of agents and brokers outside of the U.S. are more difficult and more expensive to monitor and improper activities or mismanagement may be more difficult to detect. Negligent or improper activities involving our agents and brokers may result in reputational damage to us and may lead to direct claims against us based on theories of vicarious liability, negligence, joint operations and joint employer liability which, if determined adversely, could increase costs and subject us to incremental liability for their actions.

Failure to protect intellectual property rights could adversely affect our business.

Our intellectual property rights, including existing and future trademarks, trade secrets, patents and copyrights, are important assets of the business. We have taken measures to protect our intellectual property, but these measures may not be sufficient or effective. We may bring lawsuits to protect against the potential infringement of our intellectual property rights and other companies, including our competitors, could make claims against us alleging our infringement of their intellectual property rights.

There can be no assurance that we would prevail in such lawsuits. Any significant impairment of our intellectual property rights could harm our business.

We are actively, and intend to continue, developing new products and services complementary to our brokerage business and our failure to accurately predict their demand or growth could have an adverse effect on our business.

We are actively and intend in the future to continue, investing resources in developing new technology, services, products and other offerings complementary to our brokerage business. New business initiatives are inherently risky and may involve unproven business strategies and markets with which we have limited or no prior development or operating experience. Risks from these new initiatives include those associated with potential defects in the design, ongoing development and maintenance of technologies, reliance on data or user inputs that may prove inadequate or unavailable, failure to design products and services in a way that is more effective or affordable than competing third-party products and services and failure to scale businesses as they grow, among others. As a result of these risks, we could experience increased legal claims, reputational damage, financial loss or other adverse effects, which could be material. We can provide no assurance that we will be able to efficiently or effectively develop, commercialize and achieve market acceptance of new products and services. Additionally, the human and financial capital committed to develop new products and services may either be insufficient or result in expenses that exceed the revenue actually originated from these new products and services. In addition, our efforts to develop new products and services could distract management from current operations and could divert capital and other resources from our existing business, including our brokerage business. Failure to achieve the expected benefits of our investments may occur and could harm our business.

Risks Related to our Real Estate Business

We may be unable to maintain our agent growth rate, which would adversely affect our revenue growth and results of operations.

During the year ended December 31, 2023, our agent and broker base grew to 87,515 agents and brokers, or by 2%, from 86,203 agents and brokers as of December 31, 2022. Because we derive revenue from real estate transactions in which our brokers and agents receive commissions, the amount and rate of growth of our revenue typically correlate to the amount and rate of growth of our agent and broker base, respectively. The rate of growth of our agent and broker base cannot be predicted and is subject to many factors outside of our control, including actions taken by our competitors and macroeconomic factors affecting the real estate industry in general. We cannot provide assurances that we will be able to maintain or increase our recent agent growth rate or that our agent and broker base will continue to expand in future periods. A slowdown in our agent growth rate would have a material adverse effect on revenue growth and could adversely affect our business, results of operations, financial condition and cash flows.

Inflation and rising interest rates have and may continue to contribute to declining real estate transaction volumes, which have and may continue to materially impact operating results, profits and cash flows.

Inflation and rising interest rates have generally impacted real estate transaction volumes in the U.S., Canada and other international markets. In 2022 and 2023, the Company has experienced declining transaction volume, which has had an impact on operating results. If we are not able to organically grow our market share, to offset the declining transactions, our operating results, profits and cash flow may be materially impacted in the event interest rates stay level or continue to rise. The Company believes that it continues to be well positioned for growth in the current economic climate, due to our strong base of agent support, and the superior agent value proposition enabled by our efficient operating model, with lower fixed costs and no brick-and-mortar locations, but we cannot provide assurances that our operating results or cash flows will not be materially impacted by the macroeconomic factors.

Any reduction in the Company's portion of the commission revenue from property sales transactions could harm our financial performance.

Our industry faces intense competition for real estate professionals, and our efforts to attract and retain real estate sales agents and brokers may continue to put upward pressure on our commissions and related costs. For example, the Company competes with other brokerages that may have reduced operating margins and access to capital resources permitting them to prioritize market share over profits, as well as the growing popularity of non-traditional platforms such as listing aggregators, which may put additional pressure on our commissions and related costs. If our brokerage has to pay a larger share of commissions to independent real estate professionals involved in property transactions, or if our commission earnings from these transactions decrease, it could harm the operating margins of our Company.

If we fail to grow in the various local markets that we serve or are unsuccessful in identifying and pursuing new business opportunities our long-term prospects and profitability will be harmed.

To capture and retain market share in the various local markets that we serve, we must compete successfully against other brokerages for agents and brokers and for the consumer relationships that they bring. Our competitors could lower the fees that they charge to agents and brokers or could raise the compensation structure for those agents. Our competitors may have access to greater financial resources than us, allowing them to undertake expensive local advertising or marketing efforts. In addition, our

competitors may be able to leverage local relationships, referral sources and strong local brand and name recognition that we have not established. Our competitors could, as a result, have greater leverage in attracting new and established agents in the market and in generating business among local consumers. Our ability to grow in the local markets that we serve will depend on our ability to compete with these local brokerages.

We may implement changes to our business model and operations to improve revenues that cause a disproportionate increase in our expenses or reduce profit margins. For example, we may allocate resources to acquiring lower margin brokerage models and have invested in the development of a mortgage servicing division, a commercial real estate division, a title and escrow company, a mortgage lending company, a personal development company or a continuing education division. Expanding our service offerings could involve significant up-front costs that may only be recovered after lengthy periods of time. The barrier to entry in new real estate markets is low given our cloud-based operating model; however, attempts to pursue new business opportunities could result in a disproportionate increase in our expenses and in reduced profit margins. In addition, expansion into new markets and business lines, including internationally, could expose us to additional compliance obligations and regulatory risks. If we fail to continue to grow in the local markets we serve or if we fail to successfully identify and pursue new business opportunities, our long-term prospects, financial condition and results of operations may be harmed and our stock price may decline.

Our value proposition for agents and brokers includes allowing them to participate in the revenues of our Company and is not typical in the real estate industry. If agents and brokers do not understand our value proposition, we may not be able to attract, retain and incentivize agents.

Participation in our revenue sharing plan represents a key component of our agent and broker value proposition. Agents and brokers may not understand or appreciate its value due to the intricacies of our programs. In addition, agents may not appreciate other components of our value proposition, including the cloud office platform, the mobility it affords, the systems and tools that we provide to agents and brokers and the professional development opportunities we create and deliver. If agents and brokers do not understand the elements of our agent value proposition, or do not perceive it to be more valuable than the models used by most competitors, we may not be able to attract, retain and incentivize new and existing agents and brokers to grow our revenues.

Negligence or willful misconduct of independent real estate professionals affiliated with our Company owned brokerages could materially and adversely affect our reputation and subject us to liability.

Our Company-owned brokerage operations rely on the performance of independent real estate professionals. If the independent real estate professionals engage in poor quality services, negligent or willful misconduct, our image and reputation could be materially adversely affected. In addition, we could also be subject to litigation and regulatory claims arising out of their actions, which if adversely determined, could materially and adversely affect us, our operations, and our financial condition. To mitigate these risks, we have executed contractual agreements with our real estate professionals that mandate compliance with applicable laws and adherence to our established policies and procedures, and stipulate potential liabilities for agents in the event of contractual breaches.

Risks Related to our Virbela Business

We may continue to experience a decline in demand for the application-based Virbela platform and may not be able to leverage our costs to achieve profitability in our Virbela business.

The virtual reality industry, encompassing 3D immersive experiences, is in a constant state of flux due to swift technological advancements, shifting industry standards, and evolving consumer preferences. During 2023, we experienced declining demand for our application-based Virbela platform. This decline can be attributed to several factors, including the post-COVID shift back to in-person work, increased focus on artificial intelligence solutions, including virtual reality solutions that incorporate artificial intelligence, and uncertainty in the adoption of 3D immersive office solutions. While platforms like our web-accessible Frame are emerging, the sustainability of such cloud-based 3D office environments as replacements for traditional offices remains uncertain. Given these dynamics, it's challenging for us to assure profitability in our Virbela operations, despite our efforts to optimize costs.

Risks Related to Legal and Regulatory Matters

We are subject to certain risks related to legal proceedings filed by or against us and adverse results may harm our business and financial condition.

We are subject to risk of and are from time to time involved in, or may in the future be subject to, claims, suits, government investigations and proceedings arising from our business, including actions with respect to securities, intellectual property, privacy, information security, data protection or law enforcement matters, tax matters, labor and employment, including claims challenging the classification of our agents and brokers as independent contractors and compliance with wage and hour regulations and claims alleging violations of RESPA or state consumer fraud statutes and commercial arrangements. We are also subject to risk related to stockholder derivative actions, standard brokerage disputes like the failure to disclose hidden defects in a property such as mold, vicarious liability based upon conduct of individuals or entities outside of our control, including our agents, brokers, third-party service or product providers and purported class action lawsuits. Such litigation and other proceedings may include, but are

not limited to, the currently pending antitrust litigation as disclosed in *Note 13 – Commitments and Contingencies* to the consolidated financial statements included elsewhere within this Annual Report. A substantial unsatisfied judgment against us or one of our subsidiaries could result in bankruptcy, which would materially and adversely affect our business and operating results.

We cannot predict with certainty the cost of defense, the cost of prosecution, insurance coverage or the ultimate outcome of litigation and other proceedings filed by or against us, including remedies or damage awards. Adverse results in such litigation and other proceedings may harm our business and financial condition. Class action lawsuits can often be particularly burdensome given the breadth of claims, large potential damages and significant costs of defense. In the case of intellectual property litigation and proceedings, adverse outcomes could include the cancellation, invalidation or other loss of material intellectual property rights used in our business and injunctions prohibiting our use of business processes or technology that is subject to third-party patents or other third-party intellectual property rights. In addition, we may be required to enter into licensing agreements (if available on acceptable terms) and be required to pay royalties. In the case of securities litigation and proceedings, adverse outcomes could include the cancellation, invalidation, or modification of our existing equity incentive program.

From time to time, we may become involved in lawsuits and legal proceedings which arise in the ordinary course of business. Except as set forth in *Note 13 – Commitments and Contingencies* to the consolidated financial statements included elsewhere within this Annual Report, we are not involved in any material pending legal proceedings and there are no proceedings in which any of our directors, officers or affiliates is an adverse party or has a material interest adverse to our interest.

Adverse outcomes in litigation and regulatory actions against other companies and agents in our industry could adversely impact our financial results.

Adverse outcomes in legal and regulatory actions against other companies, brokers, and agents in the residential and commercial real estate industry may adversely impact the financial condition of the Company and our real estate brokers and agents when those matters relate to business practices shared by the Company, our real estate brokers and agents, or our industry at large. Such matters may include, without limitation, RESPA, Telephone Consumer Protection Act of 1991 and state consumer protection law, antitrust and anticompetition, and worker classification claims. Additionally, if plaintiffs or regulatory bodies are successful in such actions, this may increase the likelihood that similar claims are made against the Company and/or our real estate brokers and agents which claims could result in significant liability and be adverse to our financial results if we or our brokers and agents are unable to distinguish or defend our business practices.

As an example, in the matter of *Burnett v. National Association of Realtors* (U.S. District Court for the Western District of Missouri), a federal jury found NAR and certain other remaining brokerage defendants liable for \$1.8 billion in damages related to allegations of breach of federal and state antitrust laws, which matter remains subject to final court approval. Additionally, certain other brokerage defendants settled with the plaintiffs, including both monetary and non-monetary settlement terms, which also remain subject to final court approval. Since that time, the Company has been named in multiple putative class action complaints making substantially similar allegations and seeking substantially similar relief. The Company is vigorously defending those lawsuits.

We face significant risk to our brand and revenue if we fail to maintain compliance with the law and regulations of federal, state, county and foreign governmental authorities, or private associations and governing boards.

We operate in a heavily regulated industry subject to complex, federal, state, provincial and local laws and regulations within the markets in which we operate and third-party organizations' regulations, policies and bylaws governing the real estate business.

In general, the laws, rules and regulations that apply to our business practices include, without limitation, the Real Estate Settlement Procedures Act ("RESPA"), the federal Fair Housing Act, the Dodd-Frank Act, the Exchange Act and federal advertising and other laws, as well as comparable state statutes; rules of trade organizations such as NAR, local MLSs and state and local AORs; licensing requirements and related obligations that could arise from our business practices relating to the provision of services other than real estate brokerage services, including without limitation, our mortgage lending services; privacy regulations relating to our use of personal information collected from the registered users of our websites; laws relating to the use and publication of information through the internet; and state real estate brokerage and mortgage lending licensing requirements, as well as statutory due diligence, disclosure, record keeping and standard-of-care obligations relating to these licenses.

Additionally, the Dodd-Frank Act contains the Mortgage Reform and Anti-Predatory Lending Act ("Mortgage Act"), which imposes a number of additional requirements on lenders and servicers of residential mortgage loans, by amending certain existing provisions and adding new sections to RESPA and other federal laws. It also broadly prohibits unfair, deceptive or abusive acts or practices and knowingly or recklessly providing substantial assistance to a covered person in violation of that prohibition. The penalties for noncompliance with these laws are also significantly increased by the Mortgage Act, which could lead to an increase in lawsuits against mortgage lenders and servicers.

As we expand our business in international markets, including new and existing international markets, we are subject to additional foreign governmental regulation. Ensuring compliance with these newly applicable laws could substantially increase our operating expenses. In addition, entry into these new markets exposes us to increased risk and liability. A violation of any of these applicable laws could have a material adverse effect on our business.

Maintaining legal compliance is challenging and increases our costs due to resources required to continually monitor business practices for compliance with applicable laws, rules and regulations and to monitor changes in the applicable laws themselves.

We may not become aware of all the laws, rules and regulations that govern our business, or be able to comply with all of them, given the rate of regulatory changes, ambiguities in regulations, contradictions in regulations between jurisdictions and the difficulties in achieving both company-wide and region-specific knowledge and compliance.

If we fail, or we have alleged to have failed, to comply with any existing or future applicable laws, rules and regulations, we could be subject to lawsuits and administrative complaints and proceedings, as well as criminal proceedings. Our noncompliance could result in significant defense costs, settlement costs, damages and penalties.

Our business licenses could be suspended or revoked, our business practices enjoined, or we could be required to modify our business practices, which could materially impair, or even prevent, our ability to conduct all or any portion of our business. Any such events could also damage our reputation and impair our ability to attract and service homebuyers, home sellers, agents, clients and customers as well our ability to attract brokerages, brokers, teams of agents and agents to our company, without increasing our costs.

Further, if we lose our ability to obtain and maintain all of the regulatory approvals and licenses necessary to conduct business as we currently operate, our ability to conduct business may be harmed. Lastly, any lobbying or related activities we undertake in response to mitigate liability of current or new regulations could substantially increase our operating expenses.

We offer our independent agents the opportunity to earn additional commissions through our revenue sharing plan, which pays under a multi-tiered compensation structure similar in some respects to network marketing. Network marketing is subject to intense government scrutiny and regulation and changes in the law, or the interpretation and enforcement of the law, might adversely affect our business.

Various laws and regulations in the United States and other countries regulate network marketing. These laws and regulations exist at many levels of government in many different forms, including statutes, rules, regulations, judicial decisions and administrative orders. Network marketing regulations are inherently fact-based and often do not include "bright line" rules. Additionally, we are subject to the risk that the regulations, or a regulator's interpretation and enforcement of the regulations, could change. From time to time, we have received requests to supply information regarding our revenue sharing plan to regulatory agencies. We could potentially in the future be required to modify our revenue sharing plan in certain jurisdictions in order to comply with the interpretation of the regulations by local authorities.

In the United States, the Federal Trade Commission ("FTC") has entered into several highly publicized settlements with network marketing companies that required those companies to modify their compensation plans and business models. Those settlements resulted from actions brought by the FTC involving a variety of alleged violations of consumer protection laws, including misleading earnings representations by the companies' independent distributors, as well as the legal validity of the companies' business model and distributor compensation plans. FTC determinations such as these have created an ambiguity regarding the proper interpretation of the law and regulations applicable to network marketing companies in the U.S. Although a consent decree between the FTC and a specific company does not represent judicial precedent, FTC officials have indicated that the network marketing industry should look to these consent decrees and the principles contained therein, for guidance. Additionally, following the issuance of these consent decrees, the FTC issued non-binding guidance to the network marketing industry, suggesting it intended to reinforce the principles contained in the consent decrees and provide other operational guidance to the network marketing industry.

While we strive to ensure that our overall business model and revenue-sharing plan, are regulatory compliant in each of our markets, we cannot assure you that a regulator, if it were to review our business, would agree with our assessment and would not require us to change one or more aspects of our operations. Any action against us in the future by the FTC or another regulator could materially and adversely affect our operations.

We cannot predict the nature of any future law, regulation, or guidance, nor can we predict what effect additional governmental regulations, judicial decisions, or administrative orders, when and if promulgated, would have on our business. Failure by us, or our independent agents, to comply with these laws, could adversely affect our business.

We may suffer significant financial harm and loss of reputation if we do not comply, cannot comply, or are alleged to have not complied with applicable laws, rules and regulations concerning our classification and compensation practices for the agents in our owned-and-operated brokerage.

Except for our employed state brokers and commission-only employees, all real estate professionals in our brokerage operations have been retained as independent contractors, either directly or indirectly through third-party entities formed by these independent contractors for their business purposes. With respect to these independent contractors, like most brokerage firms, we are subject to the taxing authorities' regulations and applicable laws regarding independent contractor classification. These regulations and guidelines are subject to judicial and agency interpretation and it might be determined that the independent contractor classification is inapplicable to any of our affiliated real estate professionals. Further, if legal standards for classification of real estate

professionals as independent contractors change or appear to be changing, it may be necessary to modify our compensation and benefits structure for our affiliated real estate professionals in some or all of our markets, including by paying additional compensation or reimbursing expenses.

In the future we could incur substantial costs, penalties and damages, including back pay, unpaid benefits, taxes, expense reimbursement and attorneys' fees, in defending future challenges by our affiliated real estate professionals to our employment classification or compensation practices.

We are and may, in the future, be blocked from or limited in providing our agent compensation plans in certain jurisdictions and may be required to modify our business model in those jurisdictions as a result.

Our agent compensation plans represent a key lever in our strategy to attract and retain independent agents and brokers and are subject to various international, federal, state, territorial and local laws, rules and regulations which differ in each of our existing and future markets. As a result, we are and may, in the future, be blocked from or limited in providing each of our agent compensation plans in certain markets. In addition, these laws, rules and regulations are subject to judicial and agency interpretation and it might be determined that our agent compensation plans are not permitted to be offered to independent contractors. In response to such limitations, we have and may, in the future, be required to modify our agent compensation practices in such markets. Failure to comply with applicable law, rules and regulations or failure to subsequently modify our business model in certain jurisdictions to effectively attract and retain agents and brokers could negatively affect our business, results of operations or financial condition. The costs attributable to developing compliant agent compensation plans can be significant and could adversely affect our financial condition.

If we fail to protect the privacy and personal information of our customers, agents or employees, we may be subject to legal claims, government action and damage to our reputation.

Hundreds of thousands of consumers, independent contractors and employees have shared personal information with us during the normal course of our business processing real estate transactions. This includes, but is not limited to, Social Security numbers, annual income amounts and sources, consumer names, addresses, telephone and cell phone numbers and email addresses. To run our business, it is essential for us to store and transmit this sensitive information in our systems and networks. At the same time, we are subject to numerous laws, regulations and other requirements that require businesses like ours to protect the security of personal information, notify customers and other individuals about our privacy practices and limit the use, disclosure, or transfer of personal data across country borders. Regulators in the U.S. and abroad continue to enact comprehensive new laws or legislative reforms imposing significant privacy and cybersecurity restrictions. The result is that we are subject to increased regulatory scrutiny, additional contractual requirements from corporate customers and heightened compliance costs. These ongoing changes to privacy and cybersecurity laws also may make it more difficult for us to operate our business and may have a material adverse effect on our operations. For example, the European Union's GDPR conferred new and significant privacy rights on individuals (including employees and independent agents) and materially increased penalties for violations. In the U.S., California enacted the California Consumer Privacy Act — which went into full effect in 2021 — imposing new and comprehensive requirements on organizations that collect and disclose personal information about California residents. In March 2017, the New York Department of Financial Services' cybersecurity regulation went into effect, requiring regulated financial institutions to establish a detailed cybersecurity program. Program requirements include corporate governance, incident planning, data management, system testing, vendor oversight and regulator notification rules. Now, other state regulatory agencies are expected to enact similar requirements following the adoption of the Insurance Data Security Model Law by the National Association of Insurance Commissioners that is consistent with the New York regulation.

Any significant violations of privacy, including as a result of cybersecurity breaches, could result in the loss of new or existing business, litigation, regulatory investigations, the payment of fines, damages and penalties and damage to our reputation, which could have a material adverse effect on our business, financial condition and results of operations.

We could also be adversely affected if legislation or regulations are expanded to require changes in our business practices or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively affect our business, results of operations or financial condition. For example, we have and may continue to incorporate new technologies such as machine learning and artificial intelligence into our processes and systems, which are under increased regulatory scrutiny. We may be required to change our platforms and services due to new laws and/or decisions related to emerging technologies which may decrease our operational efficiency and/or hinder our ability to improve our services.

In addition, while we disclose our information collection and dissemination practices in a published privacy statement on our websites, which we may modify from time to time, we may be subject to legal claims, government action and damage to our reputation if we act or are perceived to be acting inconsistently with the terms of our privacy statement, customer expectations or state, national and international regulations. Our policy and safeguards could be deemed insufficient if third parties with whom we have shared personal information fail to protect the privacy of that information.

The occurrence of a significant claim in excess of our insurance coverage or which is not covered by our insurance in any given period could have a material adverse effect on our financial condition and results of operations during the period. In the event we

or the vendors with which we contract to provide services on behalf of our customers were to suffer a breach of personal information, our customers and independent agents could terminate their business with us. Further, we may be subject to claims to the extent individual employees or independent contractors breach or fail to adhere to Company policies and practices and such actions jeopardize any personal information. Our legal liability could include significant defense costs, settlement costs, damages and penalties, plus, damage our reputation with consumers, which could significantly damage our ability to attract customers. Any or all of these consequences would result in a meaningful unfavorable impact on our brand, business model, revenue, expenses, income and margins.

In addition, concern among potential homebuyers or sellers about our privacy practices could result in regulatory investigations, especially in the European Union as related to the GDPR. Additionally, concern among potential homebuyers or sellers could keep them from using our services or require us to incur significant expense to alter our business practices or educate them about how we use personal information.

SUCCESS Lending and SUCCESS Franchising are relatively new business initiatives with regulatory and compliance risks, many of which are beyond our control.

Both the SUCCESS Lending joint venture and SUCCESS Franchising business, both launched in 2021, have limited operating histories and have encountered and will continue to encounter risks, uncertainties, difficulties and expenses, including, without limitation, ongoing compliance with a complex and evolving regulatory environment. If we are not able to timely and effectively respond to these requirements, or if risks arise outside our reasonable ability to respond effectively, our business and financial condition may be harmed.

Risks Related to Our Stock

Glenn Sanford, our Chairman and Chief Executive Officer, together with Penny Sanford, a significant stockholder, own a significant percentage of our stock and have agreed to act as a group on any matter submitted to a vote of our stockholders. As a result, the trading price for our shares may be depressed and they can significantly influence actions that may be adverse to the interests of our other stockholders.

On January 12, 2024, Glenn Sanford and Penny Sanford filed an amended Schedule 13D with the Securities and Exchange Commission, which disclosed that they beneficially owned approximately 45.73% of our outstanding common stock as of November 30, 2023 and that they had agreed to vote their shares as a group with respect to the election of directors and any other matter on which our shares of common stock are entitled to vote. This significant concentration of share ownership may adversely affect the trading price for our common stock because investors may perceive disadvantages in owning stock in a company with a stockholder group holding a significant number of our shares. The group can significantly influence all matters requiring approval by our stockholders, including the election and removal of directors and any proposed merger, consolidation or sale of all or substantially all of our assets. In addition, due to his significant ownership stake and his service as our Chief Executive Officer and Chairman of our Board of Directors, Mr. Sanford significantly influences the management of our business and affairs. This concentration of ownership and influence could have the effect of delaying, deferring, or preventing a change in control, or impeding a merger or consolidation, takeover or other business combination that could be favorable to our other stockholders.

Until July 31, 2023, we were a “controlled company” within the meaning of Nasdaq rules and, as a result, we qualified for and relied on, exemptions from certain corporate governance requirements. Under applicable Nasdaq rules, we qualify for and intend to rely on certain phase-in periods to comply with the previously exempt governance requirements.

Until July 31, 2023, we qualified as a “controlled company” within the meaning of Nasdaq corporate governance standards and, accordingly, we qualified for and from time-to-time relied on exemptions to certain governance requirements. Under Nasdaq rules, a company may phase-in to compliance with certain governance requirements after ceasing to be a “controlled company”, including the requirement that we have a compensation committee that is composed entirely of independent directors within a year of losing controlled company status.

We are presently using this exemption. As a result, our compensation committee will not consist entirely of independent directors in the immediate future. Consequently, our stockholders do not presently have the same protection afforded to stockholders of companies that are subject to all of the Nasdaq corporate governance rules and requirements. Our reliance on this exemption could make our common stock less attractive to some investors or otherwise harm our stock price.

Because we can issue additional shares of common stock and because we issue stock under equity incentive plan, our stockholders may experience dilution in the future.

We are authorized to issue up to 900,000,000 shares of common stock, of which 183,606,708 shares were issued and 154,669,037 shares were outstanding as of December 31, 2023. Additionally, the Company maintains a 2015 Equity Incentive Plan from which employees, agents, brokers and certain service providers of the Company and its affiliates can receive awards of the Company’s common stock. As of December 31, 2023, there were 88,596,220 shares registered and authorized under the 2015 Equity Incentive Plan, of which 20,760,284 are available for future issuance. Our Board of Directors has the authority to cause us to issue

additional shares of common stock without consent of any of our stockholders, subject to applicable Nasdaq listing rules. Consequently, current stockholders may experience more dilution in their ownership of our common stock in the future.

The stock price of our common stock has been and likely will continue to be volatile and may decline in value regardless of our performance.

The market price for our common stock could fluctuate significantly for various reasons, many of which are outside our control, including those described above and the following:

- our operating and financial performance and prospects;
- future sales of substantial amounts of our common stock in the public market, including but not limited to shares we may issue as consideration for acquisitions or investments;
- housing and mortgage finance markets;
- our quarterly or annual earnings or those of other companies in our industry;
- the public's reaction to our press releases, other public announcements and filings with the SEC;
- changes in recommendations or analysis of our prospects by securities analysts who track our common stock;
- market and industry perception of our success, or lack thereof, in pursuing our growth strategy;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- actual or potential changes in laws, regulations and regulatory interpretations;
- changes in interest rates;
- changes in demographics relating to housing such as household formation or other consumer preferences toward home ownership;
- changes in accounting standards, policies, guidance, interpretations or principles;
- arrival and departure of key personnel;
- the filing of and/or adverse resolution of new or pending litigation or regulatory proceedings against us; and
- changes in general market, economic and political conditions in the United States and global economies.

In addition, the stock markets have experienced periods of high price and volume fluctuations that have affected and continue to affect the market prices of the equity securities of many companies, including technology companies and real estate brokerages. Such price fluctuations can be unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business and harm our business.

Because we may not pay any cash dividends on our shares of common stock in the near future, our stockholders may not be able to receive a return on their shares unless they sell them.

On August 4, 2021, the Company's Board of Directors declared and subsequently paid its first cash dividend. The Company then declared and paid subsequent dividends during each quarter of the fiscal year ended December 31, 2023. There is no assurance that future dividends will be paid and if dividends are paid, there is no assurance with respect to the amount of any such dividend. The declaration, payment and amount of any future dividends will be made at the discretion of the Board of Directors and will depend upon, among other things, the results of operations, cash flows and financial condition, operating and capital requirements and other factors as the Board of Directors considers relevant. Unless we pay dividends, our stockholders will not be able to receive a return on their shares unless they sell them.

Delaware law and our organizational documents may impede or discourage a takeover, which could deprive our investors of the opportunity to receive a premium for their shares.

We are a Delaware corporation and the anti-takeover provisions of Delaware law impose various impediments to the ability of a third party to acquire control of us, even if a change of control would be beneficial to our existing stockholders. In addition, provisions of our amended and restated certificate of incorporation and amended and restated bylaws may make it more difficult

for, or prevent a third party from, acquiring control of us without the approval of our Board of Directors. Among other things, these provisions:

- do not permit cumulative voting in the election of directors, which would otherwise allow less than a majority of stockholders to elect director candidates;
- delegate the sole power to a majority of the Board of Directors to fix the number of directors;
- provide the power to our Board of Directors to fill any vacancy on our Board of Directors, whether such vacancy occurs as a result of an increase in the number of directors or otherwise;
- eliminate the ability of stockholders to call special meetings of stockholders; and
- establish advance notice requirements for nominations for election to our Board of Directors or for proposing matters that can be acted on by stockholders at stockholder meetings.

The foregoing factors could impede a merger, takeover or other business combination or discourage a potential investor from making a tender offer for our common stock which, under certain circumstances, could reduce the market value of our common stock and our investors' ability to realize any potential change-in-control premium.

Item 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

Item 1C. CYBERSECURITY

We recognize the critical importance of creating a multifaceted defense-in-depth cybersecurity ecosystem to protect the confidentiality, integrity, and availability of Company systems and data.

Managing Material Risk

The Company's approach to risk management is unique to each reporting segment, with Virbela and Other Affiliated Services each independently identifying, assessing, and managing their material risk from cybersecurity threats, and North American Realty and International Realty operating under a joint risk framework due to the similarities in cybersecurity risk they face. While educational resources about cybersecurity risks are shared amongst Information Technology ("IT") staff across segments, segment-specific IT staff are empowered to evaluate and address cybersecurity risks within their reporting segment in alignment with the Company's overall business objectives and operational needs. Where required, IT staff in each reporting segment may communicate with their counterparts in different reporting segments or with executive management of the Company to ensure compliance with cybersecurity incident and data breach reporting requirements under applicable law.

Engage Third Parties on Risk Management

Understanding the complexity and evolving nature of cybersecurity threats, each reporting segment engages with a range of external experts, including cybersecurity assessors and consultants, to assess, identify, and manage material risks posed by cybersecurity threats, as determined by each reporting segment's IT personnel. Each reporting segment has enabled external technologies and specialists, as deemed necessary by the reporting segment, to continuously test, alert, and report on the Company's various computing ecosystems. These external assets allow the reporting segment IT leaders to leverage cybersecurity tools applicable to their segment's risks, ensuring our cybersecurity strategies and processes continue to align with business objectives and operational needs. Segment IT personnel collaborate with these third-parties to review and discuss vulnerabilities and threats, consult on security enhancements for better risk identification, and audit risk management systems.

Oversee Third-Party Risk

Due to the risks associated with third-party access to certain systems and data in each reporting segment, when a reporting segment enters into a relationship with a third-party service provider that presents a cybersecurity risk, various security assessments may be issued by the reporting segment to enable the applicable reporting segment to identify, oversee, and manage these risks. The security assessments are designed to establish communication channels as between the reporting segment and the third-party for purposes of cybersecurity risk management and reporting, as well as to ensure that security controls are established as necessary to comply with that reporting segment's security and privacy policies. Such assessments may include an initial assessment conducted by the IT staff of the reporting segment, an annual assessment thereafter by the IT staff of the reporting segment, and ongoing monitoring of tools deployed within the third-party's environment by the third-party's IT staff or equivalent thereof. Where applicable, the reporting segment imposes security incident reporting requirements on third-party

service providers via written contract in order to ensure the timely reporting of incidents. Information obtained in initial and ongoing assessments as well as incident reports are presented to applicable reporting segment staff who (i) review and engage the third party on preventative and responsive actions based on such assessments and reports, as applicable, and (ii) evaluate the continued relationship with the third party and terminate the relationship, if necessary.

Risk of Cybersecurity Threats

To date, the Company has not identified a cybersecurity threat in any reporting segment, including as a result of any previous cybersecurity incidents, that has or is reasonably likely to have a current or future material effect on our business strategy, financial condition, results of operations, liquidity, capital expenditures, or capital resources.

Cybersecurity Governance

eXp World Holdings, Inc.'s Board of Directors (the "Board") is aware of the critical nature of managing risks associated with cybersecurity threats and meets regularly to discuss managing risk from cybersecurity threats, among other risks facing the Company. The Board has established oversight mechanisms to ensure effective governance in managing risks associated with cybersecurity threats.

Board of Directors Oversight

The Board's Nominating and Corporate Governance Committee is central to the Board's oversight of cybersecurity risks and bears the primary responsibility for cybersecurity risk oversight. When required, additional information is provided from the IT management for each reporting segment for further insight and analysis. The Company is continually monitoring its cybersecurity oversight, strategy and governance for improvement and refinement.

Management's Role Managing Risk

The Company's Chief Information Officer ("CIO") plays a key role in informing the Nominating and Corporate Governance Committee of cybersecurity risks across the reporting segments. This management member provides comprehensive briefings to the Nominating and Corporate Governance Committee on a quarterly basis. These briefings include a broad range of topics, including:

- Current cybersecurity landscape and emerging threats;
- Status of ongoing cybersecurity initiatives and strategies in various reporting segments;
- Incident reports and learnings from any cybersecurity events; and
- Compliance with regulatory requirements and industry standards.

The CIO receives updates on any significant developments in the cybersecurity domain from each reporting segment, which the CIO then reports to the Nominating and Corporate Governance Committee, ensuring the Board's oversight is proactive and responsive.

Risk Management Personnel

Primary oversight and responsibility for managing the Company's cybersecurity risks resides with the CIO. With over 25 years of experience in business and information technology management, the current Company CIO is an accomplished software executive with an exceptional record of building large-scale product delivery organizations, which include product management, engineering, information technology, and information security. The current Company CIO is graduate of Southern Methodist University where he obtained his M.B.A. and University of Oklahoma where he received his B.S. in Computer Sciences.

Accompanying the CIO with the development of the security ecosystem is key personnel at each reporting segment, including:

- North American and International Realty's Sr. Director of Information Security. The person currently in this role has over 15 years of experience managing enterprise level cyber security programs in various industries in addition to having a Bachelor of Science in Information Technology Management and Information Security Manager Certification.

- Virbela's Director of IT. The person currently in this role has a Master of Computer Information Systems degree and has fifteen years of professional experience in IT roles, specializing in data management and security, operational reliability and assurance, and regulatory compliance. They are experienced in information security practices, having been involved in SOC 2, GDPR, CCPA, and PCI DSS compliance frameworks.
- Virbela's Vice President of Frame. The person currently in this role has a Master in Education Technology and a decade working at the intersection of collaboration and spatial computing as a developer and technical product manager. They also have broad experience working with information security and privacy frameworks such as SOC-2, GDPR, and COPPA.
- Virbela's President. The person currently in this role has a Doctorate of Philosophy in Consulting Psychology and over eleven (11) years of expertise designing and managing the Virbela product, including its cyber vulnerabilities, data collection, and related processes.
- Other Affiliated Services Vice President, Operations. The person currently in this role has Master of Business Administration in Accounting and Business/Management with sophisticated professional experience in software implementation and business intelligence. His experience encompasses conducting security audits, implementing intrusion detection with cloud service providers, developing access controls and API encryption, and mitigating risks through vendor relations. Additionally, he has worked in IT policy development, single sign-on implementation, and cloud security.

The staff in each reporting segment have extensive knowledge of cybersecurity risk applicable to their reporting segment.

Monitoring Cybersecurity Incidents

Daily security assessments, alert monitoring, and the management of cybersecurity threats are the responsibility of each reporting segment. When appropriate, each reporting segment escalates information to the CIO to ensure awareness of cybersecurity risks across the reporting segments and to enable required incident management procedures applicable to each reporting segment. The reporting segments provide analysis to aid in the remediation of cybersecurity incidents. Each reporting segment has developed an incident response plan to pool resources that determines actions and remediation efforts, including escalation to the CIO, when necessary.

Reporting to Board of Directors

The CIO, in his capacity, informs the Chief Executive Officer of the Company and Chief Strategy Officer of eXp Realty, LLC of all aspects related to cybersecurity risks and threats. This ensures the highest levels of management are knowledgeable and updated about the cybersecurity posture and potential risks facing the Company. Furthermore, cybersecurity incidents, strategic risk management decisions, and materiality analysis are escalated to the Board, ensuring that they have comprehensive oversight and can provide guidance on critical cybersecurity issues.

Item 2. PROPERTIES

Our principal corporate office is located at 2219 Rimland Drive, Suite 301, Bellingham, Washington and is leased office space. We also lease small office spaces in a number of regions in which we operate, in order to comply with regulatory and licensing requirements within those jurisdictions and, in certain instances, to provide office space to our managing brokers and drop-in space for our agents. In some of these instances, the managing brokers are financially responsible for a significant portion of the rental expense associated with a leased office space. We generally do not provide office space for the agents other than for drop-in service. We do not own any real property. We believe that our leased facilities are adequate to meet current needs and that additional facilities will be available for lease to meet future needs.

Item 3. LEGAL PROCEEDINGS

The information set forth under "*Contingencies*" under *Note 13 – Commitments and Contingencies* to the consolidated financial statements included in Part II, Item 8, Financial Statements and Supplementary Data, of this Annual Report is incorporated herein by reference.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

The common stock of eXp is traded on the Nasdaq Global Market under the trading symbol "EXPI".

Trading in our common stock quoted on the Nasdaq Global Market is characterized by wide fluctuations in trading prices due to many factors, some of which may have little to do with our Company's operations or business prospects. We cannot assure investors that there will be a market for our common stock in the future.

Holders of Record

As of February 16, 2024, we had approximately 113,899 stockholders of record who hold shares of the Company's common stock. This does not include persons whose stock is in nominee or "street name" accounts through brokers.

Dividends

During 2023, the Company's Board of Directors declared the following dividends on its common stock:

<u>Declaration Date</u>	<u>Record Date</u>	<u>Payable Date</u>	<u>Per Share</u>
February 9, 2023	March 13, 2023	March 31, 2023	\$0.045
April 27, 2023	May 12, 2023	May 31, 2023	\$0.045
July 28, 2023	August 18, 2023	September 4, 2023	\$0.050
October 25, 2023	November 16, 2023	November 30, 2023	\$0.050

Payment of cash dividends is at the discretion of the Company's Board of Directors in accordance with applicable law after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs and plans for growth. Under Delaware law, we can only pay dividends either out of surplus or out of the current or the immediately preceding year's earnings. Therefore, no assurance is given that we will pay any future dividends to our common stockholders, or as to the amount of any such dividends.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

We may repurchase shares of our common stock from time to time at prevailing market prices, depending on market conditions, through open market, privately negotiated transactions, or through a 10b5-1 plan. No date has been established for the completion of the share repurchase program and we are not obligated to repurchase any shares. Subject to applicable corporate securities laws, repurchases may be made at such times and in such amounts as management deems appropriate or in accordance with the terms of the 10b5-1 plan. Repurchases under the program can be discontinued at any time the Board of Directors feels additional repurchases are not warranted. Any shares repurchased under the program are returned to the status of authorized but unissued shares of common stock until retired.

Refer to *Note 9 – Stockholders' Equity* to the consolidated financial statements included elsewhere within this Annual Report for more details regarding our stock repurchase program.

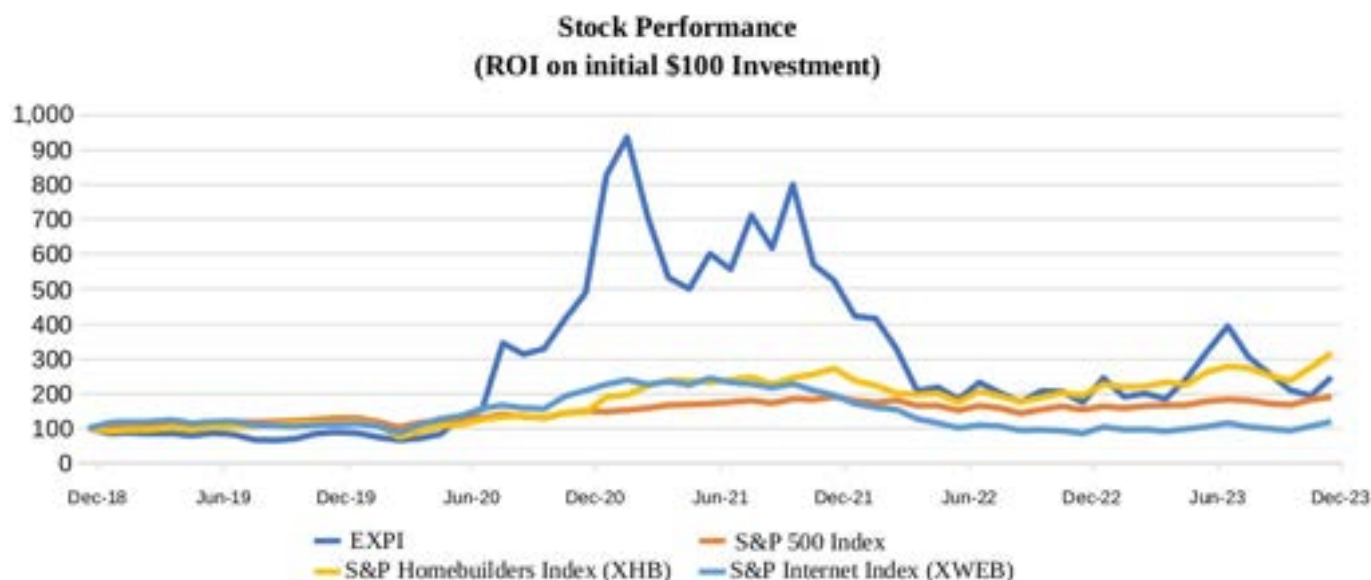
The following table provides information about repurchases of our common stock during the quarter ended December 31, 2023:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs ⁽¹⁾	Approximate dollar value of shares that may yet be purchased under the plans or programs
10/1/2023-10/31/2023	827,770	\$ 14.49	827,770	\$ 444,553,702
11/1/2023-11/30/2023	614,063	12.85	614,063	436,563,204
12/1/2023-12/31/2023	411,270	14.81	411,270	430,567,463
Total	1,853,103	\$ 14.05	1,853,103	

(1) In December 2018, the Company's Board of Directors approved a stock repurchase program authorizing the Company to purchase its common stock. In November 2019, the Board amended the repurchase program, increasing the total amount authorized to be purchased from \$25.0 million to \$75.0 million. In December 2020, the Board approved another amendment to the repurchase program, increasing the total amount authorized to be purchased from \$75.0 million to \$400.0 million. In May 2022, the Board approved an increase to the total amount of its buyback program from \$400.0 million to \$500.0 million. In June 2023, the Board approved an increase to the total amount of its buyback program from \$500.0 million to \$1.0 billion. The stock repurchase program is more fully disclosed in Note 9 – Stockholders' Equity to the consolidated financial statements included elsewhere in this Annual Report.

Company Stock Performance

The following graph compares the performance of our common stock to the Standard & Poor's ("S&P") 500 Index, the S&P Homebuilders Select Industry Index and the S&P Internet Select Industry Index by assuming \$100 was invested in each investment option as of December 31, 2018. The S&P 500 Index is a capitalization-weighted index of domestic equities of the largest companies traded on the NYSE and Nasdaq. The S&P Homebuilders Select Industry Index is a diversified group of holdings representing home building, building products, home furnishings and home appliances. The S&P Internet Select Industry Index is comprised of U.S. equities of internet and direct marketing retail, internet services and infrastructure and interactive media and services companies.



Year	2018	2019	2020	2021	2022	2023
EXPI	\$ 100.00	\$ 88.00	\$ 490.00	\$ 524.00	\$ 174.00	247.00
S&P 500 Index	100.00	119.00	138.00	176.00	141.00	176.00
S&P Homebuilders Index (XHB)	100.00	114.00	146.00	219.00	156.00	253.00
S&P Internet Index (XWEB)	100.00	109.00	209.00	195.00	85.00	119.00

Item 6. [RESERVED]

Item 7. **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to inform the reader about material information relevant to an assessment of the financial condition and results of operations of eXp World

Holdings, Inc. and its subsidiaries for the three-year period ended December 31, 2023. The following discussion should be read together with our consolidated financial statements and related notes included elsewhere within this Annual Report. This discussion contains forward-looking statements that constitute our estimates, plans and beliefs. Our actual results could differ materially from those anticipated in these forward-looking statements. See “Forward-Looking Statements” and “Item 1A. – Risk Factors” included elsewhere within this Annual Report on Form 10-K for a discussion of certain risks, uncertainties and assumptions associated with these statements.

This section generally discusses items pertaining to and comparisons of financial results between 2023 and 2022. Discussions of 2021 items and comparisons between 2022 and 2021 financial results can be found in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 7 of the Company’s annual report on Form 10-K for the fiscal year ended December 31, 2022 (the “2022 MD&A”). The 2022 MD&A is incorporated by reference herein from Part II, Item 7 of our annual report on Form [10-K](#) filed on February 28, 2023 (Commission File No. [001-38493](#)).

This MD&A is divided into the following sections:

- Overview
- Market Conditions and Industry Trends
- Segments
- Key Business Metrics
- Recent Business Developments
- Results of Operations
- Business Segment Disclosures
- Liquidity and Capital Resources
- Critical Accounting Policies and Estimates
- Non-U.S. GAAP Financial Measures

All dollar amounts are in USD thousands except share amounts and per share data and as otherwise noted.

OVERVIEW

eXp is a diversified portfolio of service-based businesses whose operations benefit substantially from utilizing our enabling technology platform. The Chief Operating Decision Maker (“CODM”) manages the business and allocates resources as four separate operating segments. See additional information in *Note 10 – Segment Information* to the consolidated financial statements included elsewhere in this Annual Report.

eXp manages its operations in four operating business segments: North American Realty; International Realty; Virbela; and Other Affiliated Services.

While we do not consider acquisitions a critical element of our ongoing business, we seek opportunities to expand and enhance our portfolio of solutions.

Strategy

Our strategy is to grow organically in the North American and certain international markets by increasing our independent agent and broker network. Through our cloud-based operations and technology platform, we strive to achieve customer-focused efficiencies that allow us to increase market share and attain strong returns as we scale our business within the markets in which we operate. By building partnerships and strategically deploying capital, we seek to grow the business and enter attractive vertical and adjacent markets.

In 2023, our primary emphasis was on achieving operational excellence, which we monitor using agent Net Promoter Score (“aNPS”). aNPS plays a crucial role in attracting and retaining agents and teams, especially during a period marked by market contraction, due to lower transaction volumes and higher mortgage rates. To counter these challenges, we instituted a series of strategic initiatives including Boost, Thrive, Accelerate, and Masterminds, with a sustained emphasis on agent productivity. Through these initiatives, we were able to increase our agent count by 2% compared to the prior year, despite difficult market conditions. Furthermore, we were able to increase our market share of total transactions. Additionally, we implemented cost savings initiatives that we believe will better position us to grow as real estate market conditions improve. We remain focused on optimizing our operating costs to match our revenue trends.

One critical area of capital deployment is our Sustainable Revenue Share Plan (the “Revenue Share Plan”), whereby we pay real estate professionals affiliated with the Company a portion of eXp Realty’s commission for their contribution to Company growth. We launched the Revenue Share Plan when the Company was in its infancy as a competitive differentiator that has since disrupted the residential real estate brokerage model. Participants in the Revenue Share Plan are eligible to receive additional income from the Company’s closed real estate transactions based on the participant’s number of frontline qualifying active (“FLQA”) agents. An FLQA agent is an agent or broker that a participant (“sponsor”) has personally attracted to the Company and who has met specific real estate transaction volume requirements. Revenue share is paid to the sponsor from the commission earned by the Company on transactions closed by the sponsor’s FLQAs. Additionally, all sponsors must adhere to eXp’s policies and procedures and may not, among other things: (i) take actions that result in criminal liability; (ii) engage in activities constituting harassment; or (iii) interfere with, coerce, or otherwise unethically convince a prospective or current agent’s choice of sponsorship declaration.

The supplementary income distributed to the sponsor under the Revenue Share Plan is exclusively derived from the Company’s portion of the transaction commission and is not earned on transactions for which the Company does not receive a commission (e.g., when an FLQA has capped and earns 100% of commission on its closed transactions). The Revenue Share Plan does not impact or reduce the commission earned by the FLQA on the transaction. The Company’s costs incurred under the Revenue Share Plan are included as commissions and other agent-related costs in the consolidated statements of comprehensive income.

The revenue share program is integral to our growth strategy, fostering a collaborative brokerage that aligns with our core values of sustainability and collaborative success. Regular evaluations are conducted to ensure the plan’s continued alignment with the Company’s overarching objectives and for regulatory compliance.

MARKET CONDITIONS AND INDUSTRY TRENDS

Our business is dependent on the levels of home sales transactions and prices, which can vary based on economic conditions within the markets for which we operate. Changes in these conditions can have a positive or negative impact on our business. The economic conditions influencing housing markets primarily include economic growth, interest rates, unemployment, consumer confidence, mortgage availability and supply and demand.

In periods of economic growth, rising consumer confidence and lower interest rates, demand typically increases resulting in higher home sales transactions and home sales prices. Conversely, in periods of economic recession, declining consumer confidence and higher interest rates, demand typically decreases, resulting in lower home sales transactions and home sale prices. Additionally, regulations imposed by local, state and federal government agencies and geopolitical instability can also negatively impact the housing markets in which we operate.

In 2023, the existing home sales market declined 18.7%, according to preliminary data from the National Association of Realtors (“NAR”), the lowest level in nearly 30 years. Due to increasing interest rates and continued low inventory of homes for sale, the market contraction that began in the second quarter of 2022 continued through 2023. According to preliminary NAR housing statistics, existing home sales continued to decline to 4.09 million for the year ended December 31, 2023, down 18.7% from 2022. NAR reported that the preliminary pending home sales index increased 1.3% in December 2023 compared to December 2022, and decreased 16.8% for the full-year ended December 31, 2023, compared to the full-year of 2022. The pending home sales index measures housing contract activity and is based on signed real estate contracts for existing single-family homes and condos.

The Company believes that it continues to be well-positioned for growth in the current economic climate. We have a strong base of agent support, which should drive organic market share growth, retention and productivity. Additionally, we have an efficient operating model with lower fixed costs driven by our cloud-based model, with no brick-and-mortar locations.

Regardless of whether the housing market continues to decline or growth returns, we continue to believe that we are positioned to leverage our low-cost, high-engagement model, which affords agents and brokers increased income and ownership opportunities while offering a scalable solution to brokerage owners looking to prosper amidst fluctuations in economic activity.

National Housing Inventory

In 2023, the continued increase of mortgage rates and higher home prices have caused inventory levels, as measured in months of supply, to rise. According to the United States Census Bureau, new construction housing starts decreased by 9% in 2023, compared to 2022; however, new construction housing completions increased 4.5% in 2023 compared to 2022. According to NAR, inventory of existing homes for sale in the U.S. was one million.

Mortgage Rates

Persistently high mortgage rates continue to negatively impact the demand for homebuying. Based on Freddie Mac data, the average rate for a 30-year, conventional fixed-rate mortgage was 6.61% in December 2023 compared to 6.42% in December 2022. Mortgage rates are expected to decline in 2024 due to continued moderate levels of inflation, which we expect to boost homebuyer demand and homebuilder sentiment.

Housing Affordability Index

According to NAR, the composite housing affordability index decreased to 94.2 for November 2023 (preliminary) from 109.3 for December 2022. As home prices and interest rates have increased, the housing affordability index has become unfavorable. When the index is above 100, it indicates that a family earning the median income has sufficient income to purchase a median-priced home, assuming a 20 percent down payment and ability to qualify for a mortgage. The unfavorable housing affordability index is due to increased mortgage rate conditions and higher average home prices driven by inventory levels.

Existing Home Sales Transactions and Prices

According to NAR, existing home sale transactions for the year ended December 2023 (preliminary) decreased to 4.09 million compared to 5.03 million for the year ended December 2022. NAR believes that December 2023 represented the bottom of the housing market during the current cycle and expects a return to growth in 2024.

According to NAR, nationwide existing home sales average price for December 2023 (preliminary) was \$382,600, up 4.4% from \$366,500 in December 2022, the sixth consecutive month of year-over-year price increases. For full-year 2023 (preliminary) the nationwide existing home sales average price was \$389,800, up 0.9% from \$386,400 for full-year 2022.

SEGMENTS

The Company has four operating segments and four reportable segments.

The CODM uses Adjusted Segment EBITDA as a key metric to evaluate the operating and financial performance of a segment, identify trends affecting the segments, develop projections and make strategic business decisions and allocate resources.

The Company has four reportable segments as follows: North American Realty, International Realty, Virbela and Other Affiliated Services. We report corporate expenses, as further detailed below, as "Corporate expenses and other." All segments follow the same basis of presentation and accounting policies. See *Note 2 - Summary of Significant Accounting Policies* to the consolidated financial statements included elsewhere in this Annual Report for additional information about the Company's significant accounting policies.

Corporate expenses include costs incurred to operate eXp World Holdings, Inc., including expenses incurred in connection with strategic resources provided to the agents, as well as certain other centrally managed expenses that are not allocated to the operating segments, including administrative, brokerage operations and legal functions.

The following discussion focuses on the operating performance of the Company for the years ended December 31, 2023 and 2022 and the financial condition of the Company as of December 31, 2023.

KEY BUSINESS METRICS

Management uses our results of operations, financial condition, cash flows and key business metrics related to our business and industry to evaluate our performance and make strategic decisions.

The following table outlines the key business metrics that we periodically review to track the Company's performance:

	Year Ended December 31,		
	2023	2022	2021
Performance:			
Agent count	87,515	86,203	71,137
Real estate sales transactions	422,772	460,150	407,197
Other real estate transactions	71,636	51,709	37,170
Volume	\$ 169,202,948	\$ 187,252,204	\$ 156,101,836
Revenue	\$ 4,281,105	\$ 4,598,161	\$ 3,771,170
Gross profit	324,051	366,899	296,031
Gross margin (%)	7.6%	8.0%	7.8%
Adjusted EBITDA ⁽¹⁾	\$ 57,548	\$ 60,549	\$ 77,995

(1) Adjusted EBITDA is not a measurement of our financial performance under U.S. GAAP and should not be considered as an alternative to net income, operating income, or any other measures derived in accordance with U.S. GAAP. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income, and a discussion of why we believe Adjusted EBITDA is useful to investors, see "Non-U.S. GAAP Financial Measures".

One of our key strengths is attracting real estate agent and broker professionals that contribute to our growth. Real estate sales transactions are recorded when our agents and brokers represent buyers and/or sellers in the purchase or sale, respectively, of a home. Other real estate transactions are recorded for leases, rentals and referrals. The number of real estate transactions is a key driver of our revenue and profitability. Transaction volume represents the total sales value for all transactions and is influenced

by several market factors, including, but not limited to, the pricing and quality of our services and market conditions that affect home sales, such as macroeconomic factors, economic growth, local inventory levels, mortgage interest rates, and seasonality. Real estate transaction revenue represents the commission revenue earned by the Company for closed brokerage real estate transactions. The rate of growth of our agent and broker base is difficult to predict and is subject to many factors outside of our control, including actions taken by our competitors and macroeconomic factors affecting the real estate industry in general including rising interest rates and declining transaction volume in the U.S.

We continue to increase our agents and brokers in the United States and Canada through execution of our growth strategies despite a challenging market. Settled home purchases and sales transactions and volume result from closed real estate transactions and typically fluctuate directionally with changes in the market's existing home sales transactions as reported by NAR, with disproportionate variances representative of company-specific improvements or shortfalls. Our real estate sales transaction decline was directly related to the decline in existing home sales in the U.S. in 2023 compared to 2022 as reported by the NAR.

We utilize gross profit and gross margin, financial statement measures based on generally accepted accounting principles in the U.S. ("U.S. GAAP"), to assess eXp's financial performance from period to period.

Gross profit is calculated from U.S. GAAP reported amounts and equals the difference between revenue and cost of sales. Gross margin is the calculation of gross profit as a percentage of total revenue. Commissions and other agent-related costs represent the cost of sales for the Company. The cost of sales does not include depreciation or amortization expenses as the Company's assets are not directly used in the production of revenue. Gross profit is based on the information provided in our results of operations on our consolidated statements of comprehensive income and is an important measure of our potential profitability and brokerage performance. For the years ended December 31, 2023, 2022 and 2021, gross profit was \$324.1 million, \$366.9 million and \$296.0 million, respectively. Reported gross profit decreased year-over-year primarily due to a decrease in real estate transactions and an increase in reported agent-related stock-based compensation expense, compared to 2022. For the years ended December 31, 2023, 2022 and 2021, gross margin was 7.6%, 8.0% and 7.8%, respectively. Gross margin in 2023 decreased from 2022 primarily due to a lower volume of real estate transactions and an increase in agent-related stock-based compensation.

Management also reviews Adjusted EBITDA, which is a non-U.S. GAAP financial measure, to understand and evaluate our core operating performance. For the year ended December 31, 2023 adjusted EBITDA declined due to lower revenue, and increased operating costs.

RECENT BUSINESS DEVELOPMENTS

North American Realty Initiatives

The Company continues to focus on growth in the United States and Canada. During 2023, the Company announced various new agent incentive programs to enhance the agent experience and to attract culturally aligned agents, teams and independent brokerages to the Company. New incentive programs include Boost, Accelerate, and Thrive, which offer unique financial incentives. During 2023, the Company also launched various new ancillary programs and services to support the development and success of its agents, brokers and customers, including the global expansion of eXp Luxury™, Military Rewards Program, Listing Kits, Bundle Select™, eXp Exclusives™, My Link My Lead™, and affiliate relationships like HomeHunter™.

International Realty Initiatives

We have operations in the U.K., Australia, France, India, Mexico, Portugal, South Africa, Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama, Germany, the Dominican Republic, Greece, New Zealand, Chile, Poland and Dubai. The Company continues to pursue growth opportunities and increase market share in the countries where operations began in recent years. The Company has focused on increasing productivity throughout our international entities. Our operations in the U.K and South Africa, in particular are seeing meaningful agent and transaction growth. During 2023, the eXp Luxury program expanded into Puerto Rico, the United Kingdom, Australia, New Zealand and South Africa.

Virbela

We continue to develop the core Virbela enterprise virtual world technology and the newer WebXR FrameVR ("Frame") platform through our subsidiary, eXp World Technologies, LLC. Frame is a metaverse collaboration technology that is accessible from any device with a browser such as mobile, personal computer, virtual reality device and tablet. As the post-COVID return-to-office trend continues, there's a clear surge in demand for on-the-go technology solutions. While the application-based Virbela platform has seen a decrease in demand, the web-accessible Frame platform is gaining traction. Keeping these market trends in mind, we continue to evaluate our capital deployments between our various platform offerings, while continuing to service existing and new contracts for both platforms. As a result of the changing market conditions, in the fourth quarter of 2023, the Company determined that the goodwill and certain intangible assets associated with Virbela were impaired. As a result of the impairment test, the Company recognized impairment charges of \$9.2 million for goodwill and intangible assets for the year ended December 31, 2023.

Other Affiliated Services

SUCCESS Enterprises LLC ("SUCCESS") is a multi-media company which includes SUCCESS® print magazine, SUCCESS.com, SUCCESS® newsletters, SUCCESS® podcasts, SUCCESS® plus (digital training courses), SUCCESS® speakers bureau, and SUCCESS coaching.

In 2023, SUCCESS made strategic investments in leadership and established cross-functional departments dedicated to content creation, media relations, and business development. A streamlined strategy unified the entire ecosystem to capitalize on the brand's strength, attract renowned personalities as cover talent such as Chance The Rapper, Tamron Hall, Steve Aoki, and others, and substantially enhance media exposure through successful appearances on programs like "The View" and "The Tamron Hall Show," reaching an audience of over four million viewers. Strategic partnerships brought new programs and content and expanded our customer offerings and reach.

The organization continues to invest in robust sales and marketing initiatives and funnels, with a focus on expanding membership, subscribers, and clients across diverse industries and global sectors. Several new customer-centric offerings are being rolled out including: a cutting-edge digital magazine, immersive virtual and live events, new online courses, comprehensive whole-life coaching services, and the inauguration of The SUCCESS Magazine Podcast. We expect these new initiatives will attract and engage new audiences and contribute to the growth of the organization.

Company-Wide Initiatives

Agent and Employee Experience

The Company has embarked on an initiative to better understand both its agents' and employee experience. In doing so, we have adopted many of the principles of the Net Promoter Score® ("NPS") across many aspects of our organization. NPS is a measure of customer satisfaction and is measured on a scale between -100 and 100. A NPS above 50 is considered excellent. The Company's aNPS was 73 for 2023 and 77 in the fourth quarter. Whether it be the overall question "How likely are you to recommend eXp to your colleagues, friends, or family?" or more granular inquiries as to specific workflows or service offerings, we believe this will ensure we are delivering on the most important values to our agents and employees. In turn, this often leads to enthusiastic fans of eXp who will promote our Company and continue leading us through strong organic growth.

The NPS process is an important vehicle for delivering our core values of transparency. While we strive for high satisfaction, it is equally important to investigate a low or unfavorable trending of NPS. As NPS scores are often leading indicators to agents and employees' future actions, we are able to learn quickly what may be a 'pain point' or product that is not meeting its desired objective. We then take that information and translate it into action with an effort to remediate the specific root cause(s) driving the lower score. This fast and iterative approach has already led to improvements in parts of our business such as agent onboarding, commission transaction processing and employee benefits.

The Company continues to expand agent growth opportunities in this uncertain market and has introduced programs such as Boost, Accelerate, and Thrive. Boost is a program that provides a financial incentive for culturally aligned independent brokerages to join our global platform. Accelerate is a program for individual agents who join the Company to experience enhanced revenue share capabilities with their second and third lines open for an initial amount of time. Thrive is a program for culturally aligned teams that provides a stock incentive to the team leader to relocate his or her team to the Company.

Agent Ownership

The Company maintains an agent growth incentive program ("AGIP") whereby agents and brokers of eXp Realty can become eligible for awards of the Company's common stock through the achievement of production and agent attraction benchmarks. Under our equity incentive program, agents and brokers who qualify are issued shares of the Company's common stock and it continues to be another element in creating a culture of agent-ownership.

Our agent equity program ("AEP") represents a key lever in our strategy to attract and retain independent agents and brokers. Agents and brokers can elect to receive 5% of their commission payable in the form of Company common stock at a 10% discount to the market price of our common stock. Our operational strategy and the importance of the AEP and AGIP to our strategy have not changed.

The costs attributable to these plans are also a significant component of our commission structure and our results of operations.

Additional information for our AGIP and AEP programs are more fully disclosed in *Note 9 – Stockholders' Equity* to the consolidated financial statements included elsewhere in this Annual Report.

RESULTS OF OPERATIONS

Year ended December 31, 2023 vs. Year ended December 31, 2022

	Year Ended December 31, 2023	% of Revenue	Year Ended December 31, 2022	% of Revenue	Change 2023 vs. 2022	
					\$	%
Statement of Operations Data:						
Revenues	\$ 4,281,105	100%	\$ 4,598,161	100%	(\$ 317,056)	(7)%
Operating expenses						
Commissions and other agent-related costs	3,957,054	92%	4,231,262	92%	(274,208)	(6)%
General and administrative expenses	319,153	7%	346,132	8%	(26,979)	(8)%
Sales and marketing expenses	12,156	-%	15,359	-%	(3,203)	(21)%
Impairment expense	9,203	-%	-	-%	9,203	-%
Total operating expenses	4,297,566	100%	4,592,753	100%	(295,187)	(6)%
Operating (loss) income	(16,461)	-%	5,408	-%	(21,869)	(404)%
Other (income) expense						
Other (income) expense, net	(4,414)	-%	(804)	-%	(3,610)	(449)%
Equity in losses of unconsolidated affiliates	1,388	-%	1,624	-%	(236)	(15)%
Total other (income) expense, net	(3,026)	-%	820	-%	(3,846)	(469)%
Income (loss) before income tax expense	(13,435)	-%	4,588	-%	(18,023)	(393)%
Income tax (benefit) expense	(4,462)	-%	(10,836)	-%	6,374	59%
Net (loss) income	(8,973)	-%	15,424	-%	(24,397)	(158)%
Add back: Net loss attributable to noncontrolling interest	-	-%	18	-%	(18)	(100)%
Net (loss) income attributable to eXp World Holdings, Inc.	(8,973)	-%	15,442	-%	(24,415)	(158)%
Adjusted EBITDA ⁽¹⁾	\$ 57,548	1%	\$ 60,549	1%	(\$ 3,001)	(5)%
(Loss) earnings per share						
Basic	(\$ 0.06)		\$ 0.10		(\$ 0.16)	(160)%
Diluted	(\$ 0.06)		\$ 0.10		(\$ 0.16)	(160)%
Weighted average shares outstanding						
Basic	153,232,129		151,036,110			
Diluted	153,232,129		156,220,165			

(1) Adjusted EBITDA is not a measurement of our financial performance under U.S. GAAP and should not be considered as an alternative to net income, operating income, or any other measures derived in accordance with U.S. GAAP. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income, and why we believe Adjusted EBITDA is useful to investors see "Non-U.S. GAAP Financial Measures".

Revenue

Our total revenues were \$4.3 billion in 2023 compared to \$4.6 billion in 2022, a decrease of (\$317.1) million, or (7)%. Total revenues decreased primarily as a result of lower volume of real estate brokerage commissions, which is attributable to a decrease of overall real estate transactions and lower home sales prices in our markets, partially offset by growth in our agent base, compared to 2022.

Commission and Other Agent-Related Costs

Commission and other agent-related costs were \$4.0 billion in 2023 compared to \$4.2 billion in 2022, a decrease of (\$274.2) million, or (6)%. Commission and other agent-related costs include sales commissions paid and are reduced by agent-related fees. Commission and other agent-related costs decreased primarily because of a decrease in overall real estate transactions and lower home sales prices, partially offset by growth in our agent base and an increase in agent-related stock-based compensation.

General and Administrative Expense

General and administrative expenses were \$319.2 million in 2023 compared to \$346.1 million in 2022, a decrease of (\$27.0) million, or (8)%. The decrease in general and administrative expenses was due to lower reported stock compensation expense, partially offset by increased employees, increased contract labor wages and compensation and increases in seminars and conferences expenses.

Sales and Marketing

Sales and marketing expenses were \$12.2 million in 2023 compared to \$15.4 million in 2022, a decrease of (\$3.2) million, or (21)%. Sales and marketing costs include lead capture costs and promotional materials. Sales and marketing expenses decreased primarily as a result of a decrease in advertising costs of (\$1.8) million and internet advertising costs of (\$1.3) million.

Impairment expense

2023 includes impairment charges for goodwill and amortizable intangible assets of \$9.2 million related to the Virbela segment.

Other (Income) Expense, Net

Other (income) expense in 2023 and 2022 includes interest income partially offset by equity in losses of unconsolidated subsidiaries.

Income Tax Benefit (Expense)

The Company's provision for income taxes amounted to a benefit of (\$4.5) million, a benefit decrease of \$6.4 million for the year ended December 31, 2023. The decrease in income tax benefit was primarily attributable to the decrease in excess benefit from stock-based compensation in current year and higher non-deductible executive compensation expenses.

Refer to Critical Accounting Policies and Estimates within the MD&A and *Note 13 - Income Taxes* to the consolidated financial statements included elsewhere in this Annual Report for further information.

BUSINESS SEGMENT DISCLOSURES

See *Note 10 – Segment Information* to the consolidated financial statements included elsewhere in this Annual Report for additional information regarding our business segments. The following table reflects the results of each of our reportable segments during the years ended December 31, 2023 and 2022:

	Year Ended December 31, 2023	Year Ended December 31, 2022	Change 2023 vs. 2022	
			\$	%
<i>(In thousands, except share amounts and per share data)</i>				
Statement of Operations Data:				
Revenues				
North American Realty	\$ 4,220,063	\$ 4,552,938	(\$ 332,875)	(7)%
International Realty	53,931	35,924	18,007	50%
Virbela	7,284	8,485	(1,201)	(14)%
Other Affiliated Services	4,802	5,084	(282)	(6)%
Segment eliminations	(4,975)	(4,270)	(705)	(17)%
Total Consolidated Revenues	\$ 4,281,105	\$ 4,598,161	(\$ 317,056)	(7)%
Adjusted Segment EBITDA ⁽¹⁾				
North American Realty	91,101	103,255	(\$ 12,154)	(12)%
International Realty	(13,657)	(13,708)	51	-%
Virbela	(5,725)	(9,642)	3,917	41%
Other Affiliated Services	(3,795)	(2,600)	(1,195)	(46)%
Total Segment Adjusted EBITDA	67,924	77,305	(9,381)	(12)%
Corporate expenses and other	(10,376)	(16,756)	6,380	38%
Total Reported Adjusted EBITDA	\$ 57,548	\$ 60,549	(\$ 3,001)	(5)%

(1) Adjusted Segment EBITDA is not a measurement of our financial performance under U.S. GAAP and should not be considered as an alternative to net income, operating income, or any other measures derived in accordance with U.S. GAAP. For a definition of Adjusted Segment EBITDA and a reconciliation of Adjusted Segment EBITDA to net income, and a discussion of why we believe Adjusted Segment EBITDA is useful to investors, see "Non-U.S. GAAP Financial Measures". Management evaluates the operating results of each of its reportable segments based upon revenue and Adjusted Segment EBITDA. Adjusted Segment EBITDA is defined by us as net income before depreciation and amortization, stock-based compensation expense, interest expense, net, income taxes, impairment expense and other items that are not core to the operating

activities of the Company. The Company's presentation of Adjusted Segment EBITDA may not be comparable to similar measures used by other companies.

2023 Compared to 2022

North American Realty revenue decreased (7)% in 2023 compared to 2022 primarily due to a decrease in overall real estate transactions, driven by market conditions, partially offset by growth in our agent base. Adjusted EBITDA decreased (12)% due to decrease in gross profit related to the decline in real estate transactions, and increases in selling, general and administrative expenses resulting from increased headcount to support our agent growth strategy.

International Realty revenue increased 50% in 2023 compared to 2022 primarily due to increased real estate transactions driven by increased productivity in previously launched markets. Adjusted EBITDA was relatively flat in 2023 compared 2022 due to gross profit improvements related to increase in revenue, partially offset by increased selling, general and administrative expenses to support the increased production in existing operations.

Virbela revenue decreased (14)% due to softer customer demands for virtual events resulting from the post-COVID 19 work environment of return to the office and hybrid work globally, as well as the increase in the demand for artificial intelligence solutions. Adjusted EBITDA increased 41% primarily due to workforce reductions and decrease in marketing and advertising expenses.

Other Affiliated Services revenue decreased (6)% due to a decrease of coaching revenue as a result of a reset of the business strategy. Adjusted EBITDA decreased by (46)% primarily due to an increase in personnel costs and the decrease in revenue.

Corporate expenses and other contain the costs incurred to operate the corporate parent of eXp Realty. The decrease in these costs reflects the impact of cost cutting initiatives.

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity are our cash and cash equivalents on hand and cash flows generated from our business operations. Our ability to generate sufficient cash flow from operations or to access certain capital markets, including banks, is necessary to fund our operations and capital expenditures, repurchase our common stock and meet obligations as they become due. At present, our cash and cash equivalents balances and cash flows from operations have remained positive, as we have continued to grow our agent count and focus on operational excellence despite the challenging market conditions of 2023.

Currently, our primary use of cash on hand is to sustain and grow our business operations, including, but not limited to, commission and revenue share payments to agents and brokers and cash outflows for operating expenses. Our current capital deployment strategy for 2024 is to utilize our cash on hand to support our agent productivity, growth initiatives and investment in technology, and to a lesser extent, for repurchases of our common stock and quarterly cash dividends. There can be no assurance that future cash dividends will be declared by the Board of Directors or that the stock repurchase program will be sustained or proceed at historical levels.

For information regarding the Company's expected cash requirement related to settlement costs, see *Note 13 – Commitments and Contingencies* to the consolidated financial statements included elsewhere in this Annual Report.

We believe that our existing balances of cash and cash equivalents and cash flows expected to be generated from our operations will be sufficient to satisfy our normal operating requirements for at least the next 12 months. Our future capital requirements will depend on many factors, including the outcome of pending antitrust litigation, our level of investment in technology, our rate of growth into new markets and cash used to pay quarterly cash dividends and repurchase shares of the Company's common stock. Our capital requirements may be affected by factors which we cannot control such as the changes in the residential real estate market, interest rates and other monetary and fiscal policy changes to the manner in which we currently operate. In order to support and achieve our future growth plans, we may need or seek advantageously to obtain additional funding through equity or debt financing. We believe that our current operating structure will facilitate sufficient cash flows from operations to satisfy our expected long-term liquidity requirements beyond the next 12 months.

We currently do not hold any bank debt, nor have we issued any debt instruments through public offerings or private placements. As of December 31, 2023, our cash and cash equivalents totaled \$126.9 million. Cash equivalents are comprised of financial instruments with an original maturity of 90 days or less from the date of purchase, primarily money market funds. We currently do not hold any marketable securities.

During 2022, our unconsolidated joint venture, SUCCESS Lending, obtained \$25 million in revolving warehouse credit lines from each of Flagstar Bank FSB and Texas Capital Bank, which represent off-balance sheet financing arrangements for the Company. The Company's capital liability under the warehouse credit lines is limited to \$3.25 million in the aggregate. We do not believe these off-balance sheet arrangements have or are reasonably likely to have a current or future material effect on our financial

condition, results of operations, liquidity, capital expenditures, or capital resources. For information regarding the warehouse credit agreements, see *Note 13 – Commitments and Contingencies* to the consolidated financial statements included elsewhere in this Annual Report.

Net Working Capital

Net working capital is calculated as the Company's total current assets less its total current liabilities. The following table presents our net working capital for the periods presented:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current assets	\$ 266,475	\$ 255,113
Current liabilities	(141,640)	(127,299)
Net working capital	<u>\$ 124,835</u>	<u>\$ 127,814</u>

As of December 31, 2023, net working capital decreased (\$3.0) million, or (2)%, compared to the prior year, primarily due to a decrease in accounts receivable of (\$1.3) million, partially offset by an increase in accrued liabilities of \$9.2 million and an increase in cash and cash equivalents of \$5.3 million. The decrease of accounts receivable was due to lower real estate transactions in the fourth quarter 2023 compared to the fourth quarter 2022.

Cash Flows

The following table presents our cash flows for the periods presented:

	<u>Year Ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Cash provided by operating activities	\$ 209,131	\$ 210,535
Cash used in investment activities	(13,503)	(22,461)
Cash used in financing activities	(184,089)	(204,514)
Effect of changes in exchange rates on cash, cash equivalents and restricted cash	(38)	(87)
Net change in cash, cash equivalents and restricted cash	<u>\$ 11,501</u>	<u>(\$ 16,527)</u>

For the year ended December 31, 2023, cash provided by operating activities decreased modestly compared to the same period in 2022.

For the year ended December 31, 2023, cash used in our investing activities decreased primarily due to a decrease of (\$6.7) million in capital expenditures and an increase of \$5.4 million invested in unconsolidated subsidiaries in the current year offset by \$9.9 million Zoocasa business acquisition in 2022.

For the year ended December 31, 2023, cash used in financing activities decreased primarily related to lower repurchases of our common stock of \$18.9 million and increased proceeds from stock option exercises \$4.3 million compared to 2022 partially offset by an increase in dividend payments of \$3.3 million compared to 2022.

Outlook

As we continue to scale our Company by investing in people, technology and processes, we expect to increase market share, agent base and real estate transaction volume in the U.S. and Canada and selectively grow in the international markets.

These operating ambitions are not forecasts and do not reflect our expectations, but rather are aspirational targets for future performance that may never be realized. These statements involve risks, uncertainties, assumptions and other factors that are difficult to predict and that could cause actual results to vary materially from those expressed in them. Factors include, among others, (i) changes in demand for the Company's services and changes in consumer behavior; (ii) macroeconomic conditions beyond our control; (iii) the Company's ability to effectively maintain its infrastructure to support its operations and initiatives; (iv) the impact of governmental regulations related to the Company's operations; (v) the outcome of ongoing antitrust litigation; and (vi) other factors, as described in this Annual Report in Part II, Item 1A, "Risk Factors."

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in accordance with U.S. GAAP requires us to make certain judgments and assumptions, based on information available at the time of our preparation of the financial statements, in determining accounting estimates used in the preparation of the statements. Our significant accounting policies are described in *Note 2 – Summary of Significant Accounting Policies* to the consolidated financial statements included elsewhere in this Annual Report.

Accounting estimates are considered critical if the estimate requires us to use judgments and/or make assumptions about matters that were uncertain at the time the accounting estimate was made and if different accounting estimates could have been used in the reporting period or changes in the accounting estimates are likely to occur that would have a material impact on our financial condition, results of operations or cash flows.

Stock-based compensation

Our stock-based compensation is comprised of agent growth incentive programs, agent equity program and stock option awards. The Company accounts for stock-based compensation granted to employees and non-employees using a fair value method. Stock-based compensation awards are measured at the grant date fair value and the stock-based compensation cost is recognized over the requisite service period of the awards, usually the vesting period, on a straight-line basis, net of forfeitures. The Company reduces recorded stock-based compensation for forfeitures when they occur.

Recognition of compensation cost for an award with a performance condition is based on the probable outcome of that performance condition being met. The Company estimates the share-based liability based on estimated performance probabilities based on our most recent estimates on probable achievement of the performance measures established under our agent growth incentive program. These estimates are calculated based on the agent's historical performance for each award type. Also, the requisite service period at the grant date of performance awards is estimated based on the probability of the period of time it will take an agent to meet the performance metric. The value of the stock award is amortized over this period and recognized as stock compensation expense starting on the grant date.

If factors change causing different assumptions to be made in future periods, estimated compensation expense may differ significantly from that recorded in the current period. See *Note 9 – Stockholders' Equity* to the consolidated financial statements included elsewhere in this Annual Report, for more information regarding the assumptions used in estimating the fair value of our awards.

Revenue recognition

The Company generates substantially all of its revenue from North American Realty and International Realty and generates a de minimis portion of its revenues from software subscription and professional services.

North American Realty and International Realty

The Company serves as a licensed broker in the areas in which it operates for the purpose of processing real estate transactions. The Company is contractually obligated to provide services for the fulfillment of transfers of real estate between buyers and sellers. The Company provides these services itself and controls the services necessary to legally represent the transfer of real estate. Correspondingly, the Company is defined as the principal. The Company, as principal, satisfies its obligation upon the closing of a real estate transaction. As principal and upon satisfaction of our obligation, the Company recognizes revenue in the gross amount of consideration to which we expect to be entitled.

Revenue is derived from assisting homebuyers and sellers in listing, marketing, selling and finding real estate. Commissions earned on real estate transactions are recognized at the completion of a real estate transaction once we have satisfied our performance obligation. Agent-related fees are currently recorded as a reduction to commissions and other agent-related costs.

At each reporting period, we estimate and accrue revenue for closed transactions for which we are entitled to but have not yet received the closing documents due to timing of when a transaction settles. The accrual for estimated revenue was immaterial for the years ended December 31, 2023 and 2022.

Business combinations

The Company accounts for business combinations using the acquisition method of accounting, under which the consideration for the acquisition is allocated to the assets acquired and liabilities assumed. The Company recognizes identifiable assets acquired and liabilities assumed at the fair values as of the acquisition date. Acquisition-related costs, such as due diligence, legal and accounting fees, are expensed as incurred and not considered in determining the fair value of the acquired assets.

Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions, estimates and market factors. These assumptions and estimates include projected revenues and income growth rates, terminal growth rates, competitive and consumer trends, market-based discount rates and other market factors. Significant assumptions used in determining the allocation of fair value include the following valuation techniques: the cost approach, the income approach and

the market approach, which are determined based on cash flow projections and related discount rates, industry indices, market prices regarding replacement cost and comparable market transactions.

At the acquisition date, the Company recognizes the identifiable acquired assets, liabilities assumed and contingent liabilities (identifiable net assets) of the acquired company on the basis of fair value. Recognized assets and liabilities assumed may be adjusted during a maximum of one year from the acquisition date (the “measurement period”), depending on new information obtained about the facts and circumstances in existence at the acquisition date.

If current expectations of future growth rates are not met or market factors outside of our control change significantly, then our goodwill or intangible assets may become impaired. Additionally, as goodwill and intangible assets associated with recently acquired businesses are recorded on the balance sheet at their estimated acquisition date fair values, those amounts are more susceptible to impairment risk if business operating results or macroeconomic conditions deteriorate.

Goodwill impairment

Goodwill is not amortized but is subject to impairment testing. We review goodwill for impairment on an annual basis in the fiscal fourth quarter or on an interim basis if an event occurs or circumstances change that indicate goodwill may be impaired. We assess goodwill for possible impairment by performing a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. No additional impairment steps are necessary if we qualitatively determine that it is more likely than not that the fair value of the reporting unit is less than its carrying amount. An impairment loss for goodwill would be recognized based on the difference between the carrying value and its estimated fair value, which would be determined based on either discounted future cash flows or another appropriate fair value method.

The evaluation of goodwill for impairment requires management to use significant judgments and estimates in accordance with U.S. GAAP, including, but not limited to, economic, industry and company-specific qualitative factors, projected future net sales, operating results and cash flows. Although we currently believe the estimates used in the evaluation of goodwill are reasonable, differences between actual and expected net sales, operating results and cash flows and/or changes in the discount rates used could cause these assets to be deemed impaired. If this were to occur, we would be required to record a non-cash charge to earnings for the write-down in the value of the goodwill, which could have a material adverse effect on our results of operations and financial position but not on our cash flows from operations.

During the fourth quarter of 2023, we performed an assessment of goodwill. The Company determined that the goodwill associated with Virbela, the Company’s technology segment, was impaired. During the impairment evaluation, the Company determined that the projection for future cash flows associated with Virbela had declined significantly resulting from the post-COVID 19 work environment of return to the office and hybrid work initiatives globally, as well as the increase in the demand for artificial intelligence solutions. Based on this determination, the Company determined that the estimated fair value was significantly lower than the book value of Virbela and the goodwill associated with Virbela should be impaired. As a result of the impairment test, the Company recognized an impairment charge of \$8,248 for goodwill in the fourth quarter of 2023.

To perform these assessments, we identified and analyzed macroeconomic conditions, industry and market conditions and Company-specific factors. As a result of the analysis performed, management believes the estimated fair value of the reporting units continue to exceed their carrying values and does not represent a more likely than not possibility of potential impairment.

Income taxes

We recognize deferred tax assets and liabilities based on the differences between the financial statement carrying amounts and the tax basis of assets and liabilities. A valuation allowance against deferred tax assets would be established if, based on the weight of available evidence, it is more likely than not (a likelihood of more than 50%) that some or all of the deferred tax assets are not expected to be realized. Our assumptions, judgments, and estimates relative to the value of our deferred tax assets take into account predictions of the amount and category of future taxable income. As of December 31, 2023, based on our assessment of the realizability of the net deferred tax assets, we reached the conclusion that our net deferred tax assets will most likely be fully realized and therefore no valuation allowance was recorded.

Although management believes that the judgment and estimates involved are reasonable and that the necessary provisions related to income taxes have been recorded, changes in circumstances or unexpected events could adversely affect our financial position, results of operations, and cash flows.

See *Note 12 – Income Taxes* to the consolidated financial statements included elsewhere in this Annual Report for further information related to our income tax positions.

Litigation

We recognize expenses for legal claims when payments associated with the claims become probable and can be reasonably estimated. Actual costs of resolving legal claims could have a material adverse impact on our results of operations and cash flow. While the currently pending antitrust litigation presents various reasonably possible outcomes, the financial impact(s) of such litigation is not presently estimable. See *Note 13 – Commitments and Contingencies* to the consolidated financial statements included elsewhere in this Annual Report for further information related to our litigation.

NON-U.S. GAAP FINANCIAL MEASURES

To supplement our consolidated financial statements, which are prepared and presented in accordance with U.S. GAAP, we use Adjusted EBITDA, a non-U.S. GAAP financial measure, to understand and evaluate our core operating performance. This non-GAAP financial measure, which may be different than similarly titled measures used by other companies, is presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP.

We define the non-U.S. GAAP financial measure of Consolidated Adjusted EBITDA to mean net income, excluding other income (expense), income tax benefit (expense), depreciation, amortization, impairment charges, stock-based compensation expense and stock option expense. Adjusted Segment EBITDA is defined as operating profit plus depreciation and amortization and stock-based compensation expenses and impairment expense. We believe that Consolidated Adjusted EBITDA and Adjusted Segment EBITDA provides useful information about our financial performance, enhances the overall understanding of our past performance and future prospects and allows for greater transparency with respect to a key metric used by our management for financial and operational decision-making. We believe that Adjusted Segment EBITDA helps identify underlying trends in our business that otherwise could be masked by the effect of the expenses that we exclude in Adjusted Segment EBITDA. In particular, we believe the exclusion of stock and stock option expenses provides a useful supplemental measure in evaluating the performance of our underlying operations and provides better transparency into our results of operations.

We are presenting the non-U.S. GAAP measure of Adjusted EBITDA to assist investors in seeing our financial performance through the eyes of management and because we believe this measure provides an additional tool for investors to use in comparing our core financial performance over multiple periods with other companies in our industry.

Adjusted EBITDA should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with U.S. GAAP. There are a number of limitations related to the use of Adjusted EBITDA compared to net income, the closest comparable U.S. GAAP measure. Some of these limitations are that:

- Adjusted EBITDA excludes stock-based compensation expense related to our agent growth incentive program and stock option expense, which have been and will continue to be for the foreseeable future, significant recurring expenses in our business and an important part of our compensation strategy; and
- Adjusted EBITDA excludes certain recurring, non-cash charges such as depreciation of fixed assets, amortization of intangible assets and impairment charges related to these long-lived assets and, although these are non-cash charges, the assets being depreciated, amortized, or impaired may have to be replaced in the future.

The following tables present a reconciliation of Adjusted EBITDA to net income, the most comparable U.S. GAAP financial measure, for each of the periods presented:

	Year Ended December 31,	
	2023	2022
Net (loss) income	(\$ 8,973)	\$ 15,424
Total other (income) expense, net	(3,026)	820
Income tax (benefit) expense	(4,462)	(10,836)
Depreciation and amortization	10,892	9,838
Impairment expense	9,203	-
Stock compensation expense ⁽¹⁾	43,178	30,861
Stock option expense	10,736	14,442
Adjusted EBITDA	<u>\$ 57,548</u>	<u>\$ 60,549</u>

⁽¹⁾ This includes agent growth incentive stock compensation expense and stock compensation expense related to business acquisitions.

The primary driver for the changes in Adjusted EBITDA was lower net income attributable to lower revenue and impairment charges, partially offset by reduced operating costs.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk relates to the risk of the loss of fair value resulting from adverse changes in market rates and prices, such as interest rates and foreign currency exchange rates. Market risk is directly influenced by the volatility and liquidity in the markets in which the related underlying financial instruments are traded. Sensitivity analysis measures the impact of hypothetical changes in interest rates, foreign exchange rates and other market rates or prices on the profitability of market-sensitive financial instruments and our results of operations. While we are exposed to market risk from foreign currency and exchange rate fluctuation, we do not have significant exposures to interest rate changes or commodity prices nor do we expect to have significant exposure to interest rate changes or commodity prices in the foreseeable future.

Foreign Currency Risk

The majority of our net sales, expenses and capital purchases were transacted in U.S. dollars. However, exposure with respect to foreign exchange rate fluctuation existed due to our operations in Canada, the U.K., Australia, South Africa, India, Mexico, Portugal, France, Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama, Germany, The Dominican Republic, Greece, New Zealand, Chile, Poland, and Dubai albeit each individually and in the aggregate to a small extent. As of December 31, 2023, our largest international operations were in Canada. Based on fiscal 2023 performance, a hypothetical appreciation or decline in the value of the Canadian dollar in relation to the U.S. dollar of 10% would have an immaterial impact on operating income. The individual impacts to the operating income of hypothetical currency fluctuations in the Canadian dollar have been calculated in isolation from any potential responses to address such exchange rate changes in our other foreign markets. Our exposures to foreign currency risk related to our other operations in our other international locations were immaterial and have been excluded from this analysis.

Our investments in the net assets of our international operations were also subject to currency risk. As of December 31, 2023, the impacts of translations of foreign-denominated net assets of our international operations were immaterial to the Company's consolidated financial statements. The translation impacts related to the net assets of our international operations are recorded within accumulated other comprehensive income. Historically, we have not hedged this exposure, although we may elect to do so in future periods.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
<u>Report of Independent Registered Public Accounting Firm</u> (PCAOB ID No. 34)	41
<u>Consolidated Balance Sheets</u>	44
<u>Consolidated Statements of Comprehensive (Loss) Income</u>	45
<u>Consolidated Statements of Stockholders' Equity</u>	46
<u>Consolidated Statements of Cash Flows</u>	47
<u>Notes to Consolidated Financial Statements</u>	48

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of eXp World Holdings, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of eXp World Holdings, Inc. and subsidiaries (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of comprehensive (loss) income, stockholders' equity, and cash flows, for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 22, 2024, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Commissions and Other Agent-Related Costs – Revenue share expenses – Refer to Note 2 to the financial statements

Critical Audit Matter Description

The Company has a revenue sharing plan where agents and brokers may receive a commission from real estate transactions consummated by agents and brokers they have attracted to the Company. Agents and brokers are eligible for revenue share based on the number of Front-Line Qualifying Active (FLQA) agents they have attracted to the Company. An FLQA agent is an agent or broker that an agent or broker has personally attracted to the Company who has met specific sales transaction volume requirements. These additional commissions are earned on a multitiered basis by FLQA agents and brokers for real estate transactions within their downstream brokerage network. For the year ended December 31, 2023, the Company incurred \$4.0 billion of commissions and other agent-related costs, which includes commissions paid to agents and brokers under the revenue sharing plan.

We identified the revenue sharing plan as a critical audit matter because the plan has a complex multi-tiered compensation structure involving highly automated system calculations to determine the commissions paid to agents and brokers. This required an increased extent of audit effort to audit and evaluate the accuracy of commissions paid under the revenue share plan.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures performed related to the testing of the accuracy of expenses under the revenue sharing plan included the following, among others:

- We tested the effectiveness of controls over the revenue share expenses, including management's controls over the calculation of commissions under the revenue sharing plan.
- With the assistance of our IT specialists, we:
 - Identified the significant system used to process revenue share transactions and tested the general IT controls over the system, including testing of user access controls, change management controls, and IT operations controls.
 - Performed testing of automated controls for the system calculation of revenue share and the system determination of number of FLQA agents.
- We selected samples of commissions paid to agents and brokers under the revenue sharing plan and recalculated the commissions amount based on the terms of the respective independent contractor agreements.
- For the samples selected:
 - We tested the mathematical accuracy of the recorded commissions by recalculating the revenue sharing allocation in accordance with the independent contractor agreements and traced the underlying transactions to third party documents including settlement statements, purchase agreements and bank statements.
 - We tested the accuracy of the FLQA count for agents and brokers by reading independent contractor agreements and obtained evidence of agents and brokers reaching the required sales transaction volume, including settlement statements.

Commitments and Contingencies — Refer to Note 13 to the financial statements.

Critical Audit Matter Description

The Company is among several defendants in numerous putative class action lawsuits alleging that the Company participated in a system that resulted in sellers of residential property paying inflated buyer broker commissions in violation of U.S. federal and state antitrust laws, as well as a case brought in Canada ("antitrust litigation"). The Company reviews loss contingencies to determine the likelihood of loss and to assess whether a reasonable estimate of the loss or range of loss can be made. The Company recognizes expenses for legal claims when a loss is considered probable and reasonably estimable. If it is reasonably possible that a loss may have been incurred and the effect on the financial statements could be material, the Company discloses an estimate of the possible loss or range of loss or a statement that such an estimate cannot be made within the notes to the financial statements. The Company has determined that it is reasonably possible that a loss associated with the antitrust litigation has occurred; however, the loss or range of loss is not reasonably estimable and no provision for loss was recorded as of December 31, 2023.

We identified the antitrust litigation as a critical audit matter because of the challenges in auditing management's judgments applied in determining the likelihood of loss related to the resolution of such litigation, as well as the judgment in determining whether potential loss associated with the antitrust litigation is reasonably estimable. Specifically, auditing management's determination of whether any contingent loss arising from the antitrust litigation is probable, reasonably possible, or remote, and the related disclosures, is subjective and requires significant judgment due to the uncertainties involved, together with the novelty and complexity of the issues.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures performed related to antitrust litigation and claims included the following, among others:

- We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over management's evaluation of the antitrust litigation, including controls related to the Company's assessment of the accounting and related disclosures based on the most recent facts and circumstances.
- We inquired of the Company's internal and external legal counsel, as well as executives and other members of management, to understand the basis for the Company's accounting conclusions related to the antitrust litigation.
- We requested and received written responses from internal and external legal counsel.
- We evaluated management's analysis of antitrust litigation.
- We examined Board of Directors meeting minutes, including relevant sub-committee meeting minutes, and compared to written responses received from internal and external counsel.

- We made inquiries of management and the audit committee to evaluate and corroborate our understanding obtained through inquiries of internal and external legal counsel. We also performed public domain searches for evidence contrary to management's analysis.
- We compared the Company's assessment of this matter to relevant history of similar legal contingencies that have been settled or otherwise resolved to evaluate the consistency of the Company's assessment of antitrust litigation.
- We consulted with our accounting experts to assist in our evaluation of the case facts and the Company's related accounting treatment for the antitrust litigation.
- We obtained written representations from executives of the Company.
- We obtained and reviewed the class action complaints, relevant court rulings, and terms related to other settlements of similar or related antitrust litigation.
- We evaluated the Company's financial statement disclosure for consistency with the audit evidence obtained on the antitrust litigation matter.
- We evaluated events subsequent to December 31, 2023, that might impact our evaluation of the antitrust litigation, including any related accrual or disclosure.

/s/ Deloitte & Touche LLP

San Francisco, California
February 22, 2024

We have served as the Company's auditor since 2019.

EXP WORLD HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)

	December 31, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 126,864	\$ 121,594
Restricted cash	44,020	37,789
Accounts receivable, net of allowance for credit losses of \$2,303 and \$4,014, respectively	85,969	87,262
Prepays and other assets	9,622	8,468
TOTAL CURRENT ASSETS	266,475	255,113
Property, plant, and equipment, net	12,978	18,151
Operating lease right-of-use assets	10	2,127
Other noncurrent assets	7,400	1,703
Intangible assets, net	10,481	8,700
Deferred tax assets	71,342	68,676
Goodwill	16,982	27,212
TOTAL ASSETS	\$ 385,668	\$ 381,682
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 8,898	\$ 10,391
Customer deposits	44,550	37,789
Accrued expenses	88,182	78,944
Current portion of lease obligation - operating lease	10	175
TOTAL CURRENT LIABILITIES	141,640	127,299
Long-term payable	20	4,697
Long-term lease obligation - operating lease, net of current portion	-	694
TOTAL LIABILITIES	141,660	132,690
EQUITY		
Common Stock, \$0.00001 par value 900,000,000 shares authorized; 183,606,708 issued and 154,669,037 outstanding at December 31, 2023; 171,656,030 issued and 152,839,239 outstanding at December 31, 2022	2	2
Additional paid-in capital	804,833	611,872
Treasury stock, at cost: 28,937,671 and 18,816,791 shares held, respectively	(545,559)	(385,010)
Accumulated earnings	(16,769)	20,723
Accumulated other comprehensive income	332	236
Total eXp World Holdings, Inc. stockholders' equity	242,839	247,823
Equity attributable to noncontrolling interest	1,169	1,169
TOTAL EQUITY	244,008	248,992
TOTAL LIABILITIES AND EQUITY	\$ 385,668	\$ 381,682

The accompanying notes are an integral part of these consolidated financial statements.

EXP WORLD HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(In thousands, except share amounts and per share data)

	Year Ended December 31,		
	2023	2022	2021
Revenues	\$ 4,281,105	\$ 4,598,161	\$ 3,771,170
Operating expenses			
Commissions and other agent-related costs	3,957,054	4,231,262	3,475,139
General and administrative expenses	319,153	346,132	249,699
Sales and marketing expenses	12,156	15,359	12,180
Impairment expense	9,203	-	-
Total operating expenses	<u>4,297,566</u>	<u>4,592,753</u>	<u>3,737,018</u>
Operating (loss) income	(16,461)	5,408	34,152
Other (income) expense			
Other (income) expense, net	(4,414)	(804)	292
Equity in losses of unconsolidated affiliates	1,388	1,624	188
Total other (income) expense, net	<u>(3,026)</u>	<u>820</u>	<u>480</u>
Income (loss) before income tax expense	<u>(13,435)</u>	<u>4,588</u>	<u>33,672</u>
Income tax (benefit) expense	(4,462)	(10,836)	(47,487)
Net (loss) income	<u>(8,973)</u>	<u>15,424</u>	<u>81,159</u>
Net (loss) income attributable to noncontrolling interest	-	18	61
Net (loss) income attributable to eXp World Holdings, Inc.	<u>(\$ 8,973)</u>	<u>\$ 15,442</u>	<u>\$ 81,220</u>
(Loss) earnings per share			
Basic	<u>(\$ 0.06)</u>	<u>\$ 0.10</u>	<u>\$ 0.56</u>
Diluted	<u>(\$ 0.06)</u>	<u>\$ 0.10</u>	<u>\$ 0.51</u>
Weighted average shares outstanding			
Basic	<u>153,232,129</u>	<u>151,036,110</u>	<u>146,170,871</u>
Diluted	<u>153,232,129</u>	<u>156,220,165</u>	<u>157,729,374</u>
Comprehensive (loss) income:			
Net (loss) income	<u>(\$ 8,973)</u>	<u>\$ 15,424</u>	<u>\$ 81,159</u>
Comprehensive (loss) income attributable to noncontrolling interests	-	18	61
Net (loss) income attributable to eXp World Holdings, Inc.	<u>(8,973)</u>	<u>15,442</u>	<u>81,220</u>
Other comprehensive (loss) income:			
Foreign currency translation gain (loss), net of tax	96	48	(59)
Comprehensive (loss) income attributable to eXp World Holdings, Inc.	<u>(\$ 8,877)</u>	<u>\$ 15,490</u>	<u>\$ 81,161</u>

The accompanying notes are an integral part of these consolidated financial statements.

EXP WORLD HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)

	Year Ended December 31,		
	2023	2022	2021
Common stock:			
Balance, beginning of period	\$ 2	\$ 1	\$ 1
Agent equity stock compensation	-	1	-
Balance, end of period	<u>2</u>	<u>2</u>	<u>1</u>
Treasury stock:			
Balance, beginning of period	(385,010)	(210,009)	(37,994)
Repurchases of common stock	(160,549)	(179,473)	(172,015)
Issuance of treasury stock, for acquisition	-	4,472	-
Balance, end of period	<u>(545,559)</u>	<u>(385,010)</u>	<u>(210,009)</u>
Additional paid-in capital:			
Balance, beginning of period	611,872	401,479	218,492
Shares issued for stock options exercised	4,980	612	3,620
Agent growth incentive stock compensation	41,995	31,235	21,828
Agent equity stock compensation	135,226	164,104	144,437
Stock option compensation	10,760	14,442	13,102
Balance, end of period	<u>804,833</u>	<u>611,872</u>	<u>401,479</u>
Accumulated earnings:			
Balance, beginning of period	20,723	30,510	(39,162)
Net (loss) income attributable to eXp World Holdings, Inc.	(8,973)	15,442	81,220
Dividends declared and paid (\$0.05, \$0.045 and \$0.04 per share of common stock beginning with Q3 2023, Q3 2022 and Q4 2021, respectively)	(28,519)	(25,229)	(11,548)
Balance, end of period	<u>(16,769)</u>	<u>20,723</u>	<u>30,510</u>
Accumulated other comprehensive income (loss):			
Balance, beginning of period	236	188	247
Foreign currency translation gain (loss)	96	48	(59)
Balance, end of period	<u>332</u>	<u>236</u>	<u>188</u>
Noncontrolling interest:			
Balance, beginning of period	1,169	1,364	1,003
Net loss	-	(18)	(61)
Stock compensation	-	-	403
Transactions with noncontrolling interests	-	(177)	19
Balance, end of period	<u>1,169</u>	<u>1,169</u>	<u>1,364</u>
Total equity	<u>\$ 244,008</u>	<u>\$ 248,992</u>	<u>\$ 223,533</u>

The accompanying notes are an integral part of these consolidated financial statements.

EXP WORLD HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2023	2022	2021
OPERATING ACTIVITIES			
Net (loss) income	(\$ 8,973)	\$ 15,424	\$ 81,159
Reconciliation of net income to net cash provided by operating activities:			
Depreciation expense	8,352	7,934	4,974
Amortization expense - intangible assets	2,540	1,904	1,274
Amortization expense - long-term payable	-	-	94
Impairment expense	9,203	-	-
Loss on disposition of business	472	361	-
Allowance for credit losses on receivables/bad debt on receivables	(1,711)	1,816	319
Equity in loss of unconsolidated affiliates	1,388	1,624	188
Agent growth incentive stock compensation expense	43,178	30,861	24,493
Stock option compensation	10,736	14,442	13,102
Agent equity stock compensation expense	135,226	164,104	144,437
Deferred income taxes, net	(2,666)	(15,848)	(52,827)
Changes in operating assets and liabilities:			
Accounts receivable	3,474	44,935	(56,857)
Prepays and other assets	(1,263)	1,652	(2,623)
Customer deposits	6,761	(30,998)	39,892
Accounts payable	(1,491)	2,432	3,173
Accrued expenses	8,424	(32,239)	46,673
Long term payable	(4,677)	1,983	828
Other operating activities	158	148	(1,407)
NET CASH PROVIDED BY OPERATING ACTIVITIES	209,131	210,535	246,892
INVESTING ACTIVITIES			
Purchases of property, plant, equipment	(5,363)	(12,051)	(13,423)
Proceeds from sale of business	330	-	-
Acquisition of business, net of cash acquired	-	(9,910)	(2,500)
Investments in unconsolidated affiliates	(5,876)	(500)	(3,000)
Capitalized software development costs in intangible assets	(2,594)	-	-
NET CASH USED IN INVESTING ACTIVITIES	(13,503)	(22,461)	(18,923)
FINANCING ACTIVITIES			
Repurchase of common stock	(160,550)	(179,473)	(172,015)
Proceeds from exercise of options	4,980	612	3,620
Transactions with noncontrolling interests	-	(424)	19
Dividends declared and paid	(28,519)	(25,229)	(11,548)
NET CASH USED IN FINANCING ACTIVITIES	(184,089)	(204,514)	(179,924)
Effect of changes in exchange rates on cash, cash equivalents and restricted cash	(38)	(87)	(59)
Net change in cash, cash equivalents and restricted cash	11,501	(16,527)	47,986
Cash, cash equivalents and restricted cash, beginning balance	159,383	175,910	127,924
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, ENDING BALANCE	\$ 170,884	159,383	\$ 175,910
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:			
Cash paid for income taxes	\$ 2,731	\$ 3,406	\$ 1,331
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Termination of lease obligation - operating lease	859	-	375
Issuance of treasury stock, for acquisition	-	4,554	-
Lease liabilities arising from obtaining right-of-use assets	-	-	2,370
Contingent consideration for disposition of business	1,209	-	-
Property, plant and equipment increase due to transfer of right-of-use lease asset	1,100	-	-
Property, plant and equipment purchases in accounts payable	63	63	174

The accompanying notes are an integral part of these consolidated financial statements.

eXp World Holdings, Inc.
Notes to Consolidated Financial Statements
(Amounts in thousands, except share and per share amounts, unless otherwise noted)

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

eXp World Holdings, Inc. (collectively with its subsidiaries, the “Company” or “eXp”) was incorporated in the State of Delaware on July 30, 2008. eXp owns and operates a diversified portfolio of service-based businesses whose operations benefit substantially from utilizing our enabling technology platform. Specifically, we operate a cloud-based real estate brokerage (in North America and other international locations), a Virbela business and related affiliated services that support the development and success of agents, entrepreneurs and businesses by leveraging innovative technologies and integrated services. Our North American and international real estate brokerage is now one of the largest and fastest-growing real estate brokerage companies, operating throughout the United States, most of the Canadian provinces, the U.K., Australia, South Africa, India, Mexico, Portugal, France, Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama, Germany, the Dominican Republic, Greece, New Zealand, Chile, Poland and Dubai.

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) and are expressed in U.S. dollars. The Company’s fiscal year end is December 31.

We report operating results through four reportable segments: North American Realty, International Realty, Virbela and Other Affiliated Services, as further discussed in *Note 10 – Segment Information* to the consolidated financial statements included elsewhere in this Annual Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The accompanying consolidated financial statements include the accounts of eXp World Holdings, Inc., its wholly-owned subsidiaries and entities in which we have a variable interest of which we are the primary beneficiary. If the Company has a variable interest in an entity but it is not the primary beneficiary of the entity or exercises control over the operations and has less than 50% ownership, it will use the equity or cost method of accounting for investments. Entities in which the Company has less than a 20% investment and where the Company does not exercise significant influence are accounted for under the cost method. Intercompany transactions and balances are eliminated upon consolidation.

Variable interest entities (“VIEs”)

A company is deemed to be the primary beneficiary of a VIE and must consolidate the entity if the company has both: (i) the power to direct a VIE’s activities that most significantly impact the VIE’s economic performance and (ii) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE.

Joint ventures

A joint venture is a contractual arrangement whereby the Company and other parties undertake an economic activity through a jointly controlled entity. Joint control exists when strategic, financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control. Joint ventures are accounted for using the equity method and are recognized initially at cost. Joint ventures are typically included in the Other Affiliated Services unless the joint venture specifically supports one of the reportable segments.

The Company has several joint venture investments. As of December 31, 2023, the operations of these joint ventures are not material to the Company’s financial position or results of operations.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to allowance for credit losses, legal contingencies, income taxes, revenue recognition, stock-based compensation, goodwill and deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company

may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

Reclassifications

When necessary, the Company will reclassify certain amounts in prior period financial statements to conform to the current period's presentation. In 2023, the Company reclassified certain amounts in the reconciliation of the provision for income taxes and deferred tax assets in *Note 12 – Income Taxes*. These reclassifications had no effect on the provision for tax or deferred tax assets that were previously reported. No other reclassifications occurred during the current period.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, money market instruments and all other highly liquid investments purchased with an original or remaining maturity of three months or less at the date of acquisition.

Restricted cash

Restricted cash consists of cash held in escrow by the Company's brokers and agents on behalf of real estate buyers. The Company recognizes a corresponding customer deposit liability until the funds are released. Once the cash is transferred from escrow, the Company reduces the respective customers' deposit liability.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheet that sum to the total of the same amounts shown on the statement of cash flows.

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash and cash equivalents	\$ 126,864	\$ 121,594
Restricted cash	44,020	37,789
Total cash, cash equivalents, and restricted cash, ending balance	<u>\$ 170,884</u>	<u>\$ 159,383</u>

Fair value measurements

The fair value of a financial instrument is the amount that could be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets are marked to bid prices and financial liabilities are marked to offer prices. Fair value measurements do not include transaction costs. The fair value hierarchy prioritizes the quality and reliability of the information used to determine fair values. Categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is defined into the following three categories:

Input Level	Definitions
Level 1	Inputs are quoted market prices in active markets for identical assets or liabilities (these are observable market inputs).
Level 2	Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability (includes quoted market prices for similar assets or identical or similar assets in markets in which there are few transactions, prices that are not current or prices that vary substantially).
Level 3	Inputs are unobservable inputs that reflect the entity's own assumptions in pricing the asset or liability (used when little or no market data is available).

The Company holds funds in a money market account. The Company values its money market funds at fair value on a recurring basis.

Accounts receivable and allowance for expected credit losses

The Company is exposed to credit losses primarily through trade and other financing receivables arising from revenue transactions. The Company uses the aging schedule method to estimate current expected credit losses ("CECL") based on days of delinquency, including information about past events and current economic conditions. The Company's accounts receivable is separated into three categories to evaluate an allowance under the CECL impairment model. The three categories include agent non-commission based fees, agent short-term advances and commissions receivable for real estate property settlements.

The Company increases the allowance for expected credits losses when the Company determines all or a portion of a receivable is uncollectable. The Company recognizes recoveries as a decrease to the allowance for expected credit losses. In 2023, the Company has decreased its allowances for expected credit losses, for real estate transactions, due to a decrease of the aging receivable balances, as a result of improvement in accounts receivable management.

As of December 31, 2023 and 2022, receivables from real estate property settlements totaled \$81,004 and \$79,135, respectively, of which the Company recognized expected credit losses of \$- and \$3,127 as of December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022 agent non-commission based fees receivable and short-term advances totaled \$7,268 and \$12,141, respectively of which the Company recognized expected credit losses of \$2,303 and \$887, respectively.

Foreign currency translation

The Company's functional and reporting currency is the United States dollar and the functional currency of the Company's foreign subsidiaries is the local currency of their country of domicile. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange in effect at the date of the transaction. Average monthly rates are used to translate revenues and expenses. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the consolidated statements of operations in other (income) expense, net. The Company does not employ a hedging strategy to manage the impact of foreign currency fluctuations.

Fixed assets

Fixed assets are stated at historical cost and are depreciated on the straight-line method over the estimated useful lives. Useful lives are:

Computer hardware and software: 3 to 5 years

Furniture, fixtures and equipment: 5 to 7 years

Maintenance and repairs are expensed as incurred. Expenditures that substantially increase an asset's useful life or improve an asset's functionality are capitalized.

The Company capitalizes the costs associated with developing its internal-use cloud-based residential real-estate transaction system. Capitalized costs are primarily related to costs incurred in relation to internally created software during the application development stage including costs for upgrades and enhancements that result in additional functionality.

Leases

Leases are agreements, or terms within agreements, that convey the right to control the use of and receive substantially all of the economic benefit from an identified asset for a period of time in exchange for consideration. The Company currently only possesses office space leases.

Right-of-use assets

The Company recognizes right-of-use ("ROU") assets at the commencement date of the lease. ROU assets are measured at cost, less accumulated depreciation and impairment losses and are adjusted concurrently with the remeasurement of corresponding lease liabilities resulting from a change in future lease payments or a change in the assessment of whether any purchase, extension, or termination options will be exercised.

The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received, if any. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Lease liabilities

At the commencement date of a lease, the Company recognizes a lease liability measured at the present value of the lease payments to be made over the lease term. Variable lease payments are recognized as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the implicit interest rate in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced by the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and which do not contain a purchase option. The Company does not capitalize leases with a present value of below its minimum capitalization threshold as it would not materially affect the Company's financial position or results of operations. Lease payments on short-term leases and low-value leases are recognized as expenses on a straight-line basis over the lease term.

Goodwill

Goodwill represents the excess of the consideration paid over the estimated fair value of assets acquired and liabilities assumed in a business combination. The Company evaluates goodwill for impairment on an annual basis in the fiscal fourth quarter or on an interim basis if an event occurs or circumstances change that would more likely than not indicate that the fair value of the reporting unit is less than its carrying amount. Generally, this evaluation begins with a qualitative assessment to determine if the fair value of the reporting unit is more likely than not less than its carrying value. The test for impairment requires management to make judgments relating to future cash flows, growth rates and economic and market conditions. In addition to the annual impairment evaluation, the Company evaluates at least quarterly whether events or circumstances have occurred in the period subsequent to the annual impairment testing which indicate that it is more likely than not an impairment loss has occurred.

The Company recognized goodwill impairment of \$8,248 for the year ended December 31, 2023 related to Virbela. The Company did not recognize any impairment of goodwill for the years ended December 31, 2022 and 2021.

Intangible assets

The Company's intangible assets are finite lived and consist primarily of trade name, technology and customer relationships. Each intangible asset is amortized on a straight-line basis over its useful life, ranging from 3 to 10 years. The Company evaluates its intangible assets for recoverability and potential impairment, or as events or changes in circumstances indicate the carrying value may be impaired.

The Company recognized impairment related to the trade name and customer relationships of \$955 for the year ended December 31, 2023, related to Virbela. The Company did not recognize any impairment of intangible assets for the years ended December 31, 2022 and 2021.

Software development costs

The Company capitalizes software development costs related to products to be sold, leased, or marketed to external users and internal-use software.

Business combinations

The Company accounts for business combinations using the acquisition method of accounting, under which the consideration for the acquisition is allocated to the assets acquired and liabilities assumed. The Company recognizes identifiable assets acquired and liabilities assumed at the acquisition date fair values as determined by management as of the acquisition date. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions, estimates and market factors. These assumptions and estimates include projected revenues and income growth rates, terminal growth rates, competitive and consumer trends, market-based discount rates and other market factors. If current expectations of future growth rates are not met or market factors outside of the Company's control change significantly, then goodwill or intangible assets may become impaired. Additionally, as goodwill and intangible assets associated with recently acquired businesses are recorded on the balance sheet at their estimated acquisition date fair values, those amounts are more susceptible to impairment risk if business operating results or macroeconomic conditions deteriorate.

Acquisition-related costs, such as due diligence, legal and accounting fees, are expensed as incurred and not considered in determining the fair value of the acquired assets.

Impairment of long-lived assets

The Company periodically evaluates the carrying value of long-lived assets to be held and used when events and circumstances warrant such a review. The carrying value of a long-lived asset is considered impaired when the anticipated undiscounted cash flow from such asset is less than its carrying value. When assets are considered impaired, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the long-lived asset. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved.

Stock-based compensation

Our stock-based compensation is comprised of employee equity incentives, agent growth incentive programs, agent equity program and stock option awards. Stock-based compensation is more fully disclosed in *Note 9 – Stockholders' Equity* to the consolidated financial statements included elsewhere in this Annual Report. The Company accounts for stock-based compensation granted to employees and non-employees using a fair value method. Stock-based compensation awards are measured at the grant date fair value and are recognized over the requisite service period of the awards, usually the vesting period, on a straight-line basis, net of forfeitures. The Company reduces stock-based compensation for forfeitures when they occur.

Recognition of compensation cost for an award with a performance condition is based on the probable outcome of that performance condition being met.

Revenue recognition

The Company generates substantially all of its revenue from North American Realty and International Realty segments and generates a de minimis portion of its revenues from software subscription (Virbela segment) and professional services. The Company does not have contracts with customers that provide variable consideration.

North American Realty and International Realty

The Company serves as a licensed broker in the areas in which it operates for the purpose of processing residential real estate transactions. The Company is contractually obligated to provide services for the fulfillment of transfers of residential real estate between buyers and sellers. The Company provides these services itself and controls the services necessary to legally transfer residential real estate. Correspondingly, the Company is defined as the principal. The Company, as principal, satisfies its obligation upon the closing of a residential real estate transaction. As principal and upon satisfaction of the performance obligation, the Company recognizes revenue in the gross amount of consideration to which the Company expects to be entitled. The Company estimates and accrues revenue to which it is entitled to for closed transactions but has yet to receive all the necessary closing documents. The accrual for estimated revenue was immaterial for the years ended December 31, 2023 and 2022.

Revenue is derived from assisting homebuyers and sellers in listing, marketing, selling and finding residential real estate. Commissions earned on real estate transactions are recognized at the completion of a residential real estate transaction once the Company has satisfied the performance obligation. Agent-related fees charged by the Company are recorded as a reduction to commissions and other agent-related costs.

Software Subscription and Professional Services

Subscription revenue is derived from fees from customers to access the Company's virtual reality software platform. The terms of subscriptions do not provide customers the right to take possession of the software. Subscription revenue is generally recognized ratably over the contract term.

Professional services revenue is derived from implementation and consulting services. Professional services revenue is typically recognized over time as the services are rendered, using an efforts-expended (labor hours) input method.

Disaggregated revenue

The Company primarily operates as a real estate brokerage firm and discloses disaggregated revenue from services to customers across its four reportable segments to provide additional insight into the future recognition of revenue and cash flows. The vast majority of the Company's revenue is derived from providing real estate brokerage services, to purchasers and sellers of homes in the U.S., Canada and internationally. See *Note 10 – Segment Information* to the consolidated financial statements included elsewhere in this Annual Report for details regarding segment and geographic information.

Management provides disaggregation of revenue from its services to customers to provide additional insight into the future recognition of revenue and cash flows.

Sustainable Revenue Share Plan expenses

The Company's costs incurred under the Revenue Share Plan are included as commissions and other agent-related costs in the consolidated statements of comprehensive income.

Advertising and marketing costs

Advertising and marketing costs are generally expensed in the period incurred. Advertising and marketing expenses are included in the sales and marketing expense line item on the accompanying consolidated statements of comprehensive income. For the years ended December 31, 2023, 2022 and 2021, the Company incurred advertising and marketing expenses of \$12,156, \$15,359 and \$12,180, respectively.

Income taxes

The Company records income taxes using the asset and liability method. Under this method, deferred income tax assets and liabilities are recorded based on the estimated future tax effects of differences between the financial statement and income tax basis of existing assets and liabilities. These differences are measured using the enacted statutory tax rates that are expected to apply to taxable income for the years in which differences are expected to reverse. The Company recognizes the effect on deferred income taxes of a change in tax rates in income in the period that includes the enactment date.

The Company recognizes deferred tax assets to the extent that it believes that these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies and results of recent operations. If the Company determines that it would be able to realize its deferred tax assets in the future in excess of their net recorded amount, the Company would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

The Company records uncertain tax positions on the basis of a two-step process whereby: (i) it determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (ii) for those tax positions that meet the more-likely-than-not recognition threshold, it recognizes the largest amount of tax benefit that is more than 50% likely to be realized upon ultimate settlement with the related tax authority.

Comprehensive (loss) income

The Company's only components of comprehensive (loss) income are net (loss) income and foreign currency translation adjustments.

Earnings per share

Basic earnings (loss) per share is computed by dividing the net (loss) income for the period by the weighted average number of shares of common stock outstanding during the period. Diluted earnings (loss) per share is computed by dividing net (loss) income for the period by the weighted average number of shares of common stock outstanding plus, if potentially dilutive common shares outstanding during the period. The Company has paid dividends in 2023, 2022 and 2021. The Company does not have participating shares outstanding.

Accounting pronouncements

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting standards that have been issued that might have a material impact on its financial position and results of operations.

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07 – Segment Reporting (Topic 280) ("ASU 2023-07"). ASU 2023-07 improves reportable segment disclosure requirements, primarily through enhanced disclosure about significant segment expenses. The amendments in this update require, among other things, that a public company disclose on an annual and interim basis significant segment expense, as well as other segment expenses, that are regularly provided to the CODM. The amendments in ASU 2023-07 are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, early adoption is permitted. The Company is currently evaluating the effect the amendments in ASU 2023-07 will have on its segment disclosures.

In December 2023, the FASB issued ASU 2023-09 – Income Taxes (Topic 740) ("ASU 2023-09"). ASU 2023-09 improves reporting for income taxes, primarily by requiring disclosure of specific categories in the tax rate reconciliation and providing additional annual information for reconciling items that meet a quantitative threshold. The amendments in ASU 2023-09 also require additional annual information regarding income taxes paid, as well as other additional disclosures. The amendments in ASU 2023-09 are effective for fiscal years beginning after December 15, 2024, early adoption is permitted. The Company is currently evaluating the effect the amendments in ASU 2023-09 will have on its tax disclosures.

3. ACQUISITIONS

The Company did not complete any acquisitions during the year ended December 31, 2023.

On July 1, 2022, the Company acquired Zoocasa Realty Inc. in a stock purchase transaction. The total consideration paid was \$17,155 including net cash of \$9,910 (net of cash acquired of \$2,772), stock issued from treasury of \$4,554 and a working capital adjustment. The Zoocasa acquisition has been accounted for using the acquisition method of accounting.

4. FAIR VALUE MEASUREMENT

The Company holds funds in a money market account, which are considered Level 1 assets. The Company values its money market funds at fair value on a recurring basis.

As of December 31, 2023 and 2022, the fair value of the Company's money market funds was \$46,268 and \$44,062, respectively.

There have been no transfers between Level 1, Level 2 and Level 3 in the periods presented. The Company did not have any Level 2 or Level 3 financial assets or liabilities in the periods presented.

5. PREPAIDS AND OTHER ASSETS

Prepays and other assets consisted of the following:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Prepaid expenses	\$ 5,726	\$ 5,580
Prepaid insurance	2,471	2,293
Rent deposits	-	15
Other assets (includes inventory)	1,425	580
Total prepaid expenses	<u>\$ 9,622</u>	<u>\$ 8,468</u>

6. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net consisted of the following:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Computer hardware and software	\$ 37,444	\$ 34,206
Furniture, fixture, and equipment	2,254	20
Total depreciable property and equipment	39,698	34,226
Less: accumulated depreciation	<u>(27,733)</u>	<u>(19,282)</u>
Depreciable property, net	11,965	14,944
Assets under development	1,013	3,207
Property, plant, and equipment, net	<u>\$ 12,978</u>	<u>\$ 18,151</u>

For the years ended December 31, 2023, 2022 and 2021, depreciation expense was \$8,352, \$7,934 and \$4,974, respectively.

7. GOODWILL AND INTANGIBLE ASSETS

Changes in the carrying amount of goodwill were:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Goodwill	\$ 27,212	\$ 12,945
Acquisitions	-	14,156
Impairments	(8,248)	-
Disposition	(2,310)	-
Currency translation impact	328	111
Total goodwill	<u>\$ 16,982</u>	<u>\$ 27,212</u>

During the fourth quarter of 2023, as part of the Company's annual goodwill impairment assessment, the Company determined that the goodwill associated with Virbela, the Company's technology segment was impaired. During the impairment evaluation, the Company determined that the projection for future cash flows associated with Virbela had declined significantly resulting from the post-COVID 19 work environment of return to the office and hybrid work initiatives globally, as well as the increase in the demand for artificial intelligence solutions. The Company determined the estimated fair value of Virbela using the market approach, which measures value based on what other purchasers in the market have paid for assets or business interests that can be considered reasonably similar to Virbela. Based on that approach, the estimated fair value was significantly lower than the book value of Virbela and the goodwill associated with Virbela was impaired. The Company recognized an impairment charge of \$8,248 for the year ended December 31, 2023.

During 2023, the Company disposed of its Showcase Web Sites LLC business, which resulted in a reduction of goodwill of \$2,310, this business was included in the North American Realty segment.

Goodwill was recorded in connection with the acquisition of Zoocasa in July 2022 and represents fair value as of the acquisition date. The acquisition was accounted for using the acquisition method of accounting. Under the acquisition method of accounting, the Company allocated the total purchase price to the tangible and identifiable intangible assets acquired and assumed liabilities based on their estimated fair values as of the acquisition date, as determined by management. The excess of the purchase price over the aggregate fair values of the identifiable assets was recorded as goodwill.

The Company has a risk of future impairment to the extent that individual reporting unit performance does not meet projections. Additionally, if current assumptions and estimates, including projected revenues and income growth rates, terminal growth rates, competitive and consumer trends, market-based discount rates and other market factors, are not met, or if valuation factors outside of the Company's control change unfavorably, the estimated fair value of goodwill could be adversely affected, leading to a potential impairment in the future.

Definite-lived intangible assets were as follows:

	December 31, 2023				December 31, 2022		
	Gross Amount	Accumulated Amortization	Impairment	Net Carrying Amount	Gross Amount	Accumulated Amortization	Net Carrying Amount
Trade name	\$ 3,257	(\$ 1,030)	\$ (585)	\$ 1,642	\$ 3,459	(\$ 841)	\$ 2,618
Existing technology	9,410	(3,800)	-	5,610	3,995	(2,458)	1,537
Non-competition agreements	468	(125)	-	343	461	(125)	336
Customer relationships	1,655	(652)	(370)	633	1,895	(551)	1,344
Licensing agreement	210	(210)	-	0	210	(181)	29
Intellectual property	2,836	(583)	-	2,253	2,836	-	2,836
Total intangible assets	<u>\$ 17,836</u>	<u>(\$ 6,400)</u>	<u>(\$ 955)</u>	<u>\$ 10,481</u>	<u>\$ 12,856</u>	<u>(\$ 4,156)</u>	<u>\$ 8,700</u>

For the years ended December 31, 2023, 2022 and 2021, amortization expense for definite-lived intangible assets was \$2,540, \$1,904 and \$1,274, respectively.

As part of the Company's annual assessment, the Company also reviews the useful lives of its amortizable intangible assets and determines if there should be any change to the amortization period. For the amortizable assets related to the Virbela segment, the Company determined that the trade name and the customer relationships that were recognized as part of the acquisition, should be fully amortized as of December 31, 2023. This assessment was made based on the future negative operating cash flows and the decline in the estimated fair value of Virbela. As a result, the Company recognized an impairment loss related the net book value of the trade name of \$585 and customer relationships \$370.

As of December 31, 2023, expected amortization related to definite-lived intangible assets will be:

Expected amortization	
2024	\$ 2,702
2025	2,299
2026	1,275
2027	608
2028 and thereafter	3,597
Total	<u>\$ 10,481</u>

8. ACCRUED EXPENSES

Accrued expenses consisted of the following:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Commissions payable	\$ 60,010	\$ 56,786
Payroll payable	8,866	6,236
Taxes payable	1,225	2,124
Stock liability awards	4,999	3,885
Other accrued expenses	13,082	9,913
	<u>\$ 88,182</u>	<u>\$ 78,944</u>

9. STOCKHOLDERS' EQUITY

Common Stock – As of December 31, 2023, our restated certificate of incorporation authorized us to issue 900,000,000 shares of common stock with a par value of \$0.00001 per share.

The following table represents a reconciliation of the Company's issued common stock shares for the periods presented:

	<u>Year Ended December 31,</u>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Common stock:			
Balance, beginning of year	171,656,030	155,516,284	146,677,786
Shares issued for stock options exercised	832,993	2,105,237	3,155,170
Agent growth incentive stock compensation	2,219,881	2,571,569	2,037,942
Agent equity stock compensation	8,897,804	11,462,940	3,645,386
Balance, end of year	<u>183,606,708</u>	<u>171,656,030</u>	<u>155,516,284</u>

The Company's stockholder approved equity programs described below are administered under the 2015 Equity Incentive Plan. The purpose of the equity plan is to retain the services of valued employees, directors, officers, agents and consultants and to incentivize such persons to make contributions to the Company and motivate excellent performance.

Agent Equity Program

The Company provides agents and brokers the opportunity to elect to receive 5% of commissions earned from each completed residential real estate transaction in the form of common stock (the "Agent Equity Program" or "AEP") at a 10% discount recognized by the Company. If agents and brokers elect to receive portions of their commissions in common stock, they are entitled to receive the equivalent number of shares of common stock, based on the fixed monetary value of the commission payable.

For the years ended December 31, 2023, 2022 and 2021, the Company issued 8,897,804, 11,462,940 and 3,645,386 shares of common stock, respectively, to agents and brokers for \$135,226, \$164,104 and \$144,437, respectively, net of discount.

Agent Growth Incentive Program

The Company administers an equity incentive program whereby agents and brokers become eligible to receive awards of the Company's common stock through agent attraction and performance benchmarks (the "Agent Growth Incentive Program" or "AGIP"). The incentive program encourages greater performance and awards agents with common stock based on achievement of performance milestones. Awards typically vest after performance benchmarks are reached and three years of subsequent service is provided to the Company. Share-based performance awards are based on a fixed-dollar amount of shares based on the achievement of performance metrics. As such, the awards are classified as liabilities until the number of share awards becomes fixed once the performance metric is achieved.

For the years ended December 31, 2023, 2022 and 2021, the Company's stock compensation attributable to the AGIP was \$43,178, \$30,861 and \$24,493, respectively. The total amount of stock compensation attributable to liability classified awards was \$3,832, \$2,056 and \$4,977 for the years ended December 31, 2023, 2022 and 2021, respectively.

The following table illustrates changes in the Company's stock compensation liability for the periods presented:

	<u>Amount</u>
Stock grant liability balance at December 31, 2021	\$ 4,341
Stock grant liability increase year to date	2,056
Stock grants reclassified from liability to equity year to date	<u>(2,512)</u>
Balance, December 31, 2022	\$ 3,885
Stock grant liability increase year to date	3,832
Stock grants reclassified from liability to equity year to date	<u>(2,717)</u>
Balance, December 31, 2023	<u><u>\$ 5,000</u></u>

As of December 31, 2023, the Company had 6,706,280 unvested common stock awards and unrecognized compensation costs totaling \$65,989 attributable to stock awards where the performance metric has been achieved and the number of shares awarded are fixed. The cost is expected to be recognized over a weighted average period of 1.92 years.

The following table illustrates the Company's stock activity for the Agent Growth Incentive Program for stock awards where the performance metric has been achieved for the following periods:

	<u>Shares</u>	<u>Weighted Average Grant Date Fair Value</u>
Balance, December 31, 2021	5,174,654	\$ 13.92
Granted	3,829,990	15.29
Vested and issued	(2,542,696)	6.28
Forfeited	<u>(762,951)</u>	18.80
Balance, December 31, 2022	5,698,997	\$ 17.68
Granted	4,642,035	15.04
Vested and issued	(2,219,881)	11.73
Forfeited	<u>(1,245,862)</u>	17.35
Balance, December 31, 2023	<u><u>6,875,289</u></u>	<u><u>\$17.80</u></u>

Agent Thrive Program

Announced in October 2023, the Thrive program provides a stock incentive to the individual team leaders of teams of culturally aligned teams that join the Company as part of the program. After affiliating with the Company, the team leader becomes eligible to receive an award of the Company's common stock through team performance benchmarks. Awards typically vest after production benchmarks are reached and three years of subsequent service is provided to the Company. Share-based performance awards are based on a fixed-dollar amount of shares based on the achievement of production metrics. As such, the awards are classified as liabilities until the number of share awards becomes fixed once the production metric is achieved.

Stock Option Awards

Stock options are granted to directors, officers, certain employees and consultants with an exercise price equal to the fair market value of common stock on the grant date and the stock options expire 10 years from the date of grant. These options have time-based restrictions with equal and periodically graded vesting over a three-year period.

The fair value of the options issued was calculated using a Black-Scholes-Merton option-pricing model with the following assumptions:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Expected term	5 - 6 years	5 - 6 years	5 - 6 years
Expected volatility	73.64% - 76.78%	72.84% - 76.49%	68.85% - 86.33%
Risk-free interest rate	3.28% - 4.86%	1.49% - 4.10%	0.44% - 1.33%
Dividend yield	0.72% - 1.64%	0.53% - 1.48%	0.00% - 0.00%

The following table illustrates the Company's stock option activity for the following periods:

	Options	Weighted Average Exercise Price	Intrinsic Value	Weighted Average Remaining Contractual Term (Years)
Balance December 31, 2021	7,038,660	\$ 8.70	\$ 25.45	6.26
Granted	1,234,847	19.25	-	9.37
Exercised	(2,083,016)	0.68	18.10	—
Forfeited	(415,969)	13.68	8.74	—
Balance at December 31, 2022	<u>5,774,522</u>	<u>\$ 13.56</u>	<u>\$ 2.21</u>	<u>7.63</u>
Granted	2,468,299	14.81	-	8.46
Exercised	(832,993)	5.90	14.97	—
Forfeited	(1,198,706)	17.77	2.27	—
Expired	(12,578)	35.54	0.29	—
Balance at December 31, 2023	<u>6,198,544</u>	<u>\$ 14.23</u>	<u>\$ 3.62</u>	<u>7.29</u>
Exercisable at December 31, 2023	<u>3,623,819</u>	<u>\$ 12.30</u>	<u>\$ 5.31</u>	<u>6.11</u>
Vested at December 31, 2023	<u>3,623,819</u>	<u>\$ 12.30</u>	<u>\$ 5.31</u>	<u>6.11</u>

	Options	Weighted Average Exercise Price
Range of stock option exercise prices at December 31, 2023:		
\$0.01 - \$10.00 (average remaining life - 6.12 years)	2,573,627	\$ 8.18
\$10.01 - \$30.00 (average remaining life - 8.20 years)	3,315,284	\$ 16.59
\$30.01 - \$60.00 (average remaining life - 7.42 years)	309,633	\$ 39.29

The grant date fair value of options to purchase common stock is recorded as stock-based compensation over the vesting period. As of December 31, 2023, unrecognized compensation cost associated with the Company's outstanding stock options was \$22,897, which is expected to be recognized over a weighted-average period of approximately 1.32 years.

Stock Repurchase Program

In December 2018, the Company's Board of Directors (the "Board") approved a stock repurchase program authorizing the Company to purchase up to \$25.0 million of its common stock, which was later amended in November 2019 increasing the authorized repurchase amount to \$75.0 million. In December 2020, the Board approved another amendment to the repurchase plan, increasing the total amount authorized to be purchased from \$75.0 million to \$400.0 million. In May 2022, the Board approved an increase to the total amount of its buyback program from \$400.0 million to \$500.0 million. In June 2023, the Board approved an increase to the total amount of its buyback program from \$500.0 million to \$1.0 billion. Purchases under the repurchase program may be made in the open market or through a 10b5-1 plan and are expected to comply with Rule 10b-18 under the Exchange Act, as amended. The timing and number of shares repurchased depends upon market conditions. The repurchase program does not require the Company to acquire a specific number of shares. The cost of the shares that are repurchased is funded from cash and cash equivalents on hand.

10b5-1 Repurchase Plan

The Company maintains an internal stock repurchase program with program changes subject to Board consent. From time to time, the Company adopts written trading plans pursuant to Rule 10b5-1 of the Exchange Act to conduct repurchases on the open market.

On January 10, 2022, the Company and Stephens Inc. entered into a form of Issuer Repurchase Plan ("Issuer Repurchase Plan") which authorized Stephens to repurchase up to \$10.0 million of its common stock per month. On May 3, 2022, the Board approved a form of first amendment to the Issuer Repurchase Plan to increase monthly repurchases from \$10.0 million of its common stock per month up to \$20.0 million, which amendment was signed May 6, 2022. On September 27, 2022, the Board approved and the Company entered into, a form of second amendment to the Issuer Repurchase Plan, to decrease the monthly repurchases from \$20.0 million of its common stock per month to \$13.3 million, in anticipation of volume decreases in connection with the contraction in the real estate market. On December 27, 2022, the Board approved and the Company entered into, a form of third amendment to the Issuer Repurchase Plan, to decrease the monthly repurchases from \$13.3 million of its common stock per month to \$10.0

million, in connection with ongoing contractions in the real estate market. On May 10, 2023, the Board approved and, on May 11, 2023, the Company entered into, a form of fourth amendment to the Issuer Repurchase Plan, to increase the monthly repurchase amounts during 2023 due to actual and projected changes in the Company's cash and cash equivalents; specifically, to permit purchases of up to: (i) \$17.0 million during May 2023, (ii) \$22.0 million during June 2023, (iii) \$18.67 million during any calendar month commencing July 1, 2023 through and including September 30, 2023, and (iv) \$12.0 million during any calendar month commencing October 1, 2023 through and including December 31, 2023. On June 26, 2023, the Board approved, and the Company entered into, a form of fifth amendment to the Issuer Repurchase Plan to increase the maximum aggregate buyback from \$500.0 million to \$1.0 billion in accordance with the repurchase program limit. On November 17, 2023, the Board approved, and the Company entered into, a form of sixth amendment to the Issuer Repurchase Plan to reduce the monthly repurchase from (i) \$12.0 million to \$8.0 million during November 2023, (ii) from \$12.0 million to \$6.0 million during any calendar month commencing December 1, 2023 through and including June 30, 2024.

For accounting purposes, common stock repurchased under the stock repurchase programs is recorded based upon the settlement date of the applicable trade. Such repurchased shares are held in treasury and are presented using the cost method. These shares are considered issued but not outstanding. The following table shows the changes in treasury stock shares for the periods presented:

	Year Ended December 31,		
	2023	2022	2021
Treasury stock:			
Balance, beginning of year	18,816,791	6,751,692	2,534,494
Repurchases of common stock	10,110,152	12,408,430	4,217,198
Forfeiture to treasury stock for acquisition	10,728	-	-
Issuance of treasury stock for acquisition	-	(343,331)	-
Balance, end of year	<u>28,937,671</u>	<u>18,816,791</u>	<u>6,751,692</u>

10. SEGMENT INFORMATION

Segment information aligns with how the Chief Operating Decision Maker ("CODM"), Glenn Sanford, Chief Executive Officer of eXp World Holdings, Inc. and eXp Realty, LLC, a wholly owned subsidiary of the Company ("eXp Realty") manages the business and allocates resources as four operating segments. The Company determines an operating segment if a component (i) engages in business activities from which it earns revenues and incurs expenses, (ii) has discrete financial information and is (iii) regularly reviewed by the CODM. Once operating segments are identified, the Company performs a quantitative analysis of the current and historic revenues and profitability for each operating segment, together with a qualitative assessment to determine if operating segments have similar operating characteristics. We have four operating segments and four reportable segments.

The CODM uses revenues and Adjusted Segment EBITDA as key metrics to evaluate the operating and financial performance of a segment, identify trends affecting the segments, develop projections and make strategic business decisions. Adjusted Segment EBITDA for the reportable segments is defined as operating profit (loss) plus depreciation and amortization and stock-based compensation expenses. The Company's four reportable segments as follows:

- North American Realty: includes real estate brokerage operations in the United States and Canada, as well as lead-generation and other real estate support services provided in North America.
- International Realty: includes real estate brokerage operations in all other international locations.
- Virbela: includes the enterprise application-based Virbela platform and web-based Frame platform and the support services offered by eXp World Technologies.
- Other Affiliated Services: includes our SUCCESS® Magazine and other smaller ventures.

The Company also reports corporate expenses, as further detailed below, as "Corporate and other" which include expenses incurred in connection with business development support provided to the agents as well as resources, including administrative, brokerage operations and legal functions.

All segments follow the same basis of presentation and accounting policies as those described throughout the Notes to the Audited Consolidated Financial Statements included herein. The following table provides information about the Company's reportable segments and a reconciliation of the total segment Revenues to consolidated Revenues and Adjusted Segment EBITDA to the consolidated operating profit (in thousands). Financial information for the comparable prior periods presented have been revised to conform with the current year presentation.

	Revenues		
	Year Ended December 31,		
	2023	2022	2021
North American Realty	\$ 4,220,063	\$ 4,552,938	\$ 3,745,354
International Realty	53,931	35,924	17,804
Virbela	7,284	8,485	8,615
Other Affiliated Services	4,802	5,084	2,896
Revenues reconciliation:			
Segment eliminations	(4,975)	(4,270)	(3,499)
Consolidated revenues	<u>\$ 4,281,105</u>	<u>\$ 4,598,161</u>	<u>\$ 3,771,170</u>

	Adjusted EBITDA		
	Year Ended December 31,		
	2023	2022	2021
North American Realty	\$ 91,101	\$ 103,255	\$ 116,800
International Realty	(13,657)	(13,708)	(9,138)
Virbela	(5,725)	(9,642)	(12,637)
Other Affiliated Services	(3,795)	(2,600)	(3,322)
Corporate expenses and other	(10,376)	(16,756)	(13,708)
Consolidated Adjusted EBITDA	<u>\$ 57,548</u>	<u>\$ 60,549</u>	<u>\$ 77,995</u>

Operating (Loss) Profit Reconciliation:			
Depreciation and amortization expense	10,892	9,838	6,248
Impairment expense	9,203	-	-
Stock compensation expense	43,178	30,861	24,493
Stock option expense	10,736	14,442	13,102
Consolidated operating (loss) profit	<u>(\$ 16,461)</u>	<u>\$ 5,408</u>	<u>\$ 34,152</u>

	Goodwill	
	December 31, 2023	December 31, 2022
	North American Realty	\$ 14,595
International Realty	-	-
Virbela	-	8,248
Other Affiliated Services	2,387	2,387
Segment total	<u>16,982</u>	<u>27,212</u>
Corporate and other	-	-
Consolidated total	<u>\$ 16,982</u>	<u>\$ 27,212</u>

Geographical information

For the years ended December 31, 2023, 2022 and 2021 approximately 9%, 9% and 8%, respectively, of the Company's total revenue was generated outside of the U.S. Long-lived assets held outside of the U.S. were 14% and 6% as of December 31, 2023 and 2022, respectively.

The Company's CODM does not use segment assets to allocate resources or to assess performance of the segments and therefore, total segment assets have not been disclosed.

11. EARNINGS PER SHARE

Basic earnings per share is computed based on net income attributable to eXp stockholders divided by the basic weighted-average shares outstanding during the period. Dilutive earnings per share is computed consistently with the basic computation while giving effect to all dilutive potential common shares and common share equivalents that were outstanding during the period. The Company uses the treasury stock method to reflect the potential dilutive effect of unvested stock awards and unexercised options.

The following table sets forth the calculation of basic and diluted earnings per share attributable to common stock during the periods presented:

	Year Ended December 31,		
	2023	2022	2021
Numerator:			
Net (loss) income attributable to eXp World Holdings, Inc.	(\$ 8,973)	\$ 15,442	\$ 81,220
Denominator:			
Weighted average shares - basic	153,232,129	151,036,110	146,170,871
Dilutive effect of common stock equivalents	-	5,184,055	11,558,503
Weighted average shares - diluted	153,232,129	156,220,165	157,729,374
Earnings per share:			
(Loss) earnings per share attributable to common stock- basic	(\$ 0.06)	\$ 0.10	\$ 0.56
(Loss) earnings per share attributable to common stock- diluted	(\$ 0.06)	\$ 0.10	\$ 0.51

For the years ended December 31, 2023, 2022 and 2021, total outstanding shares of common stock excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive were 4,361,775, 1,000,421 and 102,880, respectively.

12. INCOME TAXES

The following table provides the components of income before provision for income taxes by domestic and foreign subsidiaries:

	Year Ended December 31,		
	2023	2022	2021
Domestic	(\$ 16,522)	\$ 1,029	\$ 32,804
Foreign	3,087	3,559	929
Total	(\$ 13,435)	\$ 4,588	\$ 33,733

The components of the provision for (benefit from) income tax expense are as follows:

	Year Ended December 31,		
	2023	2022	2021
Current:			
Federal	\$ 305	\$ -	\$ -
State	795	737	456
Foreign	1,788	2,312	1,650
Total current income tax provision	2,888	3,049	2,106
Deferred			
Federal	(4,995)	(11,444)	(41,599)
State	(1,494)	(1,674)	(6,574)
Foreign	(861)	(767)	(1,420)
Total deferred income tax benefit	(7,350)	(13,885)	(49,593)
Total provision (benefit) for income taxes	(\$ 4,462)	(\$ 10,836)	(\$ 47,487)

The reconciliation of the provision for income taxes at the United States federal statutory rate compared to the Company's income tax expense as reported is as follows:

	Year Ended December 31,		
	2023	2022	2021
Statutory tax rate	21.00%	21.00%	21.00%
State taxes	0.60%	17.52%	5.22%
Permanent differences	1.03%	(0.40)%	(0.08)%
Research & Development Credit	15.48%	(49.64)%	(6.04)%
Unrecognized tax benefit	(3.87)%	12.41%	1.51%
Share-based compensation	24.64%	(265.42)%	(107.20)%
Sec. 162m compensation limitation	(21.23)%	47.85%	8.12%
Foreign tax rate differential	(1.02)%	(1.65)%	0.27%
Valuation allowance	-%	-%	(65.54)%
Prior year true up items	(3.29)%	(19.99)%	(0.63)%
Other net	(0.13)%	2.13%	2.65%
Total	<u>33.21%</u>	<u>(236.19)%</u>	<u>(140.72)%</u>

The Company has made certain prior year reclassifications to research and development credit, unrecognized tax benefit, share-based compensation and other categories to ensure consistency with current year presentation. These reclassifications had no effect on total effective tax rate.

Deferred tax assets and liabilities consist of the following for the periods presented:

	December 31, 2023	December 31, 2022
Deferred tax assets:		
Net operating loss carryforward	\$ 34,028	\$ 41,192
Accruals and Reserves	3,127	3,129
Goodwill and Intangibles	1,782	257
Research and Experimental Costs	14,757	8,401
Research and Development Credit	4,632	3,826
Share-based compensation	15,872	11,871
Total gross deferred tax assets	<u>74,198</u>	<u>68,676</u>
Deferred tax liabilities:		
Property and equipment	(2,779)	(3,467)
Intangibles/Goodwill	-	(656)
Right of use lease asset	(3)	(519)
Other	(94)	(55)
Net deferred tax assets	<u>\$ 71,322</u>	<u>\$ 63,979</u>

Certain prior year deferred asset amounts have been reclassified for consistency with the current year presentation. In prior year the Company reported nominal deferred tax asset balances for partnership basis difference, lease liability and legal settlement accruals, these balances were reported as part of accruals and reserves in 2023. Further, in prior year research and experimental costs were reported combined with intangible assets, these costs were stated separately in 2023. These reclassifications had no effect on gross and net deferred tax assets.

The Company accounts for deferred taxes under ASC Topic 740 – Income Taxes (“ASC 740”), which requires a reduction of the carrying amount of deferred tax assets by a valuation allowance if, based on available evidence, it is more likely than not that such assets will not be realized. Accordingly, the need to establish valuation allowances for deferred tax assets is assessed periodically based on the ASC 740 more-likely-than-not realization threshold criterion. This assessment considers matters such as future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. The evaluation of the recoverability of the deferred tax assets requires that the Company weigh all positive and negative evidence to reach a conclusion that it is more likely than not that all or some portion of the deferred tax assets will not be realized. The weight given to the evidence is commensurate with the extent to which it can be objectively verified. As of December 31, 2023, based on its assessment of the realizability of its net deferred tax assets, we reached the conclusion that our US federal, US State and foreign net deferred tax assets more-likely-than-not will be fully realized and therefore no valuation allowance was recorded.

As of December 31, 2023, the Company had federal, state and foreign net operating losses of approximately \$125.8 million, \$74.1 million and \$12.9 million, respectively. The full amount of \$125.8 million of federal net operating loss can be carried forward

indefinitely and can offset 80% of future taxable income. Certain state and foreign net operating losses will carry forward for limited number of years and, if not utilized, will begin to expire in 2024. As of December 31, 2023, the Company conducted an IRC Section 382 analysis with respect to its net operating loss carryforward and determined there was an immaterial limitation.

Undistributed earnings of the Company's foreign subsidiaries are considered to be indefinitely reinvested and accordingly, no provision for applicable income taxes has been provided thereon. Upon distribution of those earnings, the Company would be subject to withholding taxes payable to various foreign countries. As of December 31, 2023 the undistributed earnings of the Company's foreign subsidiaries could result in withholding taxes of approximately \$0.8 million, if repatriated.

As of December 31, 2023, the Company had federal and California Research and Development credits of approximately \$5.8 million and \$0.9 million, respectively. Federal credit can be carried forward 20 years and will begin to expire in 2039. California credit can be carried forward indefinitely.

The Company maintains liabilities for uncertain tax positions. These liabilities involve considerable judgment and estimation and are continuously monitored by management based on the best information available, including changes in tax regulations, the outcome of relevant court cases, and other information. A reconciliation of the beginning and ending amount of gross unrecognized benefits is as follows:

	Year Ended December 31,		
	2023	2022	2021
Unrecognized tax benefits - beginning of year	\$ 1,309	\$ 530	\$ -
Gross increase for tax positions of prior years	63	199	325
Gross increase for tax positions of current year	532	580	205
Unrecognized tax benefits - end of year	<u>\$ 1,904</u>	<u>\$ 1,309</u>	<u>\$ 530</u>

The unrecognized tax benefits relate to Federal and California research and development credits in 2023, 2022, and 2021.

As of December 31, 2023, the total amount of unrecognized tax benefits that would affect the Company effective tax rate, if recognized, is \$1,904. The Company's policy is to recognize interest and penalties related to income tax matters in income tax expense. As of December 31, 2023, the Company accrued interest or penalties related to uncertain tax positions in the amount of \$0. The company does not expect of the uncertain tax position to reverse during the next 12 month.

During 2022 the Company completed its federal examination for 2019 with no change to the original filing. There are no federal or state tax examinations in progress nor has it had any state tax examinations since its inception. Because the Company has net operating loss carryforwards, there are open statutes of limitations in which federal taxing authorities may examine the Company's tax returns for all years from December 31, 2011 through the current period. US State taxing authorities may examine the Company's tax return for all years from December 31, 2014 through the current period and foreign tax authorities may examine the Company's tax return for all years from December 31, 2019 through the current period.

The Company is subject to a wide variety of tax laws and regulations across the jurisdictions where it operates. Regulatory developments from the U.S. or international tax reform legislation could result in an impact to the Company's effective tax rate. The Company continues to monitor the Base Erosion and Profit Shifting (BEPS) Integrated Framework provided by the Organization for Economic Co-operation and Development (OECD) including the legislative adoption of Pillar II by countries, and all other tax regulatory changes, to evaluate the potential impact on future periods.

13. COMMITMENTS AND CONTINGENCIES

Contingencies

From time to time, the Company is subject to potential liability under laws and government regulations and various claims and legal actions that may be asserted against us that could have a material adverse effect on the business, reputation, results of operations or financial condition. Such litigation may include, but is not limited to, actions or claims relating to sensitive data, including proprietary business information and intellectual property and that of clients and personally identifiable information of employees and contractors, cyber-attacks, data breaches and non-compliance with contractual or other legal obligations.

Litigation and other legal matters are inherently unpredictable and subject to substantial uncertainties and adverse resolutions could occur. In addition, litigation and other legal matters, including class-action lawsuits, government investigations and regulatory proceedings can be costly to defend and, depending on the class size and claims, could be costly to settle. The Company believes that its defenses and assertions in pending legal proceedings have merit and the Company believes that it has adequately and appropriately accrued for legal matters that are estimable. However, substantial unanticipated judgments, penalties, sanctions, and fines do occur. As a result, the Company could from time to time incur judgments, enter into settlements, or revise its expectations regarding the outcome of certain matters, and such developments could have a material

adverse effect on its results of operations in the period in which the amounts are accrued and/or its cash flows in the period in which the amounts are paid.

For the cases described below, management is currently unable to reasonably estimate the possible loss or range of possible loss because, among other reasons, (i) the proceedings are in preliminary stages, (ii) specific damage amounts have not been sought, (iii) damages sought are, in our opinion, unsupported and/or exaggerated, (iv) there is uncertainty as to the outcome of pending appeals or motions in these and similar lawsuits affecting the industry, (v) there are significant factual issues to be resolved; and/or (vi) there are novel legal issues or unsettled legal theories presented. For the matters described below, we have not recorded any accruals as of December 31, 2023. However, the Company has determined that a material loss is reasonably possible in the near term, and facts could emerge through the course of the lawsuits that lead the Company to determine that a loss is estimable, resulting in an accrued liability that could be material.

Since October 31, 2023, the Company and/or its subsidiaries have been named as defendants in numerous putative class action complaints brought in various U.S. district courts and the Federal Court of Canada relating to antitrust matters, which lawsuits are described below.

The following lawsuits, brought by putative classes of residential property sellers, allege that defendants participated in a system that resulted in sellers of residential property purportedly paying inflated buyer broker commissions in violation of federal and state antitrust laws, as applicable: *Gibson et al. v. National Association of Realtors et al.*, Case No. 4:23-cv-00788-FJG (filed in the United States District Court for the Western District of Missouri, Western Division); *1925 Hooper LLC, et al. v. The National Association of Realtors et al.*, Case No. 1:23-cv-05392- SEG (United States District Court for the Northern District of Georgia, Atlanta Division); *Grace v. The National Association of Realtors, et al.*, Case No. 3:23-cv-06352 (United States District Court for the Northern District of California, San Francisco Division); *Umpa, et al. v. The National Association of Realtors et al.*, Case No. 4:23-cv-00945 (United States District Court for the Western District of Missouri, Western Division); *Gael Fierro et al. v. The National Association of Realtors, et al.*, Case No. 2:24-cv-00449 (United States District Court for the Central District of California); *Willsim Latham, LLC, et al. v. MetroList Services, Inc., et al.*, Case No. 2:24-at-00067 (United States District Court for the Eastern District of California, Sacramento Division); *Kevin McFall v. Canadian Real Estate Association, et al.*, Case No. T-119-24-ID 1 (Federal Court of Canada); and *Nathaniel Whaley et al. v. The National Association of Realtors, et al.*, Case No. 2:24-cv-00105 (United States District Court for the District of Nevada). The following lawsuit, brought by a putative class of residential property buyers, alleges that defendants participated in a system that resulted in buyers of residential property purportedly paying inflated home prices as a result of sellers purportedly paying inflated buyer broker commissions in violation of federal and Illinois antitrust laws: *Batton v. Compass, Inc., et al.*, Case No. 1:23-cv-15618 (United States District Court for the Northern District of Illinois, Eastern Division). The plaintiffs in these lawsuits seek a permanent injunction enjoining the defendants from requiring home sellers to pay buyer-broker commissions or from otherwise restricting competition among brokers, an award of declaratory relief and damages or restitution on behalf of certain home sellers or buyers, as applicable, in those states or provinces, as applicable, as well as attorneys' fees and costs of suit. Plaintiffs allege joint and several liability and seek treble or other multiple damages.

Each antitrust lawsuit is in the pleadings phase and the Company intends to vigorously defend against all claims. The Company may become involved in additional litigation or other legal proceedings concerning the same or similar claims.

Commitments

In March and April 2022, an indirect subsidiary and unconsolidated joint venture of the Company, SUCCESS Lending, entered into Mortgage Warehouse Agreements and related ancillary agreements (the "Credit Agreements") with Flagstar Bank FSB and Texas Capital Bank, which each provide SUCCESS Lending with a revolving warehouse credit line of up to \$25 million. It is customary for mortgage businesses like SUCCESS Lending to obtain warehouse credit lines in order to enable them to close and fund residential mortgage loans for subsequent sale to investors. SUCCESS Lending will use the borrowing capacity under the Credit Agreements exclusively for such purposes and borrowings will generally be repaid with the proceeds received from the sale of mortgage loans.

In connection with the Credit Agreements, the Company has entered into Capital Maintenance Agreements with each of Flagstar Bank FSB and Texas Capital Bank whereby the Company agrees to provide certain funds necessary to ensure that SUCCESS Lending is at all times in compliance with its financial covenants under the Credit Agreements. The Company's capital commitment liability under the Capital Maintenance Agreement with Flagstar Bank FSB is limited to \$2.0 million. The Company's capital commitment liability under the Capital Maintenance Agreement with Texas Capital Bank is limited to \$1.25 million. The Credit Agreements represent off-balance sheet arrangements for the Company.

14. DEFINED CONTRIBUTION SAVINGS PLAN

The Company offers a defined contribution savings plan to provide eligible employees with a retirement benefit that permits eligible employees the opportunity to actively participate in the process of building a personal retirement fund. The Company sponsors the defined contribution savings plan. The Company matches a portion of contributions made by participating employees. For the

years ended December 31, 2023, 2022 and 2021, the Company's costs for contributions to this plan were \$4,763, \$4,720, and \$3,196, respectively.

15. SUBSEQUENT EVENTS

Quarterly Cash Dividend

On February 14, 2024, our Board of Directors approved a cash dividend of \$0.05 per common share to be paid on March 29, 2024 to stockholders of record on March 8, 2024. The ex-dividend date is expected to be on or around March 7, 2024. The dividend will be paid in cash.

Antitrust Litigation

The Company and certain of its subsidiaries were named in additional antitrust litigation after December 31, 2023; specifically, the Fierro Litigation, the McFall Litigation, the Latham Litigation, the Whaley Litigation, and the Boykin Litigation.

The Boykin litigation was filed on February 16, 2024 as a putative class action complaint under the caption *Boykin v. The National Association of Realtors, et al.* (Case No. 2:24-cv-00340) in the United States District Court for the District of Nevada, naming as defendants the National Association of Realtors, certain regional Realtor associations, certain regional multiple listing services, certain real estate brokerages, and certain real estate brokerage owners, including eXp World Holdings, Inc. The Boykin Litigation complaint alleges that defendants conspired to restrain trade by causing certain home sellers to pay buyer broker fees and inflated commissions on the sale of homes all in violation of federal antitrust laws and Nevada unfair trade practices laws. The putative class representative seeks to represent a class of persons who paid a commission to a buyer's broker in connection with the sale of a home from February 16, 2020, through the present. Plaintiff, on behalf of herself and the putative class, seeks a permanent injunction enjoining the defendants from engaging in the alleged unlawful acts described in the Boykin Litigation complaint. Plaintiff, on behalf of herself and the putative class, also seeks an award of declaratory relief, damages in an amount to be determined at trial, statutory interest and penalties, and attorneys' fees, expenses and costs of suit.

See *Note 13 – Commitments and Contingencies* to the consolidated financial statements included elsewhere in this Annual Report for additional information about such litigation and other proceedings.

Agent Equity Program

Beginning March 1, 2024, agents and brokers may receive 5% of commissions earned from each completed residential real estate transaction in the form of common stock at a 5% discount recognized by the Company (which was previously 10% discount on all AEP purchases before March 1, 2024). Under the AEP, agents and brokers that have elected to receive portions of their commissions in common stock are entitled to receive the equivalent number of shares of common stock, based on the fixed monetary value of the commission payable.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

Item 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act as of December 31, 2023. The term "disclosure controls and procedures" means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Based on the evaluation, the Company's management has concluded that our disclosure controls and procedures are effective as of December 31, 2023 to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Our management, including our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2023. In making its evaluation, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control – Integrated Framework (2013)*. Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2023. Deloitte and Touche LLP, our independent registered public accounting firm, has issued an attestation report on the effectiveness of our internal control over financial reporting, which is included below.

Changes in Internal Control Over Financial Reporting

There were no material changes in our internal control over financial reporting that occurred during the year ended December 31, 2022 that have materially affected, or are reasonably believed to be likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including the Principal Executive Officer, the Principal Financial Officer and the Principal Accounting Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of eXp World Holdings, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of eXp World Holdings, Inc. and subsidiaries (the "Company") as of December 31, 2023, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2023, of the Company and our report dated February 22, 2024, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

San Francisco, California

February 22, 2024

Item 9B. OTHER INFORMATION**Insider Trading Arrangements**

During the three months ended December 31, 2023, no directors or officers (as defined in Rule 16a-1(f) of the Exchange Act adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as each term is defined in Item 408 of Regulation S-K.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III**Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

We have adopted a written Code of Business Conduct and Ethics that applies to all directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer, and senior financial officers. Our Code of Business Conduct and Ethics is available in the corporate governance subsection of the investor relations section of our website, www.expworldholdings.com and is available in print upon written request to the Corporate Secretary, eXp World Holdings, Inc., 2219 Rimland Drive, Suite 301, Bellingham, WA 98226. In the event that we make changes in, or provide waivers from, the provisions of the Code of Business Conduct and Ethics that the SEC requires us to disclose, we will disclose these events in the corporate governance section of our website. Information contained on our website is not incorporated by reference into this Annual Report.

The other information required by this Item will be included in the Company's definitive proxy statement to be filed with the SEC within 120 days after December 31, 2023, in connection with the solicitation of proxies for the Company's 2024 annual meeting of stockholders (the "2024 Proxy Statement") and is incorporated herein by reference.

Item 11. EXECUTIVE COMPENSATION

The information required by this Item will be included in the 2024 Proxy Statement and is incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**Securities Authorized for Issuance under Equity Compensation Plans**

The following table summarizes information as of December 31, 2023, regarding shares of our common stock that may be issued under the Company's equity compensation plan, consisting of our 2015 Equity Incentive Plan:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders ⁽¹⁾⁽²⁾	12,904,824	\$ 6.84	7,855,460
Total	12,904,824	\$ 6.84	7,855,460

(1) The 2015 Equity Incentive Plan provides for an automatic increase in the number of shares reserved for issuance thereunder on December 1 of each calendar year commencing on December 1, 2019, and ending on (and including) December 1, 2024, in an amount equal to the lesser of (a) three percent (3%) of the total number of shares of common stock outstanding on December 31 of the preceding calendar year, or (b) the number of shares of common stock repurchased by the Company pursuant to any issuer repurchase plan then in effect; provided that the Board of Directors may act prior to December 1 of a given year to provide that there will be no share increase for such year or that the increase for such year will be a lesser number of shares than otherwise provided in clause (a) or (b).

(2) The weighted average exercise price includes restricted stock unit awards that can be exercised for no consideration. The weighted average exercise price excluding these restricted stock unit awards is \$6.84.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item will be included in the 2024 Proxy Statement and is incorporated herein by reference.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item will be included in the 2024 Proxy Statement and is incorporated herein by reference.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements. See Consolidated Financial Statements in Part II, Item 8.

(a)(2) Financial Statements Schedule. All other schedules have been omitted because they are inapplicable, not required or because the information is presented in the Consolidated Financial Statements or notes thereto.

(a)(3) Exhibits. The exhibits listed in the Exhibit Index immediately below are filed as part of this Annual Report or are incorporated herein by reference.

EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date/Period End Date
3.1	Restated Certificate of Incorporation, effective February 21, 2023	10-K	3.1	2/28/2023
3.2	Restated Bylaws, effective January 13, 2022	10-K	3.2	2/28/2023
4.1*	Description of Securities	NA	NA	NA
10.1†	2015 Equity Incentive Plan of eXp World Holdings, Inc. (fka eXp Realty International Corporation)	14C	NA	4/2/2015
10.2†	First Amendment to 2015 Equity Incentive Plan of eXp World Holdings, Inc.	14C	NA	10/6/2017
10.3†	Second Amendment to 2015 Equity Incentive Plan of eXp World Holdings, Inc.	14C	NA	12/15/2019
10.4	eXp World Holdings, Inc. Stock Repurchase Program	8-K	NA	12/27/2018
10.5	First Amendment to eXp World Holdings, Inc. Stock Repurchase Program	8-K	NA	11/27/2019
10.6	Second Amendment to eXp World Holdings, Inc. Stock Repurchase Program	10-K	10.8	3/11/2021
10.7	Third Amendment to eXp World Holdings, Inc. Stock Repurchase Program	8-K	NA	5/4/2022
10.8	Fourth Amendment to eXp World Holdings, Inc. Stock Repurchase Program	8-K	NA	5/22/2023
10.9	Issuer Repurchase Plan, dated January 10, 2022, by and between eXp World Holdings, Inc. and Stephens Inc. ("Stock Repurchase Plan")	8-K	10.3	5/4/2022
10.10	First Amendment to eXp World Holdings, Inc. Stock Repurchase Plan	8-K	10.4	5/4/2022
10.11	Second Amendment to eXp World Holdings, Inc. Stock Repurchase Plan	8-K	10.5	9/29/2022
10.12	Third Amendment to eXp World Holdings, Inc. Stock Repurchase Plan	8-K	10.10	12/27/2022
10.13	Fourth Amendment to eXp World Holdings, Inc. Stock Repurchase Plan	8-K	10.1	5/12/2023
10.14	Fifth Amendment to eXp World Holdings, Inc. Stock Repurchase Plan	8-K	10.1	6/26/2023
10.15	Sixth Amendment to eXp World Holdings, Inc. Stock Repurchase Plan	8-K	10.1	11/17/2023
10.16	U.S. Form of Independent Contractor Agreement	NA	NA	NA
10.17	U.S. Form of Policies & Procedures	NA	NA	NA
10.18†	U.S. Form of 2015 Agent Equity Program Participation Election Form	NA	NA	NA
14.1*	Code of Business Conduct and Ethics	NA	NA	NA
21.1*	Subsidiaries of the Registrant	NA	NA	NA
23.1	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm***	NA	NA	NA
24.1*	Power of Attorney (included on signature page hereto)	NA	NA	NA

31.1*	Certification of the Chief Executive pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	NA	NA	NA
31.2*	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	NA	NA	NA
32.1**	Certification of the Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	NA	NA	NA
32.2**	Certification of the Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	NA	NA	NA
97*	Policy Relating to Recovery of Erroneously Awarded Compensation	NA	NA	NA
101.INS*	Inline XBRL Instance Document	NA	NA	NA
101.SCH*	Inline XBRL Taxonomy Extension Schema Document	NA	NA	NA
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document	NA	NA	NA
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document	NA	NA	NA
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document	NA	NA	NA
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document	NA	NA	NA
104*	Cover Page Interactive Data File (embedded within the inline XBRL document)	NA	NA	NA

*Filed herewith

**Furnished herewith and not "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

† Management contract or compensatory plan or arrangement

Item 16. Form 10-K Summary

None

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

eXp World Holdings, Inc.
(Registrant)

Date: February 22, 2024

/s/ Glenn Sanford

Glenn Sanford
Chief Executive Officer (Principal Executive Officer)

Date: February 22, 2024

/s/ Kent Cheng

Kent Cheng
Chief Accounting Officer (Principal Financial Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Glenn Sanford and Kent Cheng, severally, his or her attorneys-in-fact, each with the power of substitution, for him or her in any and all capacities, to sign any amendments to this Annual Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Name</u>	<u>Title</u>	<u>Date</u>
<u>/s/ GLENN SANFORD</u> Glenn Sanford	Chief Executive Officer and Chairman of the Board (Principal Executive Officer)	February 22, 2024
<u>/s/ KENT CHENG</u> Kent Cheng	Chief Accounting Officer (Principal Financial Officer)	February 22, 2024
<u>/s/ JAMES BRAMBLE</u> James Bramble	Chief Legal Counsel and Corporate Secretary	February 22, 2024
<u>/s/ RANDALL MILES</u> Randall Miles	Director	February 22, 2024
<u>/s/ DAN CAHIR</u> Dan Cahir	Director	February 22, 2024
<u>/s/ MONICA WEAKLEY</u> Monica Weakley	Director	February 22, 2024
<u>/s/ PEGGIE PELOSI</u> Peggie Pelosi	Director	February 22, 2024
<u>/s/ FRED REICHHELD</u> Fred Reichheld	Director	February 22, 2024

EXHIBIT VI

**DEFINITIVE PROXY STATEMENT
FILED BY EXP WORLD HOLDINGS, INC. WITH THE SEC ON MARCH 27, 2024**

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

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF
THE SECURITIES EXCHANGE ACT OF 1934 (AMENDMENT NO.)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material under §240.14a-12



eXp World Holdings, Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check all boxes that apply):

- No fee required.
 Fee paid previously with preliminary materials.
 Fee computed on table in exhibit required by Item 25(b) per Exchange Act Rules 14a6(i)(1) and 0-11.



March 27, 2024

To the stockholders of eXp World Holdings, Inc.:

It is my pleasure to invite you to attend the Annual Meeting of Stockholders of eXp World Holdings, Inc. (the "Company") to be held on Monday, May 13, 2024, at 12:00 p.m. Eastern Time virtually at <https://virtualshareholdermeeting.com/EXPI2024> (the "Annual Meeting"). You will be able to vote your shares during the meeting by logging into <https://virtualshareholdermeeting.com/EXPI2024> and entering the control number included on your proxy card. To submit questions in advance of the Annual Meeting, visit proxyvote.com before 11:59 P.M. Eastern Time on May 12, 2024, and enter your control number.

The Notice of Meeting, Proxy Statement, and Annual Report on Form 10-K are available free of charge at <https://expworldholdings.com/financials/>. Your vote is important to us. Even if you plan on attending the Annual Meeting, we encourage you to vote your shares in advance to ensure that your vote will be represented at the Annual Meeting. To vote in advance online, visit proxyvote.com and enter the control number included in your Notice of Internet Availability of Proxy Materials, or, if you requested printed copies of the proxy materials, you may vote by phone or by mail. For more detailed information, see the section entitled "Questions and Answers about the Annual Meeting" beginning on page 3 of the Proxy Statement.

Thank you for your support, and we look forward to joining you at the Annual Meeting.

Sincerely,

/s/ Glenn Sanford
Glenn Sanford
Chief Executive Officer

Notice of Annual Meeting of Stockholders

Annual Meeting of Stockholders	
Time and Date	12:00 p.m., Eastern Time, on May 13, 2024
Virtual Meeting Site	https://virtualshareholdermeeting.com/EXPI2024
Record Date	March 15, 2024
Voting	Stockholders will be entitled to one vote for each share of common stock they hold of record as of the record date on each matter submitted for a vote of stockholders at the Annual Meeting.
Shares Entitled to Vote	151,954,073 votes, based on 181,781,769 shares of common stock outstanding as of the record date, of which 29,827,696 shares are held as treasury stock.

Annual Meeting Agenda

Proposal	Board Recommendation
1. Election of six directors	FOR each nominee
2. Ratification of appointment of independent auditor for 2024	FOR
3. Approval, by a non-binding, advisory vote, of the 2023 compensation of our named executive officers	FOR
4. Approval of our 2024 Equity Incentive Plan	FOR

How to Cast Your Vote

You can vote by any of the following methods:

Until 11:59 p.m. ET on May 12, 2024	At the Annual Meeting on May 13, 2024
Internet: From any web-enabled device: proxyvote.com	Internet: From any web-enabled device: https://virtualshareholdermeeting.com/EXPI2024
Mail: Completed, signed and returned proxy card	

Voting Standards

For Proposal 1, a nominee for director will be elected to the Board by the affirmative vote of a majority of shares voting in the election. For Proposals 2, 3, and 4, the affirmative vote of a majority of the shares voting on the matter is required to approve the proposal. Proposal 3 is an advisory vote and not binding on us, but the Board will consider the outcome of the vote on that proposal when considering future named executive officer compensation decisions.

Abstentions and Broker Non-Votes

Abstentions and broker non-votes are counted for purposes of determining whether a quorum is present. Abstentions are not counted as votes cast on any proposal considered at the Annual Meeting and, therefore, will have no effect on the proposals regarding the election of directors in Proposal 1, the ratification of the appointment of our independent registered public accounting firm for 2023 in Proposal 2, the advisory vote on the compensation of our named executive officers in Proposal 3, or the approval of the Company's 2024 Equity Incentive Plan in Proposal 4. Broker non-votes occur when a person holding shares in "street name," such as through a brokerage firm, does not provide instructions as to how to vote those shares and the broker does not then vote those shares on the stockholder's behalf. Broker non-votes are not counted as votes cast or entitled to be cast on any proposal considered at the Annual Meeting and, therefore, will have no effect on the proposals regarding the election of directors in Proposal 1, the advisory vote on the compensation of our named executive officers in Proposal 3, or the approval of the 2024 Equity Incentive Plan in Proposal 4. We expect no broker non-votes on the ratification of the appointment of our independent registered public accounting firm for 2023 in Proposal 2.

Attending the Annual Meeting and Directions to the Annual Meeting

The Annual Meeting of Stockholders of eXp World Holdings, Inc. will be held on Monday, May 13, 2024, at 12:00 p.m., Eastern Time. Our Board has determined to host a virtual meeting at <https://virtualshareholdermeeting.com/EXPI2024>. Only stockholders as of the record date on March 15, 2024 are entitled to notice of and to vote at the Annual Meeting. For those planning to attend the Annual Meeting, please refer to the instructions below in order to access the virtual stockholder meeting.

If you were a stockholder as of March 15, 2024, the record date for our Annual Meeting, you may vote during the Annual Meeting by visiting <https://virtualshareholdermeeting.com/EXPI2024> and entering the control number found on your proxy card, voter instruction form, or notice.

Table of Contents

	<u>Page No.</u>
2024 Proxy Summary	5
Vote Required for Election or Approval	5
Corporate Governance	6
Proposal 1 – Election of Directors	6
Controlled Company	6
Board Composition	6
Board’s Role and Responsibilities	11
Code of Business Conduct and Ethics	14
Compensation Committee Interlocks and Insider Participation	14
Non-Employee Director Compensation	14
Related Party Transactions	18
Audit Committee Matters	19
Proposal 2 – Ratification of the Appointment of Deloitte & Touche LLP as Independent Auditor for 2024	19
Proposed Ratification of Independent Auditor	19
Appointment of Independent Auditor by Audit Committee	19
Fees	19
Report of the Audit Committee of the Board of Directors	20
Executive Officers	21
Business Experience of our Executive Officers	21
Proposal 3 – Advisory Vote to Approve Executive Compensation	23
Compensation Discussion and Analysis	23
Compensation Tables	37
Summary Compensation Table	37
2023 Grants of Plan-Based Awards	38
Outstanding Equity Awards of December 31, 2023	38
2023 Option Exercises and Stock Vested	40
Potential Payments upon Termination or Change in Control	40
CEO Pay Ratio	41
Pay Versus Performance	41
eXp World Holdings, Inc. 2024 Equity Incentive Plan	68
Proposal 4 – Approval of eXp World Holdings, Inc. 2024 Equity Incentive Plan	48
Securities Authorized for Issuance under Equity Compensation Plans	57
Beneficial Ownership of Common Stock	58
Other Matters	60
Certain Relationships and Related Transactions	60
Delinquent Section 16(a) Reports	61
Questions and Answers about the Annual Meeting	62

* * * * *

This document includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our company performance, and current plans, considerations, expectations, and determinations regarding future compensation plans and arrangements. These statements involve risks and uncertainties. Actual results, plans, and arrangements that we adopt may differ materially from currently anticipated plans and arrangements as summarized herein for a variety of reasons, including due to the risks, uncertainties, and other important factors that are discussed in our most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings. We assume no obligation to update any forward-looking statements or information, which speak as of their respective dates.

2024 Proxy Summary

This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider, and you should read the entire Proxy Statement carefully before voting. References in this Proxy Statement to “eXp World Holdings,” “eXp”, the “Company”, and to “we,” “us,” “our” and similar terms, refer to eXp World Holdings, Inc. The Proxy Statement includes website addresses and references to additional materials found on those websites. These websites and materials are not incorporated into the Proxy Statement by reference.

Vote Required for Election or Approval

eXp World Holdings Inc.’s only voting securities are the outstanding shares of common stock. As of the record date, March 15, 2024, there were 181,781,769 shares of common stock outstanding, of which 29,827,696 shares were held as treasury stock. As a result, up to a total of 151,954,073 shares of common stock will be entitled to one vote on each proposal because shares held as treasury stock are not entitled to vote at the Annual Meeting.

Only stockholders of record as of the record date will be entitled to notice of, and to vote at, the Annual Meeting. A majority of the outstanding shares of common stock entitled to vote at the Annual Meeting will constitute a quorum for the transaction of business at the Annual Meeting. For the purpose of determining a quorum, we will treat as present at the Annual Meeting any proxies that are voted on any matter to be acted upon by the stockholders, as well as abstentions or any proxies containing broker non-votes.

Proposal 1 - Election of Directors

Each director will be elected by the affirmative vote of a majority of shares that are voting in the election. Abstentions and broker non-votes will not have any effect on the outcome of the election of directors because they are not counted as voting in the election.

Proposal 2 - Ratification of Appointment of Independent Auditor for 2024

The ratification of Deloitte & Touche LLP as our independent auditor for the year ending December 31, 2024 must be approved by affirmative votes constituting a majority of the shares that are voting on the matter. Abstentions will not have any effect on the outcome of the election of directors because they are not counted as voting in the election. Because this proposal is considered a routine matter, discretionary votes by brokers will be counted and we do not expect any broker non-votes.

Proposal 3 - Approval of 2023 Executive Compensation on an Advisory Basis

The advisory “say-on-pay” vote to approve the compensation to our named executive officers in 2023 as disclosed in this Proxy Statement must be approved by affirmative votes constituting a majority of the shares that are voting on the matter. Abstentions and broker non-votes will have no effect on the outcome of this proposal because they are not counted as voting.

Proposal 4 - Approval of eXp World Holdings, Inc. 2024 Equity Incentive Plan

The adoption of the eXp World Holdings, Inc. 2024 Equity Incentive Plan as disclosed in this Proxy Statement must be approved by affirmative votes constituting a majority of the shares that are voting on the matter. Abstentions and broker non-votes will have no effect on the outcome of this proposal because they are not counted as voting.

Corporate Governance

PROPOSAL

1 ELECTION OF DIRECTORS

The Board recommends a vote “FOR” each of the nominees for director.

At the Annual Meeting, stockholders will elect the entire Board of Directors to serve for the ensuing year and until their successors are elected and qualified. The Board has designated as nominees for election the six persons named below, each of whom currently serves as a director.

Shares of common stock that are voted as recommended by the Board will be voted in favor of the election as directors of the nominees named below. If any nominee becomes unavailable for any reason or if a vacancy should occur before the election, the shares represented by a duly completed proxy may be voted in favor of such other person as may be determined by the proxy holders.

The Board, based on the recommendation of the Nominating and Corporate Governance Committee, has proposed that the following six nominees be elected at the Annual Meeting, each of whom will hold office until the next Annual Meeting of Stockholders or until his or her successor is duly elected and qualified, or until his or her earlier death, resignation or removal.

The authorized number of directors of the Company is currently set at six.

Glenn Sanford, our Chairman of the Board and director, and Chief Executive Officer of the Company and eXp Realty, LLC (“eXp Realty”), a subsidiary of the Company, beneficially owned approximately 28.12% of our outstanding common stock as of January 31, 2024. Penny Sanford, one of our stockholders, beneficially owned approximately 17.39% of our outstanding common stock as of January 31, 2024. In January 2024, Mr. Sanford and Ms. Sanford filed a Schedule 13D/A with the U.S. Securities and Exchange Commission (the “SEC”) indicating that they have an agreement to vote their shares as a group with respect to the election of directors and any other matter on which our shares of common stock are entitled to vote. Accordingly, Mr. Sanford and Ms. Sanford collectively own a number of shares of our common stock sufficient to substantially influence all of the members of the Board. Mr. Sanford and Ms. Sanford are expected to vote for each director nominee.

Controlled Company

Until July 31, 2023, we qualified as a “controlled company” within the meaning of Nasdaq corporate governance standards and, accordingly, we qualified for and from time-to-time relied on exemptions to certain governance requirements. Under Nasdaq rules, a company may phase-in to compliance with certain governance requirements after ceasing to be a “controlled company”, including the requirement to have a compensation committee that is composed entirely of independent directors within a year of losing controlled company status. We are presently using this exemption. As a result, our compensation committee will not consist entirely of independent directors in the immediate future.

Board Composition

Under our Bylaws and Delaware General Corporation Law, our business and affairs are managed by or under the direction of the Board of Directors, which selectively delegates responsibilities to its standing committees. The Board is responsible for the control and direction of the Company. The Board represents the stockholders and its primary purpose is to build long-term stockholder value. Our Chairman of the Board is our Chief Executive Officer, Glenn Sanford. The Board believes that this leadership structure is appropriate given Mr. Sanford’s role in founding eXp World Holdings, Inc. and his significant ownership stake. The Board believes that this leadership structure improves the Board’s ability to focus on key policy and operational issues and helps the Company operate in the long-term interests of stockholders.

The Board maintains an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee, an Equity Committee, and a Sustainability Committee. The Board has adopted charters for the Audit

Committee, Compensation Committee, Nominating and Corporate Governance Committee, and Sustainability Committee and those charters are to be reviewed annually by the committees and the Board. The charter of each of those committees is available on our website at <https://expworldholdings.com/governance/>. The committees have the functions and responsibilities described in the sections below.

Director Nominees' Biographical and Related Information



GLENN SANFORD

Founder
Chief Executive Officer
Chair of the Board
Director since March 2013

Compensation Committee Chair
Equity Committee

Glenn Sanford, 57, is the founder, Chairman of the Board of Directors, and Chief Executive Officer of the Company, and Chief Executive Officer of eXp Realty, LLC.

Prior to real estate, Mr. Sanford was an executive with a number of technology-related companies. In 1998, Mr. Sanford founded and served as President for eShippers.com, an online e-commerce and logistics company. Since 2002, Mr. Sanford has been actively involved in the residential real estate space. Mr. Sanford ran a large mega-agent team and consulted to Keller Williams International as a member of the Agent Technology Council in the areas of online client acquisition, client conversion and technology. Mr. Sanford was also a significant contributor to Keller Williams Internet Lead Generation Masterminds. In early 2007, Mr. Sanford launched BuyerTours Realty, LLC and grew the Company to three offices and into two states. After the decline in the real estate market in 2008, Mr. Sanford and his executive team rewrote the entire business model to reduce costs and provide consumers with more information and access. In October 2009, Glenn Sanford founded and launched eXp Realty, LLC as the first truly cloud-based national real estate brokerage which replaced the traditional brick and mortar environment with a fully-immersive 3D virtual office environment where agents, brokers and staff collaborate across borders while learning and transacting business from anywhere in the world. Since that time, eXp Realty has quickly grown throughout the United States and internationally.

Glenn Sanford has proven leadership in scaling the Company into a global cloud brokerage, which highlights his strategic foresight and commitment to innovation, essential for guiding the Company's future growth.



RANDALL MILES

Vice-Chair of the Board
Director since July 2016

Audit Committee Chair
Compensation Committee
Nominating & Corporate Governance
Committee

For over 25 years, Randall Miles, 67, has held senior leadership positions in global financial services, financial technology and investment banking companies. His extensive investment banking background at bulge bracket, regional and boutique firms advising financial services companies on strategic and capital structure needs has crossed many disciplines. Mr. Miles' transactional and advisory experience is complemented by leadership roles at public and private equity backed financial technology, specialty finance and software companies that have included Chairman and CEO at LIONMTS where he was nominated for the Ernst & Young Entrepreneur of the Year award, CEO at Syngence Corporation, COO of AtlasBanc Holdings Corp. and CEO of Advantage Funding / NAFCO Holdings.

Mr. Miles is Managing Partner at SCM Capital Group, a global strategic and capital structure advisory firm, where he has served since in 2003. Previously, he served as Head of Investment Banking at Tigress Financial Partners, Managing Director at Riparian Partners, a division of Oppenheimer & Co., Inc. as Senior Managing Director, and Head of FIG and COO, Investment Banking at Cantor Fitzgerald & Co. Mr. Miles has held senior leadership roles at Oppenheimer & Co., D.A. Davidson and Co., The First Boston Corporation (Credit Suisse), Meridian Capital and Greenwich Capital Markets. Mr. Miles has broad public, private and nonprofit board experience and has been active for many years in leadership roles with the Make-A-Wish Foundation. He presently serves on the boards of Troika Media Group, Inc., RESAAS Services Inc., Kuity, Corp., Arthur H. Thomas Company as Chairman, Independent Director, Chairman, and Vice Chairman respectively. Mr. Miles holds a BBA from the University of Washington and holds FINRA licenses Series 7, 24, 63 and 79.

Randall Miles brings valuable expertise in strategic leadership and finance, contributing critical insights and skills necessary to support the Company's ambitions in expanding its footprint and enhancing stockholder value.



DAN CAHIR

Director since November 2018

Audit Committee
Compensation Committee

Dan Cahir, 41, has more than 15 years of experience managing public and private equity investments across a variety of industries. Currently, Mr. Cahir serves as the Chief Executive Officer and Chief Investment Officer of Sapling Capital, LLC, positions he has held at Sapling Capital, LLC and its related entities since June 2018.

From June 2013 to June 2018, Mr. Cahir served as a portfolio manager at Long Light Capital, managing a public equity portfolio and evaluating venture capital and private equity investments and allocations to external fund managers. From September 2011 to April 2013, Mr. Cahir was a member of the investment team at Ziff Brothers Investments, a private investment firm. From August 2007 to September 2009, Mr. Cahir was a member of the investment team at Madrone Capital Partners where he led the analysis on venture capital, private equity and public equity investments. Mr. Cahir began his career in September 2005 with Bain & Co., where he advised Fortune 500 and private equity clients on M&A, growth and efficiency initiatives until June 2007.

Mr. Cahir completed his studies and earned his Bachelor of Arts Degree in Economics in 2005, graduating with the summa cum laude distinction from Claremont McKenna College and completed his studies and earned a Master of Business Administration from Harvard Business School in 2011.

Dan Cahir, with an expertise in finance and risk management and experience advising Fortune 500 clients on M&A, growth strategies, and cost-cutting, is ideally suited for the Board. His strategic insights are pivotal for guiding the Company through financial complexities, driving sustainable expansion, and maximizing stockholder value.



MONICA WEAKLEY

Director since June 2022

Agent Director
Sustainability Committee

Monica Weakley, 55, joined eXp Realty as an independent contractor real estate agent in July 2017. Ms. Weakley has more than 20 years of experience in the real estate industry, including being a team leader. Ms. Weakley has also been coaching and training agents since 2007 and founded her own real estate referral service company, GhostPostr, in 2019. In 2021, Ms. Weakley joined the Company's Agent Advisory Council which represents the interests of agents to the Board and other Company leadership.

Ms. Weakley completed her studies and earned her Bachelor of Science in Speech/Communications from Denison University in 1990.

Monica Weakley's deep industry insights from her successful career in real estate coaching and as a top agent make her a strategic asset to the Board, offering important perspectives on agent success and market strategy essential for the Company's continued growth and innovation.



Peggie Pelosi, 68, has more than 20 years of experience as a sales and network development professional and 15 years of experience as a corporate social responsibility and sustainability practitioner. Ms. Pelosi serves as the founding partner and strategic advisor of Orenda Social Purpose, positions she has held since September 2005. Until March 2023, she has also served as the Executive Director of Innovators Alliance, a network of CEOs focused on sustainable and profitable growth through innovation. Prior to her career and academic work in corporate social responsibility and sustainability, Ms. Pelosi served as a member of USANA Health Sciences, Inc.'s ("USANA") management team, first as Executive Director of Sales for Canada from 1999 until 2000 and then as Vice President of Network Development from 2000 until 2004. Since 2018, Ms. Pelosi has served as a member of USANA's Board of Directors and currently serves on USANA's Audit Committee, Compensation Committee, Governance, Risk & Nominating Committee, and serves as Chair of the Sustainability Committee.

PEGGIE PELOSI

Director since January 2023

Nominating & Corporate Governance
Committee Chair
Sustainability Committee Chair
Audit Committee

Ms. Pelosi has received a graduate diploma from St. Michael's College at the University of Toronto in Corporate Social Responsibility & Sustainability, and has completed the NACD Directorship Certification (NACD.CD) and the ESG Competent Boards Director Certification (GCB.D).

Peggie Pelosi's leadership in corporate social responsibility and her vast experience in sales and network development uniquely qualify her for the Board, aligning with the Company's commitment to sustainable growth.



Fred Reichheld, 72, has more than 45 years of experience as a leading expert on customer and employee loyalty. Mr. Reichheld joined Bain & Company, Inc., a global business consulting firm, in 1977, was elected to the partnership of Bain & Company, Inc. in 1982, and was elected as the first Bain Fellow in January 1999, a position he continues to hold currently. Mr. Reichheld is the creator of the Net Promoter® system of management and founded Bain's Loyalty practice, which helps clients achieve superior results through improvements in customer, employee, partner and investor loyalty and has also served in a variety of other roles, including as a member of Bain & Company's Worldwide Management, Nominating, and Compensation Committees. Mr. Reichheld is a frequent speaker to major business forums and groups of CEOs and senior executives worldwide and has authored several books, including Winning on Purpose and The Ultimate Question 2.0. Since 2015, Mr. Reichheld has served as a member of FirstService Corp.'s Board of Directors and currently serves on its Nominating and Corporate Governance Committee. Since 2020, Mr. Reichheld has also served as a member of Bilt, Inc.'s Board of Directors.

FRED REICHHELD

Director since September 2023

Nominating & Corporate Governance
Committee
Sustainability Committee

Mr. Reichheld received his Bachelor of Arts in Economics from Harvard University and his Master of Business Administration from Harvard Business School.

Fred Reichheld's expertise in customer loyalty and as creator of the Net Promoter Score system positions him as an essential asset to the Board, offering strategic guidance on enhancing agent satisfaction and fostering a growth-oriented, agent-centric culture.

Board Diversity

While neither the Board nor the Corporate Governance Committee has a formal written policy regarding director diversity, each of the Board and the Corporate Governance Committee considers the diversity of backgrounds and experience of nominees when electing director nominees and in evaluating Board composition. We believe the Board represents a body of qualified individuals with diverse thoughts, perspectives, experience and backgrounds.

Board Diversity Matrix (as of March 27, 2024)				
Board Size:				
Total Number of Directors	6			
	Female	Male	Non-Binary	Did not Disclose Gender
Gender:				
Directors	2	4	-	-
Number of Directors who Identify in any of the Categories Below:				
African American or Black	-	-	-	-
Alaskan Native or Native American	-	-	-	-
Asian (other than South Asian)	-	-	-	-
South Asian	-	-	-	-
Hispanic or Latinx	-	-	-	-
Native Hawaiian or Pacific Islander	-	-	-	-
White	2	4	-	-
Two or More Races or Ethnicities	-	-	-	-
LGBTQ+	1	-	-	-
Did not Disclose	-	-	-	-

Board's Role and Responsibilities

Stockholder Communications to the Board

Stockholders may contact an individual director, the Board as a group, or a specified Board committee or group, including the non-employee directors as a group, by mailing correspondence in the following manner:

c/o Corporate Secretary
eXp WORLD HOLDINGS, INC.
2219 Rimland Drive, Suite 301
Bellingham, WA 98226

with a copy via email to: investors@expworldholdings.com.

Each communication should specify the applicable addressee or addressees to be contacted as well as the general topic of the communication. Our Corporate Secretary will receive and process communications before forwarding them to the addressee. All communications from stockholders will be promptly forwarded to the addressee(s).

Director Independence

Our Board annually reviews the independence of all non-employee directors. Our Board has determined, after considering all the relevant facts and circumstances, including information requested from and provided by each director concerning his or her background, employment and affiliation, including family relationships, that Mr. Miles, Mr. Cahir, Ms. Pelosi, and Mr. Reichheld are independent directors, as defined by the listing standards of Nasdaq and the SEC, because they have no relationship with us that would interfere with their exercise of independent judgment. There are no family relationships among any of our directors and director nominees or executive officers.

Director Nominations

In making its selection of director candidates, the Nominating and Corporate Governance Committee bears in mind that the foremost responsibility of a director is to represent the interests of our stockholders as a whole. Directors are expected to exemplify the highest standards of personal and professional integrity, and to constructively challenge management through their active participation and questioning. The Nominating and Corporate Governance Committee identifies and evaluates nominees for our Board based on these and other factors it considers appropriate, some of which may include strength of character, mature judgment, career specialization, relevant technical skills, expertise in areas relevant to the strategy and operations of our company, diversity, and the extent to which the nominee would fill a present need on our Board. The activities and associations of candidates are also reviewed for any legal impediment, conflict of interest, or other consideration that might prevent service on our Board. The Nominating and Corporate Governance Committee does not have a written policy on the consideration of director candidates recommended by stockholders, as it is the view of the Board that all candidates, whether recommended by a stockholder or the Nominating and Corporate Governance Committee, shall be evaluated based on the same established criteria for persons to be nominated for election to the Board and its committees. The Nominating and Corporate Governance Committee and the Board have deemed it to be in the best interests of the Company and our stockholders to reserve one position on the Board to be filled by an agent of the Company so that our agents' needs, ideas and concerns are represented on the Board. During 2023, Monica Weakley was re-appointed to this dedicated position. The Nominating and Corporate Governance Committee and Board are proposing that Monica Weakley be reelected as a member of the Board to fill that dedicated position pursuant to this Proxy Statement.

Board Meetings and Committees

The Board meets regularly during the year and holds special meetings and acts by unanimous written consent whenever circumstances are required. There were a total of eleven Board meetings during fiscal year ending 2023. All incumbent directors attended at least 75% of the aggregate number of the meetings of the Board and committees on which they served occurring during this period. Each then-current member of the Board attended the 2023 Annual Meeting of the stockholders. Our bylaws authorize our Board of Directors to appoint, from among its members, one or more committees, each consisting of one or more directors. Our Board of Directors has established four standing committees: an Audit Committee, a Compensation Committee, a Nominating & Corporate Governance Committee, and a Sustainability Committee. As discussed below, the Board has one ad hoc committee, the Equity Committee, which is designated and overseen by the Board. The Committees keep the Board informed of their actions and aid the Board in fulfilling its oversight responsibility to stockholders. The table below provides current membership information. The members of our Audit Committee and Nominating & Corporate Governance Committee consist entirely of independent directors.

Director	Independent	Audit Committee	Compensation Committee	Nominating & Corporate Governance Committee	Sustainability Committee	Equity Committee
Glenn Sanford			Chair			X
Randall Miles	X	Chair	X	X		
Dan Cahir	X	X	X			
Monica Weakley					X	
Peggie Pelosi	X	X		Chair	Chair	
Fred Reichheld	X			X	X	

The functions performed by these Committees, which are set forth in more detail in their charters, (as applicable), and the meeting information for each committee for the last fiscal year are summarized below.

Board Oversight of Risk

The Board has responsibility for the oversight of our risk management processes and, either as a whole or through its committees, regularly discusses with management our major risk exposures, their potential impact on our business and the steps we take to manage them. The risk oversight process includes receiving regular reports from board committees and members of senior management to enable the Board to understand our risk identification, risk management and risk mitigation strategies with respect to areas of potential material risk, including operations, finance, legal, regulatory, strategic and reputational risk.

The Board is responsible for monitoring and assessing strategic risk exposure, while the Audit Committee considers and discusses our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. Our Audit Committee, Nominating and Corporate Governance Committee, Compensation Committee, Equity Committee, and Sustainability Committee support our Board in discharging its oversight duties and address risks inherent in their respective areas. We believe this division of responsibilities is an effective approach for addressing the risks we face and that our board leadership structure supports this approach.

Our Company is a leader in the industry due in large part to our cloud-based brokerage model. Our business, and particularly our cloud-based platform, is reliant on the uninterrupted functioning of our information technology systems. The secure processing, maintenance, and transmission of information are critical to our operations, especially the processing and closing of real estate transactions. The Nominating and Corporate Governance Committee, with consultation from Mr. Shoeb Ansari, in his capacity as Chief Information Officer, oversaw the employment of measures designed to prevent, detect, address, and mitigate these threats (including access controls, data encryption, vulnerability assessments, and maintenance of backup and protective systems) during the fiscal year ending 2023.

Audit Committee

The purpose of the Audit Committee is to oversee the accounting and financial reporting processes of the Company and the audit of the Company's financial statements. To fulfill this obligation, the Audit Committee relies on the Company's management, internal audit department, and independent auditors and their respective reports, controls and procedures.

The Audit Committee currently consists of Mr. Miles, Mr. Cahir, and Ms. Pelosi, each of whom is an independent director of our company under Nasdaq listing standards as well as under rules adopted by the SEC pursuant to the Sarbanes-Oxley Act of 2002. Our Board of Directors has determined that Mr. Miles qualifies as an "audit committee financial expert" in accordance with applicable rules and regulations of the SEC. Mr. Miles also serves as the Chair of the Audit Committee. There were a total of five Audit Committee meetings during the fiscal year ending 2023.

Compensation Committee

The purpose of the Compensation Committee is to carry out the responsibilities delegated by the Board relating to the review and determination of executive and director compensation, including the Chief Executive Officer. The Compensation Committee's goal is to ensure that the Company's compensation programs are designed to attract and retain qualified officers, directors and employees, reward and encourage maximum individual and corporate performance, promote accountability, and ensure alignment with stockholder interests.

The Compensation Committee currently consists of Mr. Sanford, Mr. Miles, and Mr. Cahir. Messrs. Miles and Cahir are independent directors of our company under Nasdaq listing standards as well as under rules adopted by the SEC pursuant to Sarbanes-Oxley. Mr. Sanford serves as the Chair of the Compensation Committee. There were a total of six Compensation Committee meetings during the fiscal year ending 2023.

Nominating and Corporate Governance Committee

The purpose of the Nominating and Corporate Governance Committee is to carry out the responsibilities designated by the Board relating to the Company's director nominations and procedures and any related matters required by the federal securities laws. The Nominating and Corporate Governance committee also has primary responsibility for cybersecurity risk oversight.

The Nominating and Corporate Governance Committee currently consists of Mr. Miles, Ms. Pelosi and Mr. Reichheld. Each of Mr. Miles, Ms. Pelosi, and Mr. Reichheld are independent directors of our company under Nasdaq listing standards, as well as under rules adopted by the SEC pursuant to the Sarbanes-Oxley Act of 2002. Ms. Pelosi serves as the Chair of the Nominating and Corporate Governance Committee. There were a total of five Nominating and Corporate Governance Committee meetings during the fiscal year ending 2023.

Equity Committee

The Equity Committee, designated by the Board, has authority to make grants of equity of the Company's common stock under the Company's 2015 Equity Incentive Plan, within guidelines provided by the Board, to individuals who qualify. The Equity Committee currently consists of Mr. Sanford, in his capacity as a member of the Board. The Equity Committee reports to the Board periodically and upon request.

Sustainability Committee

The Sustainability Committee was formed in March 2023 after completion of the Company's materiality assessment. The purpose of the Sustainability Committee is to carry out the responsibilities delegated by the Board regarding the oversight of the Company's risks, opportunities, strategies, goals, and policies and procedures related to sustainability and environmental, social, and governance ("ESG") matters.

The Sustainability Committee currently consists of Ms. Weakley, Ms. Pelosi, and Mr. Reichheld. Ms. Pelosi and Mr. Reichheld are independent directors of our company under Nasdaq listing standards, as well as under rules adopted by the SEC pursuant to the Sarbanes-Oxley Act of 2002. Ms. Pelosi serves as the Chair of the Sustainability Committee. There were a total of two Nominating and Corporate Governance Committee meetings during the fiscal year ending 2023.

Code of Business Conduct and Ethics

The Company adopted a Code of Business Conduct and Ethics that applies to all of its directors, officers (including its chief executive officer, chief financial officer, chief accounting officer, controller and any person performing similar functions) and employees. The Company has made the Code of Ethics available on its website at https://expworldholdings.com/wp-content/uploads/2024/03/Code_of_Business_Conduct_and_Ethic.pdf.

Compensation Committee Interlocks and Insider Participation

Currently, the members of our Compensation Committee are Messrs. Sanford, Miles and Cahir. Neither Mr. Miles nor Mr. Cahir currently serve, or in the past year has served, as an officer or employee of the Company. Mr. Sanford currently serves, and during the past year served, as an employee of the Company in his capacity as the Chief Executive Officer of eXp World Holdings, Inc. and eXp Realty, LLC. None of our NEOs, except for Mr. Sanford, currently serves, or in the past year has served, as a member of the Board, and none of our executive officers, except for Mr. Sanford, currently serves, or in the past year has served, as a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of any entity that has one or more executive officers serving on our Board or Compensation Committee. Until July 31, 2023, we qualified as a "controlled company" within the meaning of Nasdaq corporate governance standards and, accordingly, we qualified for and from time-to-time relied on exemptions to certain governance requirements. Under Nasdaq rules, a company may phase-in to compliance with certain governance requirements after ceasing to be a "controlled company", including the requirement to have a compensation committee that is composed entirely of independent directors within a year of losing controlled company status. We are presently using this exemption, but we will be required to replace Mr. Sanford on the Compensation Committee on or before July 31, 2024.

Non-Employee Director Compensation

General

Our non-employee director compensation program is intended to enhance our ability to attract, retain and motivate directors of exceptional ability and to promote the common interest of directors and stockholders in enhancing the value of the common stock. The Board of Directors reviews and approves director compensation. The Compensation

Committee, in cooperation with the Nomination and Corporate Governance Committee, reviews and makes recommendations to the Board of Directors on director compensation. The Compensation Committee has the authority to engage a consulting firm to evaluate director compensation.

Immediately prior to our 2023 Annual Meeting, the Board was comprised of Glenn Sanford, Eugene Frederick, Darren Jacklin, Jason Gesing, Randall Miles, Dan Cahir, Monica Weakley, and Peggie Pelosi. Pursuant to an action of the Board taken on March 30, 2023, Mr. Frederick was not nominated for re-election to the Board and the size of the Board reduced to seven members upon the expiration of his term on May 19, 2023. At our 2023 Annual Meeting, our stockholders appointed seven directors to our Board: Glenn Sanford, Darren Jacklin, Jason Gesing, Randall Miles, Dan Cahir, Monica Weakley, and Peggie Pelosi. On September 7, 2023, Mr. Jacklin resigned from the Board and Fred Reichheld was appointed by the Board to fill his vacancy as of such date. On January 10, 2024, Mr. Gesing resigned from the Board. On March 14, 2024, the Board unanimously voted to reduce the size of the Board to six members.

During the year ended December 31, 2023, all directors except Messrs. Sanford and Gesing qualified as non-employee directors; Messrs. Sanford and Gesing did not receive compensation for their directorship activities, and Mr. Sanford's compensation for his services as an employee is discussed under "*Compensation Discussion and Analysis – Elements of Individual Executive Compensation*". While Ms. Weakley and Mr. Frederick are independent contractor real estate agents of eXp Realty, such persons are not employees of the Company or any of its subsidiaries. During the year ended December 31, 2023, Ms. Weakley and Mr. Frederick received compensation for their directorship activities in addition to their real estate agent commission and related income earned in their capacities as independent contractor real estate agents of eXp Realty, as described below.

Independent Director Compensation

Under our independent director compensation policy, independent directors receive standardized cash retainers and equity awards in lieu of individual compensatory arrangements. The Board believes that this policy provides for transparency and parity of compensation among independent directors. Pursuant to that policy, independent directors are eligible to receive \$200,000 in annual cash compensation, paid monthly. Independent directors that assume leadership roles are eligible to receive additional annual cash compensation, paid monthly, as follows: \$25,000 for the Vice Chairman; \$50,000 for the Audit Committee Chairman; \$25,000 for the Compensation Committee Chairman; \$25,000 for the Nominating and Governance Committee Chairman; and \$25,000 for the Sustainability Committee Chairman. When an independent director is first elected to the Board, he or she is granted a stock option award with a value of approximately \$300,000, using the Black Scholes valuation methodology. The stock option vests monthly in equal installments over three years, subject to continued service. Additionally, each independent director is eligible to receive additional annual stock option grants beginning upon the commencement of his or her fourth year of directorship and each year thereafter, with each annual grant having a value of approximately \$100,000 per year using the Black Scholes valuation methodology. The stock option vests monthly in equal installments over three years, subject to continued service.

2023 Compensation for Independent Directors

For the year ended December 31, 2023, the following persons received the compensation set forth below for their directorship activities:

- Mr. Jacklin's cash compensation was \$133,341 and he was granted a stock option on July 31, 2023, scheduled to vest monthly in equal installments over three years, subject to continued service to the Company. Mr. Jacklin ceased serving as a member of our Board on September 7, 2023 and the unvested portion of the option award continued vesting as Mr. Jacklin agreed to provide non-director services to the Company;
- Mr. Miles's cash compensation was \$275,000 and he was granted a stock option on July 31, 2023, which vests monthly in equal installments over three years, subject to continued service;
- Mr. Cahir's cash compensation was \$200,012 and he was granted a stock option on November 29, 2023, which vests monthly in equal installments over three years, subject to continued service;

- Ms. Pelosi's cash compensation was \$229,167 and she was granted a stock option award on January 26 2023, which vests monthly in equal installments over three years, subject to continued service; and
- Mr. Reichheld's cash compensation was \$63,333 and he was granted a stock option on September 7, 2023, which vests monthly in equal installments over three years, subject to continued service.

2023 Compensation for Real Estate Agent Director Seat

Under our rotating agent director compensation policy, our dedicated agent director position is eligible to receive \$25,000 annual cash compensation for directorship services, paid monthly, and an annual stock option award having a value of \$25,000 using the Black Scholes valuation methodology, which vests monthly in equal installments over one year, subject to continued service. During 2023, Ms. Weakley filled the dedicated agent director position. For the year ended December 31, 2023, Ms. Weakley received cash compensation of \$25,000 for her directorship activities and she was granted a stock option award having a value of \$25,027 on June 19, 2023, which vests monthly in equal installments over one year, subject to continued service. Additionally, for the year ended December 31, 2023, Ms. Weakley received the following compensation in her role as an independent contractor real estate agent of eXp Realty and not in connection with her directorship activities:

- stock awards valued at \$2,770 under our Agent Growth Incentive Program;
- cash payment of \$130,606 under our revenue share program;
- cash payment of \$204,285 for earned real estate commission;
- cash payment of \$4,226 for her service as a real estate mentor in our mentorship program; and
- income of \$1,182 for her discount in connection with her participation in our Agent Equity Program.

2023 Compensation for Other Real Estate Agent

Historically, the Board has compensated Mr. Frederick pursuant to an informal policy. Under this informal policy, Mr. Frederick was eligible to receive compensation equal to \$24,000 per year, paid as cash compensation or as a stock award having an equal value, as determined in the discretion of the Board. For the year ended December 31, 2023, Mr. Frederick received \$9,184 in stock awards for his directorship activities. Mr. Frederick did not receive any cash payments for his directorship activities for the year ended December 31, 2023. Additionally, for the year ended December 31, 2023, Mr. Frederick received the following compensation in his role as an independent contractor real estate agent of eXp Realty and not in connection with his directorship activities:

- stock awards valued at \$5,624 under our Agent Growth Incentive Program; and
- cash payment of \$7,699,333 under our revenue share program.

Mr. Frederick's board term expired on May 19, 2023.

Fiscal 2023 Director Compensation Table

The following table sets forth certain information regarding the 2023 compensation earned by or awarded to each non-employee director who served on our Board during 2023. Pursuant to SEC regulations, the table includes compensation earned in connection with a non-employee director's services as an independent contractor real estate agent of eXp Realty. Mr. Sanford and Mr. Gesing did not receive compensation for their service as directors in 2023. Mr. Sanford's compensation for his services as an employee is discussed under "Compensation Discussion and Analysis – Elements of Individual Executive Compensation" below.

Name*	Fees Earned or				Total
	Paid in Cash ⁽¹⁾	Option Awards ⁽²⁾	Stock Awards ⁽³⁾	All Other Compensation	
Darren Jacklin ⁽⁴⁾	\$ 133,341	\$ 108,003	\$ -	\$ -	\$ 241,344
Gene Frederick ⁽⁵⁾	\$ -	\$ -	\$ 14,808 ⁽⁶⁾	\$ 7,699,333 ⁽⁷⁾	\$ 7,714,141
Randall Miles ⁽⁸⁾	\$ 275,000 ⁽⁹⁾	\$ 108,003	\$ -	\$ -	\$ 383,003
Dan Cahir ⁽¹⁰⁾	\$ 200,012	\$ 100,096	\$ -	\$ -	\$ 300,108
Monica Weakley ⁽¹¹⁾	\$ 25,000	\$ 25,027	\$ 2,770 ⁽¹²⁾	\$ 340,299 ⁽¹³⁾	\$ 393,096
Peggie Pelosi ⁽¹⁴⁾	\$ 229,167 ⁽¹⁵⁾	\$ 327,539	\$ -	\$ -	\$ 556,706
Fred Reichheld ⁽¹⁶⁾	\$ 63,333	\$ 301,354	\$ -	\$ -	\$ 364,687

* Jason Gesing served as director and an executive officer, other than a named executive officer, of the Company during the year ended December 31, 2023. As noted above, he did not receive compensation for his services as a director. His compensation for his employment role as an executive is not disclosed in this table in accordance with SEC rules.

- (1) The dollar amounts shown represent all director fees earned in 2023 (excluding fees which may have been paid in 2023, but were earned in 2022, and including fees which may have been earned in 2023, but were paid in 2024).
- (2) In accordance with SEC rules, the amounts shown reflect the aggregate grant date fair value of stock option awards granted during 2023, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 ("FASB ASC 718"), excluding estimated forfeitures. The assumptions used in the valuation of these stock options are consistent with the valuation methodologies specified in *Note 9 - Stockholders' Equity* to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. Awards were granted under the Company's 2015 Equity Incentive Plan.
- (3) In accordance with SEC rules, the amounts shown reflect the aggregate grant date fair value of stock awards granted during 2023, computed in accordance with FASB ASC 718, excluding estimated forfeitures. The assumptions used in the valuation of these stock awards are consistent with the valuation methodologies specified in *Note 9 - Stockholders' Equity* to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. Awards were granted under the Company's 2015 Equity Incentive Plan.
- (4) Mr. Jacklin ceased serving as a director on September 7, 2023. As of December 31, 2023, Mr. Jacklin held vested stock options covering 930 shares and did not hold any unvested stock awards.
- (5) Mr. Frederick ceased serving as a director on May 19, 2023. As of December 31, 2023, Mr. Frederick had unvested stock awards covering 935 shares.
- (6) Reflects the aggregate grant date fair value of stock awards computed in accordance with FASB ASC 718, excluding estimated forfeitures, as follows: \$9,184 for stock awards granted to Mr. Frederick for his directorship activities, granted fully vested, and \$5,624 for stock awards granted to Mr. Frederick under our Agent Growth Incentive Program in connection with his role as an independent contractor real estate agent of eXp Realty, vesting over three years, subject to continued service.
- (7) Reflects cash payments made to Mr. Frederick under our revenue share program in connection with his services as an independent contractor real estate agent of eXp Realty.
- (8) As of December 31, 2023, Mr. Miles held vested stock options covering 62,366 shares and did not hold any unvested stock awards.
- (9) Includes \$200,000 paid to Mr. Miles for his general directorship activities, plus \$25,000 for his directorship activities as Vice Chairman, plus \$50,000 for his directorship activities as Audit Committee Chairman.
- (10) As of December 31, 2023, Mr. Cahir held vested stock options covering 158,241 shares and did not hold any unvested stock awards.
- (11) As of December 31, 2023, Ms. Weakley held vested stock options covering 4,571 shares and unvested stock awards covering 493 shares.
- (12) Reflects the aggregate grant date fair value of stock awards computed in accordance with FASB ASC 718, excluding estimated forfeitures, granted to Ms. Weakley under our Agent Growth Incentive Program in connection with her role as an independent contractor real estate agent of eXp Realty, vesting over three years, subject to continued service.
- (13) Reflects a cash payment of \$130,606 under our revenue share program, a real estate commission of \$204,285, a cash payment of \$4,226 under our agent mentorship program, and \$1,182 for Ms. Weakley's discount under our Agent Equity Program, each in connection with her role as an independent contractor real estate agent of eXp Realty.
- (14) Ms. Pelosi was appointed as a director on January 26, 2023. As of December 31, 2023, Ms. Pelosi held vested stock options covering 10,197 shares and did not hold any unvested stock awards.

- (15) Includes \$200,000 paid to Ms. Pelosi for her general directorship activities, plus \$20,833 for her directorship activities as Sustainability Committee Chair and \$8,333 for her directorship activities as Nominating & Corporate Governance Committee Chair (which amounts were prorated as Ms. Pelosi did not have these positions during the full calendar year).
- (16) Mr. Reichheld was appointed as a director on September 7, 2023. As of December 31, 2023, Mr. Reichheld held vested stock options covering 2,089 shares and did not hold any unvested stock awards.

We reimburse our independent directors for expenses incurred in connection with their directorship services, including attending Board and committee meetings, assisting with other Company business, such as meeting with potential officer and director candidates, as well as continuing director education. Under our revenue share program, real estate professionals affiliated with the Company (including Ms. Weakley and Mr. Frederick) are paid a portion of the Company's commission for their contribution to Company growth, including transactions executed by the participant's frontline qualifying active agents.

Under the Agent Growth Incentive Program, agents and brokers of the Company (including Ms. Weakley and Mr. Frederick) receive restricted stock units (i) upon the agent's or broker's first completed transaction with the Company during an anniversary year, cliff-vesting after three years, subject to continued service; (ii) upon the first completed transaction with the Company by an agent or broker whom the awarded agent or broker most influenced to join, cliff-vesting after three years, subject to continued service of both the awarded agent or broker and the influenced agent or broker; (iii) upon the agent or broker achieving non-reduced "capped status" during an anniversary year, cliff-vesting after three years, subject to continued service; and (iv) upon the agent or broker achieving certain ICON award requirements during an anniversary year, cliff-vesting after three years or one year, subject to continued service, or vesting immediately, depending on the ICON award type.

Mr. Frederick and Ms. Weakley are participants in the Company's Revenue Share Plan and Agent Equity Incentive Program in their capacities as independent contractor real estate agents or brokers of the Company, and not in their roles as directors, and continue to receive those benefits similar to all other agents and brokers affiliated with the Company even after ceasing their directorship services so long as they maintain active real estate licenses and are not affiliated as an agent or broker with a competitive brokerage. During 2023, Mr. Gesing participated in the Revenue Share Plan in his capacity as an employee of the Company with a broker's license, but not in his role as a director. Mr. Sanford would continue to receive revenue if his employment with the Company ceased (see "*Compensation Discussion and Analysis - Cash Bonus*" below).

Anti-Hedging and Anti-Pledging Policies

Certain transactions in our securities (such as short sales, hedging, and transactions in derivatives) create a heightened compliance risk or could create the appearance of misalignment with our stockholders. In addition, securities that are pledged as collateral or held in a margin account create a risk of being sold without consent if the owner fails to meet a margin call or defaults on the secured obligation, thus creating the risk that a sale may occur at a time when a person is aware of material, non-public information or otherwise is not permitted to trade in Company securities. Our insider trading policy prohibits all Company insiders, including our directors, from engaging in short sales, derivative securities transactions, including hedging, with respect to Company securities, and from pledging Company securities as collateral.

Related Party Transactions

See "*Certain Relationships and Related Transactions*" below.

Audit Committee Matters

PROPOSAL
2

RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP AS INDEPENDENT AUDITOR FOR 2024

The Board recommends a vote “**FOR**” ratification of the appointment of Deloitte & Touche LLP as our independent auditor for the fiscal year ending December 31, 2024.

Proposed Ratification of Independent Auditor

The Board of Directors and the Audit Committee believe that the retention of Deloitte as the Company’s independent auditor is in the best interests of the Company and its stockholders. If stockholders do not ratify the selection of Deloitte, the Audit Committee will evaluate the stockholder vote when considering the selection of a registered public accounting firm for the audit engagement for the 2025 fiscal year. In addition, if stockholders ratify the selection of Deloitte as independent auditor, the Audit Committee may nevertheless periodically request proposals from the major registered public accounting firms and as a result of such process may select Deloitte or another registered public accounting firm as our independent auditor.

A representative of Deloitte is expected to be present at the Annual Meeting and will have an opportunity to make a statement if they so desire. However, the annual meeting format will not facilitate the Deloitte representative to respond to questions.

Appointment of Independent Auditor by Audit Committee

Our Audit Committee has engaged Deloitte & Touche LLP, or “Deloitte”, as our independent registered public accounting firm to perform the audit of our financial statements, including internal controls over financial reporting, for the fiscal year ended December 31, 2024, and we are asking you to ratify this appointment. Deloitte began serving as our independent registered public accounting firm beginning in 2019.

Under the rules and regulations of the SEC and Nasdaq, the Audit Committee is responsible for the appointment, compensation, retention, and oversight of our independent auditors. In making the determination to re-appoint Deloitte for 2024, the Audit Committee considered, among other factors, Deloitte’s global capabilities; the quality and candor of Deloitte’s communications with the Audit Committee and management; and the appropriateness of Deloitte’s fees. Although ratification of the appointment of Deloitte is not required by our bylaws or otherwise, the Board is submitting the appointment of Deloitte to stockholders for ratification because we value the opinions of our stockholders and believe that stockholder ratification of the appointment is good corporate governance practice.

Fees

All services provided by our Deloitte are pre-approved by the Audit Committee. The Audit Committee is presented, for approval, a description of the audit-related, tax and other services expected to be performed by Deloitte during the fiscal year. The Audit Committee determined that all services provided by our independent registered accountants during the fiscal year ended December 31, 2023 were compatible with maintaining their independence. The following table sets forth the fees billed or to be billed by Deloitte for professional services rendered with respect to the fiscal years ended December 31, 2023 and 2022, which fees were approved by our Audit Committee.

Fee Category	2023	2022
Audit Fees ⁽¹⁾	\$ 2,383,843	\$ 2,504,623
Audit-Related Fees ⁽²⁾	\$ 30,500	\$ -
Tax Fees ⁽³⁾	\$ 94,500	\$ 162,529
All Other Fees ⁽⁴⁾	\$ -	\$ -
Total Fees	\$ 2,508,843	\$ 2,667,152

(1) Audit Fees consist of fees billed for professional services provided in connection with the audit of our annual consolidated financial statements and internal controls, and the reviews of each of the quarterly consolidated financial statements included in our Forms 10-Q.

(2) Audit-Related Fees consist of fees billed for accounting advisory services related to the accounting treatment of transactions or events, including acquisitions, and to the adoption of new accounting standards, as well as additional

procedures related to accounting records performed to comply with regulatory reporting requirements and to provide certain attest reports.

- (3) Tax fees are related to services for U.S. federal, state, local, international, and other permissible tax advisory and consultation services.
- (4) All Other Fees consist of fees for products and services described above.

Report of the Audit Committee of the Board of Directors

The Audit Committee is comprised solely of independent directors meeting the applicable requirements of the Nasdaq rules. The Audit Committee reviews the Company's financial reporting process on behalf of the Board. Management has the primary responsibility for establishing and maintaining adequate internal control over financial reporting, for preparing the financial statements, and for the reporting process. The Audit Committee members do not serve as professional accountants or auditors, and their functions are not intended to duplicate or to certify the activities of management and the independent registered public accounting firm. The Company's independent auditor is engaged to audit and report on the conformity of the Company's financial statements to accounting principles generally accepted in the United States and the effectiveness of the Company's internal control over financial reporting.

Consistent with its monitoring and oversight responsibilities, the Audit Committee reviewed and discussed with management and the independent auditor the audited financial statements for the year ended December 31, 2023 (the "Audited Financial Statements"), management's assessment of the effectiveness of the Company's internal control over financial reporting, and the independent auditor's evaluation of the Company's system of internal control over financial reporting. The Audit Committee has discussed with Deloitte, the Company's independent auditor, the matters required to be discussed by Public Company Accounting Oversight Board ("PCAOB") Auditing Standard 1301, *Communications with Audit Committees*. In addition, the Audit Committee has received the written disclosures and the letter from the independent auditors required by applicable requirements of the PCAOB regarding the independent auditor's communications with the Audit Committee concerning independence, and has discussed with the independent auditor the auditors' independence.

Based upon the reviews and discussions referred to above, the Audit Committee recommended to the Board that the Audited Financial Statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, for filing with the Securities and Exchange Commission.

Respectfully submitted,

Randall Miles, Chair
Dan Cahir
Peggie Pelosi

The information contained in this Report of the Audit Committee shall not be deemed to be "soliciting material," "filed" with the SEC, subject to Regulations 14A or 14C of the Exchange Act, or subject to the liabilities of Section 18 of the Exchange Act. No portion of this Report of the Audit Committee shall be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Securities Exchange Act of 1934, as amended (the "Exchange Act"), through any general statement incorporating by reference in its entirety the proxy statement in which this report appears, except to the extent that we specifically incorporate this report or a portion of it by reference. In addition, this report shall not be deemed filed under either the Securities Act or the Exchange Act.

Executive Officers

The names of our executive officers and their ages, their positions with our Company, and other biographical information, as of the date of this proxy statement, are set forth below. Executive officers are appointed by our Board of Directors to hold office until their successors are elected and qualified and serve in such capacity until termination, resignation or change of job duties. There are no family relationships among our executive officers.

Name	Position	Age	Date First Elected, Appointed or Hired
Glenn Sanford	Director, Chairman, Chief Executive Officer (EXPI and eXp Realty)	57	March 12, 2013
James Bramble	Chief Legal Counsel, General Counsel, and Corporate Secretary	54	March 18, 2019
Michael Valdes	Chief Growth Officer, eXp Realty	57	May 4, 2020
Kent Cheng	Principal Financial Officer and Chief Accounting Officer	57	April 15, 2021
Leo Pareja	Chief Strategy Officer, eXp Realty	41	May 23, 2022

Business Experience of our Executive Officers

The following is a brief description of the business experience and education during at least the past five years of each executive officer, indicating the person's principal occupation during that period, and the name and principal business of the organization in which such occupation and employment were carried out. The description of the business experience and education of our executive officers that are also director nominees is set out above under "Proposal 1 – Election of Directors, Director Nominees' Biographical and Related Information."

Glenn Sanford Mr. Sanford's biography can be found under "Proposal 1 – Election of Directors, Director Nominees' Biographical and Related Information."

James Bramble Mr. Bramble joined the Company as its Chief Legal Counsel and General Counsel on March 18, 2019. Mr. Bramble was appointed as the Company's Corporate Secretary on October 1, 2019. As Chief Legal Counsel and General Counsel, Mr. Bramble oversees the company's legal affairs, including corporate governance, litigation and compliance. Mr. Bramble has over 20 years of international business experience and has transformed the Company's legal and compliance functions to empower an agent-centric, globally-scaled organization. Mr. Bramble is an active member of the Association of Corporate Counsel (ACC) and is a licensed real estate agent. Mr. Bramble champions eXtend a Hand, the Company's charitable foundation and leverages his expertise in service of his community and on non-profit and private company boards.

Recently, Mr. Bramble served as Chief Legal Officer, General Counsel and Corporate Secretary at USANA, a producer of nutritional products, dietary supplements and skincare products, from February 1998 until 2018.

Mr. Bramble is a graduate of University of Utah where he obtained his B.S. (majoring in Political Science) and J.D.

Michael Valdes

Mr. Valdes joined the Company on May 5, 2020 and served as our Executive Vice President of International Expansion until September 2020 when Mr. Valdes became our President of eXp Global. In July 2022, Mr. Valdes was promoted to Chief Growth Officer, eXp Realty. Mr. Valdes brings more than 25 years of expertise in global real estate and finance to eXp Realty. From November 2018 to May 2020, Mr. Valdes was Senior Vice President of Global Servicing for all brands of Realogy Corporation, an integrated provider of real estate services in the U.S., including Better Homes & Gardens, Century 21, Coldwell Banker, Corcoran, ERA and Sotheby's International Realty. In his role, Mr. Valdes oversaw the international servicing platform for all Realogy brands across more than 100 countries and opened more than 70 countries during his tenure. Prior to that, Mr. Valdes was Global Vice President of Sotheby's International Realty, a franchise focusing on brokering and marketing of residential real estate, from December 2014 until May 2020.

Kent Cheng

Mr. Cheng joined the Company as Global Controller on March 30, 2020. He was appointed the Company's Chief Accounting Officer on April 15, 2021 and Principal Financial Officer on December 1, 2023. Mr. Cheng is responsible for leading and developing the Company's global accounting, finance practices and procedures. He also ensures the preparation and analysis of all financial reports comply with applicable regulations. Mr. Cheng has decades of finance expertise in global finance, accounting and information technology functions in large, complex and geographically dispersed multi-billion-dollar global businesses.

From July 2019 until March 2020, Mr. Cheng served as the Corporate Controller at Ocean Spray, an agricultural cooperative of growers of cranberries and grapefruit, where he oversaw corporate accounting, internal controls, financial reporting, and global tax and cost accounting. Prior to that, Mr. Cheng served as Global Finance Director of The Chemours Company, a chemical company, from November 2015 until March 2019. Prior to Chemours, Mr. Cheng worked in the finance department at Akzo Nobel, Dow Chemical, Rohm and Haas, and General Electric.

Mr. Cheng is a graduate of Utah State University, where he obtained his Masters of Accounting and Sun Yat-Sen University, where he obtained a Bachelor of Business Administration. Mr. Cheng is a member of American Institute of Certified Public Accountants.

Leo Pareja

Mr. Pareja joined the Company as its President of Affiliated Services in July 2022 and was subsequently promoted to Chief Strategy Officer, eXp Realty in November 2022. As Chief Strategy Officer, Mr. Pareja creates strategies that reinforce and evolve eXp Realty's competitive advantage and industry-leading agent value proposition while also optimizing the organization at large, seizing new opportunities for growth. Mr. Pareja brings more than 20 years of real estate experience and has been recognized as a top real estate agent in RealTrends' The Thousand report, a No. 1 agent on the National Association of Hispanic Real Estate Professionals' (NAHREP) Top 250 list and a 30 under 30 agent in Realtor® Magazine. Mr. Pareja co-founded one of the largest private lending companies on the U.S. East Coast, as well as a fast-growing MLS technology vendor. He has served as founding president of NAHREP's Metro D.C. chapter, and later as national president for the organization.

Prior to joining the Company, Mr. Pareja cofounded Remine, Inc. in January 2016, where he served as CEO and President until October 2021 when Remine, Inc. was acquired by MLS Technology Holdings, LLC, and Mr. Pareja transitioned to Chief Strategy Officer. While at Remine, Mr. Pareja oversaw and managed the creation and growth of the MLS technology suite of services, which served over 1,000,000 real estate professionals in North America.

Mr. Pareja is a graduate of George Mason University where he obtained his B.A. in Integrated Studies.

PROPOSAL
3

ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

The Board recommends a vote “FOR” the approval, on an advisory basis, of our named executive officer compensation.

As required by Section 14A of the Securities Exchange Act, we are asking our stockholders to approve, on an advisory, non-binding basis, the compensation of our named executive officers (“NEOs”) as disclosed in the “Compensation Discussion and Analysis” section beginning on page 23, and the related compensation tables and narratives that follow such section. This proposal, commonly known as a “Say-on-Pay” proposal, gives our stockholders the opportunity to express their views on our NEOs’ compensation as a whole. This vote is not intended to address any specific item of compensation or any specific NEO, but rather the overall compensation of all of our NEOs and the philosophy, policies and practices described in this proxy statement. We currently hold our Say-on-Pay vote every year.

The Say-on-Pay vote is advisory, and therefore is not binding on us, our Compensation Committee or our Board. The Say-on-Pay vote will, however, provide information to us regarding investor sentiment about our executive compensation philosophy, policies and practices, which the Compensation Committee and our Board will consider when determining executive compensation for the remainder of the current fiscal year and beyond.

We believe that our executive compensation program is effective in achieving the Company’s objectives to:

- Attract, retain and incentivize leadership in a manner that is market-based and transparent;
- Promote retention;
- Drive and grow our business over the long-term;
- Support business continuity; and
- Reward our NEOs for delivering financial, operational and strategic results.

We believe that the compensation of our NEOs accurately reflects their contributions to our growth and success, aligns with our annual financial results and the interests of our stockholders, and adheres to sound executive compensation policies and practices, as highlighted in the following table.

Accordingly, stockholders are being asked to vote “FOR” the following resolution:

Resolved: That the stockholders approve, on an advisory basis, the compensation paid to the “named executive officers” of eXp World Holdings, Inc. with respect to the fiscal year ended December 31, 2023, as disclosed pursuant to Item 402 of Regulation S-K promulgated by the Securities and Exchange Commission, in the Proxy Statement for the 2024 Annual Meeting of Stockholders, including the compensation tables and narrative discussion set forth under “Compensation Discussion and Analysis” therein.

This item is being presented pursuant to Section 14A of the Exchange Act. Although this advisory vote is not binding, our Board and the Compensation Committee will consider the voting results when evaluating our named executive officer compensation program.

Compensation Discussion and Analysis

Our Fiscal Year 2023 Named Executive Officers

This Compensation Discussion and Analysis describes our compensation program for, and the decisions during the fiscal year ended December 31, 2023 regarding the compensation of, the below named executive officers (and their positions as of December 31, 2023) (our “NEOs”):

- Glenn Sanford, Chief Executive Officer (EXPI and eXp Realty);
- Jeff Whiteside, former Chief Financial Officer and Chief Collaboration Officer;
- Kent Cheng, Chief Accounting Officer and Principal Financial Officer;
- Shoeb Ansari, Chief Information Officer;
- James Bramble, Chief Legal Counsel, General Counsel, and Corporate Secretary; and
- Leo Pareja, Chief Strategy Officer, eXp Realty.

2023 Business and Executive Compensation Highlights

Despite a challenging macro-economic environment for the real estate industry, we grew our year-over-year agent count, continued to gain market share during the fourth quarter of 2023, and maintained positive Adjusted EBITDA¹. Our agent-centric model and value proposition, scale and superior efficiency enable us to invest in the success of our agents.

For the fiscal year ended December 31, 2023

Full-year Adjusted EBITDA¹ of
\$57.5 MILLION

As of December 31, 2023,
agent and broker count was
87,515

an increase of
2%

year-over-year

eXp Luxury™ soared **past 1,100 members** and launched in **Australia, New Zealand, South Africa and the United Kingdom**, fueling global growth.

Fourth quarter revenue was
\$983 MILLION

an increase of
5%
year-over-year

Fourth quarter transaction volume of
\$38.9 BILLION

an increase of
3%

eXp Realty ended 2023 with a **global agent Net Promoter Score of 77** (out of 100), a measure of agent satisfaction, as part of the Company’s intense focus on improving the agent experience

¹Adjusted EBITDA is a non-GAAP measure. Please see Appendix 1 on page 67 of this Proxy Statement for a definition of this term and reconciliation with the most directly comparable GAAP measure.

Advisory Vote on Executive Compensation

We submit to our stockholders on an annual basis a proposal for a (non-binding) advisory vote to approve the compensation of our named executive officers for the prior fiscal year (“say-on-pay”). The Compensation Committee considers, among other things, the outcome of this vote when evaluating our compensation principles, designs and practices. At our 2023 Annual Meeting, our stockholders expressed strong support for our named executive officer compensation program, with more than 97.7 percent of shares voted cast in favor of approval of our compensation program for named executive officers. The Compensation Committee believes these results reflect our stockholders’ affirmation of our named executive officer compensation program. Nevertheless, the Compensation Committee regularly reviews and adjusts the program as needed to ensure it remains competitive and aligned with the best interests of the Company and its stakeholders.

Executive Compensation Policies and Practices

Our executive compensation program is designed to (1) attract, retain and incentivize leadership in a manner that is market-based and transparent, (2) promote retention, (3) drive and grow our business over the long-term, (4) support business continuity, and (5) reward our NEOs for delivering financial, operational and strategic results. We believe that the compensation of our NEOs accurately reflects their contributions to our growth and success, aligns with our annual financial results and the interests of our stockholders, and adhere to sound executive compensation policies and practices, as highlighted in the following table.

What We Do

- ✓ **Multi-Year Vesting Awards.** To align our NEO’s interests with those of our stockholders and to incentivize long-term retention, a substantial portion of NEO compensation is earned over multi-year periods in the form of equity awards.
- ✓ **Annual Compensation Review and Risk Assessment.** The compensation committee conducts an annual review and approval of our compensation strategy including a comparison against industry compensation practices and a risk assessment.
- ✓ **“At Risk” Quarterly, Other and Revenue Sharing Bonuses.** NEOs are eligible for discretionary quarterly bonuses, subject to achievement of predetermined business goals.
- ✓ **Compensation Recoupment.** In 2023, we approved a clawback policy, which requires that certain incentive compensation paid to any current or former executive officer, including our NEOs, will be subject to recoupment upon certain financial restatements.
- ✓ **At-Will Employment.** We employ our NEOs at-will; our NEOs do not have employment contracts with fixed terms or guaranteed pay.
- ✓ **Annual “Say on Pay” Vote.** We hold a “Say on Pay” vote annually.

What We Don’t Do

- ✗ **No Termination, Resignation, Retirement or Change in Control Payments.** With two exceptions, we do not maintain agreements or offer letters that provide any payments to NEOs upon termination of employment, resignation, retirement or change in control.
- ✗ **No Dividend Payments on Unvested Stock Awards or Unexercised Stock Options.** No cash dividend payments are paid on unvested stock awards or unexercised stock options.
- ✗ **No Unique Health or Welfare Benefits.** Our NEOs participate in the same Company-sponsored health and welfare benefits programs as our other full-time, salaried employees.
- ✗ **No Pledging.** We prohibit our executives, including our NEOs, from pledging Company securities.
- ✗ **No Repricing.** We do not allow repricing of stock options without stockholder approval.
- ✗ **Prohibition on hedging, pledging, and short sales.** We prohibit short sales, transactions in derivatives, hedging, and pledging of Company securities by our named executive officers.
- ✗ **No Tax Reimbursements on Severance or Change in Control Payments.** We do not provide any tax reimbursement payments (including “gross-ups”) on any severance or change in control payments or other related benefits

Our 2023 executive compensation program was designed to recognize and retain our key executives, acknowledging their pivotal contributions to both agent and company success amidst the challenging macro-economic conditions of the past year. We continue to emphasize long-term equity compensation as the most significant component of each NEO's compensation. The following key compensation actions were taken with respect to our named executive officers for 2023:

- Our CEO, Mr. Sanford, voluntarily elected to reduce his salary by 50% during January and February 2023 after a review of initial financial statements. Mr. Sanford's decision was taken in consideration of the reduction in earnings faced by many of our agents and staffing level adjustments, and to share in sacrifices being made across the Company.
- The Board considered the affirmative advisory say-on-pay vote at the 2023 Stockholders' Meeting in its decision to make necessary compensation changes in 2023 to maintain the retention power of our compensation program.
- None of our named executive officers, except for Messrs. Pareja and Whiteside, received any salary or bonus increases during 2023, due to macro-economic pressures in the real estate industry and the Board's prioritization of long-term equity compensation packages in order to drive stockholder value.
- Due to the final vesting or forfeiture, as applicable, of Glenn Sanford's equity package on July 31, 2023, the Compensation Committee conducted a review of Mr. Sanford's compensation package alongside the real estate industry chief executive officer compensation trends reported in Proxy Survey of Executive Compensation in the Russell 2000 Index (May 2023). The Compensation Committee determined that Mr. Sanford should receive a long-term incentive compensation package in order to incentivize Mr. Sanford's ongoing service, acknowledge his additional responsibilities, and to align his compensation with stockholder value and industry benchmarks.
- The Compensation Committee conducted a review of all executive officer compensation alongside the real estate industry executive officer compensation trends reported in a leading industry survey and determined that (i) Mr. Whiteside, Mr. Cheng, Mr. Ansari, Mr. Bramble, and Mr. Pareja should receive long-term option awards for continued incentivization and continued alignment with stockholder values and industry benchmarks, and (ii) Mr. Pareja should receive a 25% salary increase to acknowledge his added responsibilities and align with industry benchmarks.

Compensation-Setting Process

Executive compensation is first reviewed by the Compensation Committee and proposed by the Compensation Committee to the Board. The proposal is then reviewed by the Board, which makes the final determination for NEO compensation. When setting NEO compensation, the Compensation Committee and the Board consider the following:

- Executive compensation for similar roles based on broad-based industry surveys;
- Our Company's financial performance against objectives established by our Board;
- Compensation parity among executive officers;
- Our Company's performance relative to its peers; and
- Each individual executive's skillset, experience, and responsibilities.

To date, the Company has not engaged any compensation consultants and no such consultants are involved in our compensation setting process. Mr. Sanford, our CEO (EXPI and eXp Realty), is a member of the Compensation Committee and therefore participates actively in recommending NEO compensation to the Board (except with respect to his own compensation). During 2023, the Compensation Committee considered the Proxy Survey of Executive Compensation in the Russell 2000 Index (October 2021 and May 2023) in reviewing executive officer compensation practices of the Company.

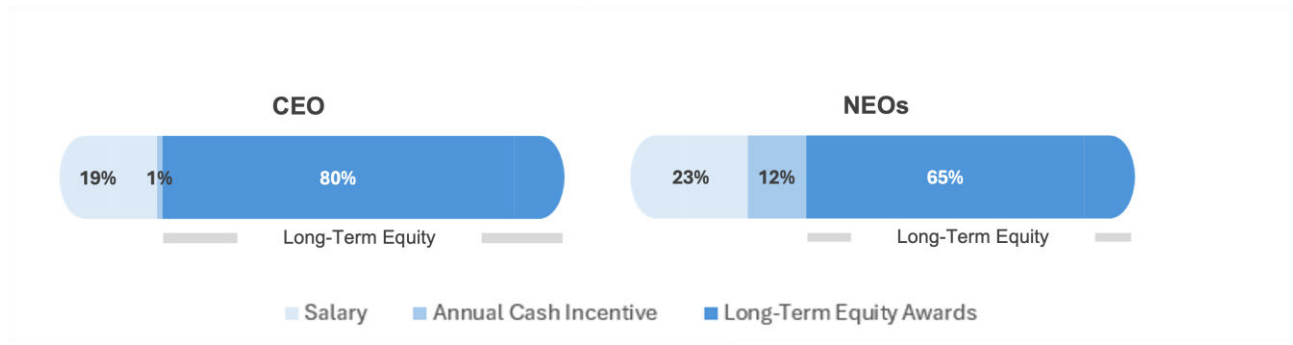
Except as specifically described herein, the Compensation Committee does not affirmatively set out in any given year, or with respect to any given NEO, to apportion compensation in any specific ratio among the various categories of compensation (i.e., between cash and non-cash compensation, short-term and long-term compensation, or between non-performance based and performance-based compensation). Rather, the Compensation Committee uses the principles described above, and the factors described for each category in the discussion that follows, as a guide in assessing the proper allocation among those categories. The Compensation Committee also does not formally "benchmark" compensation against peers. Rather, the Compensation Committee retains discretion to make

adjustments based on the factors described above and considers competitive market practices as one factor in its deliberations.

Elements of Individual Executive Compensation

We structure the annual compensation of our NEOs using three key elements: base salary, discretionary quarterly and other cash bonus opportunities, and long-term equity incentive opportunities. While our NEO compensation program is influenced by a variety of factors, the primary goals are to align the interests of our NEOs with the interests of our stockholders, to attract and retain highly-talented individuals and to associate pay with business and individual performance.

2023 Components of Total Target Compensation⁽¹⁾



⁽¹⁾ Reflects total target compensation of NEOs in the aggregate. Long-term equity awards reflect the aggregate grant date fair value of equity awards granted to the CEO and NEOs during 2023, computed in accordance with FASB ASC 718, excluding the impact of forfeitures. The grant date fair value for RSUs and stock options is measured based on the closing price of the Company's common stock on the date of grant. Mr. Whiteside has been excluded from the NEOs due to his employment termination on December 1, 2023.

Base Salary

Base salary represents the customary, fixed portion of NEO compensation intended to attract and retain talented individuals. Generally, we establish the initial base salaries of our NEOs through arm's-length negotiation during hiring, which considers the officer's relevant position, qualifications, experience, and the base salaries of our other executive officers. Our NEO base salaries are reviewed annually and adjusted as necessary or appropriate, taking into account the factors above and the Company's performance, by the Compensation Committee and the Board.

Our CEO, Mr. Sanford, voluntarily elected to reduce his salary by 50% during January and February 2023 after a review of initial financial statements. Mr. Sanford's decision was taken in consideration of the reduction in earnings faced by many of our agents and staffing level adjustments, and in order to share in sacrifices being made across the Company.

In May 2023, the Compensation Committee conducted an annual review of the compensation of Messrs. Whiteside, Cheng, Ansari and Bramble, among other executive officers, and determined that the salaries of Messrs. Cheng, Ansari and Bramble were in-line with industry trends based on a review of the most recent Proxy Survey of Compensation in the Russell 2000 Index (October 2021), appropriate for each person's respective contributions to the Company, sufficient to incentivize each respective person, and appropriate in consideration of macro-economic industry pressures faced by the Company (including, but not limited to, real estate market contraction, historically high average interest rates, and industry antitrust litigation). As part of that review, the Compensation Committee determined that Mr. Whiteside required additional compensation incentive as his salary was below industry benchmarks set forth in the industry survey, and proposed a 25% increase to his base salary. The Board deemed the compensation changes recommended by the Compensation Committee to be in the best interest of the Company and its stockholders and approved a salary increase for Mr. Whiteside from \$500,000 to \$625,000.

In June 2023, the Compensation Committee finalized its ongoing review of Mr. Pareja's compensation and the most recent Proxy Survey of Compensation in the Russell 2000 Index (May 2023), considering Mr. Pareja's added

responsibilities in 2023 in light of staffing reductions and expanded strategic partnerships. After review and discussion, the Compensation Committee determined Mr. Pareja required additional compensation incentive as his salary was below industry benchmarks set forth in the industry survey, and proposed a 25% increase to his base salary. The Board deemed the compensation changes recommended by the Compensation Committee to be in the best interest of the Company and its stockholders and adopted a salary increase for Mr. Pareja from \$400,000 to \$500,000.

While Messrs. Whiteside, Cheng, Ansari, Bramble, and Pareja are regular attendees of Board and Committee meetings, as necessary to provide management reports, each was dismissed and/or recused during discussions related to his own compensation.

During 2023, the Compensation Committee (with Mr. Sanford dismissed and recused) undertook a multi-month review of Mr. Sanford's compensation, considering CEO pay trends reported in the most recent Proxy Survey of Compensation in the Russell 2000 Index (May 2023), Mr. Sanford's added responsibilities as CEO of eXp Realty, LLC, and company performance. The Compensation Committee (with Mr. Sanford dismissed and recused) discussed and determined (and the Board agreed by unanimous vote, with Mr. Sanford recused) that Mr. Sanford's salary was in-line with industry trends, appropriate for Mr. Sanford's contributions to the Company, sufficient to incentivize Mr. Sanford's ongoing retention, and appropriate in consideration of macro-economic industry pressures faced by the Company (including, but not limited to, real estate market contraction, historically high average interest rates, and industry antitrust litigation).

The year-end annualized base salaries of our NEOs for 2023 and 2022 were:

Named Executive Officer	2023 Base Salary	2022 Base Salary	Percentage Change
Glenn Sanford ⁽¹⁾	\$ 1,575,000	\$ 1,575,000	0%
Jeff Whiteside	\$ 625,000	\$ 500,000	25%
Kent Cheng ⁽²⁾	\$ 386,851	\$ 386,851	0%
Shoeb Ansari	\$ 500,000	\$ 500,000	0%
James Bramble	\$ 406,000	\$ 406,000	0%
Leo Pareja	\$ 500,000	\$ 400,000	25%

⁽¹⁾ Mr. Sanford voluntarily elected to reduce his salary by 50% during January and February 2023.

⁽²⁾ Mr. Cheng was appointed as Principal Financial Officer on December 1, 2023.

Quarterly and Other Cash Bonuses

Our NEOs, except for Mr. Sanford, are eligible to participate in the Company's annual cash bonus program, described below. Mr. Sanford is eligible to receive quarterly revenue share cash bonuses in connection with his employment, as described below.

Annual Cash Bonus Program: Our discretionary annual cash bonus program, paid quarterly, is an "at-risk" component of our NEO compensation program that is designed to motivate our NEOs' to contribute to Company success. The aggregate annual bonus amount that each participating NEO could earn is negotiated in each NEO's offer letter as a percentage of his or her base salary and may be adjusted upon determination by the Board from time-to-time. Annual bonuses are paid in equal quarterly installments, following review and approval by the Compensation Committee each quarter.

In May 2023, the Compensation Committee conducted an annual review of the compensation of Messrs. Whiteside, Cheng, Ansari, and Bramble, among other executive officers. The Compensation Committee determined that the bonus opportunities for which Messrs. Cheng, Ansari and Bramble were in-line with industry trends based on a review of the most recent Proxy Survey of Compensation in the Russell 2000 Index (October 2021), appropriate for each person's respective contributions to the Company, sufficient to incentivize each respective person, and appropriate in consideration of macro-economic industry pressures faced by the Company (including, but not limited to, real estate market contraction, historically high average interest rates, and industry antitrust litigation). However, the Compensation Committee determined that Mr. Whiteside required additional compensation incentive as his bonus was below industry benchmarks set forth in the industry survey and recommended that Mr. Whiteside's bonus target be 100% of his salary (see "Compensation Discussion and Analysis – Elements of Individual Executive Compensation – Base Salary" for additional details about the salary increase), representing a 25% increase in his annual bonus target as a result of his 2023 salary increase. The Board deemed the compensation changes recommended by the Compensation Committee to be in the best interest of the Company and its stockholders and approved the bonus increase for Mr. Whiteside.

In June 2023, the Compensation Committee conducted an annual review of the compensation of Mr. Pareja. Based on a review of the most recent Proxy Survey of Compensation in the Russell 2000 Index (October 2021), the Compensation Committee determined that Mr. Pareja required additional compensation incentive as his bonus was below industry benchmarks set forth in the industry survey and recommended that Mr. Pareja's target bonus be 50% of his increased salary (see "Compensation Discussion and Analysis – Elements of Individual Executive Compensation – Base Salary" for additional details about the salary increase), representing a 25% increase in his annual bonus target as a result of his 2023 salary increase. The Board deemed the compensation changes recommended by the Compensation Committee to be in the best interest of the Company and its stockholders and approved the bonus increase for Mr. Pareja.

Before July 29, 2023, when the Company no longer qualified as a "controlled company", each NEO's respective manager(s), as applicable, determined that such NEO satisfied the conditions to receive bonuses at 100% of target. After July 29, 2023, the Compensation Committee determined that each NEO satisfied the conditions to receive bonuses at 100% of target. The target bonus payment amounts for 2023 and actual bonus payment amounts earned in 2023 are set forth below:

Named Executive Officer	Target 2023 Bonus Opportunity (as a percentage of base salary)		Target 2023 Bonus Opportunity		2023 Bonus Payment ⁽¹⁾
Jeff Whiteside	100 %	\$	468,750 ⁽²⁾	\$	468,750
Kent Cheng	50 %	\$	193,424	\$	193,424
Shoeb Ansari	50 %	\$	250,000	\$	250,000
James Bramble	50 %	\$	203,000	\$	203,000
Leo Pareja	50 %	\$	225,000 ⁽³⁾	\$	225,000

⁽¹⁾ Excludes bonus payments made to named executive officers in 2023 which were earned in 2022, and includes bonus payments made to named executive officers in 2024 which were earned in 2023.

⁽²⁾ For Mr. Whiteside, reflects the second quarter base salary increase described in the Compensation Discussion and Analysis.

⁽³⁾ For Mr. Pareja, reflects the second quarter base salary increase described in the Compensation Discussion and Analysis.

The target bonus payment amounts as a percentage of base salary for 2023 and 2022 are set forth below:

Named Executive Officer	Fiscal 2022 Target	Fiscal 2023 Target
Jeff Whiteside	100 %	100 %
Kent Cheng	50 %	50 %
Shoeb Ansari	50 %	50 %
James Bramble	50 %	50 %
Leo Pareja	50 %	50 %

Cash Bonus: During each calendar quarter of his ongoing employment service, Mr. Sanford is eligible to receive a cash bonus. In determining such bonus, the Company takes into account, as one factor, the amount that his revenue share, were Mr. Sanford still participating in the Company's revenue share program, exceeds his salary during such calendar quarter. Mr. Sanford is not eligible to receive any additional cash bonuses. When establishing this bonus

opportunity, the Board considered that Mr. Sanford's revenue share would continue even after ceasing to be an employee of the Company. As part of the Compensation Committee's 2023 review (with Mr. Sanford dismissed and recused) of Mr. Sanford's compensation, the Committee determined (and the Board agreed by unanimous vote, with Mr. Sanford recused) that Mr. Sanford's bonus eligibility was in-line with industry trends based on a review of the most recent Proxy Survey of Compensation in the Russell 2000 Index (May 2023), appropriate for Mr. Sanford's respective contributions to the Company, sufficient to incentivize Mr. Sanford, and appropriate in consideration of macro-economic industry pressures faced by the Company (including, but not limited to, real estate market contraction, historically high average interest rates, and industry antitrust litigation).

During 2023, Mr. Sanford received the total quarterly revenue share cash bonus shown below:

Named Executive Officer	2023 Bonus Payment ⁽¹⁾	
Glenn Sanford	\$	81,040 ^{(2) (3)}

- (1) Excludes bonus payments made to Mr. Sanford in 2023 which were earned in 2022, and includes bonus payments made to Mr. Sanford in 2024 which were earned in 2023.
- (2) Mr. Sanford's bonus opportunity is unlimited and is equal to the amount by which Mr. Sanford's revenue share exceeds his salary in any calendar quarter, so long as in that quarter the Company is growing at a minimum of 30% annually, subject to Board discretion.
- (3) Represents the total revenue share cash bonus earned by Mr. Sanford attributable to 2023, with \$14,029 attributable to the first quarter of 2023, \$67,011 attributable to the second quarter of 2023, \$0 attributable to the third quarter of 2023, and \$0 attributable to the fourth quarter of 2023. For purposes of determining Mr. Sanford's bonus attributable to the first quarter of 2023, the base salary used was Mr. Sanford's reduced salary during that period.

Long-Term Incentive Compensation (Equity Awards)

The Compensation Committee and our Board believes long-term equity compensation is in the best interests of the Company and our stockholders because it is an effective way to focus our NEOs on driving increased stockholder value over a multi-year period, provides a reward for appreciation in our stock price and long-term value creation, and motivates our NEOs to remain employed with us.

General Equity Award Compensation: In 2023, the Board continued its practice of granting time-based stock options to our NEOs for the purpose of delivering long-term incentive compensation. As with their other elements of compensation, NEO long-term incentive compensation is determined by the Compensation Committee and recommended to our Board for approval, and the Board approves or rejects (with any interested director(s) recused), after taking into consideration the potential dilutive effects to our stockholders, the recommendations of our Compensation Committee and management, the outstanding equity holdings of each NEO, related stock-based compensation expense, and the long-term incentive compensation offered by peer companies and industry trends.

The Board's guidelines for executive officer option awards are intended to support internal consistency among our executive officers, including our NEOs, taking into account their positions and experience. According to those guidelines, executive officers, including NEOs, are eligible for initial stock option awards upon hire of up to \$300,000 as determined by using the Black Scholes valuation methodology, with monthly or quarterly vesting, in equal installments, over a three-year period. All stock option grants are governed by and administered under the 2015 Equity Incentive Plan, as amended (see "*Compensation Discussion and Analysis - 2015 Equity Incentive Plan*" below for additional details). We make initial grants to executive officers, including NEOs, in order to attract highly talented individuals, compensate them for equity compensation opportunities forfeited at their prior employers, and to immediately focus them on driving increased stockholder value over a multi-year period. Initial NEO grants are typically made upon the date of hire.

Pursuant to the guidelines for executive officer option awards, NEOs are eligible for additional annual stock option grants commencing after their initial stock options have fully vested. Such recurring, additional stock option grants may be in an amount of up to \$100,000 per year as determined by using the Black Scholes valuation methodology, with monthly or quarterly vesting, in equal installments, over a three-year period. All annual stock option grants are governed by and administered under the 2015 Equity Incentive Plan, as amended (see "*Compensation Discussion and Analysis - 2015 Equity Incentive Plan*" below for additional details). We make annual grants to lessen the effects of the potential fluctuation in share price, to renew the incentive and retention power of long-term equity incentives as outstanding awards vest, and to allow us to review and, if in our best interests, recalibrate our long-term incentive program on an annual basis.

Additionally, off-cycle stock option awards may be granted to NEOs from time-to-time, upon approval of the Board, when deemed appropriate and necessary to retain and incentivize the NEO and to acknowledge his or her significant and unique contributions to Company growth.

Glenn Sanford Award Compensation:

- Effective July 31, 2020, the Board granted Mr. Sanford a stock option award in order to strongly link his compensation to year-over-year Company revenue growth. The award was granted to Mr. Sanford in order to promote retention and, because the value delivered through a stock option award is contingent on Company stock price, in order to drive and grow our business over the long-term and to reward Mr. Sanford for delivering financial, operational and strategic results. The award covered 1,000,000 shares that vested monthly in equal installments over three years through July 2023, subject to continued service. The award also covered 1,000,000 shares that were eligible to vest quarterly in equal installments over three years through July 2023, subject to (i) continued service and (ii) Company revenue growth of at least 30% (measured from the beginning of the year of vesting through the end of the quarter of vesting). The last tranche of the time-based portion of the award vested in July 2023. With respect to the performance-based portion of the award scheduled to vest in 2023, no portion of the award vested because the Company did not achieve at least 30% revenue growth for the year through the relevant date of vesting, as shown below:

Period	2023 YTD Revenue (\$ (millions))	2022 YTD Revenue (\$ (millions))	Growth (%)	Vesting Achieved
January 1 - March 31	851	1,011	-15.8	No
January 1 - June 30	2,084	2,426	-14.1	No

- Because the vesting period of the 2020 stock option award expired, including forfeiture of the portion of the award that did not meet Company growth targets during the vesting period, in July 2023, the Compensation Committee (with Mr. Sanford dismissed and recused) undertook a multi-month review of Mr. Sanford's compensation package alongside the real estate industry chief executive officer compensation trends reported in the Proxy Survey of Compensation in the Russell 2000 Index (May 2023). The Compensation Committee also considered Mr. Sanford's additional responsibilities as CEO of eXp Realty, LLC, the need to incentivize Mr. Sanford's ongoing service, and the goal to align his compensation in a way that drives stockholder value and outperformance of certain peer companies. The Compensation Committee (with Mr. Sanford dismissed and recused) determined and recommended to the Board, and the Board agreed by unanimous vote (with Mr. Sanford dismissed and recused), that a new long-term incentive equity award would appropriately incentivize Mr. Sanford, align with industry trends, and be in the stockholder's best interest.
- As such, Mr. Sanford received a stock option award on September 28, 2023 covering 335,000 shares, vesting as follows:
 - Time-Based: 167,500 shares for which vesting is based on continued service, vesting in equal quarterly installments over a three-year period beginning on the grant date;
 - Performance-Based: 167,500 shares, 1/3 of which will vest on the first anniversary of the grant date, and the remainder will vest in 12 equal installments on a quarterly basis, subject to continued service, provided, in each case, that our total stockholder return ("TSR") from the grant date through the first anniversary thereof exceeds the market cap weighted average TSR of: RE/MAX Holdings, Inc. (RMAX), Compass, Inc. (COMP), Redfin Corp. (RDFN), and Anywhere Real Estate Inc. (HOUS).
- Mr. Sanford also received a stock award of 170,000 restricted stock units, vesting in equal quarterly installments over a one-year period beginning on the grant date, subject to continued service.
- These awards are reflected in the equity table below under "2023 NEO Award Compensation."

2023 NEO Award Compensation: In May 2023, the Compensation Committee conducted an annual review of the compensation of Messrs. Whiteside, Cheng, Ansari, Bramble, and Pareja, among other executive officers. The Compensation Committee acknowledged that each NEO's existing long-term equity award compensation had been significantly devalued or devalued completely, primarily due to macro-economic factors and industry antitrust litigation. The Compensation Committee acknowledged and discussed that each NEO was critical for the Company's long-term success and that additional long-term equity incentives were required in order to continue to maintain the services of the NEOs and to continue to focus their efforts on driving increased stockholder value. The Compensation Committee considered each NEO's total mix of compensation and alignment with industry benchmarks and recommended to the Board, and the Board subsequently adopted by unanimous consent, the following stock option awards, each vesting in equal quarterly installments over four years, subject to continued service:

- **Jeff Whiteside:** An option to purchase up to 250,000 common shares of the Company.
- **Kent Cheng:** An option to purchase up to 100,000 common shares of the Company.
- **Shoeb Ansari:** An option to purchase up to 200,000 common shares of the Company.
- **James Bramble:** An option to purchase up to 150,000 common shares of the Company.
- **Leo Pareja:** An option to purchase up to 100,000 common shares of the Company.

The below table depicts those equity awards that the Compensation Committee determined and recommended our Board approve, and the Board approved (with Mr. Sanford recused as to his own equity award discussion, determination, and approval), to our NEOs during the year ended December 31, 2023:

Named Executive Officer	RSUs (number of shares)	Stock Option Awards (number of shares)
Glenn Sanford	170,000	335,000
Jeff Whiteside	-	250,000
Kent Cheng	-	100,000
Shoeb Ansari	-	200,000
James Bramble	-	150,000
Leo Pareja	-	100,000

Health and Welfare Benefits

Our NEOs are eligible to participate in our employee benefit programs on the same basis as our other full-time, salaried employees. These benefits include a 401(k) plan, with the Company matching up to 4% of each participant's eligible compensation, medical (including a medical waiver reimbursement of \$100 per paycheck if he/she declines to use Company coverage), dental and vision benefits, disability insurance, basic life insurance coverage, health savings accounts, accidental death and dismemberment insurance, and a monthly technology reimbursement of \$40, as well as employer-paid wellness benefits, including an employee subscriptions to the Calm[®] and Noom[®] mobile application. We design our employee benefits programs to be affordable and competitive in relation to the market, as well as compliant with applicable laws and practices. We adjust our employee benefits programs as needed based upon regular monitoring of applicable laws and practices and the competitive market. We believe these benefits are necessary to be competitive within our industry and the expense of these programs is offset by their attraction and retention value.

Special and Other Benefits

In general, we do not view perquisites or other personal benefits as a significant component of our executive compensation program. No NEOs received material perquisites or other personal benefits during 2023 that were not provided to our employees generally.

2021 Stock Split

On January 15, 2021, the Company's Board of Directors approved a two-for-one stock split in the form of a stock dividend to stockholders of record as of January 29, 2021 (the "Stock Split"). The Stock Split was effected on February

12, 2021. All shares, RSUs, stock options, and per share information reported in this Proxy Statement have been retroactively adjusted to reflect the Stock Split.

Executive Employment Terms

We have entered into written offer letters with certain of our NEOs, but each of our NEOs is at-will and we do not have employment contracts with them. In filling NEO positions, we recognize that we have to develop competitive compensation packages to attract qualified candidates in a dynamic labor market.

- **Mr. Sanford:** Mr. Sanford is the founder of the Company, and currently the CEO of the Company and eXp Realty, and no formal offer letter or engagement letter was entered into between Mr. Sanford and the Company. Mr. Sanford's current annual base salary is \$1,575,000. Subject to the Board's discretion, Mr. Sanford is eligible to receive certain cash bonus compensation and long-term incentive awards (see "Compensation Discussion and Analysis – Quarterly and Other Cash Bonuses – Cash Bonus" and "Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards) – Glenn Sanford Award Compensation" for additional details).
- **Mr. Whiteside:** Mr. Whiteside's employment with the Company terminated effective December 1, 2023 (see "Compensation Tables Potential Payments upon Termination or Change in Control" for additional details).
- **Mr. Cheng:** We entered into an offer letter with Mr. Cheng, effective March 6, 2020, to serve as our Global Controller. In April 2021, Mr. Cheng was promoted to Chief Accounting Officer. On December 1, 2023, Mr. Cheng assumed the additional role of Principal Financial Officer. Mr. Cheng's current annual base salary is \$386,851. Subject to Mr. Cheng's contribution to Company growth, Mr. Cheng is eligible to receive certain annual cash bonus compensation (see "Compensation Discussion and Analysis – Quarterly and Other Cash Bonuses – Annual Cash Bonus" for additional details) and has also received long-term incentive awards (see "Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards) – 2023 NEO Award Compensation" for additional details).
- **Mr. Ansari:** We entered into an offer letter with Mr. Ansari, effective March 14, 2022, to serve as our Chief Information Officer. Mr. Ansari's annual base salary was \$500,000. Subject to the Board's discretion and Mr. Ansari's contributions to Company growth, Mr. Ansari was eligible to receive certain annual cash bonus compensation (see "Compensation Discussion and Analysis – Quarterly and Other Cash Bonuses – Annual Cash Bonus" for additional details) and long-term incentive awards (see "Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards) – 2023 NEO Award Compensation" for additional details). Pursuant to the terms of his offer letter with the Company, Mr. Ansari was eligible to receive a payment (i) equal to four months' of base pay in the event Mr. Ansari's employment was terminated by the Company without cause, or (ii) equal to one year of base pay in the event Mr. Ansari's employment was terminated by the Company without cause in connection with a sale of the Company resulting in the Company no longer being publicly listed. Consistent with past practice, such severance would have been paid lump-sum, contingent on the effectiveness of a release of claims in favor of the Company. Mr. Ansari's employment with the Company terminated effective March 20, 2024.
- **Mr. Bramble:** We entered into an offer letter with Mr. Bramble, effective March 12, 2019, to serve as our Chief Counsel. In October 2019, Mr. Bramble assumed the additional role of Corporate Secretary. Mr. Bramble's current annual base salary is \$406,000. Subject to Mr. Bramble's contribution to Company growth, Mr. Bramble is eligible to receive certain annual cash bonus compensation (see "Compensation Discussion and Analysis – Quarterly and Other Cash Bonuses – Annual Cash Bonus" for additional details) and has also received long-term incentive awards (see "Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards) – 2023 NEO Award Compensation" for additional details). Pursuant to the terms of his offer letter, Mr. Bramble is eligible to receive a payment equal to four months' of base salary in the event Mr. Bramble is terminated by the Company without cause which would be paid lump-sum, contingent on the effectiveness of a release of claims in favor of the Company.
- **Mr. Pareja:** We entered into an offer letter with Mr. Pareja, effective May 21, 2022, to serve as our President of eXp Realty Affiliated Services. In November 2022, Mr. Pareja was promoted to Chief Strategy Officer, eXp Realty. Mr. Pareja's current annual base salary is \$500,000. Subject to Mr. Pareja's contribution to Company growth, Mr. Pareja is eligible to receive certain annual cash bonus compensation (see

“*Compensation Discussion and Analysis – Quarterly and Other Cash Bonuses – Annual Cash Bonus*” for additional details) and has also received long-term incentive awards (see “*Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards) – 2023 NEO Award Compensation*” for additional details).

Resignation, Retirement, Other Termination, or Change in Control Arrangements

Certain NEOs have been granted post-employment compensation benefits, including severance and change of control arrangements. In the event of employment termination:

- Mr. Sanford’s revenue share would continue even after ceasing to be an employee of the Company;
- Per his offer letter, Mr. Bramble is eligible to receive a severance payment of up to four months’ of base salary in the event Mr. Bramble’s employment is terminated by the Company without cause; and
- Per his offer letter, Mr. Ansari was eligible to receive a severance payment of up to four months’ of base salary in the event Mr. Ansari’s employment was terminated by the Company without cause (12 months if such termination was in connection with a sale of the Company resulting in the Company no longer being publicly listed).

Additionally, any option awards granted to employees, including NEOs, may be exercised: (i) for 90 days after his or her termination of employment, (ii) for 12 months after his or her death (if such death occurred during such person’s employment or if such death occurred during the 90 days after termination), and (iii) for 6 months after certain events of disability (if such death occurred during such person’s employment), but in each case only to the extent such option(s) would have been exercisable by such person on the date of termination, death or disability. Pursuant to the terms of the Company’s 2015 Equity Incentive Plan, the Board may, but is not obligated to, accelerate, vest, cancel for fair value, or issue substitute awards for any option awards upon a change of control.

There are no other arrangements for resignation, retirement, termination, or change in control arrangements (including, without limitation, severance, non-401(k)-retirement or pension benefits) with any NEOs in their capacity as such.

Clawback Policy

As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), we maintain a claw back policy, which requires that certain incentive compensation paid to any current or former executive officer, including our NEOs, will be subject to recoupment if (x) the incentive compensation was calculated based on financial statements that were required to be restated due to material noncompliance with financial reporting requirements, without regard to any fault or misconduct, and (y) that noncompliance resulted in overpayment of the incentive compensation within the three fiscal years preceding the fiscal year in which the restatement was required. Incentive compensation subject to the claw back policy consists of compensation that is granted, earned or vested based wholly or in part upon the attainment of a financial reporting measure (as defined in the rules implementing such requirement), including stock price and total shareholder return, on and after October 2, 2023.

Tax and Accounting Considerations

Deductibility of Executive Compensation

Section 162(m) of the Internal Revenue Code (the “Code”) generally places a \$1 million annual deduction limit on compensation paid to “covered employees,” which includes certain current and former named executive officers. Our Board and Compensation Committee may, in their discretion, recommend and authorize, as applicable, compensation payments that may or may not be deductible by the Company when we believe such payments are appropriate to attract, retain or motivate executive officers. We expect that a portion of the compensation paid to our named executive officers during 2023 will not be deductible under Section 162(m) of the Code.

Accounting for Stock-Based Compensation

We follow FASB ASC Topic 718 for our stock-based compensation awards. FASB ASC Topic 718 requires us to measure the compensation expense for all share-based payment awards made to our employees and non-employee members of our Board, including options to purchase shares of our common stock and other stock awards, based on the grant date “fair value” of these awards. This calculation is performed for accounting purposes and reported in the executive compensation tables required by the federal securities laws, even though the recipient may never realize any value from such awards.

Taxation of “Parachute” Payments and Deferred Compensation

We do not provide our NEOs with a “gross-up” or other reimbursement payment for any tax liability that he or she might owe as a result of the application of Sections 280G, 4999, or 409A of the Code. Sections 280G and 4999 of the Code provide that executive officers and directors who hold significant equity interests in our Company, and certain other service providers, may be subject to an excise tax if they receive payments or benefits in connection with a change in control of our Company that exceeds certain prescribed limits, and that the Company, or a successor, may forfeit a deduction on the amounts subject to this additional tax. Section 409A of the Code also imposes additional significant taxes on an executive officer, director or other service provider to the Company in the event that he or she receives “deferred compensation” that does not meet certain requirements of Section 409A of the Code.

Anti-Hedging and Anti-Pledging Policies

Certain transactions in our securities (such as short sales, hedging, and transactions in derivatives) create a heightened compliance risk or could create the appearance of misalignment between executive officers and stockholders. In addition, securities that are pledged as collateral or held in a margin account create a risk of being sold without consent if the owner fails to meet a margin call or defaults on the secured obligation, thus creating the risk that a sale may occur at a time when a person is aware of material, non-public information or otherwise is not permitted to trade in Company securities. Our insider trading policy prohibits all Company insiders, including our named executive officers, from engaging in short sales, derivative securities transactions, including hedging, with respect to Company securities, and from pledging Company securities as collateral.

Risks Relating to our Compensation Policies and Practices

Our Board and Compensation Committee considers various factors in developing our compensation program, including any negative impacts on the Company resulting therefrom. In establishing and reviewing the Company’s compensation programs for risk, the Board and Compensation Committee consider features that mitigate against potential risks, such as fixed base salaries; clawbacks for our cash and equity incentives contingent on financial performance; and the quantity and mix of long-term performance-based and time-based equity incentives. In its annual review, the Board and Compensation Committee concluded that the Company’s compensation programs and policies continue to provide an effective and appropriate mix of incentives to help ensure performance is focused on long-term stockholder value creation, and do not encourage short-term risk taking at the expense of long-term results or create risks that are reasonably likely to have a material adverse effect on the Company.

Report of the Compensation Committee of the Board

The Compensation Committee of the Company has reviewed and discussed with management the “*Compensation Discussion and Analysis*” section included in this Proxy Statement, and based on such review and discussion, the Compensation Committee recommended to our board of directors that this “*Compensation Discussion and Analysis*” section be included in this Proxy Statement.

Respectfully submitted,

Glenn Sanford, Chair
Randall Miles
Dan Cahir

The information contained in this Report of the Compensation Committee shall not be deemed to be “soliciting material,” “filed” with the SEC, subject to Regulations 14A or 14C of the Exchange Act, or subject to the liabilities of Section 18 of the Exchange Act. No portion of this Report of the Compensation Committee shall be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Securities Exchange Act of 1934, as amended (the “Exchange Act”), through any general statement incorporating by reference in its entirety the proxy statement in which this report appears, except to the extent that we specifically incorporate this report or a portion of it by reference. In addition, this report shall not be deemed filed under either the Securities Act or the Exchange Act.

Compensation Tables

The following table sets forth information regarding the compensation awarded to, earned by, or paid to each of the named executive officers in accordance with SEC rules.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards ⁽¹⁾ (\$)	Option Awards ⁽²⁾ (\$)	All Other Compensation (\$)	Total (\$)
Glenn Sanford <i>Chief Executive Officer (EXPI and eXp Realty) and Chairman of the Board</i>	2023	1,506,251	81,040	2,779,500	3,424,288	137 ⁽³⁾	7,791,216
	2022 ⁽⁴⁾	1,505,769	205,248	-	-	502	1,711,519
	2021 ⁽⁴⁾	1,528,365	398,644	-	-	189	1,927,198
Jeff Whiteside <i>Chief Financial Officer and Chief Collaboration Officer</i>	2023 ⁽⁵⁾	576,923 ⁽⁶⁾	468,750	-	2,221,094	2,854 ⁽⁷⁾	3,269,621
	2022 ⁽⁴⁾	566,731	575,000	-	-	3,435	1,145,166
	2021 ⁽⁴⁾	501,923	500,000	-	1,621,749	8,343	2,632,015
Kent Cheng <i>Chief Accounting Officer and Principal Financial Officer</i>	2023 ⁽⁸⁾	386,851	193,424	-	888,437	10,403 ⁽⁹⁾	1,479,115
Shoeb Ansari <i>Chief Information Officer</i>	2023 ⁽¹⁰⁾	500,000	250,000	-	1,776,875	10,213 ⁽¹¹⁾	2,537,088
	2022 ⁽¹²⁾	384,615	193,750 ⁽¹³⁾	-	4,600,196	14,189	5,192,750
James Bramble <i>Chief Legal Counsel, General Counsel and Corporate Secretary</i>	2023	406,000	203,000	-	1,332,656	11,973 ⁽¹⁴⁾	1,953,629
Leo Pareja <i>Chief Strategy Officer, eXp Realty</i>	2023	451,923 ⁽¹⁵⁾	225,000	-	888,437	10,184 ⁽¹⁶⁾	1,575,544

⁽¹⁾ In accordance with SEC rules, the amounts shown reflect the aggregate grant date fair value of stock awards granted to NEOs during 2023, computed in accordance with FASB ASC 718, excluding the impact of forfeitures. The grant date fair value for RSUs is measured based on the closing price of the Company's common stock on the date of grant. The assumptions used in the valuation of the stock awards are consistent with the valuation methodologies specified in *Note 9 - Stockholders' Equity* to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. Stock award vesting for the person listed is contingent on continued service.

⁽²⁾ In accordance with SEC rules, the amounts shown reflect the aggregate grant date fair value of stock option awards granted to NEOs during the covered year, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, excluding the impact of forfeitures. The grant date fair value for stock option awards is measured based on the closing price of the Company's common stock on the date of grant. The assumptions used in the valuation of the stock options granted in 2023 are consistent with the valuation methodologies specified in *Note 9 - Stockholders' Equity* to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. Option award vesting is contingent on continued service and achievement of certain performance measures described herein, as applicable (see "*Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards)*") for additional details).

⁽³⁾ Consists of \$137 in life insurance premiums paid by the Company on behalf of Mr. Sanford.

⁽⁴⁾ Due to an administrative error, the "Salary" presented for Mr. Sanford and Mr. Whiteside was overstated in 2022, by approximately \$62,981 and \$9,615, respectively, and in 2021 understated by approximately \$28,365 and \$1,923, respectively. The adjusted values are reflected in this Summary Compensation Table. In 2023, as described in the "Compensation Discussion and Analysis", Mr. Sanford voluntarily elected to reduce his base salary by 50% for January and February 2023.

⁽⁵⁾ Mr. Whiteside's employment ceased on December 1, 2023.

⁽⁶⁾ Reflects Mr. Whiteside's mid-year salary increase in May 2023.

⁽⁷⁾ Consists of \$137 in life insurance premiums paid by the Company and \$2,717 in Company 401(k) contributions on behalf of Mr. Whiteside.

⁽⁸⁾ Mr. Cheng assumed the role of Principal Financial Officer on December 1, 2023.

⁽⁹⁾ Consists of \$137 in life insurance premiums paid by the Company and \$10,266 in Company 401(k) contributions on behalf of Mr. Cheng.

⁽¹⁰⁾ Mr. Ansari's employment ceased on March 20, 2024.

⁽¹¹⁾ Consists of \$137 in life insurance premiums paid by the Company, \$760 in employer-paid health savings account contributions, and \$9,316 in Company 401(k) contributions on behalf of Mr. Ansari.

- (12) Mr. Ansari's employment with the Company commenced on March 21, 2022.
- (13) Mr. Ansari received a \$6,250 bonus payment during 2023 but not paid due to an inadvertent administrative error. Due to the administrative error, the previously reported amount was \$187,500 for Mr. Ansari in 2022.
- (14) Consists of \$137 in life insurance premiums paid by the Company, \$1,080 in employer-paid health savings account contributions, and \$10,756 in Company 401(k) contributions on behalf of Mr. Bramble.
- (15) Reflects Mr. Pareja's mid-year salary increase in May 2023.
- (16) Consists of \$137 in life insurance premiums paid by the Company and \$10,047 in Company 401(k) contributions on behalf of Mr. Pareja.

2023 Grants of Plan-Based Awards

The following table provides information with respect to grants of plan-based awards to the named executive officers for the year ended December 31, 2023:

Name	Grant Date	Estimated future payouts under equity incentive plan awards ⁽¹⁾			All Other Stock Awards: Number of Shares of Stock or Units ⁽²⁾	All Other Option Awards: Number of Securities Underlying Options ⁽²⁾	Exercise Price or Base Price of Option Awards (\$/Sh) ⁽³⁾	Grant Date Fair Value of Stock and Option Awards ⁽³⁾
		Threshold (#)	Target (#)	Maximum (#)				
Glenn Sanford	September 28, 2023	-	-	-	170,000	149,152	16.35	4,306,171
	September 28, 2023	-	-	167,500	-	-	16.35	1,714,475
	September 28, 2023	-	-	-	-	18,348	17.99	183,143
Jeff Whiteside	May 19, 2023	-	-	-	-	250,000	14.46	2,221,093
Kent Cheng	May 19, 2023	-	-	-	-	100,000	14.46	888,437
Shoeb Ansari	May 19, 2023	-	-	-	-	200,000	14.46	1,776,875
James Bramble	May 19, 2023	-	-	-	-	150,000	14.46	1,332,656
Leo Pareja	May 19, 2023	-	-	-	-	100,000	14.46	888,437

- (1) Amounts in this column reflects the maximum payout opportunity of the performance-based option award granted to Mr. Sanford, 1/3 of which will vest on the first anniversary of the grant date, and the remainder will vest in 12 equal installments on a quarterly basis, subject to continued service, provided, in each case, that certain relative TSR goals are achieved. See "Compensation Discussion and Analysis" above for additional information.
- (2) See "Compensation Discussion and Analysis" for a discussion of 2023 equity awards. All equity awards were made under the 2015 Equity Incentive Plan.
- (3) In accordance with SEC rules, the amounts shown for option awards reflect the aggregate grant date fair value of stock option awards granted to NEOs during 2023, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, excluding the impact of estimated forfeitures. The grant date fair value for stock option awards is measured based on the closing price of the Company's common stock on the date of grant. The amounts shown for restricted stock awards reflect the aggregate grant date fair value of restricted stock awards granted to our NEOs in fiscal 2023, as computed in accordance with FASB 718, excluding the impact of estimated forfeitures. The assumptions used in the valuation of the restricted stock and stock options are consistent with the valuation methodologies specified in Note 9 – Stockholders' Equity to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Outstanding Equity Awards as of December 31, 2023

The following table provides information regarding the equity awards outstanding as of December 31, 2023 held by each of our named executive officers:

Name	Option Awards					Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that have not Vested (#)	Market Value of Shares or Units of Stock that have not Vested (\$)
Glenn Sanford	-	-	-	-	-	127,500 ⁽¹⁾	1,978,800
	40,256 ⁽²⁾	-	-	10.93	7/31/2025	-	-
	959,744 ⁽²⁾	-	-	9.94	7/31/2030	-	-
	750,000 ⁽³⁾	-	-	9.94	7/31/2030	-	-
	13,958 ⁽⁴⁾	135,194 ⁽⁴⁾	-	16.35	9/28/2033	-	-
	-	18,348 ⁽⁴⁾	-	17.99	9/28/2028	-	-
	-	-	167,500 ⁽⁵⁾	16.35	9/28/2033	-	-
Jeff Whiteside	200,000 ⁽⁶⁾⁽⁷⁾	-	-	20.77	3/1/2024	-	-
	31,250 ⁽⁷⁾⁽⁸⁾	-	-	14.46	3/1/2024	-	-
Kent Cheng	12,500 ⁽⁹⁾	6,250 ⁽⁹⁾	-	4.13	3/29/2030	-	-
	12,500 ⁽⁸⁾	87,500 ⁽⁸⁾	-	14.46	5/19/2033	-	-
Shoeb Ansari	131,250 ⁽¹⁰⁾⁽¹¹⁾	168,750 ⁽¹⁰⁾	-	24.56	3/21/2032	-	-
	25,000 ⁽⁸⁾⁽¹¹⁾	175,000 ⁽⁸⁾	-	14.46	5/19/2033	-	-
James Bramble	63,000 ⁽¹²⁾	-	-	5.32	3/17/2029	-	-
	15,000 ⁽¹³⁾	5,000 ⁽¹³⁾	-	29.50	10/9/2030	-	-
	18,750 ⁽⁸⁾	131,250 ⁽⁸⁾	-	14.46	5/19/2033	-	-
Leo Pareja	37,500 ⁽¹⁴⁾	62,500 ⁽¹⁴⁾	-	13.85	5/23/2032	-	-
	12,500 ⁽⁸⁾	87,500 ⁽⁸⁾	-	14.46	5/19/2033	-	-

*Market value is calculated based on the closing price of our common stock on The Nasdaq Global Select Market on December 29, 2023 (the last trading day of our fiscal year), which was \$15.52.

- (1) Stock award was granted on September 28, 2023 and vests in equal quarterly installments over one year following the grant date.
- (2) Option award was granted July 31, 2020 and is fully vested.
- (3) Option award was granted on July 31, 2020 and partially vested based on continued service and based on revenues – see “*Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards) – Glenn Sanford Award Compensation*” for additional details.
- (4) Option award was granted on September 28, 2023 and vests in equal quarterly installments over three years following the grant date.
- (5) Option award was granted September 28, 2023. 55,833 options vest on the one-year anniversary of the grant date and 111,667 vest in equal quarterly installments over a two year period beginning on the one-year anniversary of the grant date, based on continued service and Company stock performance rules. See “*Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards) – Glenn Sanford Award Compensation*” for additional details.
- (6) Option award was granted November 1, 2020 and is fully vested.
- (7) Mr. Whiteside’s employment ceased on December 1, 2023 and the option award terminated on February 29, 2024, unless earlier exercised.
- (8) Option award was granted May 19, 2023 and vests in equal quarterly installments over four years following the grant date.
- (9) Option award was granted March 29, 2020 and vests in equal quarterly installments over four years following the grant date.
- (10) Option award was granted March 21, 2022 and vests in equal quarterly installments over four years following the grant date.
- (11) Mr. Ansari’s employment ceased on March 20, 2024 and the option award will terminate on June 20, 2024, unless earlier exercised.
- (12) Option award was granted March 18, 2019 and vests in equal quarterly installments over four years following the grant date.

- (13) Option award was granted October 9, 2020 and vests in equal quarterly installments over four years following the grant date.
- (14) Option award was granted May 23, 2022 and vests in equal quarterly installments over four years following the grant date.

2023 Option Exercises and Stock Vested

The following table provides information with respect to the Company stock options exercised by and Company RSU awards vested to the named executive officers for the year ended December 31, 2023:

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ⁽¹⁾ (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ⁽²⁾ (\$)
Glenn Sanford	-	-	42,500	670,225
Jeff Whiteside	340,000	6,142,449	-	-
Kent Cheng	32,008	625,937	-	-
Shoeb Ansari	-	-	-	-
James Bramble	68,000	921,526	-	-
Leo Pareja	-	-	-	-

- (1) The value realized on exercise is pre-tax and represents the difference between the market price of the shares of the Company's common stock underlying the options when exercised and the applicable exercise price.
- (2) The value realized on vesting is pre-tax and represents the market price of the shares of the Company's common stock underlying the vested stock awards.

Potential Payments upon Termination or Change in Control

Pursuant to the terms of his offer letter with the Company, Mr. Bramble is eligible to receive a payment of up to four months of base salary, less applicable withholding, in the event Mr. Bramble is terminated by the Company without cause, which term is undefined. Mr. Bramble's receipt of severance is subject to his execution of a general release in the form prescribed by the Company. Such severance payment would be equal to \$135,333, less applicable withholding (as of December 31, 2023). Consistent with past practice, such severance would be paid lump-sum, contingent on the effectiveness of a release of claims in favor of the Company.

Pursuant to the terms of his offer letter with the Company, Mr. Ansari was eligible to receive a payment (i) equal to four months' of base pay in the event Mr. Ansari's employment was terminated by the Company without cause, or (i) equal to one year of base pay in the event Mr. Ansari's employment was terminated by the Company without cause in connection with a sale of the Company resulting in the Company no longer being publicly listed. Such severance payment would be equal to \$166,666.67 or \$500,000, less applicable withholding (as of December 31, 2023), for each such termination event, respectively. Consistent with past practice, such severance would have been paid lump-sum, contingent on the effectiveness of a release of claims in favor of the Company.

Pursuant to the terms of his offer letter with the Company, Mr. Whiteside was not eligible to receive a payment connection with his termination of employment.

Under our 2015 Equity Incentive Plan, as amended, if we experience a change in control transaction, the Board may, but is not obligated to: accelerate, vest or cause the restrictions to lapse with respect to all or any portion of an award; cancel awards for fair value (as determined by the Board); provide for the assumption of awards or the issuance of substitute awards that will substantially preserve the otherwise applicable terms of any affected award previously granted hereunder as determined by the Board; or provide advance notice of such change in control transaction to holders of options, after which any options not exercised prior to such change in control may be cancelled. Our 2015 Equity Incentive Plan defines a "change in control" as "(i) the dissolution or liquidation of the Company, (ii) a reorganization, merger or consolidation as a result of which the Company is not the surviving entity or as a result of which the outstanding shares of Stock are changed into or exchanged for cash, property or securities not of the Company's issue, except for a merger or consolidation with a wholly-owned subsidiary of the Company or a transaction effected primarily to change the state of the Company's incorporation, or (iii) a sale or other transfer in one or a series of transactions of all or substantially all of the assets of the Company, or of more than eighty percent

(80%) of the voting stock of the Company then outstanding, to any person or entity or to persons or entities which are affiliated or acting in concert with respect to such sale or transfer.”

CEO Pay Ratio

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, the Company is providing the following reasonable estimate of the ratio of the median of the annual total compensation of all of our employees except Mr. Sanford, our CEO, to the annual total compensation of Mr. Sanford, calculated in a manner consistent with Item 402(u). For the year ended December 31, 2023:

- The median of the annual total compensation of all of our employees, including our consolidated subsidiaries, but excluding our CEO, was \$61,152.
- The annual total compensation of our CEO was \$7,791,216.
- For fiscal year 2023, the ratio of the annual total compensation of our CEO to the annual total compensation of the median employee was 127 to 1.

The following is our methodology used to identify our median employee for fiscal year 2023:

- December 31, 2023 was the date used to determine our employee population which includes full-time, part-time and temporary employees. As of that date, our employee population was 1,932 and consisted of individuals working at our parent company and our subsidiaries in the United States, including Puerto Rico, and Canada (308 employees), but excluding the Company’s employee population located in France (6 employees), Germany (2 employees), India (71 employees), Portugal (9 employees), the United Kingdom (17 employees), and Mexico (15 employees). SEC rules allow foreign employees to be excluded in a country if those employees account for 5% or less of the total employees (“de-minimis exclusion”). We did not include independent contractors or persons providing services to the Company in foreign jurisdictions through non-employment structures (such as, for example, professional employer organizations), as permitted by SEC rules.
- To determine the median employee of our employee population (other than Mr. Sanford), we used a consistently applied compensation measure comparing the cash compensation (total annual compensation and bonuses) paid in 2023 as reflected in our payroll records as of December 31, 2023, plus all stock compensation vested in 2023. To determine the median employee of our employee population, we do not realize the stock compensation value as a portion of employee compensation until it has vested. Additionally, we have annualized the total compensation for all permanent employees (full-time and part-time) that were employed by the Company (or one of its subsidiaries) for less than the full fiscal year.
- Using the employee (other than Mr. Sanford) compensation paid in 2023, we identified a median employee. The median employee identified is a full-time employee, paid hourly. The median employee identified accurately represents a median employee as the Company employs many hourly full-time employees, the median employee’s position is a common employee position, and the median employee earns compensation representative of our median employee compensation.
- Compensation paid to CAD employees was converted to USD based on the conversion rate in effect at the close of business on December 31, 2023.

Once we determined our median compensated employee using these measures, we calculated the employee’s 2023 annual total compensation using the same methodology that is used to calculate our CEO’s annual total compensation in the table entitled “*Summary Compensation Table*.”

The pay ratio is a reasonable estimate calculated in a manner consistent with Item 402(u), and based upon our reasonable judgment and assumptions. The SEC rules do not specify a single methodology for identification of the median employee or calculation of the pay ratio, and other companies may use assumptions and methodologies that are different from those used by us in calculating their pay ratio. Accordingly, the pay ratio disclosed by other companies may not be comparable to our pay ratio as disclosed above.

Pay Versus Performance

As required by Section 953(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(v) of Regulation S-K, we are providing certain information, including information about the relationship between

executive compensation actually paid to certain individuals by the Company and certain financial performance of the Company. For further information concerning the Company's pay-for-performance philosophy and how the Company aligns executive compensation with the Company's performance, refer to the Compensation Discussion and Analysis section of this Proxy Statement. Any differences in total values are due to rounding.

Fiscal Year	Summary Compensation Table Total for PEO ⁽¹⁾	Compensation Actually Paid to PEO ⁽²⁾	Average Summary Compensation Table Total for Non-PEO NEOs ⁽³⁾	Average Compensation Actually Paid to Non-PEO NEOs ⁽⁴⁾	Value of Initial Fixed \$100 Investment Based On:				
					Total Stockholder Return ⁽⁵⁾	Peer Group Total Stockholder Return ⁽⁶⁾	Net Income (millions) ⁽⁷⁾	Annual Total Stockholder Return ⁽⁸⁾	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
2023	\$ 7,791,216	\$ 15,260,065	\$ 2,162,999	\$ 1,986,753	\$ 280	\$ 220	\$ (9.0)	46 %	
2022 ⁽⁹⁾	\$ 1,711,519	\$ (11,472,649)	\$ 2,056,390	\$ (913,162)	\$ 198	\$ 136	\$ 15.4	(72) %	
2021 ⁽⁹⁾	\$ 1,927,198	\$ 13,835,135	\$ 1,249,992	\$ 2,443,631	\$ 596	\$ 192	\$ 81.2	97 %	
2020	\$ 15,959,261	\$ 53,556,375	\$ 1,701,933	\$ 7,078,010	\$ 557	\$ 128	\$ 31.0	381 %	

(1) This column represents the amount of total compensation reported for Mr. Sanford (our Chairman and Chief Executive Officer of the Company and eXp Realty) for each corresponding fiscal year in the "Total" column of the Summary Compensation Table ("total compensation"). Please refer to the Summary Compensation Table in the Company's Proxy Statement for the applicable year.

(2) This column represents the amount of "compensation actually paid" to Mr. Sanford, as computed in accordance with Item 402(v) of Regulation S-K. The amounts do not reflect the actual amount of compensation earned by or paid to Mr. Sanford during the applicable fiscal year. In accordance with the requirements of Item 402(v) of Regulation S-K, the following adjustments were made to Mr. Sanford's total compensation for fiscal year 2023, 2022, and 2021 to determine the "compensation actually paid" in each applicable year:

Fiscal Year	Reported Summary Compensation Table Total for PEO ^(a)	Reported Summary Compensation Table Value of PEO Equity Awards ^(b)	Adjusted Value of Equity Awards ^(c)	Compensation Actually Paid to PEO
2023	\$ 7,791,216	\$ 6,203,788	\$ 13,672,637	\$ 15,260,065

(a) This column represents the amount of total compensation reported for Mr. Sanford for each corresponding fiscal year in the "Total" column of the Summary Compensation Table. Please refer to the Summary Compensation Table in this Proxy Statement.

(b) This column represents the aggregate grant date fair value of equity awards reported in the "Stock Awards" and "Option Awards" columns in the Summary Compensation Table for the corresponding fiscal year. Please refer to the Summary Compensation Table in this Proxy Statement. The amount in this column is replaced with the corresponding amount reported under the Adjusted Value of Equity Awards column in order to arrive at compensation actually paid for the applicable fiscal year.

(c) This column represents an adjustment to the amounts in the "Stock Awards" and "Option Awards" columns in the Summary Compensation Table for the applicable fiscal year (a "Subject Year"). For a Subject Year, the adjusted amount replaces the "Stock Awards" and "Option Awards" columns in the Summary Compensation Table for Mr. Sanford to arrive at "compensation actually paid" to Mr. Sanford for that Subject Year. The adjusted amount is determined by adding (or subtracting, as applicable) the following for that Subject Year: (i) the fiscal year-end fair value of any equity awards granted in the Subject Year that are outstanding and invested as of the end of the Subject Year; (ii) the amount of change as of the end of the Subject Year (from the end of the prior fiscal year) in the fair value of any awards granted in prior fiscal years that are outstanding and unvested as of the end of the Subject Year; (iii) for awards that are granted and vest in the Subject Year, the fair value as of the vesting date; (iv) for awards granted in prior fiscal years that vest in the Subject Year, the amount equal to the change as of the vesting date (from the end of the prior fiscal year) in the fair value; (v) for awards granted in prior fiscal years that are determined to fail to meet the applicable vesting conditions during the Subject Year, a deduction for the amount equal to the fair value at the end of the prior fiscal year; and (vi) the dollar value of any dividends or other earnings paid on stock or option awards in the Subject Year prior to the vesting date that are not otherwise reflected in the fair value of such award or included in any other component of total compensation for the Subject Year. The amounts added or subtracted to determine the adjusted amount are as follows:

Fiscal Year	Fiscal Year End Fair Value of Outstanding and Unvested Equity Awards Granted in the Fiscal Year	Fiscal Year over Fiscal Year Change in Fair Value of Outstanding and Unvested Equity Awards at FYE Granted in Prior Fiscal Years	Fair Value as of Vesting Date of Equity Awards Granted and Vested in the Fiscal Year	Change in Fair Value of Equity Awards Granted in Prior Fiscal Years that Vested in the Fiscal Year	Fair Value at the End of the Prior Fiscal Year of Equity Awards that Failed to Meet Vesting Conditions in the Fiscal Year	Value of Dividends or other Earnings Paid on Stock or Option Awards not Otherwise Reflected in Fair Value or Total Compensation in the Summary Compensation Table for the Fiscal Year	Adjusted Value of Equity Awards
2023	\$ 5,248,999	\$ -	\$ 801,786	\$ 915,323	\$ (1,229,995)	\$ 7,936,524	\$ 13,672,637

The fair value or change in fair value, as applicable, of stock awards and option awards was determined by reference to, for RSU awards, the closing price of our common stock on the applicable measurement date. For stock options, the fair value or change in fair value, as applicable, was determined using a Black-Scholes valuation model. The model references the closing stock price, in addition to the stock option's strike price, expected life, volatility, expected dividend yield, and risk-free rate as of the measurement date.

- (3) This column represents the average of the amounts reported for the Company's named executive officers (NEOs) as a group (excluding Mr. Sanford) in the "Total" column of the Summary Compensation Table in each applicable fiscal year. Please refer to the Summary Compensation Table in the Company's Proxy Statement for the applicable year. The names of each of the NEOs (excluding Mr. Sanford) included for purposes of calculating the average amounts in each applicable fiscal year are as follows: (i) for 2023, Jeff Whiteside, Kent Cheng, Shoeb Ansari, James Bramble, and Leo Pareja; (ii) for 2022, Jeff Whiteside, Shoeb Ansari, Jason Gesing, and Michael Valdes; (iii) for 2021, Jeff Whiteside, Jason Gesing, Courtney Keating (Chakarun), and Michael Valdes; and (iv) for 2020, Jeff Whiteside, Stacey Onnen, Michael Valdes, and Courtney Keating (Chakarun).
- (4) This column represents the average amount of "compensation actually paid" to the NEOs as a group (excluding Mr. Sanford), as computed in accordance with Item 402(v) of Regulation S-K. The dollar amounts do not reflect the actual average amount of compensation earned by or paid to the NEOs as a group (excluding Mr. Sanford) during the applicable fiscal year. In accordance with the requirements of Item 402(v) of Regulation S-K, the following adjustments were made to average total compensation for the NEOs as a group (excluding Mr. Sanford) for fiscal year 2023, 2022 and 2021 to determine the compensation actually paid in each applicable fiscal year, using the same adjustment methodology described above in Note 2(c):

Fiscal Year	Average Reported Summary Compensation Table Total for Non-PEO NEOs ^(a)	Average Reported Summary Compensation Table Value of Non-PEO NEO Equity Awards ^(b)	Average Non-PEO NEO Adjusted Value of Equity Awards ^(c)	Average Compensation Actually Paid to Non-PEO NEOs
2023	\$ 2,162,999	\$ 1,421,500	\$ 1,245,253	\$ 1,986,753

- (a) This column represents the average of the amounts reported for the Company's named executive officers (NEOs) as a group (excluding Mr. Sanford) in the "Total" column of the Summary Compensation Table in each applicable fiscal year. Please refer to the Summary Compensation Table in the Company's Proxy Statement for the applicable year.
- (b) This column represents the average of the total amounts reported for the NEOs as a group (excluding Mr. Sanford) in the "Stock Awards" and "Option Awards" columns in the Summary Compensation Table in each applicable year. Please refer to the Compensation Tables section of the Company's Proxy Statement for the applicable year. The amount in this column is replaced with the corresponding amount reported under the Average Non-PEO NEO Adjusted Value of Equity Awards column in order to arrive at compensation actually paid for the applicable fiscal year.
- (c) This column represents an adjustment to the average of the amounts reported for the NEOs as a group (excluding Mr. Sanford) in the "Stock Awards" and "Option Awards" columns in the Summary Compensation Table in each applicable year determined using the same methodology described above in Note 2(c). For each year, the adjusted amount replaces the "Stock Awards" and "Option Awards" columns in the Summary Compensation Table for each NEO (excluding Mr. Sanford) to arrive at "compensation actually paid" to each NEO (excluding Mr. Sanford) for that year, which is then averaged to determine the average "compensation actually paid" to the NEOs (excluding Mr. Sanford) for that year. The amounts added or subtracted to determine the adjusted average amount are as follows:

Fiscal Year	Average Fiscal Year End Fair Value of Equity Awards Granted in the Fiscal Year	Average Fiscal Year over Fiscal Year Change in Fair Value of Outstanding and Unvested Equity Awards at FYE Granted in Prior Fiscal Years	Average Fair Value as of Vesting Date of Equity Awards Granted in the Fiscal Year and Vested in the Fiscal Year	Average Change in Fair Value of Equity Awards Granted in Prior Fiscal Years that Vested in the Fiscal Year	Average Fair Value at the End of the Prior Fiscal Year of Equity Awards that Failed to Meet Vesting Conditions in the Fiscal Year	Average Value of Dividends or other Earnings Paid on Stock or Option Awards not Otherwise Reflected in Fair Value or Total Compensation in the Summary Compensation Table for the Fiscal Year	Adjusted Average Value of Equity Awards
2023	\$ 900,730	\$ 31,107	\$ 207,710	\$ 105,489	\$ -	\$ 217	\$ 1,245,253

- (5) Company total stockholder return (TSR) is calculated by dividing the sum of the cumulative amount of dividends for each measurement period (2020, 2020-2021, 2020-2022, and 2020-2023), assuming dividend reinvestment, and the difference between the Company's share price at the end and the beginning of the measurement period by the Company's share price at the beginning of the measurement period.
- (6) This column represents cumulative peer group TSR, weighted according to the respective companies' stock market capitalization at the beginning of each period for which a return is indicated, and otherwise computed in accordance with Note 5. The peer group used for this purpose is the following published industry index: S&P Homebuilders Select Industry Index.
- (7) This column represents the amount of net income reflected in the Company's audited financial statements for the applicable fiscal year.
- (8) Annual TSR is Company TSR calculated by dividing the sum of the cumulative amount of dividends for each measurement period, assuming dividend reinvestment, and the difference between the Company's share price at the end and the beginning of the measurement period divided by the Company's share price at the beginning of the measurement period. For this purpose, the measurement periods are as follows: for 2023, September 28, 2022 through September 28, 2023; for 2022, September 28, 2021 through September 28, 2022; for 2021, September 28, 2020 through September 28, 2021; and for 2020, September 28, 2019 through September 28, 2020.
- (9) As noted in the footnotes to the Summary Compensation Table, due to an administrative error, the "Salary" presented for Mr. Sanford and Mr. Whiteside was overstated in 2022 by approximately \$62,981 and \$9,615, respectively, and in 2021 by approximately \$28,365 and \$1,923, respectively. The corrected values are reflected in the Summary Compensation Table in this proxy statement. Also, as noted in the footnotes to the Summary Compensation Table, Mr. Ansari received a \$6,250 bonus payment during 2023 that was earned during 2022, but not paid due to an inadvertent administrative error. In addition, due to an administrative error, the "Compensation Actually Paid to PEO" previously presented for Mr. Sanford in 2021 was overstated by \$41,500,556, and the Average Compensation Actually Paid to Non-PEO Neos for 2022 was overstated by \$5,654,462. The amounts disclosed in this Pay Versus Performance disclosure reflect the correct amounts.

Financial Performance Measures

As described in greater detail in the Compensation Discussion and Analysis section of this Proxy Statement, the Company's executive compensation program reflects a pay-for-performance philosophy. The Company believes that reliance on formulaic financial performance measures can result in compensation that is unrelated to the value delivered by our named executive officers because formulaic financial measures do not consider the specific performance of the executive officers or any unique circumstances or strategic considerations related to a named executive officer or the Company for the relevant fiscal year. Rather than rely on a specific formula-based model, we believe that retaining discretion to assess the overall performance of NEOs gives the Company the ability to more accurately reflect individual contributions that cannot be absolutely quantified. Consequently, in fiscal 2023 we

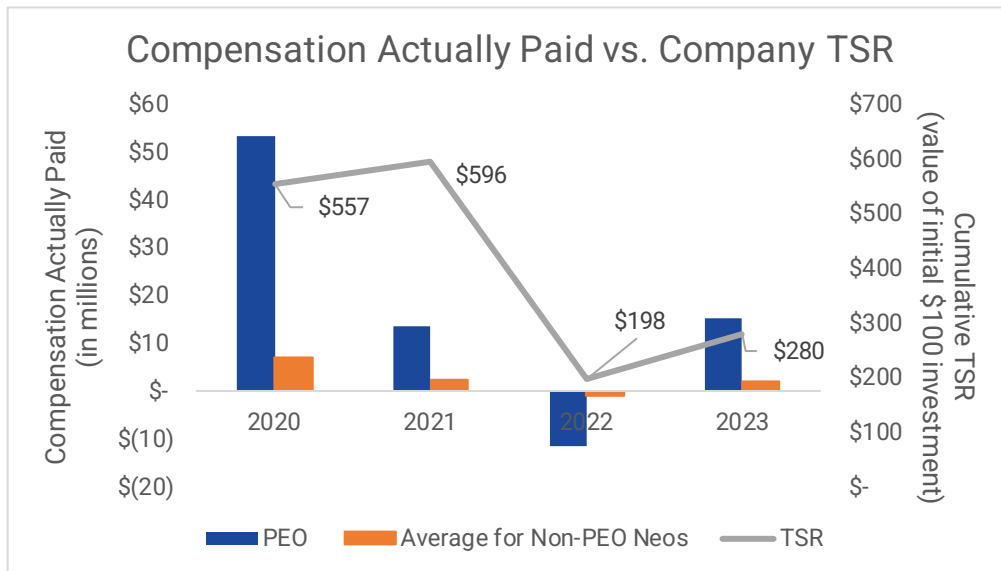
employed one financial measure to determine executive compensation actually paid to the Company's NEOs, as follows:

- Annual TSR.

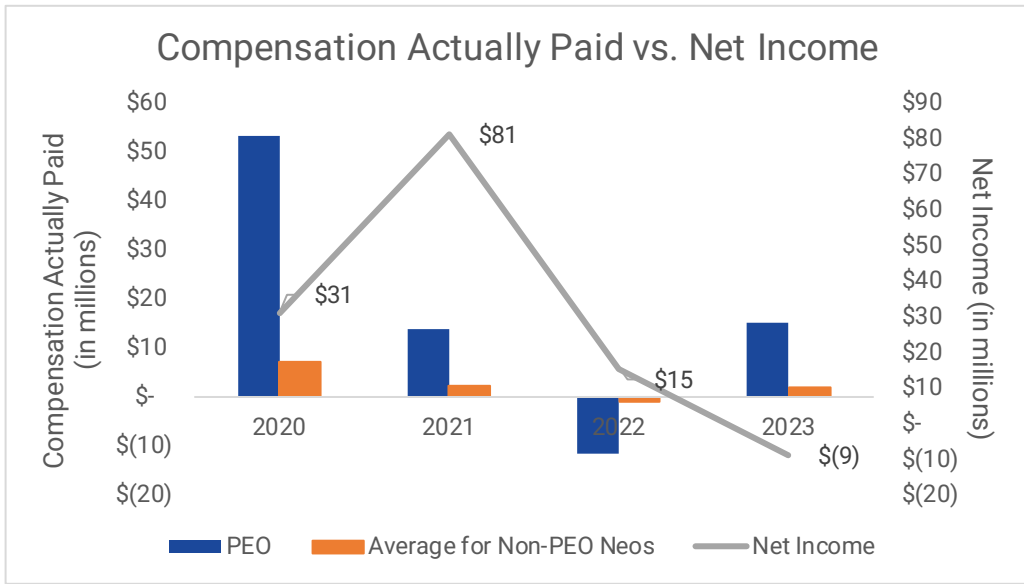
Description of the Information Presented in the Pay versus Performance Table

As described in greater detail in the Compensation Discussion and Analysis section of this Proxy Statement, the Company's executive compensation program reflects a pay-for-performance philosophy. The Company does not specifically align the Company's performance measures with compensation that is actually paid (as computed in accordance with Item 402(v) of Regulation S-K) for a particular fiscal year. Compensation actually paid is influenced by numerous factors, including but not limited to the timing of new grant issuances and outstanding grant vesting, share price volatility during the fiscal year, our mix of short-term and long-term metrics, and many other factors. In accordance with Item 402(v) of Regulation S-K, the Company is providing the following descriptions of the relationships between information presented in the Pay versus Performance table.

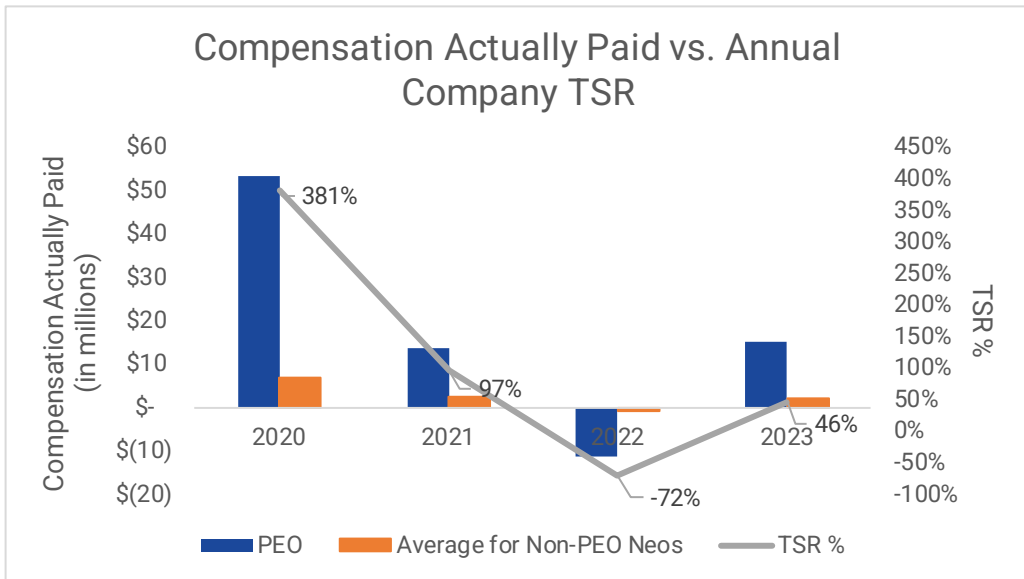
Compensation Actually Paid and Company TSR



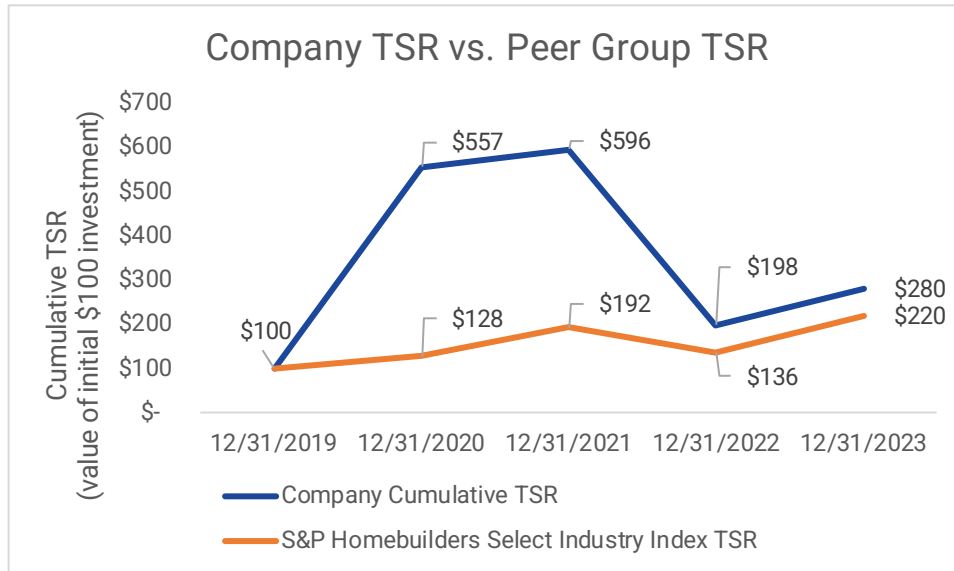
Compensation Actually Paid and Net Income



Compensation Actually Paid and Annual TSR



Cumulative TSR of the Company and Cumulative TSR of the Peer Group



eXp World Holdings, Inc. 2024 Equity Incentive Plan

PROPOSAL

4

APPROVAL OF EXP WORLD HOLDINGS, INC. 2024 EQUITY INCENTIVE PLAN

The Board recommends a vote “FOR” the approval of our 2024 Equity Incentive Plan

We are asking our stockholders to approve a new equity incentive plan, the eXp World Holdings, Inc. 2024 Equity Incentive Plan (the “2024 Plan”). Our Board adopted the 2024 Plan on March 20, 2024, subject to approval from our stockholders at our Annual Meeting. The 2024 Plan is intended to replace our 2015 Equity Incentive Plan, as amended (the “2015 Plan”), which expires by its terms in March 2025, ten years after it was adopted by our Board in 2015.

Why Should Stockholders Vote to Approve the 2024 Plan?

The 2024 Plan is Critical to our Growth and Will Allow Us to Recruit, Incentivize and Retain the Best Agents and Talent

In our highly competitive industry, attracting and retaining successful real estate professionals and talent is critical to our success. In fiscal 2023, there has been significant real estate market contraction and an increase in copycat business models that offer equity incentives, contributing to the competitive market to attract and retain real estate professional talent. Our Board believes that our ability to grant equity awards is critical to successfully compete and grow our business in this environment, because our agent equity programs are differentiators that allow us to recruit, incentivize and retain the best real estate professionals. Additionally, we compete for top employee, director, and other service provider talent and our Board believes that our equity awards are necessary to retain and attract valuable talent.

In addition, our Board believes that equity awards align the interests of our real estate professionals, employees, directors and service providers with those of our stockholders. Equity awards provide recipients an ownership stake in the Company, motivating them to achieve outstanding business performance, and provide an effective means of rewarding them for their contributions to our success.

If stockholders do not approve the 2024 Plan at our Annual Meeting, our ability to recruit, retain and incentivize the highly skilled talent (including continuing real estate professionals) critical to successfully compete and grow our business could be seriously and negatively impacted. In addition, we would have to consider other compensation alternatives, which may not as effectively align the interests of our real estate professional, employees, directors and service providers with those of our stockholders, and would be a distraction from our management team’s focus on execution of our business strategy. For example, we would have to consider increasing cash compensation, which could adversely affect our business, results of operations, financial condition and cash flows.

We Have Taken Measures and are Committed to Manage Dilution

We recognize the dilutive impact of our equity compensation programs on our stockholders and continuously strive to balance this concern with the competition for talent in the extremely competitive business environment and talent market in which we operate. Our Compensation Committee and Board thoughtfully manage long-term stockholder dilution, stock-based compensation expense and stock-based compensation while maintaining our ability to attract, reward and retain key talent in a hypercompetitive market.

In December 2018, the Company’s Board approved a stock repurchase program authorizing the Company to purchase its common stock. In June 2023, the Board approved an increase to the total amount of its buyback program from \$500 million to \$1 billion. The Company maintains an internal stock repurchase program with program changes

subject to Board consent. From time to time, the Company adopts written trading plans pursuant to Rule 10b5-1 of the Exchange Act to conduct repurchases on the open market.

The 2024 Plan Includes Compensation and Governance Best Practices

The 2024 Plan includes provisions considered best practice for compensation and corporate governance purposes. These provisions protect our stockholders' interests:

- **Repricing is Not Allowed without Stockholder Approval.** Like the 2015 Plan, the 2024 Plan does not permit 2024 Plan awards to be repriced or exchanged for other awards unless our stockholders approve the repricing or exchange.
- **No Dividends on Unvested Awards.** No dividends or other distributions may be paid with respect to any shares underlying the unvested portion of an award, and no dividends or other distributions may be paid with respect to stock options or stock appreciation rights.
- **No Single-Trigger Vesting Acceleration upon a Change in Control.** In a change of control (as defined in the 2024 Plan), awards are not automatically accelerated.
- **No Tax Gross-Ups.** The 2024 Plan does not provide for any tax gross-ups.
- **Clawback of Incentive Equity Compensation.** Our clawback policy requires that certain incentive compensation, including certain performance-based equity compensation, paid to any current or former executive officer, including our NEOs, will be subject to recoupment upon certain financial restatements.
- **Limited Transferability.** Awards under the 2024 Plan may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution, other than as may be approved by the Board.

Our executive officers and directors have an interest in the approval of the 2024 Plan because they are eligible to receive equity awards under the 2024 Plan.

Summary of the 2024 Plan

The following paragraphs summarize the principal features of the 2024 Plan and its operation. However, this summary is not a complete description of the provisions of the 2024 Plan and is qualified in its entirety by the specific language of the 2024 Plan. A copy of the 2024 Plan is provided as Appendix 2 to this proxy statement.

Purpose of the 2024 Plan. The Company has established the 2024 Plan to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company, and any parents and subsidiaries that exist now or in the future, by offering them an opportunity to participate in the Company's future performance through the grant of equity based awards.

Number of Shares Available. Subject to the 2024 Plan, the total number of shares reserved and available for grant and issuance pursuant to the 2024 Plan, including shares that may be made subject to incentive stock options, is 150,000,000 shares. As of March 22, 2024, the closing sale price of a share of our common stock reported on The Nasdaq Stock Market was \$9.75. The aggregate number of shares reserved for grant and issuance under the 2024 Plan will automatically increase on January 1 of each year, commencing on January 1, 2025, and ending on (and including) January 1, 2034, in an amount equal to the lesser of (x) 3% of the total number of shares outstanding on December 31 of the preceding calendar year, or (y) such number of shares as determined by the Board.

Lapsed and Returned Awards. Shares subject to awards, and shares issued under the 2024 Plan under any award, will again be available for grant and issuance in connection with subsequent awards under the 2024 Plan to the extent such shares (1) are subject to issuance upon exercise of an option granted under the 2024 Plan but which cease to be subject to the option for any reason other than exercise of the option; (2) are subject to awards granted under the 2024 Plan that are forfeited or are repurchased by the Company at (x) the original issue price or (y) the lower of the original issue price or current fair market value, as applicable; or (3) are subject to awards granted under the 2024 Plan that otherwise terminate without such shares being issued.

To the extent an award under the 2024 Plan is paid out in cash rather than shares, such cash payment will not result in reducing the number of shares available for issuance under the 2024 Plan. Shares used or withheld to pay the exercise price of an award or to satisfy the tax withholding obligations related to an award (such as through a “net exercise”) will remain available for future grant or sale under the 2024 Plan. No fractional shares will be issued under the 2024 Plan.

Adjustment of Shares. If the number of outstanding shares is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of the Company, without the receipt of consideration, or in the event of an extraordinary cash dividend, then (1) the number and kind of shares reserved for issuance and future grant under the 2024 Plan set forth in the 2024 Plan, (2) the exercise prices of outstanding options or purchase prices (if applicable) for other stock-based awards, (3) the number and kind of shares and performance factors subject to outstanding awards and (4) any other terms that the Board or its delegate determines require adjustment, will be appropriately adjusted consistent with such change or event in such manner as the Board may determine.

Eligibility. Incentive stock options may be granted only to employees. All other awards may be granted to employees, consultants and directors of the Company or any parent or subsidiary of the Company whose participation in the 2024 Plan the Board or its delegate determines to be in the company’s best interests. As of December 31, 2023, we had approximately 2,114 full-time equivalent employees (including 1 employee member of our Board), approximately 87,515 agents and 5 non-employee members of our Board that would be eligible to participate in the 2024 Plan.

Administration. The 2024 Plan will be administered by the Board. The Board, in its discretion, may delegate the granting of awards and other administration of the 2024 Plan to a committee of the Board or to officers of the Company or other persons, subject to any applicable legal limitations and, in such event, references to the Board will be references to such delegate(s), subject to the terms and conditions of such delegation. Subject to the general purposes, terms and conditions of the 2024 Plan, the Board will have full power to implement and carry out the 2024 Plan.

Authority. The Board will have the authority, without limitation, to (1) determine eligible employees, service providers and directors to whom awards will be granted from time to time and the number of shares to be covered by each award; (2) determine, from time to time, the fair market value of shares; (3) determine, and to set forth in award agreements, the terms and conditions of all awards, including any applicable exercise or purchase price, the installments and conditions under which an award will become vested (which may be based on performance), terminated, expired, cancelled, or replaced, and the circumstances for vesting acceleration or waiver of forfeiture restrictions, and other restrictions and limitations, which terms and conditions need not be uniform among awards or participants; (4) approve the forms of award agreements and all other documents, notices and certificates in connection therewith which need not be identical either as to type of award or among participants; (5) construe and interpret the terms of the 2024 Plan and any award agreement, to determine the meaning of their terms, and to prescribe, amend, and rescind rules and procedures relating the 2024 Plan and its administration; (6) delegate any of the foregoing to a subcommittee consisting of one or more executive officers pursuant to a specific delegation; and (7) grant awards to eligible employees, consultants and directors residing outside the U.S. or to otherwise adopt or administer such procedures or sub-plans for such awards on such terms and conditions different from those specified in the 2024 Plan.

Board Interpretation and Discretion. Any determination made by the Board with respect to any award will be made in its sole discretion at the time of grant of the award or, unless in contravention of any express term of the 2024 Plan or award, at any later time, and such determination will be final and binding on the Company and all persons having an interest in any award under the 2024 Plan. Any dispute regarding the interpretation of the 2024 Plan or any award agreement will be submitted by the participant or Company to the Board for review. The resolution of such a dispute by the Board will be final and binding on the Company and the participant. The Board may delegate to one or more executive officers the authority to review and resolve disputes with respect to awards held by participants who are not insiders, and such resolution will be final and binding on the Company and the participant.

Options. The Board may grant options to participants and will determine whether such options will be incentive stock options within the meaning of the United States Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the “Code”) or nonqualified stock options, the number of shares subject to the option, the exercise price of the option, the period during which the option may vest and be exercised, and all other terms and conditions of the option.

Each option granted under the 2024 Plan will identify the option as an incentive stock option or a nonqualified stock option. An option may be, but need not be, awarded upon satisfaction of such performance factors during any performance period as are set out in the participant's individual award agreement. If the option is being earned upon the satisfaction of performance factors, then the Board will (1) determine the nature, length and starting date of any performance period for each option; and (2) select from among the performance factors to be used to measure the performance. Performance periods may overlap and participants may participate simultaneously with respect to options that are subject to different performance goals and other criteria.

No option will be exercisable after the expiration of ten years from the date the option is granted and no incentive stock option granted to a person who, at the time the incentive stock option is granted, directly or by attribution owns more than 10% of the total combined voting power of all classes of stock of the Company or of any parent or subsidiary of the Company (a "ten percent stockholder") will be exercisable after the expiration of five years from the date the incentive stock option is granted. The Board also may provide for options to become exercisable at one time or from time to time, periodically or otherwise, in such number of shares or percentage of shares as the Board determines.

Exercising Options. The exercise price of an option will be determined by the Board when the option is granted; provided that (1) the exercise price per share of an incentive stock option will not be less than 100% (or, with respect to incentive stock options granted to a ten percent stockholder, 110%) of the fair market value per share of the shares on the date of grant; and (2) options granted in substitution for outstanding options of another company in connection with the merger, consolidation, acquisition of property or stock or other reorganization involving such other company and the Company or any subsidiary may be granted with an exercise price equal to the exercise price for the substituted option of the other company, subject to any adjustment consistent with the terms of the transaction pursuant to which the substitution is to occur.

The Board may issue awards in settlement or assumption of, or in substitution for, outstanding awards in connection with the Company or a subsidiary acquiring another entity, an interest in another entity or an additional interest in a subsidiary whether by merger, stock purchase, asset purchase or other form of transaction. Any shares issuable pursuant to such awards will not be counted against the share limit described above.

Any option granted under the 2024 Plan will be vested and exercisable according to the terms of the 2024 Plan and at such times and under such conditions as determined by the Board and set forth in the award agreement. Until the shares are issued, no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the shares, notwithstanding the exercise of the option. No adjustment will be made for a dividend or other right for which the record date is prior to the date the shares are issued, except as otherwise set forth in the 2024 Plan. Payment for stock purchased upon any exercise of an option will be made in full in cash concurrently with such exercise, except that, if the Board will have authorized it and the Company is not then legally prohibited from receiving such consideration, any other method allowed under the 2024 Plan.

Option Treatment Upon Termination. The exercise of an option will be subject to the following (except as may be otherwise provided in an award agreement or authorized by the Board) (1) if the participant is terminated for any reason except for cause (as defined in the 2024 Plan) or the participant's death or disability (as defined in the 2024 Plan), then the participant may exercise such participant's options only to the extent that such options would have been exercisable by the participant on the termination date no later than 90 days after the termination date, but in any event no later than the expiration date of the options; (2) if the participant is terminated because of the participant's death (or the participant dies within 90 days after a termination other than for cause or because of the participant's disability), then the participant's options may be exercised only to the extent that such options would have been exercisable by the participant on the termination date and must be exercised by the participant's legal representative, or authorized assignee, no later than 12 months after the termination date, but in any event no later than the expiration date of the options; (3) if the participant is terminated because of the participant's disability, then the participant's options may be exercised only to the extent that such options would have been exercisable by the participant on the termination date and must be exercised by the participant (or the participant's legal representative or authorized assignee) no later than 12 months after the termination date, but in any event no later than the expiration date of the options; and (4) if the participant is terminated for cause, then participant's options will expire on such participant's termination date.

Modification, Extension or Renewal of Options. The Board may modify, extend or renew outstanding options, subject to applicable law, provided that any such action may not, without the written consent of a participant, materially

impair any of such participant's rights under any option previously granted. Any outstanding incentive stock option that is modified, extended, renewed or otherwise altered will be treated in accordance with applicable law.

Restricted Stock Awards. A restricted stock award is an offer by the Company to sell to, or a grant to, a participant shares that are subject to restrictions. The Board will determine to whom an offer will be made, the number of shares the participant may purchase, the purchase price (if any), the restrictions under which the shares will be subject and all other terms and conditions of the restricted stock award, subject to the 2024 Plan.

The purchase price for a restricted stock award will be determined by the Board and may be less than fair market value on the date the restricted stock award is granted (including zero). Payment of the purchase price (if any) must be made in accordance with the 2024 Plan, the award agreement and any procedures established by the Company. Restricted stock awards will be subject to such restrictions as the Board may impose or are required by law. These restrictions may be based on completion of a specified number of years of service with the Company or upon completion of performance factors, if any, during any performance period as set out in the participant's award agreement. Prior to the grant of a restricted stock award, the Board will (1) determine the nature, length and starting date of any performance period for the restricted stock award; (2) select from among the performance factors to be used to measure performance goals, if any; and (3) determine the number of shares that may be awarded to the participant. Performance periods may overlap and a participant may participate simultaneously with respect to restricted stock awards that are subject to different performance periods and having different performance goals and other criteria.

Except as may be set forth in the participant's award agreement, vesting ceases on such participant's termination date (unless determined otherwise by the Board).

Restricted Stock Units. A restricted stock unit is an award to a participant covering a number of shares that may be settled in cash, or by issuance of those shares (which may consist of restricted stock). All restricted stock units will be made pursuant to an award agreement.

The Board will determine the terms of a restricted stock unit including, without limitation, (1) the number of shares subject to the restricted stock unit; (2) the time or times at which the restricted stock unit vests; (3) the consideration to be distributed on settlement; and (4) the effect of the participant's termination on each restricted stock unit. A restricted stock unit may vest upon satisfaction of such performance goals based on performance factors during any performance period as are set out in the participant's award agreement. If the restricted stock unit vests upon satisfaction of performance factors, then the Board will (x) determine the nature, length and starting date of any performance period for the restricted stock unit; (y) select from among the performance factors to be used to measure the performance, if any; and (z) determine the number of shares deemed subject to the restricted stock unit. Performance periods may overlap and participants may participate simultaneously with respect to restricted stock units that are subject to different performance periods and different performance goals and other criteria.

The Board, in its sole discretion, may settle earned restricted stock units in cash, shares, or a combination of both. The Board may also permit a participant to defer settlement under a restricted stock unit to a date or dates after the restricted stock unit vests, subject to applicable law.

Except as may be set forth in the participant's award agreement, vesting ceases on such participant's termination date (unless determined otherwise by the Board).

Other Stock-Based Awards. The Board is authorized to grant to participants other stock-based awards, including shares awarded purely as a bonus and not subject to any restrictions or conditions, shares in payment of the amounts due under an incentive or performance plan sponsored or maintained by the Company, stock equivalent units, deferred stock units, and awards valued by reference to the value of shares. The Board may condition the grant or vesting of other stock-based awards upon the attainment of specified performance factors or such other factors as the Board may determine. The Board may also provide for the grant of shares under such awards upon the completion of a specified performance period. Other stock-based awards may be granted either alone or in addition to or in tandem with other awards granted under the 2024 Plan.

The Board will determine, and each award agreement will set forth, the terms of each other stock-based award including, without limitation, (1) any vesting conditions; (2) the number of shares upon which such other stock-based award is based; (3) the performance factors and performance period (if any) that will determine the time and extent to which each performance award will be vested or granted; (4) the consideration to be distributed on settlement; and

(5) the effect of the participant's termination on each other stock-based award. In establishing performance factors and the performance period (if any) the Board will (x) determine the nature, length and starting date of any performance period; and (y) select from among the performance factors to be used. Prior to settlement the Board will determine the extent to which other stock-based awards have been earned. Performance periods may overlap and participants may participate simultaneously with respect to other stock-based awards that are subject to different performance periods and different performance goals and other criteria.

To the extent permitted by law, the Board may permit participants to defer all or a portion of their compensation in the form of other stock-based awards granted under the 2024 Plan, subject to the terms and conditions of any deferred compensation arrangement established by the Company, which will be in a manner intended to comply with applicable law.

Except as may be set forth in the participant's award agreement, vesting ceases on such participant's termination date (unless determined otherwise by the Board).

Payment for Share Repurchase. Payment from a participant for shares purchased pursuant to the 2024 Plan may be made in cash or by check or, where expressly approved for the participant by the Board and where permitted by law (and to the extent not otherwise set forth in the applicable award agreement), (1) by forgiveness of indebtedness owed by the Company to the purchaser; (2) by surrender of shares of the Company held by the participant that have a fair market value on the date of surrender equal to the aggregate exercise price or purchase price of the shares as to which said award will be exercised or settled; (3) by reducing the number of shares of stock to be delivered to the participant upon exercise of the option or settlement of an award, with the reduction valued on the basis of the aggregate fair market value on the date of exercise or purchase of the additional shares of stock that would otherwise have been delivered to the participant upon the option exercise or award settlement; (4) by the delivery, concurrently with such exercise and in accordance with Regulation T promulgated under the United States Securities Exchange Act of 1934, as amended, or any successor rule or regulation, of a properly executed exercise notice for the option and irrevocable instructions to a broker promptly to deliver to the Company to pay the exercise price a specified amount of the proceeds of a sale of the option shares or loan secured by the option shares; (5) by waiver of compensation due or accrued to the participant for services rendered or to be rendered to the Company or a parent or subsidiary of the Company; and/or (6) by any combination of the foregoing or by other means determined by the Board to be consistent with the 2024 Plan's purposes.

Subject to any Board approval requirements or other limitations under applicable laws, the Board may also assist any participant in the payment for shares by authorizing a loan from the Company, permitting the participant to pay the exercise price or purchase price in installments or authorizing a guarantee by the Company of a third party loan to the participant, and the terms and conditions of any such loan, installment sale or guarantee will be determined by the Board.

Transferability. An award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution. Notwithstanding the foregoing, the Board may determine that an award, other than an incentive stock option, may be transferred to a permitted transferee, upon such additional terms and conditions as the Board deems appropriate. All awards will be exercisable (1) during the participant's lifetime only by (x) the participant, or (y) the participant's guardian or legal representative; (2) after the participant's death, by the legal representative of the participant's heirs or legatees; and (3) in the case of all awards except incentive stock options, by a permitted transferee.

Voting and Dividends. No participant will have any of the rights of a stockholder with respect to any shares until the shares are issued to the participant, except for any dividend equivalent rights permitted by an applicable award agreement. After shares are issued to the participant, the participant will be a stockholder and have all the rights of a stockholder with respect to such shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such shares.

Right of Repurchase. At the discretion of the Board, the Company may reserve to itself and/or its assignee(s) a right to repurchase a portion of any or all shares held by a participant following such participant's termination at any time after the later of the participant's termination date and the date the participant purchases shares under the 2024 Plan, for cash and/or cancellation of purchase money indebtedness, at the participant's purchase price or exercise price, as the case may be.

Escrow; Pledge of Shares. Any participant who is permitted to execute a promissory note as partial or full consideration for the purchase of shares under the 2024 Plan will be required to pledge and deposit with the Company

all or part of the shares so purchased as collateral to secure the payment of the participant's obligation to the Company under the promissory note; provided, however, that the Board may require or accept other or additional forms of collateral to secure the payment of such obligation. The shares purchased with the promissory note may be released from the pledge on a pro rata basis as the promissory note is paid.

No Obligation to Employ. Nothing in the 2024 Plan or any award granted under the 2024 Plan will confer or be deemed to confer on any participant any right to continue in the employ of, or to continue any other relationship with, the Company or any parent or subsidiary of the Company or limit in any way the right of the Company or any parent or subsidiary of the Company to terminate participant's employment or other relationship at any time.

Corporate Transactions. In the event of (1) the dissolution or liquidation of the Company, (2) a reorganization, merger or consolidation as a result of which the Company is not the surviving entity or as a result of which the outstanding shares of stock are changed into or exchanged for cash, property or securities not of the Company's issue, except for a merger or consolidation with a wholly-owned subsidiary of the Company or a transaction effected primarily to change the state of the Company's incorporation, or (3) a sale or other transfer in one or a series of transactions of all or substantially all of the assets of the Company, or of more than 50% of the voting stock of the Company then outstanding, to any person or entity or to persons or entities which are affiliated or acting in concert with respect to such sale or transfer (each, a "change in control"), the Board may, but will not be obligated to (v) accelerate, vest or cause the restrictions to lapse with respect to all or any portion of an award; (w) cancel awards for fair value (as determined by the Board) which, in the case of options may equal the excess, if any, of the per share value of the consideration to be paid in the change in control transaction for shares over the exercise price of such options (or, if such exercise price is greater than the consideration paid in the change in control transaction, the Board may cancel such options for no consideration); (x) provide for the assumption of awards or the issuance of substitute awards that will substantially preserve the otherwise applicable terms of any affected award previously granted under the 2024 Plan as determined by the Board; (y) provide advance notice of such change in control transaction to holders of options, after which any options not exercised prior to such change in control may be cancelled; or (z) cancel awards (whether vested or unvested).

Any award granted under the 2024 Plan will automatically terminate upon the closing of a change in control, unless provision will be made in connection with such change in control for the assumption of the award by, or the substitution for such award of a new award covering the stock or other equity securities of, the surviving, successor or purchasing entity or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares or other securities or property to be issued upon exercise of the award and the exercise price, as applicable. This paragraph will not restrict the Board from permitting or requiring other accelerations of vesting upon transactions described in this paragraph or any other acquisitions of the Company's shares or business or changes in control of the Company or any other event. The treatment of awards upon a change in control need not be uniform among awards or participants.

If necessary to comply with applicable law, any payment of an amount that otherwise is accelerated under the 2024 Plan in connection with a change in control will be delayed until the earliest time that such payment would be permissible under applicable law.

Term of Plan; Amendment or Termination of the 2024 Plan. Unless earlier terminated as provided herein, the 2024 Plan will become effective on the effective date and will terminate ten years from the date the 2024 Plan is adopted by the Board or is approved by the Company's stockholders, whichever is earlier. The Board will have complete power and authority to alter, amend, suspend or terminate the 2024 Plan, provided that no such action will materially impair a participant, without his or her consent, of any award or any rights granted under the award or the 2024 Plan. Stockholder approval of amendments will be required only to permit the issuance of incentive stock options or otherwise to comply with applicable laws or regulatory requirements.

Award Agreements and Amendments. Each award granted under the 2024 Plan will be evidenced by an agreement between the Company and the participant, which will be approved by the Board or an executive officer of the Company. Subject to the terms and limitations set forth in the 2024 Plan, the Board and the participant may without approval modify, extend, renew or terminate any outstanding award or award agreement.

Summary of U.S. Federal Income Tax Consequences

The following summary is intended only as a general guide to the U.S. federal income tax consequences of participation in the 2024 Plan. The summary is based on existing U.S. laws and regulations, and there can be no assurance that those laws and regulations will not change. The summary is not complete and does not discuss the

tax consequences upon a participant's death, or the income tax laws of any municipality, state or foreign country in which the participant may reside. Tax consequences for any particular participant may vary based on individual circumstances.

Incentive Stock Options

A participant recognizes no taxable income for regular income tax purposes because of the grant or exercise of an option that qualifies as incentive stock option under Section 422 of the Code. If a participant exercises the option and then later sells or otherwise disposes of the shares acquired through the exercise of the option after both the two-year anniversary of the date the option was granted and the one-year anniversary of the exercise, the participant will recognize a capital gain or loss equal to the difference between the sale price of the shares and the exercise price, and we will not be entitled to any deduction for federal income tax purposes.

However, if the participant disposes of such shares either on or before the two-year anniversary of the date of grant or on or before the one-year anniversary of the date of exercise (a "disqualifying disposition"), any gain up to the excess of the fair market value of the shares on the date of exercise over the exercise price generally will be taxed as ordinary income, unless the shares are disposed of in a transaction in which the participant would not recognize a loss (such as a gift). Any gain in excess of that amount will be a capital gain. If a loss is recognized, there will be no ordinary income, and such loss will be a capital loss. Any ordinary income recognized by the participant upon the disqualifying disposition of the shares generally should be deductible by the Company for federal income tax purposes, except to the extent such deduction is limited by applicable provisions of the Code.

For purposes of the alternative minimum tax, the difference between the option exercise price and the fair market value of the shares on the exercise date is treated as an adjustment item in computing the participant's alternative minimum taxable income in the year of exercise. In addition, special alternative minimum tax rules may apply to certain subsequent disqualifying dispositions of the shares or provide certain basis adjustments or tax credits for purposes.

Nonqualified Stock Options

A participant generally recognizes no taxable income as the result of the grant of a nonqualified stock option. However, upon exercising the option, the participant normally recognizes ordinary income equal to the amount that the fair market value of the shares on such date exceeds the exercise price. If the participant is an employee, such ordinary income generally is subject to withholding of income and employment taxes. Upon the sale of the shares acquired by exercising a nonqualified stock option, any gain or loss (based on the difference between the sale price and the fair market value on the exercise date) will be taxed as capital gain or loss. Any ordinary income recognized by the participant upon exercising a nonqualified stock option generally should be deductible by the Company for federal income tax purposes, except to the extent such deduction is limited by applicable provisions of the Code. No tax deduction is available to the Company with respect to the grant of a nonqualified stock option or the sale of the shares acquired through the exercise of the nonqualified stock options.

Stock Appreciation Rights

In general, no taxable income is reportable when a stock appreciation right is granted to a participant. Upon exercise, the participant generally will recognize ordinary income equal to the fair market value of any shares received. Any additional gain or loss recognized upon any later disposition of the shares would be capital gain or loss.

Restricted Stock Awards

A participant acquiring shares of restricted stock generally will recognize ordinary income equal to the fair market value of the shares on the vesting date, reduced by any amount paid by the participant for such shares. If the participant is an employee, such ordinary income generally is subject to withholding of income and employment taxes. The participant may elect, under Section 83(b) of the Code, to accelerate the ordinary income tax event to the date of acquisition by filing an election with the Internal Revenue Service no later than 30 days after the date the shares are acquired. Upon the sale of shares acquired under a restricted stock award, any gain or loss, based on the difference between the sale price and the fair market value on the date the ordinary income tax event occurs, will be taxed as capital gain or loss.

Restricted Stock Unit Awards

There are no immediate tax consequences of receiving an award of restricted stock units. A participant who is awarded restricted stock units generally will recognize ordinary income equal to the fair market value of shares issued to such participant at the end of the applicable vesting period or, if later, the settlement date elected by the administrator or a participant. Any additional gain or loss recognized upon any later disposition of any shares received would be capital gain or loss.

Performance-Based Restricted Stock and Performance-Based Restricted Stock Unit Awards

A participant generally will recognize no income upon the grant of a performance-based restricted stock or a performance-based restricted stock unit. Upon the settlement of such awards, participants normally will recognize ordinary income in the year of receipt in an amount equal to the cash received and the fair market value of any cash or unrestricted stock received. If the participant is an employee, such ordinary income generally is subject to withholding of income and employment taxes. Upon the sale of any shares received, any gain or loss, based on the difference between the sale price and the fair market value on the date the ordinary income tax event occurs, will be taxed as capital gain or loss.

Section 409A

Section 409A of the Code provides certain requirements for non-qualified deferred compensation arrangements with respect to an individual's deferral and distribution elections and permissible distribution events. Awards granted under the 2024 Plan with a deferral feature will be subject to the requirements of Section 409A of the Code. If an award is subject to and fails to satisfy the requirements of Section 409A of the Code, the recipient of that award may recognize ordinary income on the amounts deferred under the award, to the extent vested, which may be before the compensation is actually or constructively received. Also, if an award subject to Section 409A of the Code violates the provisions of Section 409A of the Code, Section 409A of the Code imposes an additional 20% federal income tax on compensation recognized as ordinary income, and interest on such deferred compensation.

Tax Effect for the Company

We generally will be entitled to a tax deduction in connection with an award under the 2024 Plan equal to the ordinary income realized by a participant when the participant recognizes such income (for example, the exercise of a nonstatutory stock option) except to the extent such deduction is limited by applicable provisions of the Code. Special rules limit the deductibility of compensation paid to our chief executive officer and other "covered employees" as determined under Section 162(m) of the Code and applicable guidance. Under Section 162(m) of the Code, the annual compensation paid to any of these specified executives will be deductible only to the extent that it does not exceed \$1,000,000.

THE FOREGOING IS ONLY A SUMMARY OF THE EFFECT OF U.S. FEDERAL INCOME TAXATION UPON PARTICIPANTS AND THE COMPANY WITH RESPECT TO AWARDS UNDER THE 2024 PLAN. IT DOES NOT PURPORT TO BE COMPLETE AND DOES NOT DISCUSS THE IMPACT OF EMPLOYMENT OR OTHER TAX REQUIREMENTS, THE TAX CONSEQUENCES OF A PARTICIPANT'S DEATH, OR THE PROVISIONS OF THE INCOME TAX LAWS OF ANY MUNICIPALITY, STATE, OR FOREIGN COUNTRY IN WHICH THE PARTICIPANT MAY RESIDE.

New Plan Benefits

No awards have been made under the 2024 Plan, and no awards have been granted that are contingent on the approval of the 2024 Plan. Awards under the 2024 Plan would be made at the discretion of the Board or its delegate. Therefore, the benefits and amounts that will be received or allocated under the 2024 Plan in the future are not determinable at this time.

Securities Authorized for Issuance under Equity Compensation Plans

The following table summarizes certain information regarding our equity compensation plan as of December 31, 2023:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b) ⁽¹⁾	Number of securities remaining available for remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	(2) 12,904,824 (3)	\$ 14.23	7,855,460
Equity compensation plans not approved by security holders	-	-	-
Total	12,904,824	\$ 14.23	7,855,460

(1) Does not include shares issuable upon vesting of outstanding restricted stock unit awards, which have no exercise price and are included in column (a).

(2) The 2015 Equity Incentive Plan provides for an automatic increase in the number of shares reserved for issuance thereunder on December 1 of each calendar year commencing on December 1, 2019, and ending on (and including) December 1, 2024, in an amount equal to the lesser of (a) three percent (3%) of the total number of shares of common stock outstanding on December 31 of the preceding calendar year, or (b) the number of shares of common stock repurchased by the Company pursuant to any issuer repurchase plan then in effect; provided that the Board of Directors may act prior to December 1 of a given year to provide that there will be no share increase for such year or that the increase for such year will be a lesser number of shares than otherwise provided in clause (a) or (b).

(3) Includes the 2015 Equity Incentive Plan.

Beneficial Ownership of Common Stock

The following table provides certain information regarding the ownership of our common stock, as of January 31, 2024 (except as otherwise indicated) by each person known to us to own more than 5% of our outstanding common stock; each of our named executive officers; each of our directors; and all of our executive officers and directors as a group.

The number of shares of common stock beneficially owned by each person is determined under the rules of the SEC. Under these rules, beneficial ownership includes any shares as to which the individual has sole or shared voting power or investment power and also any shares that the individual has the right to acquire by March 31, 2024 (sixty days after January 31, 2024) through the exercise or conversion of a security or other right. Unless otherwise indicated, each person has sole investment and voting power, or shares such power with a family member, with respect to the shares set forth in the following table. The inclusion in this table of any shares deemed beneficially owned does not constitute an admission of beneficial ownership of those shares for any other purpose. Unless otherwise noted below, the address of each person listed on the table is c/o eXp World Holdings, Inc., 2219 Rimland Drive, Suite 301, Bellingham, WA 98226.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percentage of Class ⁽²⁾
More than 5% stockholders:			
Common Stock	Penny Sanford	26,984,043 ⁽³⁾	17.39 %
Common Stock	The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	12,002,402 ⁽⁴⁾	7.74 %
Common Stock	BlackRock, Inc. 50 Hudson Yards New York, NY 10001	12,349,144 ⁽⁵⁾	7.96 %
Directors and named executive officers:			
Common Stock	Glenn Sanford	43,622,941 ^{(3) (6)}	28.12 %
Common Stock	Randall Miles	641,864 ⁽⁷⁾	*
Common Stock	Dan Cahir	160,817 ⁽⁸⁾	*
Common Stock	Monica Weakley	11,204 ⁽⁹⁾	*
Common Stock	Peggie Pelosi	12,978 ⁽¹⁰⁾	*
Common Stock	Fred Reichheld	4,177 ⁽¹¹⁾	*
Common Stock	Kent Cheng	37,500 ⁽¹²⁾	*
Common Stock	James Bramble	107,375 ⁽¹³⁾	*
Common Stock	Leo Pareja	62,500 ⁽¹⁴⁾	*
Common Stock	All executive officers and directors as a group (10 persons)	44,754,393 ⁽¹⁵⁾	28.85 %

* - Less than one percent.

(1) Except as otherwise indicated, we believe that the beneficial owners of the common stock listed above, based on information furnished by such owners, have sole investment and voting power with respect to such shares, subject to community property laws where applicable. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities.

(2) Percentage of ownership is based on 155,127,060 shares of our common stock issued and outstanding as of January 31, 2024. Common stock subject to options or warrants exercisable within 60 days of January 31, 2024 are deemed outstanding for purposes of computing the percentage ownership of the person holding such option or warrants, but are not deemed outstanding for purposes of computing the percentage ownership of any other person.

(3) On January 12, 2024, Penny Sanford and Glenn Sanford (collectively, the "Group Members") filed a Schedule 13D/A with the SEC (as amended from time-to-time, the "Schedule 13D/A") indicating that they had entered into an agreement to vote their shares as a group with respect to the election of directors and any other matter on which our shares of common stock are entitled to vote. By virtue of the relationship described in the Schedule 13D/A, the Group Members may be deemed to constitute a "group" within the meaning of Rule 13d-5 under the Act. As a member of a group, each Group Member may be deemed to share voting and dispositive power with respect to, and therefore beneficially own, the securities of the Company beneficially owned by the Group Members as a whole. As of January 31, 2024, the Group Members are collectively the beneficial owners of 70,606,984 shares of our common stock. Such shares of common stock represent beneficial ownership of 45.51% of outstanding shares of common stock.

(4) Represents shares of the Company's common stock beneficially owned as of December 29, 2023, based on a Schedule 13G/A filed with the SEC on February 13, 2024, by The Vanguard Group. The Vanguard Group lists its address as 100 Vanguard Blvd., Malvern, PA 19355, and indicates that it has shared voting power with respect to 131,411 shares of the

Company's common stock, sole dispositive power with respect to 11,795,955 shares of the Company's common stock, and shared dispositive power with respect to 206,447 shares of the Company's common stock.

- (5) Represents shares of the Company's common stock beneficially owned as of December 31, 2023, based on a Schedule 13G filed with the SEC on January 24 2024, by BlackRock, Inc. BlackRock, Inc. lists its address as 50 Hudson Yards, New York, NY 10001, and indicates that it has sole voting power with respect to 12,052,396 shares of the Company's common stock and sole dispositive power with respect to 12,349,144 shares of the Company's common stock.
- (6) Includes 41,566,489 shares of our common stock, stock options to acquire 1,777,917 shares of our common stock and restricted stock unit awards to acquire 42,500 shares of our common stock, each within 60 days of January 31, 2024, and 236,035 shares of our common stock owned by Deborah Biery.
- (7) Includes 577,665 shares of our common stock and stock options to acquire 64,199 shares of our common stock exercisable within 60 days of January 31, 2024.
- (8) Includes stock options to acquire 160,817 shares of our common stock exercisable within 60 days of January 31, 2024.
- (9) Includes 6,130 shares of our common stock and stock options to acquire 5.074 shares of our common stock exercisable within 60 days of January 31, 2024.
- (10) Includes stock options to acquire 12,978 shares of our common stock exercisable within 60 days of January 31, 2024.
- (11) Includes stock options to acquire 4,177 shares of our common stock exercisable within 60 days of January 31, 2024.
- (12) Includes stock options to acquire 37,500 shares of our common stock exercisable within 60 days of January 31, 2024.
- (13) Includes stock options to acquire 107,375 shares of our common stock exercisable within 60 days of January 31, 2024.
- (14) Includes stock options to acquire 62,500 shares of our common stock exercisable within 60 days of January 31, 2024.
- (15) Includes beneficial ownership of the directors and executive officers listed above, together with Michael Valdes.

Other Matters

Certain Relationships and Related Transactions

The Board has adopted a written policy requiring a majority of the Board's independent directors approve transactions between the Company and its directors, director nominees, executive officers, greater than 5% beneficial owners of the Company's common stock, and each of their respective immediate family members, where the amount involved in the transaction exceeds or is reasonably expected to exceed \$120,000 in a single fiscal year and the related party has or will have a direct or indirect interest in the transaction (other than solely as a result of being a director or less than 10% beneficial owner of another entity). The policy provides that the Audit Committee must review transactions subject to the policy and determine whether to approve or ratify those transactions. Certain types of transactions are deemed pre-approved pursuant to standing pre-approval guidelines established by the policy. In addition, the Audit Committee has delegated authority to its Chair to pre-approve or ratify transactions under certain circumstances.

In reviewing transactions subject to the policy, the Audit Committee or the Chair of the Audit Committee, as applicable, considers (as it deems appropriate for the circumstances):

- The nature and extent of the related person's interest in the transaction;
- The approximate dollar value involved in the transaction;
- The approximate dollar value of the related person's interest in the transaction without regard to the amount of any profit or loss;
- Whether the transaction was undertaken in the ordinary course of the Company's business;
- The material terms of the transaction, including whether the transaction with the related person is proposed to be, or was entered into, on terms no less favorable to the Company than terms that could have been reached with an unrelated third-party;
- The business purpose of, and the potential benefits to the Company of, the transaction;
- Whether the transaction would impair the independence of a non-employee director;
- Required public disclosure, if any; and
- Any other information regarding the transaction or the related person in the context of the proposed transaction that would be material to the Audit Committee's decision, in its business judgment, in light of the circumstances of the particular transaction.

Below we describe any transactions to which we have been a participant, in which the amount involved in the transaction exceeds or will exceed \$120,000 and in which any of our directors, director nominees, executive officers, or holders of more than 5% of our capital stock, or any immediate family member of, or person sharing the household with, any of these individuals, had or will have a direct or indirect material interest since January 1, 2023.

- The Company has historically owned a 25% interest in aircraft enrolled in a fractional share program managed by a third-party provider which has been used by certain executive officers, employees and agents of the Company solely for business purposes. During 2023, the third-party provider notified the Company of a temporary oversupply of private aircrafts for ownership acquisition and the Board undertook a multi-month discussion and evaluation of an opportunity to purchase an additional 25% interest in the aircraft. Concurrently, Glenn Sanford considered purchasing up to 50% of a private aircraft for his personal use and evaluated the opportunity to buy-out all third-party interests in the private aircraft partially owned by the Company. After subsequent review and discussion, the Board, with Glenn dismissed and recused from discussion and voting, (i) unanimously agreed that purchasing an additional 25% interest in the aircraft was in the best interests of the Company and its stockholders, that the purchase terms were no less favorable to the Company than terms that could have been reached with an unrelated third-party, that the Company would pursue the purchase of an additional 25% ownership in the aircraft independent of Mr. Sanford's interest in the transaction, and that there are significant benefits to the Company in connection with the transaction, and (ii) approved the related party transaction. In June 2023, the Company purchased an additional 25% interest in the aircraft for \$1.1 million and Mr. Sanford purchased the remaining 50% interest in the aircraft. The Company's use of this aircraft is governed by our Aircraft Usage Policy. Under the policy, any personal usage or travel is prohibited and only the CEO, CFO, Directors (excluding audit committee members), or persons designated thereby may schedule the aircraft usage for themselves or their employees, contractor and business associates whose use of the aircraft could be in the best interests of the Company.

None of our current or former directors or executive officers is indebted to us, nor are any of these individuals indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by us.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires the Company's directors, executive officers and persons who owned more than 10% of the Company's common stock (collectively, "Reporting Persons") to file reports of ownership and changes in ownership of common stock and other securities of the Company on Forms 3, 4 and 5 with the SEC. Reporting Persons were required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they filed.

Based solely on review of reports received by the Company or written representations from the Reporting Persons, the Company believes that with respect to the fiscal year ended December 31, 2023, all Reporting Persons complied with all applicable Section 16(a) filings, except for the following, which were inadvertently omitted due to administrative oversight: (i) Monica Weakley filed a late Form 4 on June 5, 2023 to report the receipt of non-derivative securities on May 31, 2023 and a late form 4 on August 3, 2023 to report the receipt of non-derivative securities on July 31, 2023; (ii) Eugene Frederick filed a late Form 4 on June 5, 2023 to report the receipt of non-derivative securities on May 31, 2023; (iii) Fred Reichheld filed a late Form 4 on September 13, 2023 to report the receipt of derivative securities on September 7, 2023; (iv) Leo Pareja filed a late Form 4 on January 17, 2024 to report the acquisition of derivative securities on October 31, 2023; and (v) Glenn Sanford filed a late Form 4/A on January 9 and 10, 2024 to report to report and correct the number of shares used to satisfy the exercise price of a reported sale of non-derivative securities on December 28, 2023.

Questions and Answers about the Annual Meeting

When and where will the Annual Meeting be held?

This year, the Annual Meeting of Stockholders of eXp World Holdings, Inc., which we refer to as the “Annual Meeting,” will be held virtually at <https://virtualshareholdermeeting.com/EXPI2024>, beginning at 12:00 p.m., Eastern Time, on May 13, 2024.

Who may join the Annual Meeting?

Virtual attendance at the Annual Meeting will be available to the general public, but voting shares will be limited to stockholders, stockholder representatives, and proxy holders.

What materials have been prepared for stockholders in connection with the Annual Meeting?

We are furnishing you and other stockholders of record with this Proxy Statement for the 2024 Annual Meeting, which includes a letter from our Chief Executive Officer to stockholders, a Notice of 2024 Annual Meeting of Stockholders, a proxy card for the Annual Meeting and, if you received printed copies of the proxy materials, a pre-addressed envelope to be used to return the completed proxy card, as well as our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. Except for the Form 10-K, these proxy materials were first made available on the Internet on or about March 27, 2024.

We filed our Annual Report on Form 10-K for the year ended December 31, 2023 with the SEC on February 22, 2024. It is available free of charge at the SEC’s web site at www.sec.gov. Upon written request by a stockholder, we will mail without charge a copy of our Annual Report on Form 10-K. All requests should be directed in writing to:

eXp World Holdings, Inc.
Attention: Corporate Secretary
2219 Rimland Drive, Suite 301
Bellingham, Washington 98226

with a copy via email to: investors@expworldholdings.com.

What is a proxy?

The term “proxy,” when used with respect to stockholder, refers to either a person or persons legally authorized to act on the stockholder’s behalf or a format that allows the stockholder to vote without being present at the Annual Meeting.

Because it is important that as many stockholders as possible be represented at the Annual Meeting, the Board is asking that you review this Proxy Statement carefully and then vote by following the instructions set forth on the proxy card. In voting prior to the Annual Meeting, you will deliver your proxy to Glenn Sanford and Kent Cheng, which means you will authorize Messrs. Sanford and Cheng to vote your shares at the Annual Meeting in the way you instruct. All shares represented by valid proxies will be voted in accordance with the stockholder’s specific instructions.

When and where will the Annual Meeting be held?

This year the Annual Meeting of Stockholders of eXp World Holdings, Inc., which we refer to as the “Annual Meeting,” will be held in-person at Rosen Shingle Creek, 9939 Universal Blvd., Orlando, FL 32819, beginning at 10:00 a.m., Eastern Time, on May 19, 2023. We encourage you to arrive at the Annual Meeting prior to the start time.

What matters will the stockholders vote on at the Annual Meeting?

Proposal 1 - The election of the Board's six nominees for director: Glenn Sanford, Randall Miles, Dan Cahir, Monica Weakley, Peggie Pelosi, and Fred Reichheld, each to serve until the next Annual Meeting or, in each case, until his or her successor is duly elected and qualified, or until his or her earlier death, resignation or removal.

Proposal 2 – To ratify the appointment of Deloitte & Touche LLP as our independent auditor for the fiscal year ending December 31, 2024.

Proposal 3 – To conduct an advisory vote on our 2023 named executive officer compensation as disclosed in this Proxy Statement.

Proposal 4 – To approve the adoption of our 2024 Equity Incentive Plan.

Who can vote at the Annual Meeting?

Stockholders of record of common stock as of the close of business on March 15, 2024, the record date, will be entitled to vote at the Annual Meeting. As of the record date, there were outstanding a total of 181,781,769 shares of common stock, of which 29,827,696 were held in treasury. As a result, there are 151,954,073 shares entitled to vote on each proposal, with each share entitled to one vote on each proposal. The shares outstanding do not include shares held as treasury stock which are not entitled to vote at the Annual Meeting.

What is a stockholder of record?

A stockholder of record is a stockholder whose ownership of our common stock is reflected directly on the books and records of our transfer agent, Broadridge. As described below, if you are not a stockholder of record, you will not be able to vote your shares unless you have a proxy from the stockholder of record authorizing you to vote your shares.

What does it mean for a broker or other nominee to hold shares in “street name”?

If you beneficially own shares held in an account with a broker, bank or other nominee, that nominee is the stockholder of record and is considered to hold those shares in “street name.” A nominee that holds your beneficially owned shares in street name will vote in accordance with the instructions you provide. If you do not provide the nominee with specific voting instructions with respect to a proposal, the nominee's authority to vote your shares will, under applicable rules, depend upon whether the proposal is considered a “routine” or a non-routine matter.

The nominee generally may vote your beneficially owned shares on routine items for which you have not provided voting instructions to the nominee. The ratification of the appointment of our independent auditor for 2024 (Proposal 2) is considered a routine matter under applicable rules.

The nominee generally may not vote on non-routine matters, including Proposal 1, Proposal 3, and Proposal 4. Instead, it will inform the inspector of election that it does not have the authority to vote on those matters. This is referred to as a “broker non-vote.”

For the purpose of determining a quorum, we will treat as present at the Annual Meeting any proxies that are voted on any of the three proposals to be acted upon by the stockholders, including abstentions or proxies containing broker non-votes.

How do I vote my shares if I do not attend the Annual Meeting?

If you are a stockholder of record, you may vote prior to the Annual Meeting as follows:

- **Via the Internet:** You may vote via the Internet by going to proxyvote.com, in accordance with the voting instructions on the proxy card. Internet voting is available 24 hours a day until 11:59 p.m., Eastern Time, on May 12, 2024. You will be given the opportunity to confirm that your instructions have been recorded properly.
- **By Mail:** You may vote by returning the completed and signed proxy card in a postage-paid return envelope that was provided with the proxy card, if you request a copy by mail.

If you hold shares in street name, meaning that you are a beneficial owner of shares registered in the name of your broker, bank or other agent, you should have received a notice containing voting instructions from that nominee rather than from us. Please follow the voting instructions in the notice to ensure that your vote is counted. To vote at the Annual Meeting, you must obtain a valid proxy from your broker, bank or other agent. Follow the instructions from your broker or bank included with the proxy materials, or contact your broker or bank to request a proxy form.

Can I vote at the Annual Meeting?

If you are a stockholder of record, you may vote at the Annual Meeting, whether or not you previously voted, by visiting <https://virtualshareholdermeeting.com/EXPI2024> during the Annual Meeting and entering the 16-digit control number included on your proxy card.

May I change my vote or revoke my proxy?

If you are a stockholder of record and previously delivered a proxy, you may subsequently change or revoke your proxy at any time before it is exercised by:

- voting before the Annual Meeting at proxyvote.com;
- voting during the Annual Meeting at <https://virtualshareholdermeeting.com/EXPI2024>; or
- submitting a completed and signed proxy card, with a later date, before voting at the Annual Meeting is completed.

If you are a beneficial owner of shares held in street name, you should contact your bank, broker or other nominee for instructions as to whether, and how, you can change or revoke your proxy.

What happens if I do not give specific voting instructions?

If you are a stockholder of record and you return a proxy card without giving specific voting instructions, the proxy holders will vote your shares in the manner recommended by the Board on all three proposals presented in this Proxy Statement and as they may determine in their discretion on any other matters properly presented for a vote at the Annual Meeting.

If you are a beneficial owner of shares held in street name and do not provide specific voting instructions to the broker, bank or other nominee that is the stockholder of record of your shares, the nominee generally may vote on routine, but not non-routine, matters. The ratification of the appointment of our independent auditor for 2023 (Proposal 2) is considered a routine matter. If the nominee does not receive instructions from you on how to vote your shares on Proposal 2, your broker is entitled (but not required) to vote your shares on that matter. The election of directors (Proposal 1), approval, on a non-binding advisory basis, of the compensation paid to our named executive officers (Proposal 3), and approval of the Company's 2024 Equity Incentive Plan (Proposal 4) are considered non-routine matters under applicable rules, and your broker is not entitled to vote your shares on these proposals without your instructions. See "Q. *What does it mean for a broker or other nominee to hold shares in 'street name'?*" above.

Who is paying for this proxy solicitation?

We will pay all expenses of preparing, printing and mailing, the Annual Meeting proxy materials, as well as all other expenses of soliciting proxies for the Annual Meeting on behalf of the Board of Directors. Directors and employees will not be paid any additional compensation for soliciting proxies, if applicable. We will also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

What if other matters are presented at the Annual Meeting?

If a stockholder of record provides a proxy by voting in any manner described in this Proxy Statement, the proxy holders will have the discretion to vote on any other matters that are properly presented for consideration at the Annual Meeting. We do not know of any other matters to be presented for consideration at the Annual Meeting.

What happens if the Annual Meeting is postponed or adjourned?

If we have to adjourn or postpone the Annual Meeting to a later date, we will provide notice of the date and time of such adjourned meeting on a Current Report on Form 8-K that we will file with the SEC. Your proxy may be voted at the postponed or adjourned Annual Meeting. You will still be able to change your proxy until it is voted. You may vote at any postponement or adjournment using your same 16-digit control number.

Where can I find the voting results of the Annual Meeting?

Our intention is to announce the preliminary voting results at the Annual Meeting and to publish the final results within four business days after the Annual Meeting on a Current Report on Form 8-K to be filed with the SEC.

What are the requirements to propose actions for consideration at next year's Annual Meeting of stockholders or to nominate individuals to serve as directors?

Stockholder Proposals for Inclusion in Next Year's Proxy Statement

In order for stockholder proposals for the 2025 Annual Meeting of Stockholders to be eligible for inclusion in the proxy statement and form of proxy card for that meeting, we must receive the proposals no later than November 27, 2024 at our corporate headquarters, addressed to:

eXp World Holdings, Inc.
Attention: Corporate Secretary
2219 Rimland Drive, Suite 301
Bellingham, Washington 98226

with a copy via email to: investors@expworldholdings.com.

In addition, all proposals will need to comply with Rule 14a-8 of the Securities Exchange Act, which sets forth the requirements for the inclusion of stockholder proposals in our sponsored proxy materials.

Stockholder Proposals and Nominations to be Presented at Next Year's Annual Meeting

Our bylaws set forth the procedures you must follow in order to nominate a director for election or present any other proposal at an Annual Meeting of our stockholders, other than proposals intended to be included in our sponsored proxy materials. In addition to any other applicable requirements, for a stockholder to properly bring business before the 2025 Annual Meeting of Stockholders, the stockholder must give us notice thereof in proper written form, including all required information, no earlier than the close of business on January 13, 2025, nor later than the close of business on February 12, 2025 (provided, however, that the date of the Annual Meeting is more than thirty days before or more than seventy days after the anniversary date of the 2024 Annual Meeting of Stockholders, notice by the stockholder must be delivered not earlier than the close of business on the one hundred twentieth day prior to such Annual Meeting and not later than the close of business on the later of the ninetieth day prior to such Annual Meeting or the tenth day following the day on which public announcement of the date of such meeting is first made by the Company), at our corporate headquarters, addressed to:

eXp World Holdings, Inc.
Attention: Corporate Secretary
2219 Rimland Drive, Suite 301
Bellingham, Washington 98226

with a copy via email to: investors@expworldholdings.com.

You are also advised to review our bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations. A copy of our Amended and Restated Bylaws is available as Exhibit 3.2 to our Annual Report on Form 10-K for the year ended December 31, 2023.

Appendix 1

Reconciliation of Non-GAAP Measure

To provide stockholders with additional information regarding our financial results, this proxy statement includes a references to Adjusted EBITDA, which is a non-U.S. GAAP financial measure that may be different than similarly titled measures used by other companies. This measure is presented to enhance stockholders' overall understanding of the Company's financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP.

The Company's Adjusted EBITDA provides useful information about financial performance, enhances the overall understanding of past performance and future prospects, and allows for greater transparency with respect to a key metric used by management for financial and operational decision-making. Adjusted EBITDA helps identify underlying trends in the business that otherwise could be masked by the effect of the expenses that are excluded in Adjusted EBITDA. In particular, the Company believes the exclusion of stock and stock option expenses provides a useful supplemental measure in evaluating the performance of operations and provides better transparency into results of operations.

The Company defines the non-U.S. GAAP financial measure of Adjusted EBITDA to mean net income (loss), excluding other income (expense), income tax benefit (expense), depreciation, amortization, impairment charges, stock-based compensation expense, and stock option expense. Adjusted EBITDA may assist stockholders in seeing financial performance through the eyes of management, and may provide an additional tool for stockholders to use in comparing core financial performance over multiple periods with other companies in the industry.

Adjusted EBITDA should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with U.S. GAAP. There are a number of limitations related to the use of Adjusted EBITDA compared to Net Income (loss), the closest comparable U.S. GAAP measure. Some of these limitations are:

- Adjusted EBITDA excludes stock-based compensation expense and stock option expense, which have been, and will continue to be for the foreseeable future, significant recurring expenses in the business and an important part of the compensation strategy; and
- Adjusted EBITDA excludes certain recurring, non-cash charges such as depreciation of fixed assets, amortization of acquired intangible assets, and impairment charges, and, although these are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future.

Below is a reconciliation of our Adjusted EBITDA to Net Income (loss), the clearest comparable U.S. GAAP measure.

	2023	2022	2021	2020	2019	2018	2017
Net (loss) income	\$ (8,973)	\$ 15,424	\$ 81,159	\$ 30,990	\$ (9,557)	\$ (22,430)	\$ (22,131)
Total other (income) expense, net	(3,026)	820	480	184	282	(32)	2
Income tax (benefit) expense	(4,462)	(10,836)	(47,487)	413	497	78	97
Depreciation and amortization	10,892	9,838	6,248	4,214	2,384	894	353
Impairment expense	9,203	-	-	-	-	-	-
Stock compensation expense ⁽¹⁾	43,178	30,861	24,493	15,239	13,959	19,053	10,962
Stock option expense	10,736	14,442	13,102	6,801	5,085	4,847	6,856
Adjusted EBITDA	\$ 57,548	\$ 60,549	\$ 77,995	\$ 57,841	\$ 12,650	\$ 2,410	\$ (3,861)

⁽¹⁾ This includes agent growth incentive stock compensation expense and stock compensation expense related to business acquisitions.

Appendix 2

eXp World Holdings, Inc. 2024 Equity Incentive Plan

1. PURPOSE. eXp World Holdings, Inc., a Delaware corporation (the “Company”) has established this Plan to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company, and any Parents and Subsidiaries that exist now or in the future, by offering them an opportunity to participate in the Company’s future performance through the grant of equity based Awards. Capitalized terms not defined herein are defined in Appendix 2.

2. SHARES SUBJECT TO THE PLAN.

2.1 Number of Shares Available. Subject to Sections 2.4 and 20 and any other applicable provisions hereof, the total number of Shares reserved and available for grant and issuance pursuant to this Plan, including Shares that may be made subject to ISOs, is 150,000,000 Shares. The aggregate number of Shares reserved for grant and issuance hereunder will automatically increase on January 1 of each year, commencing on January 1, 2024, and ending on (and including) January 1, 2034, in an amount equal to the lesser of (i) three percent (3%) of the total number of shares of Common Stock outstanding on December 31 of the preceding calendar year, or (ii) such number of shares of Common Stock as determined by the Board.

2.2 Lapsed, Returned Awards. Shares subject to Awards, and Shares issued under the Plan under any Award, will again be available for grant and issuance in connection with subsequent Awards under this Plan to the extent such Shares: (i) are subject to issuance upon exercise of an Option granted under this Plan but which cease to be subject to the Option for any reason other than exercise of the Option; (ii) are subject to Awards granted under this Plan that are forfeited or are repurchased by the Company at (a) the original issue price or (b) the lower of the original issue price or current fair market value, as applicable; or (iii) are subject to Awards granted under this Plan that otherwise terminate without such Shares being issued. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan. Shares used or withheld to pay the exercise price of an Award or to satisfy the tax withholding obligations related to an Award (such as through a “net exercise”) will remain available for future grant or sale under the Plan. No fractional Shares shall be issued under the Plan.

2.3 Minimum Share Reserve. At all times the Company shall reserve and keep available a sufficient number of Shares as shall be required to satisfy the requirements of all outstanding Awards granted under this Plan.

2.4 Adjustment of Shares. If the number of outstanding Shares is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of the Company, without the receipt of consideration, or in the event of an extraordinary cash dividend, then (i) the number and kind of Shares reserved for issuance and future grant under the Plan set forth in Section 2.1, (ii) the Exercise Prices of outstanding Options or Purchase Prices (if applicable) for Other Stock-Based Awards, (iii) the number and kind of Shares and Performance Factors subject to outstanding Awards and (iv) any other terms that the Board or its delegate hereunder determines require adjustment, shall be appropriately adjusted consistent with such change or event in such manner as the Board may determine. Fractional Shares resulting from any adjustment in Awards shall be eliminated by rounding down.

3. ELIGIBILITY. ISOs may be granted only to Employees. All other Awards may be granted to Employees, Consultants and Directors of the Company or any Parent or Subsidiary of the Company whose participation in the Plan the Board or its delegate hereunder determines to be in the company’s best interests.

4. ADMINISTRATION.

4.1 Authority. This Plan will be administered by the Board. The Board, in its discretion, may delegate the granting of Awards and other administration of the Plan to a committee of the Board or to officers of the Company or other persons, subject to any applicable legal limitations and, in such event, references to the Board shall be references to such delegate(s), subject to the terms and conditions of such delegation. Subject to the general purposes, terms and conditions of this Plan, the Board will have full power to implement and carry out this Plan. The Board will have the authority, without limitation, to:

(i) determine eligible Employees, Consultants and Directors to whom Awards shall be granted from time to time and the number of Shares to be covered by each Award;

(ii) determine, from time to time, the Fair Market Value of Shares;

(iii) determine, and to set forth in Award Agreements, the terms and conditions of all Awards, including any applicable exercise or purchase price, the installments and conditions under which an Award shall become vested (which may be based on performance), terminated, expired, cancelled, or replaced, and the circumstances for vesting acceleration or waiver of forfeiture restrictions, and other restrictions and limitations, which terms and conditions need not be uniform among Awards or Participants;

(iv) approve the forms of Award Agreements and all other documents, notices and certificates in connection therewith which need not be identical either as to type of Award or among Participants;

(v) construe and interpret the terms of the Plan and any Award Agreement, to determine the meaning of their terms, and to prescribe, amend, and rescind rules and procedures relating the Plan and its administration;

(vi) delegate any of the foregoing to a subcommittee consisting of one or more executive officers pursuant to a specific delegation; and

(vii) grant Awards to eligible Employees, Consultants and Directors residing outside the U.S. or to otherwise adopt or administer such procedures or sub-plans for such Awards on such terms and conditions different from those specified in the Plan.

4.2 Board Interpretation and Discretion. Any determination made by the Board with respect to any Award shall be made in its sole discretion at the time of grant of the Award or, unless in contravention of any express term of the Plan or Award, at any later time, and such determination shall be final and binding on the Company and all persons having an interest in any Award under the Plan. Any dispute regarding the interpretation of the Plan or any Award Agreement shall be submitted by the Participant or Company to the Board for review. The resolution of such a dispute by the Board shall be final and binding on the Company and the Participant. The Board may delegate to one or more executive officers the authority to review and resolve disputes with respect to Awards held by Participants who are not Insiders, and such resolution shall be final and binding on the Company and the Participant.

4.3 Documentation. The Award Agreement for a given Award, the Plan and any other documents may be delivered to, and accepted by, a Participant or any other person in any manner (including electronic distribution or posting) that meets applicable legal requirements.

5. OPTIONS. The Board may grant Options to Participants and will determine whether such Options will be Incentive Stock Options within the meaning of the Code ("ISOs") or Nonqualified Stock Options ("NQSOs"), the number of Shares subject to the Option, the Exercise Price of the Option, the period during which the Option may vest and be exercised, and all other terms and conditions of the Option, subject to the following:

5.1 Option Grant. Each Option granted under this Plan will identify the Option as an ISO or an NQSO. An Option may be, but need not be, awarded upon satisfaction of such Performance Factors during any Performance Period as are set out in the Participant's individual Award Agreement. If the Option is being earned upon the satisfaction of Performance Factors, then the Board will: (x) determine the nature, length and starting date of any Performance Period for each Option; and (y) select from among the Performance Factors to be used to measure the performance. Performance Periods may overlap and Participants may participate simultaneously with respect to Options that are subject to different performance goals and other criteria.

5.2 Exercise Period. Options may be vested and exercisable within the times or upon the conditions as set forth in the Award Agreement governing such Option; provided, however, that no Option will be exercisable after the expiration of ten (10) years from the date the Option is granted; and provided further that no ISO granted to a person who, at the time the ISO is granted, directly or by attribution owns more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any Parent or Subsidiary of the Company as described in Section 422(b)(6) of the Code ("Ten Percent Stockholder") will be exercisable after the expiration of five (5) years from the date the ISO is granted. The Board also may provide for Options to become exercisable at one time or from time to time, periodically or otherwise, in such number of Shares or percentage of Shares as the Board determines.

5.3 Exercise Price. The Exercise Price of an Option will be determined by the Board when the Option is granted; provided that:

(i) the exercise price per share of an ISO shall not be less than 100% (or, with respect to ISOs granted to a Ten Percent Stockholder, 110%) of the Fair Market Value per share of the Common Stock on the date of grant; and

(ii) Options granted in substitution for outstanding options of another company in connection with the merger, consolidation, acquisition of property or stock or other reorganization involving such other company and the Company or any Subsidiary may be granted with an exercise price equal to the exercise price for the substituted option of the other company, subject to any adjustment consistent with the terms of the transaction pursuant to which the substitution is to occur.

(iii) The Board may issue Awards in settlement or assumption of, or in substitution for, outstanding Awards in connection with the Company or a Subsidiary acquiring another entity, an interest in another entity or an additional interest in a Subsidiary whether by merger, stock purchase, asset purchase or other form of transaction. Any Shares issuable pursuant to such Awards shall not be counted against the Share limit set forth in Section 2.1.

5.4 Method of Exercise. Any Option granted hereunder will be vested and exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Board and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share. An Option will be deemed exercised when the Company receives: (i) notice of exercise (in such form as the Board may specify from time to time) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with applicable withholding taxes). Shares issued upon exercise of an Option will be issued in the name of the Participant. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 2.4 of the Plan. Payment for Stock purchased upon any exercise of an Option shall be made in full in cash concurrently with such exercise, except that, if the Board shall have authorized it and the Company is not then legally prohibited from receiving such consideration, any other method in accordance with Section 9 of the Plan.

5.5 Termination. The exercise of an Option will be subject to the following (except as may be otherwise provided in an Award Agreement or authorized by the Board):

(i) If the Participant is Terminated for any reason except for Cause or the Participant's death or Disability, then the Participant may exercise such Participant's Options only to the extent that such Options would have been exercisable by the Participant on the Termination Date no later than ninety (90) days after the Termination Date, but in any event no later than the expiration date of the Options.

(ii) If the Participant is Terminated because of the Participant's death (or the Participant dies within ninety (90) days after a Termination other than for Cause or because of the Participant's Disability), then the Participant's Options may be exercised only to the extent that such Options would have been exercisable by the Participant on the Termination Date and must be exercised by the Participant's legal representative, or authorized assignee, no later than twelve (12) months after the Termination Date, but in any event no later than the expiration date of the Options.

(iii) If the Participant is Terminated because of the Participant's Disability, then the Participant's Options may be exercised only to the extent that such Options would have been exercisable by the Participant on the Termination Date and must be exercised by the Participant (or the Participant's legal representative or authorized assignee) no later than twelve (12) months after the Termination Date, but in any event no later than the expiration date of the Options.

(iv) If the Participant is terminated for Cause, then Participant's Options shall expire on such Participant's Termination Date.

5.6. Limitations on Exercise. The Board may specify a minimum number of Shares that may be purchased on any exercise of an Option, provided that such minimum number will not prevent any Participant from exercising the Option for the full number of Shares for which it is then exercisable.

5.7. Limitations on ISOs. With respect to Awards granted as ISOs, to the extent that the aggregate Fair Market Value of the Shares with respect to which such ISOs are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds one hundred thousand dollars (\$100,000), such Options will be treated as NQSOs. For purposes of this Section 5.7, ISOs will be taken into account in the order in which they were granted. The Fair Market Value of the Shares will be determined as of the date the Option with respect to such Shares is granted. In the event that the Code or the regulations promulgated thereunder are amended after the Effective Date to provide for a different limit on the Fair Market Value of Shares permitted to be subject to ISOs, such different limit will be automatically incorporated herein and will apply to any Options granted after the effective date of such amendment.

5.8. Modification, Extension or Renewal. The Board may modify, extend or renew outstanding Options, subject to applicable law, provided that any such action may not, without the written consent of a Participant, materially impair any of such Participant's rights under any Option previously granted. Any outstanding ISO that is modified, extended, renewed or otherwise altered will be treated in accordance with Section 424(h) of the Code.

6. RESTRICTED STOCK AWARDS.

6.1 Awards of Restricted Stock. A Restricted Stock Award is an offer by the Company to sell to, or a grant to, a Participant Shares that are subject to restrictions ("Restricted Stock"). The Board will determine to whom an offer will be made, the number of Shares the Participant may purchase, the Purchase Price (if any), the restrictions under which the Shares will be subject and all other terms and conditions of the Restricted Stock Award, subject to the Plan.

6.2 Purchase Price. The Purchase Price for a Restricted Stock Award will be determined by the Board and may be less than Fair Market Value on the date the Restricted Stock Award is granted (including zero). Payment of the Purchase Price (if any) must be made in accordance with Section 9 of the Plan, and the Award Agreement and in accordance with any procedures established by the Company.

6.3 Terms of Restricted Stock Awards. Restricted Stock Awards will be subject to such restrictions as the Board may impose or are required by law. These restrictions may be based on completion of a specified number of years of service with the Company or upon completion of Performance Factors, if any, during any Performance Period as set out in the Participant's Award Agreement. Prior to the grant of a Restricted Stock Award, the Board shall: (a) determine the nature, length and starting date of any Performance Period for the Restricted Stock Award; (b) select from among the Performance Factors to be used to measure performance goals, if any; and (c) determine the number of Shares that may be awarded to the Participant. Performance Periods may overlap and a Participant may participate simultaneously with respect to Restricted Stock Awards that are subject to different Performance Periods and having different performance goals and other criteria.

6.4 Termination of Participant. Except as may be set forth in the Participant's Award Agreement, vesting ceases on such Participant's Termination Date (unless determined otherwise by the Board).

7. RESTRICTED STOCK UNITS.

7.1 Awards of Restricted Stock Units. A Restricted Stock Unit ("RSU") is an award to a Participant covering a number of Shares that may be settled in cash, or by issuance of those Shares (which may consist of Restricted Stock). All RSUs shall be made pursuant to an Award Agreement.

7.2 Terms of RSUs. The Board will determine the terms of an RSU including, without limitation: (i) the number of Shares subject to the RSU; (ii) the time or times at which the RSU vests; (iii) the consideration to be distributed on settlement; and (iv) the effect of the Participant's Termination on each RSU. An RSU may vest upon satisfaction of such performance goals based on Performance Factors during any Performance Period as are set out in the Participant's Award Agreement. If the RSU vests upon satisfaction of Performance Factors, then the Board will: (x) determine the nature, length and starting date of any Performance Period for the RSU; (y) select from among the Performance Factors to be used to measure the performance, if any; and (z) determine the number of Shares deemed

subject to the RSU. Performance Periods may overlap and participants may participate simultaneously with respect to RSUs that are subject to different Performance Periods and different performance goals and other criteria.

7.3 Form and Timing of Settlement. The Board, in its sole discretion, may settle earned RSUs in cash, Shares, or a combination of both. The Board may also permit a Participant to defer settlement under a RSU to a date or dates after the RSU vests, provided that the terms of the RSU and any deferral satisfy the requirements of Section 409A of the Code.

7.4 Termination of Participant. Except as may be set forth in the Participant's Award Agreement, vesting ceases on such Participant's Termination Date (unless determined otherwise by the Board).

8. OTHER STOCK-BASED AWARDS.

8.1 Other Stock-Based Awards. The Board is authorized to grant to Participants Other Stock-Based Awards, including shares of Common Stock awarded purely as a bonus and not subject to any restrictions or conditions, shares of Common Stock in payment of the amounts due under an incentive or performance plan sponsored or maintained by the Company, stock equivalent units, deferred stock units, and Awards valued by reference to the value of shares of Common Stock. The Board may condition the grant or vesting of Other Stock-Based Awards upon the attainment of specified Performance Factors or such other factors as the Board may determine. The Board may also provide for the grant of Common Stock under such Awards upon the completion of a specified Performance Period. Other Stock-Based Awards may be granted either alone or in addition to or in tandem with other Awards granted under this Plan.

8.2 Terms of Other Stock-Based Awards. The Board will determine, and each Award Agreement shall set forth, the terms of each Other Stock-Based Award including, without limitation: (i) any vesting conditions; (ii) the number of Shares upon which such Other Stock-Based Award is based; (iii) the Performance Factors and Performance Period (if any) that shall determine the time and extent to which each Performance Award shall be vested or granted; (d) the consideration to be distributed on settlement; and (iv) the effect of the Participant's Termination on each Other Stock-Based Award. In establishing Performance Factors and the Performance Period (if any) the Board will: (x) determine the nature, length and starting date of any Performance Period; and (y) select from among the Performance Factors to be used. Prior to settlement the Board shall determine the extent to which Other Stock-Based Awards have been earned. Performance Periods may overlap and Participants may participate simultaneously with respect to Other Stock-Based Awards that are subject to different Performance Periods and different performance goals and other criteria.

8.3 Deferral of Other-Stock Based Awards. To the extent permitted by law, the Board may permit Participants to defer all or a portion of their compensation in the form of Other Stock-Based Awards granted under this Plan, subject to the terms and conditions of any deferred compensation arrangement established by the Company, which shall be in a manner intended to comply with Section 409A of the Code.

8.4 Termination of Participant. Except as may be set forth in the Participant's Award Agreement, vesting ceases on such Participant's Termination Date (unless determined otherwise by the Board).

9. PAYMENT FOR SHARE PURCHASES.

Payment from a Participant for Shares purchased pursuant to this Plan may be made in cash or by check or, where expressly approved for the Participant by the Board and where permitted by law (and to the extent not otherwise set forth in the applicable Award Agreement):

- (i) by forgiveness of indebtedness owed by the Company to the purchaser;
- (ii) by surrender of shares of the Company held by the Participant that have a Fair Market Value on the date of surrender equal to the aggregate exercise price or purchase price of the Shares as to which said Award will be exercised or settled;
- (iii) by reducing the number of shares of Stock to be delivered to the Participant upon exercise of the Option or settlement of an Award, with the reduction valued on the basis of the aggregate Fair Market Value on the Date of

Exercise or purchase of the additional shares of Stock that would otherwise have been delivered to the Participant upon the Option exercise or Award settlement;

(iv) by the delivery, concurrently with such exercise and in accordance with Regulation T promulgated under the Securities Exchange Act of 1934, or any successor rule or regulation, of a properly executed exercise notice for the Option and irrevocable instructions to a broker promptly to deliver to the Company to pay the exercise price a specified amount of the proceeds of a sale of the Option shares or loan secured by the Option shares;

(v) by waiver of compensation due or accrued to the Participant for services rendered or to be rendered to the Company or a Parent or Subsidiary of the Company; and/or

(vi) by any combination of the foregoing or by other means determined by the Board to be consistent with this Plan's purposes.

Subject to any Board approval requirements or other limitations under applicable laws, the Board may also assist any Participant in the payment for Shares by authorizing a loan from the Company, permitting the Participant to pay the exercise price or purchase price in installments or authorizing a guarantee by the Company of a third party loan to the Participant, and the terms and conditions of any such loan, installment sale or guarantee will be determined by the Board.

10. WITHHOLDING TAXES.

10.1 Withholding Generally. Whenever Shares are to be issued in satisfaction of Awards granted under this Plan, the Company may require the Participant to remit to the Company, or to the Parent or Subsidiary employing the Participant, an amount sufficient to satisfy applicable U.S. federal, state, local and international withholding tax requirements or any other tax liability legally due from the Participant prior to the delivery of Shares pursuant to exercise or settlement of any Award. Whenever payments in satisfaction of Awards granted under this Plan are to be made in cash, such payment will be net of an amount sufficient to satisfy applicable U.S. federal, state, local and international withholding tax requirements or any other tax liability legally due from the Participant.

10.2 Stock Withholding. The Board, in its sole discretion and pursuant to such procedures as it may specify from time to time and to limitations of local law, may require or permit a Participant to satisfy such tax withholding obligation or any other tax liability legally due from the Participant, in whole or in part by (without limitation) (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable cash or Shares having a Fair Market Value up to the maximum statutory amount required to be withheld, or (iii) delivering to the Company already-owned Shares having a Fair Market Value equal to the minimum amount required to be withheld.

11. TRANSFERABILITY. An Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution. Notwithstanding the foregoing, the Board may determine that an Award, other than an ISO, may be transferred to a Permitted Transferee, upon such additional terms and conditions as the Board deems appropriate. All Awards shall be exercisable: (i) during the Participant's lifetime only by (a) the Participant, or (b) the Participant's guardian or legal representative; (ii) after the Participant's death, by the legal representative of the Participant's heirs or legatees; and (iii) in the case of all Awards except ISOs, by a Permitted Transferee.

12. PRIVILEGES OF STOCK OWNERSHIP; RESTRICTIONS ON SHARES.

12.1 Voting and Dividends. No Participant will have any of the rights of a stockholder with respect to any Shares until the Shares are issued to the Participant, except for any dividend equivalent rights permitted by an applicable Award Agreement. After Shares are issued to the Participant, the Participant will be a stockholder and have all the rights of a stockholder with respect to such Shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares.

12.2 Restrictions on Shares. At the discretion of the Board, the Company may reserve to itself and/or its assignee(s) a right to repurchase (a "Right of Repurchase") a portion of any or all Shares held by a Participant following such Participant's Termination at any time after the later of the Participant's Termination Date and the date the Participant

purchases Shares under this Plan, for cash and/or cancellation of purchase money indebtedness, at the Participant's Purchase Price or Exercise Price, as the case may be.

13. CERTIFICATES. All Shares or other securities whether or not certificated, delivered under this Plan will be subject to such stock transfer orders, legends and other restrictions as the Board may deem necessary or advisable, including restrictions under any applicable U.S. federal, state or foreign securities law, or any rules, regulations and other requirements of the SEC or any stock exchange or automated quotation system upon which the Shares may be listed or quoted and any non-U.S. exchange controls or securities law restrictions to which the Shares are subject.

14. ESCROW; PLEDGE OF SHARES. To enforce any restrictions on a Participant's Shares, the Board may require the Participant to deposit all certificates representing Shares, together with stock powers or other instruments of transfer approved by the Board, appropriately endorsed in blank, with the Company or an agent designated by the Company to hold in escrow until such restrictions have lapsed or terminated, and the Board may cause a legend or legends referencing such restrictions to be placed on the certificates. Any Participant who is permitted to execute a promissory note as partial or full consideration for the purchase of Shares under this Plan will be required to pledge and deposit with the Company all or part of the Shares so purchased as collateral to secure the payment of the Participant's obligation to the Company under the promissory note; provided, however, that the Board may require or accept other or additional forms of collateral to secure the payment of such obligation. In connection with any pledge of the Shares, the Participant will be required to execute and deliver a written pledge agreement in such form as the Board will from time to time approve. The Shares purchased with the promissory note may be released from the pledge on a pro rata basis as the promissory note is paid.

15. SECURITIES LAW AND OTHER REGULATORY COMPLIANCE. An Award will not be effective unless such Award is in compliance with all applicable U.S. and foreign federal and state securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system upon which the Shares may then be listed or quoted, as they are in effect on the date of grant of the Award and also on the date of exercise or other issuance. Notwithstanding any other provision in this Plan, the Company will have no obligation to issue or deliver certificates for Shares under this Plan prior to: (i) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and/or (ii) completion of any registration or other qualification of such Shares under any state or federal or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable. The Company will be under no obligation to register the Shares with the SEC or to effect compliance with the registration, qualification or listing requirements of any foreign or state securities laws, stock exchange or automated quotation system, and the Company will have no liability for any inability or failure to do so.

16. NO OBLIGATION TO EMPLOY. Nothing in this Plan or any Award granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Parent or Subsidiary of the Company or limit in any way the right of the Company or any Parent or Subsidiary of the Company to terminate Participant's employment or other relationship at any time.

17. CORPORATE TRANSACTIONS.

In the event of (i) the dissolution or liquidation of the Company, (ii) a reorganization, merger or consolidation as a result of which the Company is not the surviving entity or as a result of which the outstanding shares of Stock are changed into or exchanged for cash, property or securities not of the Company's issue, except for a merger or consolidation with a wholly-owned subsidiary of the Company or a transaction effected primarily to change the state of the Company's incorporation, or (iii) a sale or other transfer in one or a series of transactions of all or substantially all of the assets of the Company, or of more than fifty percent (50%) of the voting stock of the Company then outstanding, to any person or entity or to persons or entities which are affiliated or acting in concert with respect to such sale or transfer (each, a "Change in Control"), the Board may, but shall not be obligated to:

(a) accelerate, vest or cause the restrictions to lapse with respect to all or any portion of an Award;

(b) cancel Awards for fair value (as determined by the Board) which, in the case of Options may equal the excess, if any, of the per share value of the consideration to be paid in the Change in Control transaction for Common Stock over the Exercise Price of such Options (or, if such Exercise Price is greater than the consideration paid in the Change in Control transaction, the Board may cancel such Options for no consideration);

(c) provide for the assumption of Awards or the issuance of substitute Awards that will substantially preserve the otherwise applicable terms of any affected Award previously granted hereunder as determined by the Board;

(d) provide advance notice of such Change in Control transaction to holders of Options, after which any Options not exercised prior to such Change in Control may be cancelled; or

(e) cancel Awards (whether vested or unvested).

Any Award granted under this Plan shall automatically terminate upon the closing of a Change in Control, unless provision shall be made in connection with such Change in Control for the assumption of the Award by, or the substitution for such Award of a new Award covering the stock or other equity securities of, the surviving, successor or purchasing entity or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares or other securities or property to be issued upon exercise of the Award and the exercise price, as applicable. This paragraph shall not restrict the Board from permitting or requiring other accelerations of vesting upon transactions described in this paragraph or any other acquisitions of the Company's shares or business or changes in control of the Company or any other event. The treatment of Awards upon a Change in Control need not be uniform among Awards or Participants.

Notwithstanding anything in this Section 17 to the contrary, if a payment under an Award Agreement is subject to Section 409A of the Code and if the change in control definition contained in the Award Agreement or other written agreement related to the Award does not comply with the definition of "change in control" for purposes of a distribution under Section 409A of the Code, then any payment of an amount that otherwise is accelerated under this Section 17 will be delayed until the earliest time that such payment would be permissible under Section 409A of the Code without triggering any penalties applicable under Section 409A of the Code.

18. **ADOPTION AND STOCKHOLDER APPROVAL.** This Plan shall be submitted for the approval of the Company's stockholders, consistent with applicable laws, within twelve (12) months before or after the date this Plan is adopted by the Board.

19. **TERM OF PLAN/GOVERNING LAW.** Unless earlier terminated as provided herein, this Plan will become effective on the Effective Date and will terminate ten (10) years from the date this Plan is adopted by the Board or is approved by the Company's stockholders, whichever is earlier. This Plan and all Awards granted hereunder shall be governed by and construed in accordance with the laws of the State of Delaware.

20. **AMENDMENT OR TERMINATION OF PLAN.** The Board shall have complete power and authority to alter, amend, suspend or terminate this Plan, provided that no such action shall materially impair a Participant, without his or her consent, of any Award or any rights granted thereunder or hereunder. Stockholder approval of amendments shall be required only to permit the issuance of Incentive Options or otherwise to comply with applicable laws or regulatory requirements.

21. **AWARD AGREEMENTS AND AMENDMENTS.** Each Award granted under this Plan shall be evidenced by an agreement between the Company and the Participant, which shall be approved by the Board or an executive officer of the Company. The Award Agreement shall comply with the provisions of this Plan and the terms of the Award's grant by the Board and may contain additional terms not inconsistent with this Plan and such grant which are deemed necessary or desirable by the Board or the executive officer. Subject to the terms and limitations set forth in this Plan, the Board and the Participant may without approval modify, extend, renew or terminate any outstanding Award or Award Agreement.

22. **NONEXCLUSIVITY OF THE PLAN.** Neither the adoption of this Plan by the Board, the submission of this Plan to the stockholders of the Company for approval, nor any provision of this Plan will be construed as creating any limitations on the power of the Company to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock awards and bonuses otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

23. **COMPLIANCE WITH SECTION 409A OF THE CODE.** Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Section 409A of the Code such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A of the Code, except as otherwise determined in the sole discretion of the Board or its delegate

hereunder. The Plan and each Award Agreement under the Plan is intended to be either exempt from the application of or meet the requirements of Section 409A of the Code and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Board or its delegate hereunder. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A of the Code, the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A of the Code, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A of the Code. In no event will the Company or any of its Subsidiaries or Parents have any obligation or liability under the terms of the Plan to reimburse, indemnify, or hold harmless any Participant or any other person in respect of Awards, for any taxes, interest or penalties imposed, or other costs incurred, as a result of Section 409A of the Code.

Appendix 2: Definitions

As used in the Plan, the following definitions shall apply:

“Award” means any award under the Plan, including any Option, Restricted Stock, or Other Stock-Based Award.

“Award Agreement” means, with respect to each Award, the written or electronic agreement between the Company and the Participant setting forth the terms and conditions of the Award, which shall be in substantially a form (which need not be the same for each Participant) that the Board has from time to time approved, and will comply with and be subject to the terms and conditions of this Plan.

“Board” means the Board of Directors of the Company.

“Cause” means (a) in the case where there is no employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Company and the Participant at the time of the grant of the Award (or where there is such an agreement but it does not define “cause” (or words of like import), (i) Participant’s willful failure substantially to perform his or her duties and responsibilities to the Company or deliberate violation of a Company policy; (ii) Participant’s commission of any act of fraud, embezzlement, dishonesty or any other willful misconduct that has caused or is reasonably expected to result in material injury to the Company; (iii) unauthorized use or disclosure by Participant of any proprietary information or trade secrets of the Company or any other party to whom the Participant owes an obligation of nondisclosure as a result of his or her relationship with the Company; or (iv) Participant’s willful breach of any of his or her obligations under any written agreement or covenant with the Company; or (b) in the case where there is an employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Company and the Participant at the time of the grant of the Award that defines “cause” (or words of like import), “cause” as defined under such agreement. The determination as to whether a Participant is being terminated for Cause shall be made in good faith by the Company and shall be final and binding on the Participant. The foregoing definition does not in any way limit the Company’s ability to terminate a Participant’s employment or consulting relationship at any time as provided in Section 16 above, and the term “Company” will be interpreted to include any Subsidiary or Parent, as appropriate.

“Code” means the United States Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

“Common Stock” means the Company’s Common Stock, par value \$0.00001 per share.

“Company” means eXp World Holdings, Inc., a Delaware corporation, or any successor corporation.

“Consultant” means any person or entity, including an advisor or independent contractor, engaged by the Company or a Parent or Subsidiary to render services to such entity other than in connection with the offer or sale of securities in a capital raising transaction.

“Director” means a member of the Board.

“Disability” means in the case of ISOs, total and permanent disability as defined in Section 22(e)(3) of the Code and in the case of other Awards, that the Participant is unable to engage in any substantial gainful activity by reason of

any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

“Effective Date” means the date on which the Plan has received approval by the Company’s stockholders required in accordance with the Company’s governing documents and applicable law.

“Employee” means any person, including Officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director’s fee by the Company will be sufficient to constitute “employment” by the Company.

“Exchange Act” means the United States Securities Exchange Act of 1934, as amended.

“Exercise Price” means the price at which a holder may purchase the Shares issuable upon exercise of an Option.

“Fair Market Value” means, as of any date, the value of a share of the Company’s Common Stock determined as follows: (i) If the Common Stock is traded on an established securities market, the closing price of a share of the Common Stock on such date on the composite transactions report of the principal securities market on which the Common Stock is so traded, or, if there is no sale of the Common Stock on such date, then on the last previous date on which there was a sale; or, (ii) if the Common Stock is not then traded on an established securities market, the fair market value of a share of the Common Stock as determined by the Board in a manner it considers reasonable or appropriate under the circumstances, taking into account the requirements of Section 409A or 422 of the Code, as applicable. The determination of fair market value for purposes of tax withholdings may be made in the Board’s (or its delegate’s) discretion subject to applicable laws and is not required to be consistent with the determination of Fair Market Value described above or for other purposes.

“Insider” means any person providing services to the Company or a Subsidiary whose transactions in the Company’s Common Stock are subject to Section 16 of the Exchange Act.

“Option” means an award of an option to purchase Shares pursuant to Section 5.

“Other Stock-Based Award” means an Award under Section 8 that is valued in whole or part by reference to, or is payable in or otherwise based on, Common Stock.

“Parent” means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of such corporations other than the Company owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

“Participant” means a person who holds an Award under this Plan.

“Performance Factors” means any performance goal, metric or measure, individually or in combination, as determined by the Board or its delegate hereunder.

“Performance Period” means the period of service determined by the Board, during which years of service or performance is to be measured for the Award.

“Permitted Transferee” means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (including adoptive relationships) of the Participant, any person sharing the Participant’s household (other than a tenant or employee), a trust in which these persons (or the Participant) have more than 50% of the beneficial interest, a foundation in which these persons (or the Participant) control the management of assets, and any other entity in which these persons (or the Participant) own more than 50% of the voting interests.

“Plan” means this eXp World Holdings, Inc. 2024 Equity Incentive Plan.

“Purchase Price” means the price to be paid for Shares acquired under the Plan, other than Shares acquired upon exercise of an Option.

“Restricted Stock Award” means an award of Shares pursuant to Section 6 or Section 8 of the Plan, or issued pursuant to the early exercise of an Option.

“Restricted Stock Unit” means an Award granted pursuant to Section 7 or Section 8 of the Plan.

“SEC” means the United States Securities and Exchange Commission.

“Securities Act” means the United States Securities Act of 1933, as amended.

“Shares” means shares of the Company’s Common Stock and the common stock of any successor security.

“Subsidiary” means any subsidiary corporation of the Company, whether now or hereafter existing, as defined in Section 424(f) of the Code.

“Termination” or “Terminated” means, for purposes of this Plan with respect to a Participant, that the Participant has for any reason ceased to provide services as an employee, officer, director, consultant, independent contractor or advisor to the Company or a Parent or Subsidiary of the Company. An employee will not be deemed to have ceased to provide services in the case of (i) sick leave, (ii) military leave, or (iii) any other leave of absence approved by the Board; provided, that such leave is for a period of not more than 90 days, unless reemployment upon the expiration of such leave is guaranteed by contract or statute or unless provided otherwise pursuant to formal policy adopted from time to time by the Company and issued and promulgated to employees in writing. In the case of any employee on an approved leave of absence, the Board may make such provisions respecting suspension of vesting of the Award while on leave from the employ of the Company or a Parent or Subsidiary of the Company as it may deem appropriate, except that in no event may an Award be exercised after the expiration of the term set forth in the applicable Award Agreement. In the event of military leave, if required by applicable laws, vesting shall continue for the longest period that vesting continues under any other statutory or Company approved leave of absence and, upon a Participant’s returning from military leave (under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given vesting credit with respect to Awards to the same extent as would have applied had the Participant continued to provide services to the Company throughout the leave on the same terms as he or she was providing services immediately prior to such leave. An employee shall have terminated employment as of the date he or she ceases to be employed (regardless of whether the termination is in breach of local laws or is later found to be invalid) and employment shall not be extended by any notice period or garden leave mandated by local law. The Board will have sole discretion to determine whether a Participant has ceased to provide services for purposes of the Plan and the effective date on which the Participant ceased to provide services (the “Termination Date”).

EXHIBIT VII

**QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2024,
FILED BY EXP WORLD HOLDINGS, INC. WITH THE SEC ON MAY 1, 2024**

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

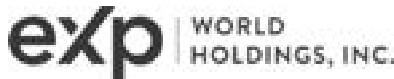
For the quarterly period ended March 31, 2024

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: **001-38493**



EXP WORLD HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation or organization)

98-0681092

(I.R.S. Employer
Identification No.)

2219 Rimland Drive, Suite 301, Bellingham, WA

(Address of principal executive offices)

98226

(Zip Code)

(360) 685-4206

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

(Title of Each Class)	(Trading Symbol)	(Name of each exchange on which registered)
<u>Common Stock, \$0.00001 par value per share</u>	<u>EXPI</u>	<u>The Nasdaq Stock Market</u>

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
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.

Indicate by check whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

There were 154,846,563 shares of the registrant's Common Stock, \$0.00001 par value, outstanding as of March 31, 2024.

TABLE OF CONTENTS

	<u>Page</u>
Forward Looking Statements	3
<u>PART I</u>	
<u>FINANCIAL INFORMATION</u>	
Item 1. Financial Statements (Unaudited)	4
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	18
Item 3. Quantitative and Qualitative Disclosures About Market Risk	28
Item 4. Controls and Procedures	28
<u>PART II</u>	
<u>OTHER INFORMATION</u>	
Item 1. Legal Proceedings	28
Item 1A. Risk Factors	28
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	29
Item 3. Defaults Upon Senior Securities	29
Item 4. Mine Safety Disclosures	29
Item 5. Other Information	30
Item 6. Exhibits	31

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Quarterly Report") contains statements that are not historical fact and may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not based on historical facts but rather represent current expectations and assumptions of future events. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Many of these risks and other factors are beyond our ability to control or predict. Forward-looking statements can be identified by words such as "believe," "expect," "anticipate," "estimate," "project," "plan," "should," "intend," "may," "will," "could," "can," "would," "potential," "seek," "goal" and similar expressions of the future. These risks and uncertainties, as well as other risks and uncertainties that could cause our actual results to differ significantly from management's expectations, including, but not limited to:

- *the impact of macroeconomic conditions on the strength of the residential real estate market;*
- *the impact of monetary policies of the U.S. federal government and its agencies on our operations;*
- *the impact of changes in consumer attitudes on home sale transaction volume;*
- *the impact of excessive or insufficient home inventory supply on home sale transaction value;*
- *our ability to effectively manage rapid growth in our business;*
- *our ability to attract and retain additional qualified personnel;*
- *changes in tax laws and regulations that may have a material adverse effect on our business;*
- *our ability to protect our intellectual property rights;*
- *the impact of security breaches, interruptions, delays and failures in our systems and operations on our business;*
- *financial condition and reputation;*
- *our ability to predict the demand or growth of our new products and services;*
- *our ability to maintain our agent growth rate;*
- *the impact of adverse outcomes in litigation and regulatory actions against us and other companies and agents in our industry on our business; and*
- *the effect of inflation and rising interest rates on real estate transaction values and our operating results, profits and cash flows.*

Other factors not identified above, including those described under the heading "Risk Factors" in Part I, Item 1A, and elsewhere in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the "2023 Annual Report"), may also cause actual results to differ materially from those described in our forward-looking statements. Most of these factors are difficult to anticipate and are generally beyond our control. You should consider these factors in connection with considering any forward-looking statements that may be made by us.

Forward-looking statements are based on currently available operating, financial and market information and are inherently uncertain. Investors should not place undue reliance on forward-looking statements, which speak only as of the date they are made and are not guarantees of future performance. Actual future results and trends may differ materially from such forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future developments or otherwise, except as may be required by law.

PART 1 – FINANCIAL INFORMATION

Item 1.

FINANCIAL STATEMENTS (UNAUDITED)
EXP WORLD HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)
(UNAUDITED)

	March 31, 2024	December 31, 2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 109,169	\$ 125,873
Restricted cash	74,735	44,020
Accounts receivable, net of allowance for credit losses of \$2,363 and \$2,204, respectively	105,325	85,343
Prepays and other assets	9,517	9,275
Current assets of discontinued operations	1,631	1,964
TOTAL CURRENT ASSETS	300,377	266,475
Property, plant, and equipment, net	12,231	12,967
Operating lease right-of-use assets	7	10
Other noncurrent assets	11,058	7,400
Intangible assets, net	6,644	7,012
Deferred tax assets	73,955	69,034
Goodwill	16,682	16,982
Noncurrent assets of discontinued operations	5,795	5,788
TOTAL ASSETS	\$ 426,749	\$ 385,668
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 8,986	\$ 8,788
Customer deposits	75,789	44,550
Accrued expenses	102,104	86,483
Litigation contingency	16,000	-
Current portion of lease obligation - operating lease	7	10
Current liabilities of discontinued operations	1,406	1,809
TOTAL CURRENT LIABILITIES	204,292	141,640
Long-term payable	20	20
TOTAL LIABILITIES	204,312	141,660
EQUITY		
Common Stock, \$0.00001 par value 900,000,000 shares authorized; 186,361,476 issued and 154,846,563 outstanding at March 31, 2024; 183,606,708 issued and 154,669,037 outstanding at December 31, 2023	2	2
Additional paid-in capital	841,576	804,833
Treasury stock, at cost: 31,514,913 and 28,937,671 shares held, respectively	(578,591)	(545,559)
Accumulated deficit	(39,993)	(16,769)
Accumulated other comprehensive (loss) income	(557)	332
Total eXp World Holdings, Inc. stockholders' equity	222,437	242,839
Equity attributable to noncontrolling interest	-	1,169
TOTAL EQUITY	222,437	244,008
TOTAL LIABILITIES AND EQUITY	\$ 426,749	\$ 385,668

The accompanying notes are an integral part of these condensed consolidated financial statements.

EXP WORLD HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands, except share amounts and per share data)
(UNAUDITED)

	Three Months Ended March 31,	
	2024	2023
Revenues	\$ 943,054	\$ 848,453
Operating expenses		
Commissions and other agent-related costs	864,746	776,838
General and administrative expenses	62,582	54,626
Technology and development expenses	14,761	14,060
Sales and marketing expenses	3,139	2,927
Litigation contingency	16,000	-
Total operating expenses	961,228	848,451
Operating (loss) income	(18,174)	2
Other (income) expense		
Other (income) expense, net	(1,188)	(874)
Equity in losses of unconsolidated affiliates	149	342
Total (income) expense, net	(1,039)	(532)
Income (loss) before income tax expense	(17,135)	534
Income tax benefit	(3,305)	(1,458)
Net (loss) income from continuing operations	(13,830)	1,992
Net loss from discontinued operations	(1,809)	(539)
Net (loss) income	(\$ 15,639)	\$ 1,453
(Loss) earnings per share		
Basic, net (loss) income from continuing operations	(\$ 0.09)	\$ 0.01
Basic, net loss from discontinued operations	(\$ 0.01)	(\$ 0.00)
Basic, net (loss) income	(\$ 0.10)	\$ 0.01
Diluted, net (loss) income from continuing operations	(\$ 0.09)	\$ 0.01
Diluted, net loss from discontinued operations	(\$ 0.01)	(\$ 0.00)
Diluted, net (loss) income	(\$ 0.10)	\$ 0.01
Weighted average shares outstanding		
Basic	154,740,334	152,546,766
Diluted	154,740,334	155,668,712
Comprehensive (loss) income:		
Net (loss) income	(\$ 15,639)	\$ 1,453
Other comprehensive (loss) income:		
Foreign currency translation gain (loss), net of tax	(889)	643
Comprehensive (loss) income attributable to eXp World Holdings, Inc.	(\$ 16,528)	\$ 2,096

The accompanying notes are an integral part of these condensed consolidated financial statements.

EXP WORLD HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(In thousands)
(UNAUDITED)

	Three Months Ended March 31,	
	2024	2023
Common stock:		
Balance, beginning of period	\$ 2	\$ 2
Balance, end of period	2	2
Treasury stock:		
Balance, beginning of period	(545,559)	(385,010)
Repurchases of common stock	(33,032)	(29,916)
Balance, end of period	(578,591)	(414,926)
Additional paid-in capital:		
Balance, beginning of period	804,833	611,872
Shares issued for stock options exercised	977	307
Agent growth incentive stock compensation	7,908	8,668
Agent equity stock compensation	25,868	26,775
Stock option compensation	1,990	2,761
Balance, end of period	841,576	650,383
Accumulated (deficit) earnings:		
Balance, beginning of period	(16,769)	20,723
Net (loss) income	(15,639)	1,453
Dividends declared and paid (\$0.05 and \$0.045 per share of common stock in Q1 2024 and Q1 2023, respectively)	(7,585)	(6,596)
Balance, end of period	(39,993)	15,580
Accumulated other comprehensive income (loss):		
Balance, beginning of period	332	236
Foreign currency translation gain (loss)	(889)	643
Balance, end of period	(557)	879
Noncontrolling interest:		
Balance, beginning of period	1,169	1,169
Transactions with noncontrolling interests	(1,169)	-
Balance, end of period	(0)	1,169
Total equity	<u>\$ 222,437</u>	<u>\$ 253,087</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

EXP WORLD HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(UNAUDITED)

	Three Months Ended March 31,	
	2024	2023
OPERATING ACTIVITIES		
Net (loss) income	(\$ 15,639)	\$ 1,453
Reconciliation of net income (loss) to net cash provided by operating activities:		
Depreciation expense	2,059	2,067
Amortization expense - intangible assets	340	512
Allowance for credit losses on receivables/bad debt on receivables	159	(1,790)
Equity in loss of unconsolidated affiliates	149	342
Agent growth incentive stock compensation expense	8,827	9,660
Stock option compensation	1,990	2,761
Agent equity stock compensation expense	25,868	26,775
Deferred income taxes, net	(4,786)	277
Changes in operating assets and liabilities:		
Accounts receivable	(20,141)	(10,808)
Prepays and other assets	(311)	(3,722)
Customer deposits	31,239	17,382
Accounts payable	197	(1,310)
Accrued expenses	14,703	17,200
Long term payable	-	(4,692)
Litigation contingency	16,000	-
Other operating activities	-	37
NET CASH PROVIDED BY OPERATING ACTIVITIES	60,654	56,144
INVESTING ACTIVITIES		
Purchases of property, plant, equipment	(1,323)	(1,432)
Investments in unconsolidated affiliates	(3,807)	(350)
Capitalized software development costs in intangible assets	(115)	-
NET CASH USED IN INVESTING ACTIVITIES	(5,245)	(1,782)
FINANCING ACTIVITIES		
Repurchase of common stock	(33,032)	(29,916)
Proceeds from exercise of options	977	307
Transactions with noncontrolling interests	(1,169)	-
Dividends declared and paid	(7,585)	(6,596)
NET CASH USED IN FINANCING ACTIVITIES	(40,809)	(36,205)
Effect of changes in exchange rates on cash, cash equivalents and restricted cash	(589)	594
Net change in cash, cash equivalents and restricted cash	14,011	18,751
Cash, cash equivalents and restricted cash, beginning balance	169,893	159,383
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, ENDING BALANCE	\$ 183,904	\$ 178,134
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:		
Cash paid for income taxes	\$ 1,109	\$ 1,089

The accompanying notes are an integral part of these condensed consolidated financial statements.

eXp World Holdings, Inc.

**Notes to the Condensed Consolidated Financial Statements
(UNAUDITED)**

(Amounts in thousands, except share amounts and per share data or noted otherwise)

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

eXp World Holdings, Inc. (“eXp,” or, collectively with its subsidiaries, the “Company,” “we,” “us,” or “our”) owns and operates a diversified portfolio of service-based businesses whose operations benefit substantially from utilizing our technology platform. We strategically prioritize our efforts to grow our real estate brokerage by strengthening our agent value proposition, developing immersive and cloud-based technology to enable our model and providing affiliate and media services supporting those efforts. Our real estate brokerage is now one of the largest and fastest-growing real estate brokerage companies in the United States and Canada and is rapidly expanding internationally.

The accompanying interim unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements.

These interim financial statements should be read in conjunction with the audited consolidated financial statements and related notes contained in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed with the SEC on February 22, 2024 (“2023 Annual Report”).

In our opinion, the accompanying interim unaudited condensed consolidated financial statements reflect all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation. Operating results for the three months ended March 31, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2024.

In the first quarter of 2024, the Company determined that there has been a significant change to the Virbela business model. As our customers evolve post-COVID, including a return-to-work-offices, and in light of ongoing internal and external demand for web-accessible platforms and artificial intelligence solutions, we have experienced a decline in demand for our application-based platform, Virbela, and a rising interest in our web-accessible platform, Frame®. Accordingly, the Company has begun the process of winding down the Virbela business, which includes closing out current contracts, and reducing its external customers and internal employee support. Further, the technology is being replaced with Virbela Frame® technology that will be primarily utilized internally within the Company. The Company expects the process to wind down the Virbela business to be completed by the fourth quarter of 2024. As a result of this change, the Company has determined that Virbela qualifies for reporting as discontinued operations and will be reported as discontinued operations in the Company’s quarterly report on Form 10-Q for the period ended March 31, 2024 (the “Form 10-Q”). In accordance with Accounting Standards Codification (“ASC”) 205 – Presentation of Financial Statements, we will present the assets and liabilities of Virbela within discontinued operations in the Company’s condensed consolidated balance sheet and Virbela’s results of operations will be included in discontinued operations in the Company’s condensed consolidated statements of comprehensive income (loss).

In prior years, Virbela represented an operating and reporting segment under ASC 280. Going forward, the remaining operations of Virbela will not meet the operating or reporting segment criteria, therefore, any operating results related to Virbela and Frame® technologies will be included in the Other Affiliated Services segment. Prior year segment and financial statement information has been reclassified to reflect Virbela as discontinued operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying interim unaudited condensed consolidated financial statements include the accounts of eXp and its consolidated subsidiaries, including those entities in which we have a variable interest of which we are the primary beneficiary. If the Company has a variable interest in an entity but it is not the primary beneficiary of the entity or exercises control over the operations and has less than 50% ownership, it will use the equity method or the cost method of accounting for investments. Entities in which the Company has less than a 20% investment and where the Company does not exercise significant influence are accounted for under the cost method. Intercompany transactions and balances are eliminated upon consolidation.

Variable interest entities and noncontrolling interests

A company is deemed to be the primary beneficiary of a variable interest entity ("VIE") and must consolidate the entity if the company has both: (i) the power to direct the activities of a VIE that most significantly impact the VIE's economic performance, and (ii) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE.

Joint ventures

A joint venture is a contractual arrangement whereby the Company and other parties undertake an economic activity through a jointly controlled entity. Joint control exists when strategic, financial, and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control. Joint ventures are accounted for using the equity method and are recognized initially at cost. Joint ventures are typically included in the Other Affiliated Services unless the joint venture specifically supports one of the reportable segments.

The Company has several joint venture investments. The operations of these joint ventures are not material to the Company's financial position or results of operations.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to allowance for credit losses, legal contingencies, income taxes, revenue recognition, stock-based compensation, goodwill, and deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

Reclassifications

When necessary, the Company will reclassify certain amounts in prior-period financial statements to conform to the current period's presentation. Prior year segment and financial statement information has been reclassified to reflect Virbela as discontinued operations.

Restricted cash

Restricted cash consists of cash held in escrow by the Company on behalf of real estate buyers. The Company recognizes a corresponding customer deposit liability until the funds are released. Once the cash transfers from escrow, the Company reduces the respective customers' deposit liability.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the condensed consolidated balance sheets that sum to the total of the same amounts shown on the condensed consolidated statements of cash flows.

	Cash and cash equivalents	Restricted cash	Total
Balance, March 31, 2023	\$ 122,769	\$ 55,365	\$ 178,134
Balance, December 31, 2023	\$ 125,873	\$ 44,020	\$ 169,893
Balance, March 31, 2024	\$ 109,169	\$ 74,735	\$ 183,904

3. DISCONTINUED OPERATIONS

In accordance with ASC 205-20, the results of the Virbela business are presented as discontinued operations in the condensed consolidated statements of comprehensive income and, as such, have been excluded from continuing operations. Further, the Company reclassified the assets and liabilities of the Virbela segment as assets and liabilities of discontinued operations in the consolidated balance sheets. The following tables present the information for Virbela's operations for the three months ended March 31, 2024 and 2023, and the balance sheet information as of March 31, 2024 and December 31, 2023 (in thousands).

ASSETS AND LIABILITIES OF DISCONTINUED OPERATIONS
(Unaudited)

	March 31, 2024	December 31, 2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,064	\$ 991
Accounts receivable, net of allowance for credit losses of \$16 and \$99, respectively	310	626
Prepays and other assets	257	347
TOTAL CURRENT ASSETS	1,631	1,964
Property, plant, and equipment, net	9	11
Intangible assets, net	3,396	3,469
Deferred tax assets	2,390	2,308
TOTAL ASSETS	\$ 7,426	\$ 7,752
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 26	\$ 110
Accrued expenses	1,380	1,699
TOTAL CURRENT LIABILITIES	1,406	1,809
TOTAL LIABILITIES	\$ 1,406	\$ 1,809

INCOME STATEMENT OF DISCONTINUED OPERATIONS
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
Revenues	\$ 649	\$ 2,163
Operating expenses		
Commissions and other agent-related costs	679	721
General and administrative expenses	1,765	2,730
Technology and development expenses	116	351
Sales and marketing expenses	(3)	36
Total operating expenses	2,557	3,838
Operating (loss)	(1,908)	(1,675)
Other income		
Other income, net	(17)	(6)
Total other income, net	(17)	(6)
(Loss) before income tax expense	(1,891)	(1,669)
Income tax benefit	(82)	(1,130)
Net loss from discontinued operations	(\$ 1,809)	(\$ 539)

4. EXPECTED CREDIT LOSSES

The Company is exposed to credit losses primarily through trade and other financing receivables arising from revenue transactions. The Company uses the aging schedule method to estimate current expected credit losses ("CECL") based on days of delinquency, including information about past events and current economic conditions. The Company's accounts receivable is separated into three categories to evaluate allowance under the CECL impairment model. The receivables in each category share similar risk characteristics. The three categories include agent non-commission based fees, agent short-term advances, and commissions receivable for real estate property settlements.

The Company increases the allowance for expected credits losses when the Company determines all or a portion of a receivable is uncollectable. The Company recognizes recoveries as a decrease to the allowance for expected credit losses.

Receivables from real estate property settlements totaled \$100,529 and \$81,004 of which the Company recognized expected credit losses of \$2 and \$-, respectively as of March 31, 2024 and December 31, 2023. As of March 31, 2024 and December 31, 2023 agent non-commission based fees receivable and short-term advances totaled \$7,487 and \$7,268, of which the Company recognized expected credit losses of \$2,363 and \$2,204, respectively.

5. PLANT, PROPERTY AND EQUIPMENT, NET

Plant, property and equipment, net consisted of the following:

	March 31, 2024	December 31, 2023
Computer hardware and software	\$ 38,372	\$ 37,444
Furniture, fixture, and equipment	2,253	2,254
Total depreciable property and equipment	40,625	39,698
Less: accumulated depreciation	(29,778)	(27,733)
Depreciable property, net	10,847	11,965
Discontinued operations	(9)	(11)
Assets under development	1,393	1,013
Property, plant, and equipment, net	\$ 12,231	\$ 12,967

For the three months ended March 31, 2024 and 2023 depreciation expense was \$2,059 and \$2,067, respectively.

6. GOODWILL AND INTANGIBLE ASSETS

Goodwill was \$16,682 as of March 31, 2024 and \$16,982 as of December 31, 2023. As of March 31, 2024, the Company recorded cumulative translation adjustment of (\$300) related to Canadian goodwill. Additionally, if current assumptions and estimates, including projected revenues and income growth rates, terminal growth rates, competitive and consumer trends, market-based discount rates, and other market factors, are not met, or if valuation factors outside of the Company's control change unfavorably, the estimated fair value of goodwill could be adversely affected, leading to a potential impairment in the future. For the three months ended March 31, 2024, no events occurred that indicated it was more likely than not that goodwill was impaired. The following tables present definite-lived intangible assets as of March 31, 2024 and December 31, 2023, in thousands:

	March 31, 2024		
	Gross Amount	Accumulated Amortization	Net Carrying Amount
Trade name	\$ 2,661	(\$ 1,071)	\$ 1,590
Existing technology	3,254	(1,351)	1,903
Non-competition agreements	461	(125)	336
Customer relationships	1,284	(675)	609
Licensing agreement	210	(210)	-
Intellectual property	2,836	(630)	2,206
Total intangible assets	\$ 10,706	(\$ 4,062)	\$ 6,644

	December 31, 2023		
	Gross Operations	Accumulated Amortization	Net Carrying Amount
Trade name	\$ 2,672	(\$ 1,030)	\$ 1,642
Existing technology	3,263	(1,122)	2,141
Non-competition agreements	468	(125)	343
Customer relationships	1,285	(652)	633
Licensing agreement	210	(210)	-
Intellectual property	2,836	(583)	2,253
Total intangible assets	\$ 10,734	(\$ 3,722)	\$ 7,012

Definite-lived intangible assets are amortized using the straight-line method over an asset's estimated useful life. Amortization expense for definite-lived intangible assets for the three months ended March 31, 2024 and 2023 was \$340 and \$512, respectively.

7. STOCKHOLDERS' EQUITY

The following table represents a share reconciliation of the Company's common stock issued for the periods presented:

	Three Months Ended March 31,	
	2024	2023
Common stock:		
Balance, beginning of quarter	183,606,708	171,656,030
Shares issued for stock options exercised	211,158	113,208
Agent growth incentive stock compensation	353,688	656,436
Agent equity stock compensation	2,189,922	2,106,369
Balance, end of quarter	186,361,476	174,532,043

The Company's equity programs described below are administered under the stockholder approved 2015 Equity Incentive Plan. The purpose of the equity plan is to retain the services of valued employees, directors, officers, agents, and consultants and to incentivize such persons to make contributions to the Company and motivate excellent performance.

Agent Equity Program

The Company provides agents and brokers the opportunity to elect to receive 5% of commissions earned from each completed real estate transaction in the form of common stock (the "Agent Equity Program" or "AEP"). If agents and brokers

elect to receive portions of their commissions in common stock, they are entitled to receive the equivalent number of shares of common stock, based on the fixed monetary value of the commission payable. The Company recognizes a 10% discount on these issuances for the period beginning January 1, 2024 through February 29, 2024, and a 5% discount on these issuances beginning as of March 1, 2024, as an additional cost of sales charge during the periods presented.

During the three months ended March 31, 2024 and 2023, the Company issued 2,189,922 and 2,106,369 shares of common stock, respectively, to agents and brokers with a value of \$25,868 and \$26,775, respectively, inclusive of discount.

Agent Growth Incentive Program

The Company administers an equity incentive program whereby agents and brokers become eligible to receive awards of the Company's common stock through agent attraction and performance benchmarks (the "Agent Growth Incentive Program" or "AGIP"). The incentive program encourages greater performance and awards agents with common stock based on achievement of performance milestones. Awards typically vest after performance benchmarks are reached and three years of subsequent service is provided to the Company. Share-based performance awards are granted on a fixed-dollar amount of shares based on the achievement of performance metrics. As such, the awards are classified as liabilities until the number of share awards becomes fixed once the performance metric is achieved.

For the three months ended March 31, 2024 and 2023 the Company's stock compensation expense attributable to the Agent Growth Incentive Program was \$8,827 and \$9,660, respectively, of which the total amount of stock compensation attributable to liability classified awards was \$650 and \$993, respectively.

Agent Thrive Program

Announced in October 2023, the Thrive program provides a stock incentive to the individual teams of leaders of culturally aligned teams that join the Company as part of the program. After affiliating with the Company, the team leader becomes eligible to receive an award of the Company's common stock through team performance benchmarks. Awards typically vest after production benchmarks are reached and three years of subsequent service is provided to the Company. Share-based performance awards are based on a fixed-dollar amount of shares based on the achievement of production metrics. As such, the awards are classified as liabilities until the number of share awards becomes fixed once the production metric is achieved.

The following table illustrates changes in the Company's stock compensation liability for the periods presented:

	Amount
Stock grant liability balance at December 31, 2022	\$ 3,885
Stock grant liability increase year to date	3,832
Stock grants reclassified from liability to equity year to date	<u>(2,717)</u>
Balance, December 31, 2023	\$ 5,000
Stock grant liability increase year to date	650
Stock grants reclassified from liability to equity year to date	-
Balance, March 31, 2024	<u>\$ 5,650</u>

Stock Option Awards

Stock options are granted to directors, officers, certain employees and consultants with an exercise price equal to the fair market value of common stock on the grant date and the stock options expire 10 years from the date of grant. These options typically have time-based restrictions with equal and periodically graded vesting over a three-year period.

During the three months ended March 31, 2024 and 2023 the Company granted 353,656 and 88,553 stock options, respectively, to employees with an estimated grant date fair value of \$6.93 and \$8.18 per share, respectively. The fair value was calculated using a Black Scholes-Merton option pricing model.

Stock Repurchase Plan

In December 2018, the Company's board of directors (the "Board") approved a stock repurchase program authorizing the Company to purchase up to \$25.0 million of its common stock, which was later amended in November 2019 increasing the authorized repurchase amount to \$75.0 million. In December 2020, the Board approved another amendment to the repurchase plan, increasing the total amount authorized to be purchased from \$75.0 million to \$400.0 million. In May 2022,

the Board approved an increase to the total amount of its buyback program from \$400.0 million to \$500.0 million. In June 2023, the Board approved an increase to the total amount of its buyback program from \$500.0 million to \$1.0 billion. Purchases under the repurchase program may be made in the open market or through a 10b5-1 plan and are expected to comply with Rule 10b-18 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The timing and number of shares repurchased depends upon market conditions. The repurchase program does not require the Company to acquire a specific number of shares. The cost of the shares that are repurchased is funded from cash and cash equivalents on hand.

10b5-1 Repurchase Plan

The Company maintains a stock repurchase program with program changes subject to Board consent. In June 2023, the Board approved increasing the stock repurchase program to \$1.0 billion. From time to time, the Company adopts written trading plans pursuant to Rule 10b5-1 of the Exchange Act to conduct repurchases on the open market.

On January 10, 2022, the Company and Stephens Inc. entered into a form of Issuer Repurchase Plan ("Issuer Repurchase Plan") which authorized Stephens to repurchase common stock of the Company, which is amended from time to time to adjust the monthly repurchase amount. Most recently, on March 6, 2024, the Board approved, and the Company entered into a seventh amendment to the Issuer Repurchase Plan to increase the monthly repurchase to (i) \$20.0 million during the calendar months commencing March 1, 2024 through and including April 30, 2024, and (ii) \$15.0 million during the calendar months commencing May 1, 2024 through and including December 31, 2024.

For accounting purposes, common stock repurchased under the stock repurchase programs is recorded based upon the settlement date of the applicable trade. Such repurchased shares are held in treasury and are presented using the cost method. These shares are considered issued but not outstanding.

The following table shows the share changes in treasury stock for the periods presented:

	Three Months Ended March 31,	
	2024	2023
Treasury stock:		
Balance, beginning of quarter	28,937,671	18,816,791
Repurchases of common stock	2,577,242	2,272,831
Balance, end of quarter	<u>31,514,913</u>	<u>21,089,622</u>

8. SEGMENT INFORMATION

The reportable segments presented below represent the Company's segments for which separate financial information is available and which is utilized on a regular basis by its chief operating decision maker to assess performance and to allocate resources. In identifying its reportable segments, the Company also considers the nature of services provided by its segments.

Management evaluates the operating results of each of its reportable segments based upon revenue and Adjusted Segment EBITDA. Adjusted Segment EBITDA is defined by us as a segment's operating profit (loss) from continuing operations plus depreciation and amortization, litigation contingency and stock-based compensation expenses. The Company's presentation of Adjusted Segment EBITDA may not be comparable to similar measures used by other companies. Historically, the Company has reported results for four reportable segments. In the first quarter of 2024, the Company determined that the Virbela segment qualified for reporting as discontinued operations.

In prior years, Virbela represented an operating and reporting segment under ASC 280. Going forward, the remaining operations of Virbela will not meet the operating or reporting segment criteria, therefore, any operating results related to Virbela technology will be included in the

Other Affiliated Services segment. Prior year segment information has been reclassified to remove Virbela from the segment disclosure, in accordance with discontinued operations treatment.

The Company's three reportable segments are as follows:

- North American Realty: includes real estate brokerage operations in the United States and Canada, as well as lead-generation and other real estate support services provided in North America.
- International Realty: includes real estate brokerage operations in all other international locations.
- Other Affiliated Services: includes our SUCCESS® Magazine, Frame® technology, and other smaller ventures.

The Company also reports corporate expenses, as further detailed below, as "Corporate and other" which include expenses incurred in connection with business development support provided to the agents as well as resources, including administrative, brokerage operations and legal functions.

All segments follow the same basis of presentation and accounting policies as those described throughout the Notes to the Condensed Consolidated Financial Statements included herein. The Company accounts for intersegment sales and transfers as if the sales or transfers were to third parties, that is, at current market prices. The following table provides information about the Company's reportable segments and a reconciliation of the total segment Revenues to consolidated Revenues and Adjusted Segment EBITDA to the consolidated operating profit (loss) from continuing operations and Goodwill (in thousands). Financial information for the comparable prior periods presented have been revised to conform with the current year presentation.

	Revenues	
	Three Months Ended March 31,	
	2024	2023
North American Realty	\$ 927,137	\$ 837,114
International Realty	15,596	10,758
Other Affiliated Services	1,788	1,677
Revenues reconciliation:		
Segment eliminations	(1,467)	(1,096)
Consolidated revenues	<u>\$ 943,054</u>	<u>\$ 848,453</u>

	Adjusted EBITDA	
	Three Months Ended March 31,	
	2024	2023
North American Realty	\$ 17,807	\$ 21,203
International Realty	(3,355)	(3,676)
Other Affiliated Services	(767)	(681)
Corporate expenses and other	(2,643)	(2,223)
Consolidated Adjusted EBITDA	<u>\$ 11,042</u>	<u>\$ 14,623</u>

Operating (Loss) Profit Reconciliation:		
Depreciation and amortization expense	2,399	2,215
Litigation contingency	16,000	-
Stock compensation expense	8,827	9,660
Stock option expense	1,990	2,746
Consolidated operating (loss) profit	<u>(\$ 18,174)</u>	<u>\$ 2</u>

	Goodwill	
	March 31, 2024	December 31, 2023
North American Realty	\$ 14,295	\$ 14,595
International Realty	-	-
Other Affiliated Services	2,387	2,387
Segment and consolidated total	<u>\$ 16,682</u>	<u>\$ 16,982</u>

The Company does not use segment assets to allocate resources or to assess performance of the segments and therefore, total segment assets have not been disclosed.

9. EARNINGS PER SHARE

Basic earnings per share is computed based on net income attributable to eXp stockholders divided by the basic weighted-average shares outstanding during the period. Dilutive earnings per share is computed consistently with the basic computation while giving effect to all dilutive potential common shares and common share equivalents that were outstanding during the period. The Company uses the treasury stock method to reflect the potential dilutive effect of unvested stock awards and unexercised options.

The following table sets forth the calculation of basic and diluted earnings per share attributable to common stock during the periods presented:

	Three Months Ended March 31,	
	2024	2023
Numerator:		
Net (loss) income from continuing operations	(\$ 13,830)	\$ 1,992
Net loss from discontinued operations	(\$ 1,809)	(\$ 539)
Denominator:		
Weighted average shares - basic	154,740,334	152,546,766
Dilutive effect of common stock equivalents	-	3,121,946
Weighted average shares - diluted	154,740,334	155,668,712
Earnings per share:		
Net (loss) income from continuing operations per share - basic	(\$ 0.09)	\$ 0.01
Net (loss) income from discontinued operations per share - basic	(\$ 0.01)	(\$ 0.00)
Net (loss) income from continuing operations per share - diluted	(\$ 0.09)	\$ 0.01
Net (loss) income from discontinued operations per share - diluted	(\$ 0.01)	(\$ 0.00)

For three months ended March 31, 2024 and 2023 total outstanding shares of common stock excluded 3,212,244 and 635,343 shares, respectively, from the computation of diluted earnings per share because their effect would have been anti-dilutive.

10. INCOME TAXES

Our quarterly tax provision is computed by applying the estimated annual effective tax rate to the year-to-date pre-tax income or loss plus discrete tax items arising in the period. Our provision for income tax expense (benefit) amounted to (\$3.4) million and (\$2.6) million for the three months ended March 31, 2024 and 2023, which represent effective tax rates of positive 18% and 238%, respectively. The provision for income tax benefit was primarily attributable to income(loss) from continuing and discontinuing operations, deductible stock-based compensation shortfalls and research and development credit. The effective tax rate differs from our statutory rates in both periods primarily due to the impact of the stock-based compensation and R&D tax credit.

The Company is subject to a wide variety of tax laws and regulations across the jurisdictions where it operates. Regulatory developments from the U.S. or international tax reform legislation could result in an impact to the Company's effective tax rate. The Company continues to monitor the Base Erosion and Profit Shifting (BEPS) Integrated Framework provided by the Organization for Economic Co-operation and Development (OECD) including the legislative adoption of Pillar II by countries, and all other tax regulatory changes, to evaluate the potential impact on future periods. The Company does not expect adoption of Pillar Two rules to have a significant impact on its consolidated financial statements during fiscal year 2024.

11. FAIR VALUE MEASUREMENT

The fair value of a financial instrument is the amount that could be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets are marked to bid prices and financial liabilities are marked to offer prices. Fair value measurements do not include transaction costs. The fair value hierarchy prioritizes the quality and reliability of the information used to determine fair values. Categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is defined into the following three categories:

- Level 1 – Inputs are quoted market prices in active markets for identical assets or liabilities (these are observable market inputs).
- Level 2 – Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability (includes quoted market prices for similar assets or identical or similar assets in markets in which there are few transactions, prices that are not current or prices that vary substantially).
- Level 3 – Inputs are unobservable inputs that reflect the entity's own assumptions in pricing the asset or liability (used when little or no market data is available).

The Company holds funds in a money market account, which are considered Level 1 assets. The Company values its money market funds at fair value on a recurring basis.

As of March 31, 2024 and December 31, 2023, the fair value of the Company's money market funds was \$46,665 and \$46,268, respectively.

There have been no transfers between Level 1, Level 2 and Level 3 in the period presented. The Company did not have any Level 2 or Level 3 financial assets or liabilities in the period presented.

12. COMMITMENTS AND CONTINGENCIES

From time to time, the Company is subject to potential liability under laws and government regulations and various claims and legal actions that may be asserted against us that could have a material adverse effect on the business, reputation, results of operations, cash flows or financial condition. Such litigation includes, but is not limited to, actions or claims relating to cyber-attacks, data breaches, the Real Estate Settlement Procedures Act ("RESPA"), the Telephone Consumer Protection Act of 1991 and state consumer protection laws, antitrust and anticompetition, worker classification, timely filing required SEC filings and non-compliance with contractual or other legal obligations.

The Company and its affiliated brokerage entities are among several defendants in eight U.S. and one Canadian putative class action lawsuits alleging that the Company participated in a system that resulted in sellers of residential property paying inflated buyer broker commissions in violation of U.S. federal and state antitrust laws and federal Canadian antitrust laws, as applicable, as discussed further in our 2023 Annual Report and Note 13 – *Subsequent Events* to these unaudited consolidated financial statements ("antitrust litigation"). As of March 31, 2024, the Company has determined that it is probable that a loss associated with the antitrust litigation has occurred and that the lower boundary of potential loss is reasonably estimable.

Based on an analysis of settlements negotiated by co-defendants companies in similar legal matters and ongoing developments in the antitrust litigation, the Company has recorded a provision for loss of \$16.0 million which represents the lower boundary of a reasonably possible range of loss. The high-end range of loss cannot be reasonably estimated at this time due to the dynamic nature of the lawsuit and the contingent nature of possible outcomes. We have determined that it is at least reasonably possible that the loss estimate provision could change in the near term and that such change could be material. This contingent uncertainty highlights the provisional nature of the current loss estimate. Additionally, we cannot provide any assurances that results of such litigation will not have a material adverse effect on our business, results of operations, cash flows or financial condition.

The Company continues to vigorously defend against these claims. However, due to the complexities inherent in such litigation, including the uncertainty of legal processes and potential developments in the cases, the ultimate liability may differ from the current provision. The Company will reassess this estimate as additional information becomes available or as circumstances change.

13. SUBSEQUENT EVENTS

Quarterly Cash Dividend

On April 24, 2024, the Company's Board of Directors declared a dividend of \$0.05 per share which is expected to be payable on May 27, 2024, to stockholders of record as of the close of business on May 13, 2024. The ex-dividend date is expected to be on or around May 10, 2024. The dividend will be paid in cash.

Antitrust Litigation

On April 11, 2024, the Company was named in *Shauntell Burton et al. v. Bluefield Realty Group, LLC, et al.*, Case No. 7:24-cv-01800-JDA (filed in the United States District Court for the District of South Carolina) (the "Burton Litigation"), brought by a putative class of residential property sellers, alleging that defendants participated in a system that resulted in sellers of residential property purportedly paying inflated buyer broker commissions in violation of federal antitrust law. As with the other antitrust litigation, the plaintiffs seek a permanent injunction enjoining the defendants from requiring home sellers to pay buyer-broker commissions or from otherwise restricting competition among brokers, an award of declaratory relief and damages or restitution on behalf of certain home sellers as well as attorneys' fees and costs of suit. Plaintiffs allege joint and several liability and seek treble or other multiple damages. The Burton Litigation is in the pleadings phase and the Company intends to vigorously defend against all claims. The Company may become involved in additional litigation or other legal proceedings concerning the same or similar claims.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read together with our condensed consolidated financial statements and related notes included elsewhere in this report. Management's Discussion and Analysis of Financial Conditions and Results of Operations contain forward-looking statements. Our actual results could differ materially from those anticipated in these forward-looking statements. See "Item 1 A. – Risk Factors" in our 2023 Annual Report and "Item 1 A. – Risk Factors" in this Quarterly Report for a discussion of certain risks, uncertainties and assumptions associated with these statements.

This MD&A is divided into the following sections:

- Operational Highlights for the Three Months Ended March 31, 2024
- Overview
- Market Conditions and Industry Trends
- Key Business Metrics
- Results of Operations
- Business Segment Disclosures
- Non-U.S. GAAP Financial Measures
- Liquidity and Capital Resources
- Critical Accounting Policies and Estimates

All dollar amounts are in USD thousands except share amounts and per share data and as otherwise noted.

OPERATIONAL HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2024

- eXp ended the first quarter of 2024 with a global agent Net Promoter Score ("aNPS") of 73.
- Agents and brokers on the eXp Realty platform decreased 2% year-over-year to 85,780.
- Transactions increased 8% year-over-year to 110,976.
- Transaction volume increased 12% year-over-year to \$37.2 billion.

OVERVIEW

eXp World Holdings, Inc. (the “Company”) was incorporated in Delaware on July 30, 2008 and launched the first cloud-based real estate brokerage offering agent-centric commission structure, revenue sharing, and agent equity opportunities in 2009. Today, the Company operates a diversified portfolio of service-based businesses whose operations benefit substantially from utilizing our enabling technology platform. A substantial portion of our revenue is derived from commissions received by our residential real estate brokerages which provide a full suite of brokerage and adjacent services (such as mortgage, title, and content creation) to our real estate agents and brokers. Our residential real estate agents and brokers affiliate their real estate licenses with us and operate their businesses utilizing our cloud-based technology platform to enhance their real estate business and optimize efficiencies. Our enabling and innovative technology platform is a robust suite of cloud-based applications and software services tailored for our real estate agents and brokers and targets business operations such as customer relationship management, marketing, client services, and brokerage functionalities. We succeed when our real estate professionals succeed and we remain focused on being the most agent-centric business on the planet.

Beginning in the first quarter of 2024, following the discontinuation of Virbela, eXp manages its operations in three operating business segments: North American Realty; International Realty; and Other Affiliated Services. While we do not consider acquisitions a critical element of our ongoing business, we seek opportunities to expand and enhance our portfolio of solutions and believe we are well-positioned to capture additional revenue from such solutions.

Update Relating to Reportable Segments

In the first quarter of 2024, we determined that there has been a significant change to the Virbela business model. We have begun the process of winding down the Virbela business, which includes closing out current contracts and reducing our external customers. Further, the technology is being replaced with Virbela Frame® technology that will be initially utilized internally within the Company. We expect the process to wind down the Virbela business to be completed by the fourth quarter of 2024. As a result of this change, the Company has determined that Virbela qualifies for reporting as discontinued operations and will be reported as discontinued operations in our consolidated balance sheet and condensed consolidated statements of comprehensive income. Prior year segment and financial statement information has been reclassified to reflect Virbela as discontinued operations. See *Note 3 – Discontinued Operations* to the condensed consolidated financial statements for additional information regarding the discontinuation of Virbela.

Strategy

Our strategy is to grow organically in North America and certain international markets by increasing our independent agent and broker network. Through our cloud-based operations and technology platform, we strive to achieve customer-focused efficiencies that allow us to increase market share and attain strong returns as we scale our business within the markets in which we operate. By building partnerships and strategically deploying capital, we seek to grow the business and enter attractive verticals and adjacent markets.

The Company’s primary emphasis is on achieving operational excellence for our real estate agents, which we monitor using the aNPS. We remain focused on optimizing our operating costs to match our revenue trends. One critical area of capital deployment during the first quarter of 2024 remained our Sustainable Revenue Share Plan (the “Revenue Share Plan”), whereby we pay real estate professionals affiliated with the Company a portion of eXp Realty’s commission for their contribution to Company growth. Regular evaluations are conducted to ensure the plan’s continued alignment with the Company’s overarching objectives and for regulatory compliance.

MARKET CONDITIONS AND INDUSTRY TRENDS

Our business is dependent on the levels of home sales transactions and prices, which can vary based on economic conditions within the markets for which we operate. Changes in these conditions can have a positive or negative impact on our business. The economic conditions influencing housing markets primarily include economic growth, interest rates, unemployment, consumer confidence, mortgage availability and supply and demand.

In periods of economic growth, rising consumer confidence and lower interest rates, demand typically increases resulting in higher home sales transactions and home sales prices. Conversely, in periods of economic recession, declining consumer confidence and higher interest rates, demand typically decreases, resulting in lower home sales transactions and home sale prices. Additionally, regulations imposed by local, state and federal government agencies and geopolitical instability can also negatively impact the housing markets in which we operate.

Beginning in the second quarter of 2022, several macroeconomic conditions have been contributing to the slowdown in the U.S. residential real estate market, which directly impacts our business and financial results. These conditions include, but are not limited to rising inflation, rising mortgage interest rates driven by the Federal Reserve Board increasing federal funds rate, volatility in the U.S. equity markets and continued unrest around the world.

The Company believes it is well positioned to grow its market share in the current market conditions. We have a strong base of agent support, which should drive organic market share growth, retention and productivity. Additionally, we offer agents a low-cost, high-engagement model, which affords agents and brokers increased income and ownership opportunities while offering a scalable solution to brokerage owners who want to survive and thrive during market fluctuations. We have an efficient operating model with lower fixed costs driven by our cloud-based model, with no brick-and-mortar locations.

National Housing Inventory

In the first quarter of 2024, the continued increase of mortgage rates and higher home prices have contributed to a rise in inventory levels, as measured in months of supply. According to NAR, inventory of existing homes for sale in the U.S. was 1.1 million as of March 2024 (preliminary) compared to 970,000 at the end of March 2023. This represents 3.2 months of inventory in 2024 compared to 2.7 months of inventory in the prior year.

Mortgage Interest Rates

Persistently high mortgage rates during the first quarter of 2024 continue to negatively impact the demand for homebuying. Based on Freddie Mac data, the average rate for a 30-year, conventional, fixed rate mortgage was 6.8% in March 2024 compared to 6.3% in March 2023.

Housing Affordability Index

According to NAR, the composite housing affordability index decreased to 103.0 for February 2024 (preliminary) from 109.3 for February 2023. When the index is above 100, it indicates that a family earning the median income has sufficient income to purchase a median-priced home, assuming a 20% down payment and ability to qualify for a mortgage. The housing affordability index has been declining year over year due to mortgage rate conditions and higher average home prices driven by constrained inventory levels.

Existing Home Sales Transactions and Prices

According to NAR, existing home sale transactions decreased to an annual rate of 4.2 million in March 2024 (preliminary) compared to 4.4 million in March 2023, a decrease of 3.7%.

According to NAR, the nationwide existing home sales average price for March of 2024 (preliminary) was \$393,500 compared to \$375,300 in March 2023, an increase of 4.8%.

The declining home sales transactions and increased prices in the U.S. have negatively impacted our transaction and volume metrics.

Legal & Regulatory Environment

See Part II, Item 1 of this Quarterly Report for a discussion of the current legal environment and how such environment could potentially impact our business, results of operations, cash flows or financial condition.

KEY BUSINESS METRICS

Management uses our results of operations, financial condition, cash flows, and key business metrics related to our business and industry to evaluate our performance and make strategic decisions.

The following table outlines the key business metrics that we periodically review to track the Company's performance:

	Three Months Ended March 31,		Change	
	2024	2023	2024 vs. 2023	% Change
Performance:				
Agent NPS	73	70	3	4%
Agent count	85,780	87,327	(1,547)	(2)%
Real estate sales transactions	91,780	87,101	4,679	5%
Real estate sales volume	\$ 37,154,750	\$ 33,241,616	\$ 3,913,134	12%
Other real estate transactions	19,196	15,204	3,992	26%
Real estate per transaction cost	\$ 650	\$ 613	\$ 37	6%
Revenues	\$ 943,054	\$ 848,453	\$ 94,601	11%
Operating profit (loss)	(\$ 18,174)	\$ 2	(\$ 18,176)	(908,800)%
Adjusted EBITDA ⁽¹⁾	\$ 11,042	\$ 14,623	(\$ 3,581)	(24)%

⁽¹⁾ Adjusted EBITDA is not a measurement of our financial performance under generally accepted accounting principles in the U.S. and should not be considered as an alternative to net income (loss) from continuing operations, operating income, or any other measures derived in accordance with U.S. GAAP. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income (loss) from continuing operations, see "Non-U.S. GAAP Financial Measures".

Revenue and adjusted EBITDA are key financial measures, and we review these measures to evaluate and drive our core operating performance.

Agent net promoter score (aNPS)

aNPS is a scale-based measure of customer satisfaction and an aNPS above 50 is considered excellent. aNPS plays a crucial role in attracting and retaining agents and teams, especially during a period marked by market contraction, due to lower transaction volumes and higher mortgage rates. Despite the challenging market conditions, the Company's aNPS was 73 in the first quarter of 2024 compared to 70 in the first quarter of 2023, due to our continuous investment in agent onboarding, expert care, transaction processing process and technology.

Agent count

One of our key strengths is attracting real estate agent and broker professionals that contribute to our growth. The rate of growth of our agent and broker base is difficult to predict and is subject to many factors outside of our control, including actions taken by our competitors and macroeconomic factors affecting the real estate industry in general including rising interest rates and declining transaction volume in the U.S.

The number of agents declined 2% in the first quarter of 2024, compared to the first quarter of 2023, as we continue to off board less productive agents. However, we are committed to retaining our most productive agents in the United States and Canada through the execution of our growth strategies and the end-to-end suite of services we offer our agents.

Real estate sales transactions and volume

Real estate sales transactions are based on the side (buyer or seller) of each real estate transaction and are recorded when our agents and brokers represent buyers and/or sellers in the purchase or sale, respectively, of a home. The number of real estate transactions is a key driver of our revenue and profitability. Transaction volume represents the total sales value for all transactions and is influenced by several market factors, including, but not limited to, the pricing and quality of our services and market conditions that affect home sales, such as macroeconomic factors, economic growth, local inventory levels, mortgage interest rates, and seasonality.

Our real estate sales transactions and volume typically fluctuate with changes in the market's existing home sales transactions as reported by NAR; however, company-specific initiatives influence the transaction volume and productivity of our agents. In the first quarter of 2024, compared to the first quarter of 2023, our real estate sales transactions increased 5% due to our agents' productivity, which more than offset the decline in existing home sales in the U.S. as reported by the NAR. Transaction volume increased 12% due to increased transactions and increased home sales prices.

Other real estate transactions

Other real estate transactions are recorded for leases, rentals and referrals that are undertaken by our agents and brokers. The increase in other real estate transactions reflects the productivity of our agents and brokers.

Real estate per transaction cost

Real estate per transaction cost is measured as selling, general and administrative, sales and marketing and technology and development expenses resulting from our services that directly support our agents and brokers, divided by total transactions (real estate and other). Real estate per transaction cost increased 6% in the first quarter of 2024 compared to the first quarter of 2023, primarily due to strategic investments in personnel to support increased transaction volumes and agent NPS, and increased severance and employee-related expenses and legal expenses related to the antitrust lawsuits.

Revenues

Revenues represent the commission revenue earned by the Company for closed brokerage real estate transactions. In the first quarter of 2024, compared to the first quarter of 2023, the Company's revenue increased due to increased real estate transactions driven by increased agent productivity and higher home sales prices, which more than offset declines in the U.S. real estate markets. Our revenues also increased due to increased international production in previously launched markets.

Operating profit (loss)

The operating loss in the first quarter of 2024 of \$18.2 million compared to operating profit of \$0.2 million in the first quarter of 2023, reflects the litigation contingency accrual of \$16 million, and increased legal expenses related to the antitrust lawsuits, as well as increased severance and employee-related expenses, partially offset by increased revenues, net of agent commissions and other agent-related costs.

Adjusted EBITDA

Management reviews Adjusted EBITDA, which is a non-U.S. GAAP financial measure, to understand and evaluate our core operating performance. Adjusted EBITDA, for the three months ended March 31, 2024 was \$11.0 million compared to \$14.6 million at March 31, 2023. The decrease in adjusted EBITDA reflects increased legal expenses related to the antitrust lawsuits, as well as increased severance and employee-related expenses, partially offset by increased revenues, net of agent commissions and other agent-related costs.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2024 compared to the Three Months Ended March 31, 2023

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023 <i>(In thousands)</i>	Change 2024 vs. 2023	
			\$	%
Statement of Operations Data:				
Revenues	\$ 943,054	\$ 848,453	\$ 94,601	11%
Operating expenses				
Commissions and other agent-related costs	864,746	776,838	87,908	11%
General and administrative expenses	62,582	54,626	7,956	15%
Technology and development expenses	14,761	14,060	701	5%
Sales and marketing expenses	3,139	2,927	212	7%
Litigation contingency	16,000	-	16,000	-%
Total operating expenses	961,228	848,451	112,777	13%
Operating (loss) income	(18,174)	2	(18,176)	(908,800)%
Other (income) expense				
Total (income) expense, net	(1,188)	(874)	(314)	(36)%
Equity in losses of unconsolidated affiliates	149	342	(193)	(56)%
Total other (income) expense, net	(1,039)	(532)	(507)	(95)%
Income (loss) before income tax expense	(17,135)	534	(17,669)	(3,309)%
Income tax benefit	(3,305)	(1,458)	(1,847)	(127)%
Net (loss) income from continuing operations	(13,830)	1,992	(15,822)	(794)%
Adjusted EBITDA ⁽¹⁾	\$ 11,042	\$ 14,623	(\$ 3,581)	(24)%

⁽¹⁾ Adjusted EBITDA is not a measurement of our financial performance under U.S. GAAP and should not be considered as an alternative to net income (loss) from continuing operations, operating income or any other measures derived in accordance with U.S. GAAP. For a definition of Adjusted EBITDA, a reconciliation of Adjusted EBITDA to net income (loss) from continuing operations and a discussion of why we believe Adjusted EBITDA provides useful information to investors, see "Non-U.S. GAAP Financial Measures."

	March 31, 2024	March 31, 2023 <i>(In thousands, except percentages)</i>	Change 2024 vs. 2023	
			\$	%
Revenues	\$ 943,054	\$ 848,453	\$ 94,601	11%

Total revenues increased 11% as a result of an increase in real estate transactions compared to the same period in 2023, because of the unique productivity of our agents, which more than offset declines in the U.S. real estate market in the first quarter of 2024. Our revenue also increased due to increased home sales prices.

	March 31, 2024	March 31, 2023 <i>(In thousands, except percentages)</i>	Change 2024 vs. 2023	
			\$	%
Commissions and other agent-related costs	\$ 864,746	\$ 776,838	\$ 87,908	11%

Commissions and other agent-related costs increased 11% primarily because of the increase in real estate transactions and increased home sales prices. Commissions and other agent-related costs include sales commissions, revenue share and stock-based compensation paid to our agents.

	March 31, 2024	March 31, 2023 <i>(In thousands, except percentages)</i>	Change 2024 vs. 2023	
			\$	%
General and administrative expenses	\$ 62,582	\$ 54,626	\$ 7,956	15%

General and administrative expenses increased 15% due to increased severance and employee-related expenses and increased legal expenses related to the antitrust lawsuits. General and administrative expenses include costs related to wages, employee stock compensation, and other general overhead expenses.

	March 31, 2024	March 31, 2023 <i>(In thousands, except percentages)</i>	Change 2024 vs. 2023	
			\$	%
Technology and development expenses	\$ 14,761	\$ 14,060	\$ 701	5%

Technology and development expenses increased 5% and include employee and other costs related to the maintenance and development of the technology used by our agents and our employees.

	March 31, 2024	March 31, 2023 <i>(In thousands, except percentages)</i>	Change 2024 vs. 2023	
			\$	%
Sales and marketing expenses	\$ 3,139	\$ 2,927	\$ 212	7%

Sales and marketing expenses increased 7% due to advertising in the U.S. and Canada residential real estate market.

	March 31, 2024	March 31, 2023 <i>(In thousands, except percentages)</i>	Change 2024 vs. 2023	
			\$	%
Total other (income) expense, net	(\$ 1,039)	(\$ 532)	(\$ 507)	(95)%

Other (income) increased 95% primarily due to increased interest income when compared to the first quarter of 2023. Other (income) expense include interest income earned on cash and cash equivalents, and (earnings) losses related to equity investments.

Income Tax Benefit

The Company's provision for income tax (benefit) amounted to (\$3.4) million and (\$2.6) million for the three months ended March 31, 2024 and 2023, respectively, which represented effective tax rates of positive 18% and 238%, respectively. The provision for income tax (benefit) expense was primarily attributable to income (loss) from continuing and discontinuing operations, deductible stock-based compensation shortfalls and research and development credit.

	March 31, 2024	March 31, 2023 <i>(In thousands, except percentages)</i>	Change 2024 vs. 2023	
			\$	%
Operating (loss) income	(\$ 18,174)	\$ 2	(\$ 18,176)	(908,800)%

The operating loss in the first quarter of 2024 reflects the litigation contingency accrual of \$16 million, and increased legal expenses related to the antitrust lawsuits, as well as increased severance and employee-related expenses, partially offset by increased revenues.

	March 31, 2024	March 31, 2023 <i>(In thousands, except percentages)</i>	Change 2024 vs. 2023	
			\$	%
Adjusted EBITDA	\$ 11,042	\$ 14,623	(\$ 3,581)	(24)%

Adjusted EBITDA decreased 24% and reflects increased legal expenses related to the antitrust lawsuits, as well as increased severance and employee-related expenses, partially offset by increased revenues, net of commissions and other agent-related costs.

BUSINESS SEGMENT DISCLOSURES

See Note 8 – Segment Information to the unaudited condensed consolidated financial statements for additional information regarding our business segments. The following table reflects the results of each of our reportable segments during the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023 <i>(In thousands)</i>	Change 2024 vs. 2023	
			\$	%
Statement of Operations Data:				
Revenues				
North American Realty	\$ 927,137	\$ 837,114	\$ 90,023	11%
International Realty	15,596	10,758	4,838	45%
Other Affiliated Services	1,788	1,677	111	7%
Segment eliminations	(1,467)	(1,096)	(371)	(34)%
Total Consolidated Revenues	\$ 943,054	\$ 848,453	\$ 94,601	11%
Adjusted Segment EBITDA⁽¹⁾				
North American Realty	17,807	21,203	(\$ 3,396)	(16)%
International Realty	(3,355)	(3,676)	321	9%
Other Affiliated Services	(767)	(681)	(86)	(13)%
Total Segment Adjusted EBITDA	13,685	16,846	(3,161)	(19)%
Corporate expenses and other	(2,643)	(2,223)	(420)	(19)%
Total Reported Adjusted EBITDA⁽¹⁾	\$ 11,042	\$ 14,623	(\$ 3,581)	(24)%

(1) Adjusted Segment EBITDA and Adjusted EBITDA are not measurements of our financial performance under U.S. GAAP and should not be considered as alternatives to net income (loss) from continuing operations, operating income, or any other measures derived in accordance with U.S. GAAP. For a definition of Adjusted Segment EBITDA and Adjusted EBITDA and a reconciliation of such measures to operating profit and net income (loss) from continuing operations, respectively, see "Non-U.S. GAAP Financial Measures". Management evaluates the operating results of each of its reportable segments based upon revenue and Adjusted Segment EBITDA. Adjusted Segment EBITDA is defined by us as operating profit (loss) from continuing operations plus depreciation and amortization and stock-based compensation expenses. Adjusted EBITDA is defined by us as net income (loss) from continuing operations, excluding other income (expense), income tax benefit (expense), depreciation, amortization, impairment charges, litigation contingency expenses, stock-based compensation expense, and stock option expense and other items that are not core to the operating activities of the Company. The Company's presentation of Adjusted Segment EBITDA and Adjusted EBITDA may not be comparable to similar measures used by other companies.

North American Realty revenues increased 11% in the first quarter of 2024 compared to the same period in 2023 primarily due to increased real estate transactions and increased home sales prices, despite the challenging market in the U.S. residential real estate markets. Adjusted EBITDA decreased (16)% due to increased legal expenses, increased severance and employee-related expenses, partially offset by increased revenues, net of agent commissions and other agent-related costs.

International Realty revenues increased 45% in the first quarter of 2024 compared to the same period in 2023 primarily due to increased real estate transactions driven by increased production in previously launched markets. Adjusted EBITDA improved 9% in the first quarter of 2024 compared to the same period in 2023 due to increased revenue which was partially offset by increased selling, general and administrative expenses to support the incremental production in existing operations.

Other Affiliated Services revenues increased 7% due to Virbela Frame® revenue, which more than offset lower SUCCESS® revenues. Adjusted EBITDA decreased (13)% due to increases in selling, general and administrative expenses related to investing in business initiatives.

Corporate expenses and other contain the costs incurred to operate the corporate parent of eXp Realty.

NON-U.S. GAAP FINANCIAL MEASURES

To supplement our condensed consolidated financial statements, which are prepared and presented in accordance with U.S. GAAP, we use Adjusted EBITDA, a non-U.S. GAAP financial measure, to understand and evaluate our core operating performance. This non-GAAP financial measure, which may be different than similarly titled measures used by other companies, is presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP.

We define the non-U.S. GAAP financial measure of Consolidated Adjusted EBITDA to mean net income (loss) from continuing operations, excluding other income (expense), income tax benefit (expense), depreciation, amortization, litigation contingency, impairment charges, litigation contingency expenses, stock-based compensation expense and stock option expense. Adjusted Segment EBITDA is defined as operating profit (loss) from continuing operations plus depreciation and amortization and stock-based compensation expenses. We believe that Consolidated Adjusted EBITDA and Adjusted Segment EBITDA provides useful information about our financial performance, enhances the overall understanding of our past performance and future prospects and allows for greater transparency with respect to a key metric used by our management for financial and operational decision-making. We believe that Adjusted Segment EBITDA helps identify underlying trends in our business that otherwise could be masked by the effect of the expenses that we exclude in Adjusted Segment EBITDA. In particular, we believe the exclusion of stock and stock option expenses, provides a useful supplemental measure in evaluating the performance of our underlying operations and provides better transparency into our results of operations.

We are presenting the non-U.S. GAAP measure of Adjusted EBITDA to assist investors in seeing our financial performance through the eyes of management, and because we believe this measure provides an additional tool for investors to use in comparing our core financial performance over multiple periods with other companies in our industry.

Adjusted EBITDA should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with U.S. GAAP. There are a number of limitations related to the use of Adjusted EBITDA compared to net income (loss) from continuing operations, the closest comparable U.S. GAAP measure. Some of these limitations are that:

- Adjusted EBITDA excludes stock-based compensation expense related to our agent growth incentive program and stock option expense, which have been, and will continue to be for the foreseeable future, significant recurring expenses in our business and an important part of our compensation strategy; and
- Adjusted EBITDA excludes certain recurring, non-cash charges such as depreciation of fixed assets, amortization of intangible assets, and impairment charges related to these long-lived assets, and, although these are non-cash charges, the assets being depreciated, amortized, or impaired may have to be replaced in the future.

The following tables present a reconciliation of Adjusted EBITDA to net (loss) income from continuing operations, the most comparable U.S. GAAP financial measure, for each of the periods presented:

	Three Months Ended March 31,	
	2024	2023
Net (loss) income from continuing operations	(\$ 13,830)	\$ 1,992
Total other (income) expense, net	(1,039)	(532)
Income tax (benefit) expense	(3,305)	(1,458)
Depreciation and amortization	2,399	2,215
Litigation contingency	16,000	-
Stock compensation expense ⁽¹⁾	8,827	9,660
Stock option expense	1,990	2,746
Adjusted EBITDA	<u>\$ 11,042</u>	<u>\$ 14,623</u>

⁽¹⁾ This includes agent growth incentive stock compensation expense and stock compensation expense related to business acquisitions.

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity are our cash and cash equivalents on hand and cash flows generated from our business operations. Our ability to generate sufficient cash flow from operations or to access certain capital markets, including banks, is necessary to fund our operations and capital expenditures, repurchase our common stock, and meet obligations as they become due. Our cash and cash equivalents balances and cash flows from operations have strengthened primarily due to

transaction volume growth and improved cost leverage over the prior five years, attributable to the expansion of our independent agent and broker network and, to a lesser extent, increased average prices of home sales.

Currently, our primary use of cash on hand is to sustain and grow our business operations, including, but not limited to, commission and revenue share payments to agents and brokers and cash outflows for operating expenses and dividend payments. In addition, the Company has no known material cash requirements as of March 31, 2024, relating to capital expenditures, commitments, or human capital (except as passthrough commissions to agents and brokers concurrent with settled real estate transactions).

We believe that our existing balances of cash and cash equivalents and cash flows expected to be generated from our operations will be sufficient to satisfy our operating requirements for at least the next twelve months. Our future capital requirements will depend on many factors, including our level of investment in technology, our rate of growth into new markets, and cash used to repurchase shares of the Company's common stock. Our capital requirements may be affected by factors which we cannot control such as the changes in the residential real estate market, interest rates, and other monetary and fiscal policy changes to the manner in which we currently operate. In order to support and achieve our future growth plans, we may need or seek advantageously to obtain additional funding through equity or debt financing. We believe that our current operating structure will facilitate sufficient cash flows from operations to satisfy our expected long-term liquidity requirements beyond the next twelve months.

Net Working Capital

Net working capital is calculated as the Company's total current assets less its total current liabilities. The following table presents our net working capital as of March 31, 2024 and December 31, 2023:

	March 31, 2024	December 31, 2023
Current assets	\$ 300,377	\$ 266,475
Current liabilities	(204,292)	(141,640)
Net working capital	<u>\$ 96,085</u>	<u>\$ 124,835</u>

For the three months ended March 31, 2024, net working capital decreased (\$28.8) million, or (23)%, compared to December 31, 2023.

Cash Flows

The following table presents our cash flows for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,	
	2024	2023
Net cash provided by operating activities	\$ 60,654	\$ 56,144
Net cash used in investment activities	(5,245)	(1,782)
Net cash used in financing activities	(40,809)	(36,205)
Effect of changes in exchange rates on cash, cash equivalents and restricted cash	(589)	594
Net change in cash, cash equivalents and restricted cash	<u>\$ 14,011</u>	<u>\$ 18,751</u>

For the three months ended March 31, 2024, net cash provided by operating activities increased \$4.5 million compared to the same period in 2023. The increase in operating activities was primarily driven by increased customer deposits, partially offset by the decrease in working capital.

For the three months ended March 31, 2024, net cash used in our investing increased primarily due to cash used for investments in our affiliates compared to 2023.

For the three months ended March 31, 2024 and 2023 net cash flows used in financing activities primarily were related to stock repurchases and the payment of cash dividends.

Acquisitions

While we do not consider acquisitions a critical element of our ongoing business, we seek opportunities to expand and enhance our portfolio of solutions, access new revenue streams, or otherwise complement or accelerate the growth of our existing operations. We may fund acquisitions or investments in complementary businesses with various sources of capital including existing cash balances and cash flow from operations.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The condensed consolidated financial statements should be read in conjunction with the consolidated financial statements included in the 2023 Annual Report, which provides a description of our critical accounting policies. There were no changes to critical accounting policies or estimates as reflected in our 2023 Annual Report. For additional information regarding our critical accounting policies and estimates, see the Critical Accounting Policies and Estimates section of MD&A included in our 2023 Annual Report.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in our exposures to market risk since December 31, 2023. For details on the Company's interest rate and foreign currency exchange, see "Item 7A. Quantitative and Qualitative Information About Market Risks" in our 2023 Annual Report.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Management is responsible for establishing and maintaining disclosure controls and procedures that are designed to ensure that information required to be disclosed in its reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer (as the principal executive officer) and Principal Financial Officer, to allow timely decisions regarding required disclosures.

As of March 31, 2024, an evaluation was conducted by the Company under the supervision and with the participation of its management, including our Chief Executive Officer and Principal Financial Officer, of the effectiveness of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, our Chief Executive Officer and Principal Financial Officer each concluded that the Company's disclosure controls and procedures were effective at the reasonable assurance level as of March 31, 2024.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2024 that have materially affected, or are reasonably believed to be likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

See *Note 12 - Commitments and Contingencies* and *Note 13 – Subsequent Events* to the unaudited condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report for additional information regarding the Company's legal proceedings, which is incorporated herein by reference. We cannot provide any assurances that results of such litigation will not have a material adverse effect on our business, results of operations, cash flows or financial condition.

Litigation and other legal matters are inherently unpredictable and subject to substantial uncertainties and adverse resolutions could occur. In addition, litigation and other legal matters, including class action lawsuits, government investigations and regulatory proceedings can be costly to defend and, depending on the class size and claims, could be costly to settle. As such, the Company could incur judgments, penalties, sanctions, fines or enter into settlements of claims with liability that are materially in excess of amounts accrued and these settlements could have a material adverse effect on the Company's financial condition, results of operations or cash flows in any particular period.

Item 1A. RISK FACTORS

The business, financial condition and operating results of the Company can be affected by a number of risks, whether currently known or unknown. For a discussion of our potential risks and uncertainties, please see in Part I, Item 1A Risk Factors of the 2023 Annual Report. Additional risks not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or results of operations in future periods. Any of these factors, in whole or in part, could materially and adversely affect the Company's business, financial condition, operating results and stock price. Except for the risk factors disclosed in Part I, Item 1A of 2023 Annual Report, which are hereby

incorporated by reference into this Part II, Item 1A of this Quarterly Report, and the modified risk factor set forth below, there have been no material changes to the Company's risk factors as disclosed in the 2023 Annual Report.

Risks Related to Legal and Regulatory Matters

Adverse outcomes in litigation and regulatory actions against other companies and agents in our industry could adversely impact our financial results.

Adverse outcomes in legal and regulatory actions against other companies, brokers, and agents in the residential and commercial real estate industry may adversely impact the financial condition of the Company and our real estate brokers and agents when those matters relate to business practices shared by the Company, our real estate brokers and agents, or our industry at large. Such matters may include, without limitation, RESPA, Telephone Consumer Protection Act of 1991 and state consumer protection law, antitrust and anticompetition, and worker classification claims. Additionally, if plaintiffs or regulatory bodies are successful in such actions, this may increase the likelihood that similar claims are made against the Company and/or our real estate brokers and agents which claims could result in significant liability and be adverse to our financial results if we or our brokers and agents are unable to distinguish or defend our business practices.

As an example, in the matter of *Burnett v. National Association of Realtors* (U.S. District Court for the Western District of Missouri), a federal jury found NAR and certain other remaining brokerage defendants liable for \$1.8 billion in damages, which verdict was appealed on October 31, 2023. That same day, the Company, along with other brokerage and non-brokerage defendants, were named as defendants in *Gibson v. National Association of Realtors*, alleging a similar fact pattern and antitrust violations. Since that time, the Company has been named as a defendant in additional putative class action lawsuits alleging similar fact patterns and antitrust violations. NAR and certain brokerage defendants have settled certain of these lawsuits (which lawsuits remain subject to final court approval), which include both monetary and non-monetary settlement terms. Those settlement terms may impact business practices within the industry which could adversely impact the Company's business, results of operations, and financial condition.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

The following table provides information about repurchases of our common stock through the quarter ended March 31, 2024:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs ⁽¹⁾	Approximate dollar value of shares that may yet be purchased under the plans or programs
1/1/2024-1/31/2024	442,369	\$ 13.65	442,369	\$ 424,569,747
2/1/2024-2/29/2024	496,925	12.06	496,925	418,569,828
3/1/2024-3/31/2024	1,637,948	11.23	1,637,948	399,073,544
Total	2,577,242	\$ 12.31	2,577,242	

(1) In December 2018, the Board approved a stock repurchase program authorizing the Company to purchase its common stock. In November 2019, the Board amended the repurchase program, increasing the total amount authorized to be purchased from \$25.0 million to \$75.0 million. In December 2020, the Board approved another amendment to the repurchase program increasing the total amount authorized to be purchased from \$75.0 million to \$400.0 million. In May 2022, the Board approved another amendment to the repurchase program increasing the total amount authorized to be purchased from \$400.0 million to \$500.0 million. In June 2023, the Board approved another amendment to the repurchase program increasing the total amount authorized to be purchased from \$500.0 million to \$1.0 billion. The stock repurchase program is more fully disclosed in Note 6 – Stockholders' Equity to the consolidated financial statements.

Item 3. DEFAULTS UPON SENIOR SECURITIES

None.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

Item 5. OTHER INFORMATION

On February 29, 2024, Glenn Sanford, the Company's Chairman of the Board and Chief Executive Officer, adopted a Rule 10b5-1 trading arrangement (as defined in Item 408 of Regulation S-K). The duration of the trading arrangement is through May 21, 2025. The aggregate number of shares of the Company's common stock that may be sold pursuant to the trading arrangement is 4,800,000.

On March 25, 2024, Randall Miles, the Company's director and Vice Chair of the Board, adopted a Rule 10b5-1 trading arrangement (as defined in Item 408 of Regulation S-K). The duration of the trading arrangement is through June 30, 2025. The aggregate number of shares of the Company's common stock that may be sold pursuant to the trading arrangement is 240,000.

Except as set forth in this Item 5, during the three months ended March 31, 2024, no other directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as each term is defined in Item 408 of Regulation S-K.

Item 6. EXHIBITS

Exhibit Number	Exhibit Description	Form	Exhibit	Incorporated by Reference Filing Date/Period End Date
3.1	Restated Certificate of Incorporation	10-K	3.1	2/28/2023
3.2	Restated Bylaws	10-K	3.2	2/28/2023
4.1	Description of Securities	10-K	4.1	2/22/2024
10.1	Seventh Amendment to eXp World Holdings, Inc. Stock Repurchase Plan	8-K	10.1	3/8/2024
10.2*†	Separation and Release of Claims Agreement, dated March 20, 2024, by and between eXp Realty, LLC and Shoeb Ansari			
10.3*	U.S. Form of eXp Realty, LLC Independent Contractor Agreement			
10.4*	U.S. Form of eXp Realty, LLC Policies & Procedures			
31.1*	Certification of the Chief Executive Officer pursuant to Rule 13a 14(a) under the Securities Exchange Act of 1934			
31.2*	Certification of the Chief Financial Officer pursuant to Rule 13a 14(a) under the Securities Exchange Act of 1934			
32.1**	Certification of the Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			
32.2**	Certification of the Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			
101.INS	Inline XBRL Instance Document			
101.SCH	Inline XBRL Taxonomy Extension Schema Document			
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document			
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document			
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document			
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document			
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)			

* Filed herewith

** Furnished herewith and not “filed” for purposes of Section 18 of the Exchange Act

† Management contract or compensatory plan or arrangement

SIGNATURES

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 thereunto duly authorized.

May 1, 2024

eXp World Holdings, Inc.
(Registrant)

/s/ Kent Cheng
Kent Cheng
Chief Accounting Officer (Principal Financial Officer)

Separation and Release of Claims Agreement

This Separation and Release of Claims Agreement (“**Agreement**”) is entered into by and between eXp Realty, LLC, a Washington limited liability company, (the “**Employer**”) on behalf of itself, its parents, subsidiaries, and other corporate affiliates and each of their respective present and former employees, officers, directors, owners, shareholders, and agents (collectively referred to as the “**Company**”), and Shoeb Ansari (the “**Employee**”) (the Company and the Employee are collectively referred to as the “**Parties**”) as of March 20, 2024 (the “**Execution Date**”).

The Employee’s last day of employment with the Employer is March 20, 2024 (the “**Separation Date**”). After the Separation Date, the Employee will not represent himself as being an employee, officer, attorney, agent (other than real estate agent, if applicable), or representative of the Company for any purpose. Except as otherwise set forth in this Agreement, the Separation Date was the employment termination date for the Employee for all purposes, meaning the Employee is not entitled to any further compensation, monies, or other benefits from the Company, including coverage under any benefit plans or programs sponsored by the Company, as of the Separation Date.

1. **Employee Representations.** The Employee specifically represents, warrants, and confirms that the Employee:

(a) has not filed any claims, complaints, or actions of any kind against the Company with any court of law, or local, state, or federal government or agency;

(b) has been properly paid for all hours worked for the Company; has received all commissions, bonuses, and other compensation due to the Employee, with the exception of the Employee’s final payroll check(s) through and including the Separation Date, which will be paid on the next regularly scheduled payroll date for the pay period including the Separation Date, unless required to be paid sooner under applicable state law; and

(c) has not engaged in any unlawful conduct relating to the business of the Company.

If any of these statements is not true, the Employee cannot sign this Agreement and must notify the Company immediately in writing of the statements that are not true. This notice will not automatically disqualify the Employee from receiving these benefits, but will require the Company’s further review and consideration.

2. **Separation Benefits.** In consideration for the Employee’s execution of, non-revocation of, and compliance with this Agreement, including the Employee’s waiver and release of claims in Section 5 below, the Company agrees to provide the following benefits to which the Employee is not otherwise entitled:

(a) Severance Payment. A lump sum payment equal to twelve (12) months of Employee's current annualized salary plus all bonus amounts for which Employee would be eligible to receive in the twelve (12) months following the Separation Date, less all relevant taxes and other withholdings, which shall be paid not later than the next regularly scheduled payroll date following the Separation Date. For clarity, Employee will receive 100% of any bonus payment to which he would normally be eligible to receive during the twelve (12) months following the Separation Date.

Notwithstanding the foregoing, no payment shall be made or begin before the Effective Date of this Agreement. The Effective Date of this Agreement shall be the eighth (8th) day after Employee signs and does not revoke as provided for in Section 5 below.

(b) COBRA. If Employee timely and properly elects COBRA, Company will pay Employee's COBRA premiums for up to twelve (12) months. Company will cease paying premiums (i) after twelve (12) months following Separation Date or (ii) if Employee becomes covered under another employer's health plan. After the twelve (12) months, Employee is fully responsible for paying premiums required to continue COBRA through the expiration of the maximum COBRA continuation coverage period for which Employee is eligible under federal law.

(c) Placement Services. Company shall provide Employee with placement services for a period of up to four (4) months from the Separation Date.

(d) Employment Confirmation Provided Upon Request. With the Employee's signed request, the Company will provide the Employee, a prospective employer, or both with written confirmation of the Employee's employment with the Company, including the Employee's dates of employment and job title as of the Separation Date.

(e) Company Provided Equipment & Hardware. Subject to applicable Company technology security practices as determined by the Company, the Employee shall be entitled to keep any hardware issued by the Company, including laptops, computers, screens, keyboards, mice, telephones, mobile phones, and hand-held electronic devices, except that Employee warrants and represents that he/she will return any other Company property, including identification cards or badges, access codes or devices, keys, credit cards, electronically stored documents or files, and physical files, in the Employee's possession within twenty-one (21) calendar days of the Separation Date.

The Employee understands, acknowledges, and agrees that these benefits exceed what the Employee is otherwise entitled to receive on separation from employment, and that these benefits are being given as consideration in exchange for executing this Agreement and the general release contained herein. The Employee further acknowledges that the Employee is not entitled to any additional payment or consideration not specifically referenced in this Agreement. Nothing in this Agreement shall be deemed or construed as an express or implied policy or practice of the Company to provide these or other benefits to any individuals other than the Employee.

3. **Benefits.** If enrolled in Company benefits, Employee's health benefits will cease on the last day of the month in which the Separation Date occurs, subject to Employee's right to continue his/her health insurance under COBRA, as set forth below. Employee's participation in all other benefits and incidents of employment cease on the Separation Date.

(a) **COBRA.** In accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), Employee will be entitled to participate in the Company's group health insurance plan after the cessation of his/her employment if actively enrolled in eligible plans as of Employee's Separation Date. It will be the Employee's choice to elect COBRA coverage, and payments of COBRA premiums to the appropriate provider will be Employee's responsibility. The Company's Human Resources Department will timely provide the Employee with all appropriate COBRA forms.

4. **Reimbursements.** The Company shall reimburse the Employee for all reasonable business expenses incurred by the Employee prior to the Separation Date, provided that all such requests for reimbursement are submitted to the Company not later than fourteen (14) days following the Separation Date. Such expenses shall be reimbursed to the Employee in accordance with the Company's Accounts Payable processing schedules.

5. **Release.**

(a) Employee's General Release and Waiver of Claims.

In exchange for the consideration provided in this Agreement, the Employee and the Employee's heirs, executors, representatives, administrators, agents, insurers, and assigns (collectively, the "**Releasers**") irrevocably and unconditionally fully and forever waive, release, and discharge the Company, including the Employer's parents, subsidiaries, affiliates, predecessors, successors, and assigns, and all of their respective officers, directors, employees, shareholders, trustees, partners and other related persons or entities, in their corporate and individual capacities (collectively, the "**Released Parties**"), from any and all claims, demands, actions, causes of actions, obligations, judgments, rights, fees, damages, debts, obligations, liabilities, and expenses (inclusive of attorneys' fees) of any kind whatsoever, whether known or unknown, from the beginning of time through the date of the Employee's execution of this Agreement (collectively, "**Claims**"), including, without limitation, any claims under any federal, state, local, or foreign law, that Releasers may have, have ever had, or may in the future have arising out of, or in any way related to the Employee's hire, benefits, employment, termination, or separation from employment with the Company and any actual or alleged act, omission, transaction, practice, conduct, occurrence, or other matter, including, but not limited to:

(i) any and all claims under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, as amended, the Family and Medical Leave Act (with respect to existing but not prospective claims), the Fair Labor Standards Act, the Equal Pay Act, the Employee Retirement Income Security Act (with respect to unvested benefits), the Civil Rights Act of 1991, Section 1981 of U.S.C. Title 42, the Worker Adjustment and Retraining Notification Act, the National Labor Relations Act, the Age Discrimination in Employment Act, the Uniform Services

Employment and Reemployment Rights Act, the Genetic Information Nondiscrimination Act, all state and local laws that may be legally waived, including any amendments and their respective implementing regulations, and any other federal, state, local, or foreign law (statutory, regulatory, or otherwise) that may be legally waived and released;

(ii) any and all claims for compensation of any type whatsoever, including but not limited to claims for salary, wages, bonuses, commissions, incentive compensation, vacation, and severance that may be legally waived and released;

(iii) any and all claims arising under tort, contract, and quasi-contract law, including but not limited to claims of breach of an express or implied contract, tortious interference with contract or prospective business advantage, breach of the covenant of good faith and fair dealing, promissory estoppel, detrimental reliance, invasion of privacy, nonphysical injury, personal injury or sickness or any other harm, wrongful or retaliatory discharge, fraud, defamation, slander, libel, false imprisonment, and negligent or intentional infliction of emotional distress;

(iv) any and all claims for monetary or equitable relief, including but not limited to attorneys' fees, back pay, front pay, reinstatement, experts' fees, medical fees or expenses, costs, and disbursements; and

(v) any state or local law applicable to employment, any applicable county ordinance; all common law claims (including any breach of any contract, express or implied, wrongful discharge). In releasing the directors, officers, employees, representatives, and agents of the Company, Employee is releasing each of them in their individual capacities as well as in their official capacities with the Company.

However, this general release and waiver of claims excludes, and the Employee does not waive, release, or discharge: (A) any right to file an administrative charge or complaint with, or testify, assist, or participate in an investigation, hearing, or proceeding conducted by, the Equal Employment Opportunity Commission, or other similar federal or state administrative agencies, although the Employee waives any right to monetary relief related to any filed charge or administrative complaint; and (B) claims that cannot be waived by law, such as claims for unemployment benefit rights and workers' compensation; (C) indemnification rights the Employee has against the Employer; (D) any right to file an unfair labor practice charge under the National Labor Relations Act or Employee's rights under a collective bargaining agreement without processes; and (E) any rights to vested benefits, such as pension or retirement benefits, the rights to which are governed by the terms of the applicable plan documents and award agreements.

If the Employee applies for unemployment benefits, the Company will respond truthfully, completely, and timely to any inquiries by the applicable state unemployment insurance agency or department of labor concerning the termination of Employee's employment.

(b) Specific Release of ADEA Claims

In further consideration of the payments and benefits provided to the Employee in this Agreement, the Releasers hereby irrevocably and unconditionally fully and forever waive, release, and discharge the Released Parties from any and all Claims, whether known or unknown, from the beginning of time through the date of the Employee's execution of this Agreement arising under the Age Discrimination in Employment Act (ADEA), as amended, and its implementing regulations. By signing this Agreement, the Employee hereby acknowledges and confirms that:

(i) the Employee has read this Agreement in its entirety and understands all of its terms;

(ii) by this Agreement, the Employee has been advised in writing of the right to consult with an attorney of the Employee's choosing before executing this Agreement;

(iii) the Employee knowingly, freely, and voluntarily assents to all of the terms and conditions set out in this Agreement including, without limitation, the waiver, release, and covenants contained in it;

(iv) the Employee is executing this Agreement, including the waiver and release, in exchange for good and valuable consideration in addition to anything of value to which the Employee is otherwise entitled;

(v) the Employee was given at least twenty-one (21) days to consider the terms of this Agreement and consult with an attorney of the Employee's choice, although the Employee may sign it sooner if desired and changes to this Agreement, whether material or immaterial, do not restart the running of the 21-day period;

(vi) the Employee understands that the Employee has seven (7) days after signing this Agreement to revoke the release in this paragraph by delivering notice of revocation to the Company, 2219 Rimland Drive, Suite 301, Bellingham, WA 98226 before the end of this seven-day period; and

(vii) the Employee understands that the release contained in this paragraph does not apply to rights and claims that may arise after the Employee signs this Agreement.

6. Post-Termination Obligations and Restrictive Covenants.

(a) Acknowledgment

The Employee understands and acknowledges that by virtue of the Employee's employment with the Company, the Employee had access to and knowledge of Confidential Information, was in a position of trust and confidence with the Company,

and benefitted from the Company's goodwill. The Employee understands and acknowledges that the Company invested significant time and expense in developing the Confidential Information and goodwill.

The Employee further understands and acknowledges that the restrictive covenants below are necessary to protect the Company's legitimate business interests in its Confidential Information and goodwill. The Employee further understands and acknowledges that the Company's ability to reserve these for the exclusive knowledge and use of the Company is of great competitive importance and commercial value to the Company and that the Company would be irreparably harmed if the Employee violates the restrictive covenants below.

(b) Confidential Information

The Employee understands and acknowledges that during the course of employment with the Company, the Employee has had access to and learned about confidential, secret, and proprietary documents, materials, and other information, in tangible and intangible form, of and relating to the Company and its businesses and existing and prospective customers, suppliers, investors, and other associated third parties ("**Confidential Information**"). The Employee further understands and acknowledges that this Confidential Information and the Company's ability to reserve it for the exclusive knowledge and use of the Company is of great competitive importance and commercial value to the Company, and that improper use or disclosure of the Confidential Information by the Employee might cause the Company to incur financial costs, loss of business advantage, liability under confidentiality agreements with third parties, civil damages, and criminal penalties.

For purposes of this Agreement, Confidential Information includes, but is not limited to, all information not generally known to the public, in spoken, printed, electronic, or any other form or medium, relating directly or indirectly to: business processes, practices, methods, policies, plans, publications, documents, research, operations, services, strategies, techniques, agreements, contracts, terms of agreements, transactions, potential transactions, negotiations, pending negotiations, know-how, trade secrets, computer programs, computer software, applications, operating systems, software design, web design, work-in-process, databases, manuals, records, articles, systems, material, sources of material, supplier information, vendor information, financial information, results, accounting information, accounting records, legal information, marketing information, advertising information, pricing information, credit information, design information, payroll information other than the Employee's own payroll information, staffing information other than the Employee's own staffing information, personnel information other than the Employee's own personnel information, employee lists, supplier lists, vendor lists, developments, reports, internal controls, security procedures, graphics, drawings, sketches, market studies, sales information, revenue, costs, formulae, notes, communications, algorithms, product plans, designs, styles, models, ideas, audiovisual programs, inventions, unpublished patent applications, original works of authorship, discoveries, experimental processes, experimental results, specifications,

customer information, customer lists, client information, client lists, manufacturing information, factory lists, distributor lists, buyer lists, and other such examples of confidential information of the Company or its businesses or any existing or prospective customer, supplier, investor, or other associated third party, or of any other person or entity that has entrusted information to the Employee in confidence.

The Employee understands that the above list is not exhaustive, and that Confidential Information also includes other information that is marked or otherwise identified as confidential or proprietary, or that would otherwise appear to a reasonable person to be confidential or proprietary in the context and circumstances in which the information is known or used.

The Employee understands and agrees that Confidential Information developed by the Employee in the course of the Employee's employment by the Employer is subject to the terms and conditions of this Agreement as if the Company furnished the same Confidential Information to the Employee in the first instance. Confidential Information shall not include information that is generally available to and known by the public at the time of disclosure to the Employee, provided that the disclosure is through no direct or indirect fault of the Employee or person(s) acting on the Employee's behalf.

(c) Disclosure and Use Restrictions

(i) *Employee Covenants*. The Employee agrees and covenants:

(A) to treat all Confidential Information as strictly confidential;

(B) not to directly or indirectly disclose, publish, communicate, or make available Confidential Information, or allow it to be disclosed, published, communicated, or made available, in whole or part, to any entity or person whatsoever (including other employees of the Company) not having a need to know and authority to know and use the Confidential Information in connection with the business of the Company and, in any event, not to anyone outside of the direct employ of the Company and only after execution of a confidentiality agreement by the third party with whom Confidential Information will be shared or with the prior consent of an authorized officer acting on behalf of the Company in each instance (and then, such disclosure shall be made only within the limits and to the extent of such duties or consent);

(C) not to access or use any Confidential Information, and not to copy any documents, records, files, media, or other resources containing any Confidential Information, or remove any such documents, records, files, media, or other resources from the premises or control of the Company, except as allowed by applicable law, or with the prior written consent of an authorized officer acting on behalf of the Company (and then,

such disclosure shall be made only within the limits and to the extent of such law, duties or consent); and

(D) to comply with Company's Insider Trading Policy provided to you upon your initial hiring. In accordance with this policy, you agree not to trade Company stock while in possession of Confidential Information. Further, you will not "tip" others in their contemplation of Company stock transactions while in possession of Confidential Information, including mental impressions and notes thereof. You hereby acknowledge that you are aware that any such trading made while in the possession of Confidential Information violates United States securities laws and that any such violations subject you to significant financial and criminal penalties.

The Employee understands and acknowledges that the Employee's obligations under this Agreement regarding any particular Confidential Information begin immediately and shall continue during and after the Employee's employment by the Employer until the Confidential Information has become public knowledge other than as a result of the Employee's breach of this Agreement or a breach by those acting in concert with the Employee or on the Employee's behalf.

(ii) *Permitted Disclosures.* Nothing in this Agreement shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order. The Employee shall promptly provide written notice of any such order to an authorized officer of the Company.

Nothing in this Agreement prohibits or restricts the Employee (or Employee's attorney) from initiating communications directly with, responding to an inquiry from, or providing testimony before the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), any other self-regulatory organization, or any other federal or state regulatory authority regarding this Agreement or its underlying facts or circumstances or a possible securities law violation.

Nothing in this Agreement in any way prohibits or is intended to restrict or impede the Employee from discussing the terms and conditions of his/her employment with co-workers or union representatives/exercising protected rights under Section 7 of the National Labor Relations Act/exercising protected rights to the extent that such rights cannot be waived by agreement, or otherwise disclosing information as permitted by law.

(iii) *Notice of Immunity Under the Economic Espionage Act of 1996, as amended by the Defend Trade Secrets Act of 2016.* Notwithstanding any other provision of this Agreement:

(A) The Employee will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made: (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document that is filed under seal in a lawsuit or other proceeding.

(B) If the Employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Employee may disclose the Company's trade secrets to the Employee's attorney and use the trade secret information in the court proceeding if the Employee: (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order.

(d) Non-Solicitation of Employees

The Employee understands and acknowledges that the Company has expended and continues to expend significant time and expense in recruiting and training its employees and that the loss of employees would cause significant and irreparable harm to the Company. The Employee agrees and covenants not to directly or indirectly solicit, hire, recruit, attempt to hire or recruit, or induce the termination of employment of any employee of the Company for the remainder of the Employee's employment with the Company and for the term of 12 months, to run consecutively, beginning on the Separation Date.

(e) Non-Solicitation of Customers

The Employee understands and acknowledges that the Company has expended and continues to expend significant time and expense in developing real estate agent and customer relationships, real estate agent and customer information, and goodwill, and that because of the Employee's experience with and relationship to the Company, the Employee has had access to and learned about much or all of the Company's real estate agent and customer information (individually and collectively "**Customer Information**"). Customer Information includes, but is not limited to, names, phone numbers, addresses, email addresses, transaction history, transaction preferences, chain of command, pricing information, and other information identifying facts and circumstances specific to the real estate agent or customer and relevant to sales and services.

The Employee understands and acknowledges that loss of any of these real estate agents and/or customer relationships or goodwill will cause significant and irreparable harm to the Company.

The Employee agrees and covenants, during the next 12 months, to run consecutively, beginning on the Separation Date, not to directly or indirectly solicit or

attempt to solicit, contact (including but not limited to communications using email, regular mail, express mail, telephone, fax, instant message, social media, or any other oral, written, or electronic transmission), attempt to contact, or meet with the Company's current, former, or prospective real estate agents or customers for purposes of offering or accepting brokerage services, goods or services similar to or competitive with those offered by the Company.

This restriction shall only apply to:

- (i) real estate agents and/or customers or prospective customers the Employee contacted in any way during the 12 months before the Separation Date;
- (ii) real estate agents and/or customers about whom the Employee has trade secret or Confidential Information; or
- (iii) real estate agents and/or customers about whom the Employee has information that is not available publicly; or
- (iv) real estate agents and/or customers who became customers during the Employee's employment with the Company.

For clarity, nothing in this section shall prevent Employee from entering into or continuing an independent contractor relationship with Company as a real estate agent using Company as his brokerage, nor from conducting the usual business of a real estate agent with other real estate agents associated with Company.

7. **Non-Disparagement.** The Employee and the Company each agree and covenant that neither the Employee nor the Company shall at any time make, publish, or communicate to any person or entity or in any public forum any defamatory or maliciously false, or disparaging remarks, comments, or statements concerning the other Party or its businesses, or any of its employees, officers, or directors and its/their existing and prospective customers, suppliers, investors, and other associated third parties, now or in the future. As this Section 7 pertains to the Company, Employee acknowledges that the Company cannot feasibly control what every employee may publish or communicate and that this Section 7 shall restrict the speech and communications of only those official publications and communications of the Company and those statements of its Officers and Board of Directors made in any public forum.

This Section does not in any way restrict or impede the Employee from exercising protected rights, including rights under the National Labor Relations Act (NLRA) or the federal securities laws, including the Dodd-Frank Act, to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order.

8. **Confidentiality of Agreement.** The Employee agrees and covenants that the Employee shall not disclose any of the negotiations of, terms of, or amount paid under this

Agreement to any individual or entity; provided, however, that the Employee will not be prohibited from making disclosures to the Employee's spouse or domestic partner, attorney, tax advisors, or as may be required by law.

This Section does not in any way restrict or impede the Employee from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order.

9. **Indemnification.** Company shall indemnify Employee to the fullest extent permitted by the laws of the State of Washington for Employee's lawful actions during his employment with Company and taken in his capacity as an employee of Company.

10. **Remedies.** In the event of a breach or threatened breach by the Employee of any of the provisions of this Agreement, the Employee hereby consents and agrees that the Company shall be entitled to seek, in addition to other available remedies, a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. Any equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages, or other available relief.

If the Employee fails to comply with any of the terms of this Agreement or post-termination obligations contained in it, or if the Employee revokes the ADEA release contained in Section 4 within the seven-day revocation period, the Company may, in addition to any other remedies it may have, reclaim any amounts paid to the Employee under the provisions of this Agreement or terminate any benefits or payments that are later due under this Agreement, without waiving the releases provided in it.

The Parties mutually agree that this Agreement can be specifically enforced in court and can be cited as evidence in legal proceedings alleging breach of the Agreement.

11. **Successors and Assigns.**

(a) **Assignment by the Company.**

The Company may freely assign this Agreement at any time. This Agreement shall inure to the benefit of the Company and its successors and assigns.

(b) **No Assignment by the Employee**

The Employee may not assign this Agreement in whole or in part. Any purported assignment by the Employee shall be null and void from the initial date of the purported assignment.

12. **Governing Law, Jurisdiction, and Venue.** This Agreement and all matters arising out of or relating to this Agreement and the Employee's employment by Company, whether sounding contract, tort, or statute, for all purposes shall be governed by and construed in accordance with the laws of Washington (including its statutes of limitations) without regard to any conflicts of laws principles that would require the laws of any other jurisdiction to apply. Any action or proceeding by either of the Parties to enforce this Agreement shall be brought only in any state or federal court located in the State of Washington, County of Whatcom. The Parties hereby irrevocably submit to the exclusive jurisdiction of these courts and waive the defense of inconvenient forum to the maintenance of any action or proceeding in these venues.

13. **Entire Agreement.** Unless specifically provided herein, this Agreement contains all of the understandings and representations between Company and Employee relating to the subject matter hereof and supersedes all prior and contemporaneous understandings, discussions, agreements, representations, and warranties, both written and oral, regarding such subject matter; provided, however, that nothing in this Agreement modifies, supersedes, voids, or otherwise alters Employee's confidentiality, non-compete, and any other surviving agreements or contractual obligations with Company. Employee's confidentiality, non-compete, and any other surviving agreements or contractual obligations shall remain in full force and effect.

14. **Expiration of Offer.** The offer of this Agreement shall expire automatically sixty (60) days following the date first received by Employee (the "Expiration Date") unless first accepted or declined by Employee.

15. **Modification and Waiver.** No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Employee and by the duly authorized representative of the Company. No waiver by either Party of any breach by the other party of any condition or provision of this Agreement to be performed by the other party shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by either of the Parties in exercising any right, power, or privilege under this Agreement operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power, or privilege.

16. **Severability.** Should any provision of this Agreement be held by a court of competent jurisdiction to be enforceable only if modified, or if any portion of this Agreement shall be held to be unenforceable and thus stricken, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the Parties with any such modification to become a part hereof and treated as though originally set forth in this Agreement.

The Parties further agree that any such court is expressly authorized to modify any such unenforceable provision of this Agreement instead of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Agreement, or by making such other modifications as it deems necessary to carry out the intent and agreement of the Parties as embodied in this Agreement to the maximum extent permitted by law.

The Parties expressly agree that this Agreement as so modified by the court shall be binding upon and enforceable against each of them. If any provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had not been set forth in it.

17. **Captions.** Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph.

18. **Counterparts.** The Parties may execute this Agreement in counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart's signature page of this Agreement by facsimile, email in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document has the same effect as delivery of an executed original of this Agreement.

19. **No Admission of Liability.** Nothing in this Agreement shall be construed as an admission by the Company of any wrongdoing, liability, or noncompliance with any federal, state, city, or local rule, ordinance, statute, common law, or other legal obligation. The Company specifically disclaims and denies any wrongdoing or liability to Employee.

20. **Notices.** All notices under this Agreement must be given in writing by personal delivery/regular mail/receipted email/electronic mail at the addresses indicated in this Agreement or any other address designated in writing by either party. When providing written notice to the Company, the Employee must provide a copy to the Company's General Counsel at the address below.

Notice to the Company:
Attention: Legal Department
eXp Realty, LLC
2219 Rimland Dr, Suite 301
Bellingham, WA 98226

Notice to the Employee:
Shoeb Ansari

21. **Tolling.** If the Employee violates any of the post-termination obligations in this Agreement, the obligation at issue will run from the first date on which the Employee ceases to be in violation of such obligation.

22. **Attorneys' Fees and Costs.** If the Employee breaches any terms of this Agreement or the post-termination obligations articulated or referenced in it, to the extent authorized by Washington law, the Employee will be responsible for payment of all reasonable attorneys' fees

and costs that Company incurred in the course of enforcing the terms of the Agreement, including demonstrating the existence of a breach and any other contract enforcement efforts.

23. **Section 409A.** This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (Section 409A), or an exemption under Section 409A, and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service, as a short-term deferral, or as a settlement payment pursuant to a bona fide legal dispute shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, any installment payments provided under this Agreement shall each be treated as a separate payment. To the extent required under Section 409A, any payments to be made under this Agreement upon a termination of employment shall only be made upon a “separation from service” under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by the Employee on account of non-compliance with Section 409A.

24. **Notice of Post-Termination Obligations.** When the Employee’s employment with the Employer terminates, the Employee agrees to notify any subsequent employer of the restrictive covenants contained or referenced in this Agreement. In addition, the Employee authorizes the Company to provide a copy of the restrictive covenants contained or referenced in this Agreement to third parties, including but not limited to, the Employee’s subsequent, anticipated, or possible future employer.

25. **Acknowledgment of Full Understanding.** THE EMPLOYEE ACKNOWLEDGES AND AGREES THAT THE EMPLOYEE HAS FULLY READ, UNDERSTANDS, AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. THE EMPLOYEE ACKNOWLEDGES AND AGREES THAT THE EMPLOYEE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF THE EMPLOYEE’S CHOICE BEFORE SIGNING THIS AGREEMENT. THE EMPLOYEE FURTHER ACKNOWLEDGES THAT THE EMPLOYEE’S SIGNATURE BELOW IS AN AGREEMENT TO RELEASE THE COMPANY FROM ANY AND ALL CLAIMS THAT CAN BE RELEASED AS A MATTER OF LAW.

[Signature Page Immediately Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Execution Date above.

eXp REALTY, LLC

By: /s/ Glenn Sanford

Name: Glenn Sanford

Title: Chief Executive Officer

EMPLOYEE

Signature: /s/ Shoeb Ansari

Name: Shoeb Ansari

Independent Contractor Agreement

THIS INDEPENDENT CONTRACTOR AGREEMENT (this “ICA”) is made and entered into by and between the undersigned real estate licensee (“Agent”), and the applicable eXp entity¹ licensed as a real estate brokerage company in Agent’s state(s) of licensure (“eXp”). This ICA shall become effective (the “Effective Date”), as follows: (1) when electronically signed by the last of the Parties to electronically sign this ICA (if this ICA is to be Agent’s original Independent Contractor Agreement with eXp), or (2) as provided in Section 14, below (if this ICA is to be a revision to a former version of Agent’s Independent Contractor Agreement with eXp). eXp and Agent may be referred to hereinafter individually as a “Party,” and collectively as the “Parties.”

BACKGROUND

- A. Agent is a real estate licensee in their state(s) of licensure.
- B. eXp is a cloud-based real estate brokerage company doing business in Agent’s state(s) of licensure.
- C. The Parties mutually desire for Agent to become affiliated with eXp as a real estate licensee in Agent’s state(s) of licensure, all in accordance with the terms and conditions set forth in this ICA.

AGREEMENT

NOW THEREFORE, in consideration for the above recitals, and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the Parties agree as follows:

1. **Real Estate Brokerage Services.** During the Term (defined below), Agent will perform real estate brokerage services (“Services”) on behalf of eXp for the benefit of eXp’s clients. Such Services will include those services customarily performed by real estate brokerage licensees in Agent’s state(s) of licensure, as well as such other activities as set forth in eXp’s Policies (defined below) or as requested or required by eXp.

2. **Independent Contractor Relationship.**

a. **Not an Employee.** This ICA shall establish an independent contractor relationship between Agent, as the service provider, and eXp, as the service recipient. Agent’s role under this ICA shall be that of a “qualified real estate agent,” as that term is defined in Section 3508 of the Internal Revenue Code, and Agent shall have that title as granted to them by the license that Agent holds (e.g., salesperson, associate broker, broker, qualifying broker, principal broker, etc.). Nothing within this ICA shall be construed to create a joint venture, partnership, employer-employee relationship, or other relationship between the Parties. Agent will not be treated as an eXp employee for any purposes under this ICA. Agent is not entitled to any of the benefits that eXp may make available to its employees, including, without limitation, group health or life insurance, retirement benefits, or any other fringe benefits. Agent is solely responsible for, and eXp is not responsible for, withholding and paying any income, payroll, Social Security, and other federal, state, and local taxes, and making any insurance contributions (including unemployment and disability), and obtaining workers’ compensation insurance on Agent’s own behalf. Agent is free to devote such portion of Agent’s time, energy, effort, and skill, as Agent sees fit, to establish and grow Agent’s real estate brokerage business. Agent is not required to keep definite office hours, attend sales meetings, or adhere to sales quotas. Agent does not have mandatory duties except those specifically set out in this ICA, and in other documents incorporated by reference into this ICA. Agent agrees not to, and Agent irrevocably waives any and all rights to, claim or assert, or to support any third-party claim or assertion of, the existence of an employer/employee relationship as between eXp and Agent.

b. **Agent Expenses.** Unless expressly provided to the contrary in this ICA, or in eXp’s Policies, Agent is responsible for bearing all costs related to being a real estate licensee. Such costs include, without limitation, each of the following: REALTOR® dues; multiple listing service (“MLS”) dues; cell phone expenses; business card expenses; sign expenses; sign-post expenses; advertising expenses; personal branding expenses; continuing education expenses; licensing expenses; printing, copying, and faxing expenses; digital

¹ eXp Realty, LLC (in all states except those that follow); eXp Realty of California, Inc. (in California); eXp Realty of Northern California, Inc. (in northern California); eXp Realty of Greater Los Angeles, Inc. (in central California); eXp Realty of Southern California, Inc. (in southern California); eXp Realty North, LLC (in N. Dakota, Minnesota, and portions of New York, except as further qualified); eXp Realty of Connecticut, LLC (in Connecticut, and Brooklyn, New York); eXp Realty Associates, LLC (in Brooklyn, mid-town, and downtown, New York City), and eXp Realty of Charlotte Metro NC, LLC, eXp Realty of Northwest NC, LLC, eXp Realty of Northeast NC, LLC, eXp Realty of Piedmont NC, LLC, eXp Realty of Southeast NC, LLC, and eXp Realty of Triangle NC, LLC (in North Carolina).



camera, computer(s), and related hardware or software expenses; printer/scanner/fax equipment expenses; high-speed internet expenses; automobile expenses; auto insurance fees; individual errors and omissions insurance premiums and deductibles, where such insurance is required by applicable law; any other personal or business insurance coverage premiums and deductibles for coverage that Agent deems prudent or necessary in the operation of Agent's business; local, state, federal and municipal taxes of any kind; and any and all government, regulatory, or agency licensure, compliance fees and expenses.

c. **Workers' Compensation Insurance Coverage.** Unless otherwise required under applicable law, as an independent contractor, Agent shall acquire for himself or herself and any employees of Agent such workers' compensation insurance coverage in such amounts as Agent deems appropriate, but in no event less than minimum coverage amounts required by applicable law. Agent shall name eXp Realty, LLC, and its subsidiaries, successors, and assigns (collectively, the "**eXp Additional Insureds**") as additional insureds on any such workers' compensation insurance policy. Agent shall also obtain a "waiver of subrogation" endorsement from the workers' compensation insurer in favor of the eXp Additional Insureds. Agent shall, upon written request, provide evidence of the above referenced insurance coverage for any policy of workers' compensation insurance that Agent obtains on their own behalf.

3. **Agency Relationships.** All real estate brokerage relationships established for any real estate transactions, regardless of agency status, exist solely as between eXp and the client (or customer), and not as between Agent and the client (or customer). Agent provides real estate services to the client (or customer) on eXp's behalf; all listings taken by Agent in connection with eXp's business are and remain the separate and exclusive property of eXp, and not of Agent. During the Term of this ICA, Agent shall diligently carry out Agent's duties on behalf of eXp with all reasonable skill, care, and diligence as expected of a licensed real estate professional in Agent's state(s) of licensure.

4. **Compensation; eXp Fees.** Agent shall be compensated according to the below referenced commission split, and in that manner as more fully described in the eXp Realty U.S. Policies and Procedures (the "**eXp P&Ps**") (See: www.exprealty.com/policies). In addition, eXp provides opportunities to eligible eXp real estate licensees to obtain shares of eXp World Holdings, Inc. common stock (Nasdaq: EXPI) through (i) the Agent Equity Program, in which eXp real estate licensees must opt-in in order to participate and agree to the terms and conditions of that program, and (ii) the Agent Growth Incentive Program, which is available to all eXp real estate licensees and no opt-in step is required, both of which are administered under the 2015 Equity Incentive Plan (the "**Plan**"). If interested, Agent should visit the eXp Agent Shareholder Hub at <https://exprealty.com/agentstock> for details and participation information. Agent shall pay to eXp those fees, in those amounts, as described under the eXp P&Ps ("**eXp Fees**"); except as otherwise provided in the eXp P&Ps, eXp Fees shall be paid in accordance with Agent's preferred payment method then on file with eXp, whether that is in the form of a draw against Agent's checking account as then on file with eXp, or charging Agent's debit or credit card as then on file with eXp. Agent shall be automatically enrolled in eXp's Sustainable Revenue Share Plan, which shall be governed by those terms set forth in the eXp P&Ps.

a. **Commission Split.** Agent shall be entitled to a commission on purchase transactions, sales transactions, rental/lease transactions, broker price opinions ("**BPOs**"), and referrals (each, a "**Transaction**," collectively, "**Transactions**") as follows: income retained by eXp after referrals, but prior to commission split ("**Gross Commission Income**"), shall be split at the rate of 80% to Agent ("**Contractor Dollar**") and 20% to eXp ("**Company Dollar**") on all Transactions closed by the Agent. Should any Transaction be subject to any state or local taxes, the 80%/20% commission split will be calculated after the tax is deducted.

b. **Onboard Date; Anniversary Date.** Agent's onboard date ("**Onboard Date**") shall be the later of, (a) Agent's "**Join Date**" (the date eXp verifies Agent's email address and Agent becomes active in Enterprise), or (b) the date on which Agent's real estate license is transferred to eXp. Agent's anniversary date ("**Anniversary Date**") shall be the first day of the calendar month following Agent's Onboard Date with eXp. So, for example, if Agent's Onboard Date is January 18, 2022, then Agent's Anniversary Date will be February 1, 2022.

c. **Company Dollar Cap; Capping Period; Cap Reset Date; and Anniversary Year.** Agent's "**Capping Period**" is a consecutive twelve (12) calendar month period during which time the amount of Company Dollar collected on Agent's Transactions is accrued towards the Company Dollar Cap. The term "**Company Dollar Cap**" means that once the amount of Company Dollar received from Agent's closed Transactions reaches \$16,000 (the \$16,000 amount being commonly referred to as a "**Full Cap**") within Agent's Capping Period, eXp will no longer collect the Company Dollar portion of the commission split and the Agent will thereafter be considered to be in a "**Capped Status**" until the expiration of the then-current Capping Period. The "**Cap Reset Date**" is the date upon which each new Capping Period begins and the amount of Company Dollar paid by Agent that has accrued towards the Company Dollar Cap will reset to zero. The Cap Reset Date for Agent will be the same as Agent's Anniversary Date, except as otherwise expressly agreed to the contrary by separate written addendum to this ICA. Agent's anniversary year ("**Anniversary Year**") shall begin on Agent's Anniversary Date with eXp and end on the day immediately preceding the next Anniversary Date. So, for example, if Agent's Onboard Date is January 18, 2022, then Agent's Anniversary Date would be February 1, 2022 and Agent's Anniversary Year will run from February 1, 2022 through January



31, 2023, and continue for the same period each year thereafter. Except as otherwise expressly agreed to the contrary, an Agent’s Capping Period will directly overlap with Agent’s Anniversary Year.

5. **Term.** This ICA shall remain valid until one of the Parties terminates the ICA, pursuant to Section 6, below.

6. **Termination.** Either Party may terminate this ICA, for any reason or no reason. The date this ICA shall be deemed terminated (the “Offboard Date”) shall be as follows: (i) the date that eXp’s notice of termination is delivered (when eXp is the terminating party); (ii) the date that Agent provides a notice of termination to eXp (when Agent is the terminating party); or (iii) the date eXp is made or otherwise becomes aware that Agent has terminated their relationship with eXp (when Agent fails to notify eXp of their termination). From and after the Offboard Date, Agent shall refrain from using any and all eXp sales materials or similar items that bear the name, logos, registered trademarks, or inscription of eXp, in any manner whatsoever.

a. **Continued Billing When Agent Terminates.** **NOTWITHSTANDING THE FOREGOING, AND IN RECOGNITION OF THE INHERENT COMPLEXITY ARISING FROM EXP’S SERVICING TENS OF THOUSANDS OF REAL ESTATE AGENTS ACROSS THE WORLD, AND THE CORRESPONDING, SOPHISTICATED BILLING SYSTEMS THAT HAVE BEEN ESTABLISHED TO SERVICE THOSE REAL ESTATE AGENTS, AGENT ACKNOWLEDGES AND IRREVOCABLY AGREES THAT WHEN AGENT IS THE TERMINATING PARTY, IF AGENT DOES NOT PROVIDE THE APPROPRIATE ADVANCE NOTICE OF TERMINATION TO EXP, AS OUTLINED IN THIS SECTION 6, AGENT BILLING MAY, AND LIKELY WILL, CONTINUE FOR A LIMITED PERIOD OF TIME FOLLOWING AGENT’S OFFBOARD DATE.**

[Agent’s Signature Here]

b. **To Stop Continued-Billing.** To ensure that continued billing stops as close to Agent’s Offboard Date as possible (when Agent is the terminating Party), Agent should provide eXp with not less than thirty (30) days’ advance written notice of Agent’s intent to terminate, which notice shall be deemed delivered to, and received by, eXp upon Agent’s completion and submission of the eXp Agent Offboard Notice online form (the “Offboard Notice”), available at www.exprealty.com/offboardnotice and in the eXp P&Ps. Upon Agent’s electronic submission of his or her Offboard Notice, Agent will receive an automated email response representing eXp’s acknowledgment of receipt of Agent’s Offboard Notice. This automated email acknowledgment (“Offboard Acknowledgment”) will be delivered to that email address supplied by Agent on Agent’s Offboard Notice. Agent is strongly encouraged to retain his or her Offboard Acknowledgment in the event there is ever a dispute over whether or when Agent’s Offboard Notice was submitted to eXp.

c. **Agent Payment Obligations After Termination.** In the event of termination of this ICA, all prepaid fees and prepaid dues are non-refundable to Agent; all billable items invoiced to Agent prior to Agent’s Offboard Date shall remain due and payable by Agent, and eXp may bill Agent for such items as provided under this ICA.

7. **eXp’s Policies and Procedures.** In addition to the terms of this ICA, Agent shall abide by all policies and procedures established by eXp, including, without limitation, (a) the eXp P&Ps, (b) eXp’s state-specific policies and procedures in effect in those state(s) of Agent’s licensure (the “State P&Ps”), (c) any additional eXp policies and procedures wherever situated, whether or not referenced or hyperlinked in the eXp P&Ps or any State P&Ps (the “Additional P&Ps”), and (d) any and all revisions to any of the foregoing. The eXp P&Ps, State P&Ps, Additional P&Ps, together with any and all revisions thereto shall hereinafter collectively be referred to as “eXp’s Policies.” Given that eXp’s Policies constitute a part of this ICA, any revisions to eXp’s Policies shall be made in accordance with Section 14, below. **EACH OF EXP’S POLICIES COMPRISE AN INTEGRAL AND MATERIAL PART OF THIS AGREEMENT, AND EACH ARE EXPRESSLY INCORPORATED BY THIS REFERENCE INTO THE AGREEMENT IN THEIR ENTIRETY, VERBATIM AND AT LENGTH, AND EACH CONSTITUTE A PART OF THIS AGREEMENT AS THOUGH FULLY SET FORTH HEREIN.**

[Agent’s Signature Here]

8. **Agent’s Representations and Warranties to eXp.** Agent represents and warrants to eXp that the statements contained in this Section 8 are or will be true and correct as of the Onboard Date (not to be confused with the Effective Date), and shall remain true and correct during the Term:

a. Agent is duly licensed as a real estate licensee in the following state(s), having the following license number(s):

PRIMARY STATE	LICENSE NUMBER



NON-PRIMARY STATE(S) <i>(if applicable)</i>	LICENSE NUMBER(S)

(If Agent is licensed and affiliated with eXp in more than one state, no additional ICA is required. In such event, one eXp authorized representative from each state in which Agent is licensed is to sign this ICA on behalf of eXp.)

- b. Agent has and shall maintain in effect all licenses, permissions, authorizations, consents, and permits, at Agent’s own expense, required to lawfully carry out Agent’s obligations under this ICA;
- c. Agent possesses the requisite skill, experience, and qualifications to perform the Services;
- d. Agent is not restricted by, or subject to, any agreement (such as, but not limited to, a non-compete agreement or a non-solicitation agreement), order, or restriction that would in any way prevent, prohibit, or impair Agent’s ability to perform his or her duties under this ICA; Agent acknowledges that if Agent was or is subject to any contract, including a franchise agreement, any non-compete agreement or non-solicitation agreement, or covenant from a previous brokerage, that Agent has not and will not violate that contract, covenant or agreement or put eXp at risk of liability by violating it;
- e. Agent has the legal power, right, and authority to bind himself or herself to the terms and conditions set forth in this ICA, and to perform all Services provided under this ICA;
- f. Agent is in compliance with, and shall continue to comply with, (i) eXp’s Policies; (ii) all applicable laws, rules, and regulations when providing the Services; and (iii) all rules of conduct as established by each applicable state’s department of real estate (or such analogous agency having a different name) (“Department of Real Estate”), MLS rules of that multiple listing service to which Agent belongs, and the National Association of REALTORS® Code of Ethics and any additional rules or code of ethics adopted by a state or local Association of REALTORS® to which Agent belongs;
- g. Agent is either, (1) not the subject of any civil or criminal proceeding, any civil judgment or criminal conviction, or any disciplinary action or administrative or private party ruling against Agent; OR, (2) the subject of any of the foregoing but has disclosed all material facts and provided all supporting documentation to Agent’s Designated Managing Broker or Managing Broker(s);
- h. Agent has access to, and knows how to access, each of eXp’s Policies (See: www.exprealty.com/policies); Agent has reviewed each of eXp’s Policies; Agent has had the opportunity to ask eXp questions concerning eXp’s Policies; and Agent understands and agrees to abide by eXp’s Policies and any/all revisions thereto;
- i. Agent has had the opportunity to seek the advice of their own legal counsel concerning this ICA and eXp’s Policies prior to entering into this ICA;
- j. Agent understands that eXp and Agent’s Designated Managing Broker and Managing Broker(s) will each rely on the accuracy, completeness, and competence of Agent’s Services, as performed under this ICA, in fulfilling eXp’s contractual commitments to the public; and
- k. Agent accepts that termination of this ICA, by either Party, could result in a significant financial loss to Agent.

[Agent’s Signature Here]

9. **Agent’s Additional Covenants to eXp.**

- a. **Licensed Activities.** Agent will not perform any licensed real estate brokerage activities on behalf of eXp unless, (i) Agent’s real estate license is affiliated with (*i.e.*, “hung with”) eXp in the state(s) where Agent intends to perform such licensed activities; and (ii) Agent’s real estate license in that state is active and in good standing at the time that Agent performs such licensed activities.
- b. **Notification; Cooperation.** If Agent receives notice of any actual, anticipated, or threatened Civil or Administrative Action (defined below), or mediations or demand letters, concerning or involving Agent, either directly or indirectly, Agent shall immediately notify Agent’s Designated Managing Broker and Managing Broker(s). Moreover, in such instances, Agent agrees to fully cooperate, in good faith, and assist eXp, Agent’s Designated Managing Broker and Managing Broker, eXp’s Legal Operations



Department, and/or eXp's comprehensive errors and omissions insurance carrier ("Carrier") in defending against such matters until they are resolved by providing documents, testimony and any other items or information that may be needed by or on behalf of eXp. Agent's breach of this provision shall constitute a material breach of this ICA. The term "Civil or Administrative Action" as used in this ICA means lawsuits (including any appeals), small claims actions, chancery actions, equitable actions, arbitration actions, or administrative complaints (such as before a Department of Real Estate, Attorney General's Office, Department of Housing and Urban Development, Consumer Protection Financial Bureau, MLS, or any REALTOR® association).

c. Enterprise. Agent will enter Agent's personal contact information (including mailing address, email address, and telephone number), and Agent's emergency contact's information (including name, relationship to Agent, mailing address, email address, and telephone number) into the eXp Enterprise system ("Enterprise"). Agent is solely responsible for keeping all such information current in Enterprise throughout the Term. eXp will rely upon the information provided by Agent, in Enterprise, as being true, correct, and complete. Any failure by Agent to provide or maintain the most current information in Enterprise shall not affect the validity of any notice from eXp to Agent; Agent's failure to provide or maintain the most current information in Enterprise shall not serve as a defense by Agent to any notice delivered by eXp in accordance with Section 11, below. Agent, following his/her Onboard Date, may access the eXp Enterprise system sign-in page at www.expenterprise.com; if Agent is unable to log-in to eXp Enterprise, Agent may contact support@exprealty.com for assistance.

d. Text Messaging. eXp may send text messages to any telephone numbers Agent enters into Enterprise for the purpose of, (i) fulfilling eXp's reasonable supervision and control responsibilities, as required by applicable law; (ii) communicating with Agent in matters concerning Agent's affiliation with eXp (such activities include, without limitation, real estate licensing matters, transaction matters, transaction file matters, and matters pertaining to eXp Fees); and (iii) routing client leads to Agent in connection with any eXp lead generation programs in which Agent participates. By entering into this ICA, Agent consents to receiving such text messages from eXp for each of the specified purposes, and Agent agrees that Agent will be responsible for paying any applicable message and data rates for such text messages.

[Agent's Signature Here]

e. Sharing of Personal Information. eXp uses personal information collected about Agent in order to support Agent's continued affiliation with eXp. Such use includes sharing Agent's personal information (such as, for example only, and without limitation, Agent's name, address, email address, phone number, geographic location, and state(s) of licensure) with third-party companies, as more fully provided in the eXp World Holdings, Inc. Privacy Policy and Data Processing Agreement ("Privacy Policy") (See: www.expworldholdings.com/privacy-policy). By entering into this ICA, Agent consents to eXp's sharing of Agent's contact information in the manner described, and Agent agrees to be bound by the Privacy Policy, as may be amended from time to time.

[Agent's Signature Here]

f. Affiliate with a Competitor. During the Term, Agent shall not be affiliated with a competitor to eXp, as more fully set forth in eXp's P&Ps.

g. Cyber Liability Insurance. Cyber risk is a serious threat to Agent's business and the consequences of data breaches and wire fraud can be financially disastrous to Agent and/or to any parties to a transaction in which Agent is involved. eXp's cyber liability insurance does not extend to, or cover, any loss or damage, (i) related to any security/data breach or wire/financial fraud that may result in connection with any licensed activity of Agent, or (ii) sustained by any parties to a real estate transaction handled by Agent. Agent is strongly encouraged to obtain cyber liability insurance covering his or her own real estate business.

h. Automobile Insurance. eXp does not maintain commercial automobile insurance coverage that extends coverage to Agent or any other independent contractor of eXp. For the duration of this ICA, Agent shall maintain automobile insurance coverage with minimum liability limits of \$100,000 per occurrence, \$300,000 aggregate, and a minimum limit of \$100,000 in property damage coverage. If available from Agent's insurer, Agent shall obtain an additional-insured endorsement to his or her insurance policy and cause his or her insurer to name the eXp Additional Insureds as additional insureds under such policy. The extension of such insurance coverage to the eXp Additional Insureds shall be primary and noncontributory (with respect to losses suffered by eXp). In no event shall the limits of such insurance be considered as limiting the liability of Agent under this ICA and in no event shall the above insurance limits be any indication that such insurance limits are adequate insurance coverage for Agent. Agent shall provide proof of such insurance to eXp upon request.

10. **Errors and Omissions Coverage; Legal Representation Provided; eXp's Settlement Authority.**



a. **Errors and Omissions Coverage.** eXp carries comprehensive errors and omissions (“E&O”) insurance coverage in each state in which eXp conducts business. This coverage provides varying degrees of protection against claims solely arising out of eXp’s and its real estate agents’ performance of Professional Services (as that term is defined in the applicable E&O policy (“E&O Policy”). However, even though eXp’s E&O insurance coverage may typically cover such claims, Agent agrees to defend, indemnify and hold Indemnitees (defined below) harmless against any and all claims, as more fully set forth in [Section 11](#), below. In addition, there may be certain states whose regulatory regimes, and/or in which the terms of eXp’s E&O Policy, require an additional state-specific addendum to be executed between eXp and Agent as a condition for there being a possibility of any coverage under the E&O Policy.

b. **Legal Expense Reimbursement; Offset.** eXp reserves the right to seek reimbursement from Agent (the “Legal Expense Reimbursement”) in any matter that causes eXp to incur legal fees and/or costs, regardless of whether or not the matter is covered under one or more of eXp’s insurance policies. eXp, with the assistance of eXp’s Carrier, shall make all determinations as to, 1) the likelihood of coverage under eXp’s insurance policies in connection with any actual or potential claim against eXp and/or Agent, and 2) whether a conflict of interest exists between eXp and Agent in relation to any actual or potential claim against eXp and/or Agent. Agent’s obligation to reimburse eXp for the Legal Expense Reimbursement is a distinct obligation from Agent’s indemnification obligations under [Section 11](#), below; Agent’s reimbursement of the Legal Expense Reimbursement, as set forth in this [Section 10.b](#), does not offset, satisfy, release, or otherwise abate Agent’s indemnification, defense, and hold harmless obligations under [Section 11](#), below. Even where Agent does not believe the claim or cause of action has merit and/or does not believe any money should be expended in the defense, resolution, or satisfaction of the matter, Agent agrees in advance, by signing this ICA, that he or she will reimburse eXp for the Legal Expense Reimbursement within thirty (30) days of receipt of a request for reimbursement from eXp. Agent may elect to have all or any portion of the Legal Expense Reimbursement withheld from any commissions and/or revenue share payments due Agent in lieu of making payment directly to eXp. However, if Agent does not reimburse eXp directly within the 30-day period then eXp may exercise its rights of reimbursement and offset as set forth under [Section 15](#), below.

c. **Legal Representation Provided.** Except as otherwise provided in this ICA, eXp will provide legal counsel to Agent, at no additional cost to Agent, for the purpose of providing Agent with legal representation in defense of claim(s) filed by a third party against Agent arising from or relating to Agent’s performance of the Services, so long as each of the following four conditions are and remain met: (i) eXp’s legal counsel (whether through its Legal Operations Department or, if applicable, through eXp’s outside counsel) determines that a conflict of interest does not exist between eXp and Agent concerning the subject matter of the lawsuit; (ii) eXp maintains E&O insurance coverage applicable to the subject matter of the Civil or Administrative Action, and each claim asserted therein; (iii) eXp’s claim for such E&O insurance coverage is and remains approved by eXp’s Carrier, without any reservation of rights by eXp’s Carrier; and (iv) this ICA remains in effect and has not been terminated by either Party under [Section 6](#), above. If any of the foregoing conditions are not met, or are no longer met, Agent will be required to retain their own legal counsel at Agent’s sole cost and expense, unless a written agreement is entered into between eXp (through its Legal Operations Department) and Agent providing for, among other things, eXp’s reimbursement of Agent’s attorneys’ fees. eXp will not provide legal counsel to Agent for small claims lawsuits, Department of Real Estate complaints, or MLS or REALTOR® association complaints or arbitrations; notwithstanding the foregoing, eXp reserves all rights to make limited exceptions on a case-by-case basis in its sole and absolute discretion. eXp reserves all rights to refrain from providing legal counsel to Agent in any circumstances, all as determined by eXp in its sole and absolute discretion.

d. **eXp’s Settlement Authority.** In any actual, anticipated, or threatened Civil or Administrative Action, mediations, or demand, concerning either eXp and/or Agent, eXp shall have the sole discretion and final authority to make decisions concerning whether there is to be a settlement, and if so, the terms thereof. This authority shall exist in all situations except any Civil or Administrative Action, mediations, or demands where claims have been asserted against Agent, but not eXp, and where said claims are outside of the scope of the relationship established under this ICA as between Agent and eXp. eXp may, as a term of settlement or in furtherance of payment agreed to in settlement or otherwise incurred by eXp in connection with any settlement-related activities, exercise its payment, reimbursement, and offset rights as set forth under [Section 15](#), below, to be made whole for amounts paid or advanced by eXp. Agent’s refusal to abide by a decision by eXp to settle any actual, anticipated, or threatened Civil or Administrative Action, mediations, or demand, or Agent’s refusal to cooperate with eXp in furtherance of the same (and pursuant to [Section 9.b](#), above), may be deemed by eXp to be a material breach of this ICA.

11. **Indemnification.**

a. **Indemnification by Agent.** Agent irrevocably agrees to indemnify, defend, and hold harmless eXp, eXp World Holdings, Inc. (“EXPI”), each of EXPI’s subsidiaries, and it’s or their respective shareholders, directors, officers, managers, members, employees, agents, representatives, and affiliates (collectively, “Indemnitees”), jointly, severally, and in any combination, for, from and against any and all actual, anticipated, or threatened Civil or Administrative Actions, demands, costs, claims, losses, liabilities, injury, penalties, fees (including document production fees), expenses, damage awards, judgments, settlement amounts, and other damages (including but not limited to court costs, investigation costs, expert witness fees, reasonable attorneys’ fees, and other defense costs)



(collectively, “Losses”), without any monetary limitation or cap, arising from or relating in any way to any of the following, or any allegation of any of the following: (i) Agent’s performance of the Services; (ii) Agent’s performance of Professional Services (as that term is defined in eXp’s E&O Policy); (iii) Agent’s breach of this ICA; (iv) Agent’s noncompliance with eXp’s Policies; (v) any of Agent’s representations or warranties under this ICA being less than true, correct, and complete; (vi) any of the four conditions set forth in [Section 10.c](#), above, not being or no longer being met; (vii) exercise of eXp’s settlement authority as set forth in [Section 10.d](#), above; (viii) the refutation of, or any attempt to refute, any of Agent’s waivers within this ICA or in eXp’s Policies; (ix) any Team Agreement (as such term is defined in the eXp P&Ps) to which Agent is or was a party; (x) Agent’s filing of a Civil or Administrative Action against another real estate licensee affiliated with eXp or any of its subsidiaries (regardless of whether prior written notice is provided to Agent’s Managing Broker); (xi) Agent’s filing of a Civil or Administrative Action against eXp, EXPI, any of EXPI’s subsidiaries, and/or any of its or their respective employees (regardless of whether prior written notice is provided to any of them); (xii) Agent’s refusal to abide by eXp’s decision concerning settlement of a legal matter; (xiii) Agent’s refusal to cooperate with eXp in settlement of any legal matter; (xiv) Agent’s infringement of any intellectual property rights of any third party; (xv) Agent’s exercise of internet electronic commerce; (xvi) Agent’s failure to comply with any laws (including, without limitation, and for example only, the Telephone Consumer Protection Act (TCPA), the Telemarketing Sales Rules (TSR), the California Consumer Privacy Act (CCPA), the Personal Information Protection and Electronic Documents Act (PIPEDA), and both the UK and EEA General Data Protection Regulation (GDPR), and any of their respective implementing rulings and regulations, as applicable); (xvii) Agent’s failure to pay any taxes or tariffs; and (xviii) Agent’s use of technology, regardless of whether it was independently obtained by Agent, or provided or offered by or through eXp or any of its affiliated vendors, that is intended to or results in a phone call, text message, or other similar communication sent to any other party. Under no circumstance shall Agent control the defense in any actual, anticipated, or threatened Civil or Administrative Actions; such right of control shall at all times be and remain with Indemnitees, regardless of whether, or to what extent, Indemnitees enforce the financial aspects of Agent’s defense obligations. For avoidance of doubt, the term “control the defense” includes, without limitation, actions such as selecting counsel, developing legal strategy, negotiating settlements, and entering settlement agreements.

b. **Insurance Remedies.** eXp may tender a claim for insurance coverage to its Carrier and simultaneously or successively seek indemnification from Agent for the same matter, as determined in eXp’s sole and absolute discretion. See [Section 16](#), below, for further details concerning eXp’s cumulative remedies.

c. **Agent’s Defense Obligations.** Agent’s defense obligations under this [Section 11](#), shall be subordinate to any defense provided to any Indemnitees under any applicable eXp policy of insurance of.

12. **Notice.** Except as expressly provided to the contrary under this ICA, all notices under this ICA (each, a “notice”, and with the correlative meaning “notify”) shall be in writing and shall be deemed delivered only if sent *via* email to the applicable Party’s email address, as set forth below, in which case notice shall be deemed delivered upon electronically confirmed receipt provided that email notices that are not released before 5:00 p.m. (in the recipient’s time zone) shall be deemed delivered upon the commencement of the following day. A notice is effective only upon delivery to the receiving Party.

If to Agent: (As specified by Agent in Enterprise)

If to eXp: legal@exprealty.net

13. **Limitation of eXp Liability.** EXCEPT AS IT PERTAINS TO ANY FEES, COMMISSIONS, REVENUE SHARING, AND/OR OTHER COMPENSATION OWED BY EXP TO AGENT UNDER THIS AGREEMENT OR ANY OF EXP’S POLICIES (SUBJECT TO OFFSET AND DEDUCTION AS PROVIDED ELSEWHERE IN THIS AGREEMENT OR IN ANY OF EXP’S POLICIES), EXP’S AGGREGATE LIABILITY TO AGENT UNDER THIS AGREEMENT SHALL NOT EXCEED THE AMOUNT OF COMPANY DOLLAR THAT AGENT HAS PAID DURING THAT TWELVE (12) CONSECUTIVE MONTH PERIOD IMMEDIATELY PRECEDING THE FIRST EVENT GIVING RISE TO ANY LIABILITY, BUT IN NO EVENT EXCEEDING \$16,000. IN NO EVENT SHALL EXP BE LIABLE TO AGENT UNDER ANY CIRCUMSTANCES FOR ANY CONSEQUENTIAL, SPECIAL, INCIDENTAL, PUNITIVE, OR INDIRECT DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFIT, REVENUE, BUSINESS OPPORTUNITY OR BUSINESS ADVANTAGE), WHETHER BASED UPON A CIVIL OR ADMINISTRATIVE ACTION IN TORT, CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY, CONTRIBUTION, INDEMNITY, OR ANY OTHER LEGAL THEORY OR CAUSE OF ACTION, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

14. **Revisions.** If this ICA is to be a revision to a former version of Agent’s Independent Contractor Agreement that was signed (or otherwise acknowledged in writing), by Agent, then this ICA shall become effective, as provided below.

a. **Revisions By Passing of Time.** In states where permitted, this ICA (inclusive of eXp’s Policies) may be revised by the passing of time, only as follows: (i) eXp will generate and deliver any proposed revision of material significance (a “Proposed Revision”) to Agent, *via* email only, to Agent’s email address as then reflected in Enterprise; (ii) Agent will have seven (7) calendar days following delivery of eXp’s Proposed Revision to object to eXp’s Proposed Revision (the “Revision Objection Period”) by directing such



objections to compliance@exprealty.net; (iii) if Agent does not object to the Proposed Revision during the Revision Objection Period, then Agent is deemed to have accepted the Proposed Revision, and such Proposed Revision shall become binding immediately and automatically upon the passing of the Revision Objection Period; (iv) if Agent objects during the Revision Objection Period then eXp reserves the right, in its sole discretion, to terminate this ICA. Agent agrees to timely review any Proposed Revision prior to expiration of the Revision Objection Period. It is Agent's responsibility to remain informed of and in compliance with his or her responsibilities and obligations under the most current version of this ICA (inclusive of eXp's Policies).

b. **Revisions By Written Consent.** In those states where revisions by the passing of time are prohibited, then no materially significant revision to, or materially significant modification of, this ICA (inclusive of eXp's Policies) will be binding on the Parties unless in writing and signed by the Parties. If Agent objects to a Proposed Revision and refuses to sign the revision, then eXp reserves the right, in its sole discretion, to terminate this ICA.

c. **Meaning of "Material Significance".** The terms "material significance" and "materially significant," as used in [Section 14](#), above, mean anything that, (i) increases Agent's obligations and/or burdens, or (ii) reduces the rights and/or benefits to be received by Agent under the terms of this ICA.

15. **eXp Right to Payment; Agent's Payment Methods.**

a. **eXp Right To Payment.** eXp has the irrevocable right to seek payment or reimbursement, as applicable, from Agent in connection with Agent's eXp Fees under [Section 4](#) of this ICA, Agent's Legal Expense Reimbursement obligations under [Section 10](#) of this ICA, settlement obligations under [Section 10](#) of this ICA, and Losses under [Section 11](#) of this ICA, in addition to each of those items expressly referenced elsewhere in this ICA, in any addenda to this ICA, and/or within eXp's Policies, plus all accruing late fees and interest charges (if any) (collectively, "Amounts Owed To eXp"). Payment or reimbursement of Amounts Owed To eXp may be obtained by eXp, through any (or any combination) of the following methods: (i) offset against any fees, commissions, revenue share earnings, or other compensation, or any combination thereof, owed by eXp to Agent; and (ii) using Agent's payment methods then on file with eXp. Amounts of \$500 or less that are owed by Agent to eXp at any time (whether during or following the termination of Agent's ICA) will automatically be charged to or debited from Agent's payment method(s) then on file with eXp, with no advance notice to be provided to Agent.

b. **Agent's Payment Methods.** Agent's initial payment methods for fees, billings, commission reimbursements, charge-backs, fees agreed to be paid by Agent on behalf of others, etcetera, are as provided in the Credit Card and Checking Account (ACH) Authorization Form (the "[Authorization Form](#)"). Following Agent's Onboard Date and for the remainder of the Term, Agent shall be solely responsible for ensuring that his or her payment methods remain current in eXp's system, whether such payment methods are updated through Agent's subsequent use of the Authorization Form, or through Agent's use of eXp's electronic payment portal (accessible by Agent through Enterprise). Agent hereby authorizes eXp Realty to use Agent's then-current payment methods for payment of all sums to be paid by Agent to eXp Realty under this ICA (inclusive of the eXp P&Ps).

16. **Cumulative Remedies.** The rights or remedies of eXp as provided in this ICA, in any of eXp's Policies, and as otherwise available at law or in equity, shall be cumulative and concurrent, and are not exclusive, and such rights or remedies may be pursued singularly, successively, or together against Agent at eXp's sole and absolute discretion. Agent agrees that eXp may not have any adequate remedies at law, and understands and agrees that eXp reserves all rights to seek any and all available equitable remedies, in addition to or instead of any and all available legal remedies. The failure to exercise any such right or remedy shall in no event be construed as a waiver or release of said rights or remedies or of the rights to exercise them at any later time. eXp shall have no obligation to exercise one right or remedy before exercising any other right or remedy.

17. **Sponsor.** Agent was most influenced to join eXp by _____ (*insert name*) who is situated in _____ (*city*), _____ (*state*) ("**Sponsor**") and selects this individual to be Agent's eXp sponsor. Agent is aware that Sponsor has no binding authority on behalf of eXp as it pertains to establishing or modifying the terms of any relationship between Agent and eXp, and this ICA overrides any and all verbal or written representations made by Sponsor to the contrary. Upon execution of this ICA, Agent's selection of Sponsor as Agent's eXp sponsor shall be permanent and may not be changed (except as otherwise expressly provided in the eXp P&Ps). Agent may obtain more information about the important meaning of sponsorship by viewing the eXp Sponsorship video available at www.exprealty.com/sponsorship.

a. **Sponsor Selection in Revenue Share Plan.** Selecting a sponsor is an important decision and should be based on who has been most influential in Agent's decision to join eXp. Sponsor selection is part of this ICA.

b. **Sponsor Requirement.** A sponsor's sole requirement to qualify as a sponsor is selection by the joining agent (in this case, Agent) as having been the most influential person in the joining agent's decision to join eXp. Sponsors are encouraged to



support joining agents throughout the joining process and beyond, but are not required by eXp to do so. If Agent's Sponsor has made representations or promises above and beyond referring a joining agent to eXp, it is the sole responsibility of Agent to confirm Sponsor's ability and intent to deliver all additional support promised. eXp is not responsible for enforcing agreements between agents made outside of this ICA.

c. Continuation of Original Sponsor. If this ICA is terminated in accordance with Section 6, above, and if Agent rejoins eXp within one hundred eighty (180) days following Agent's Offboard Date (the "Original Sponsor Window"), then Sponsor (identified above) will continue to serve as Agent's sponsor when Agent rejoins eXp. However, and except as may otherwise be provided in the eXp P&Ps, if Agent rejoins eXp following the Original Sponsor Window, then Agent may select a new sponsor when rejoining eXp.

d. eXp as the Sponsor. If there is no individual who most influenced Agent to join eXp, or Agent prefers not to select a sponsor for any reason, then eXp will be and be deemed as Agent's Sponsor, and eXp will hold that position going forward.

e. **THE FOREGOING SPONSOR SELECTION BY AGENT IS A SIGNIFICANT DECISION WHICH IS IRREVOCABLE. AGENT IS ENCOURAGED TO PAUSE TO CAREFULLY CONSIDER WHO IS THE MOST INFLUENTIAL IN AGENT'S DECISION TO JOIN EXP. CHANGES IN SPONSORSHIP WILL NOT BE MADE. IF THERE ARE ANY UNANSWERED QUESTIONS ABOUT SPONSORSHIP, AGENT SHOULD STOP NOW AND RETURN TO THE AGREEMENT ONCE THE SELECTION OF SPONSORSHIP IS FULLY CONSIDERED AND UNDERSTOOD.**

[Agent's Signature Here]

18. **Binding Arbitration; Jury and Class Action Waiver.**

a. Any dispute, controversy, or claim arising out of or related to this ICA or any breach or termination of this ICA, including but not limited to performance of the Services, and any alleged violation of any federal, state, or local statute, regulation, common law, or public policy, whether sounding in contract, tort, or statute, shall be submitted to and decided by binding arbitration. Arbitration shall be administered by JAMS and held either virtually or in King County, Washington before a single arbitrator, in accordance with the JAMS rules, regulations, and requirements. Any arbitral award determination shall be final and binding upon the Parties. Judgment on the arbitrator's award may be entered in any court of competent jurisdiction. However, eXp may, at its election, choose to bring any claim or cause of action against Agent, by counterclaim, cross claim, third-party complaint, or otherwise, in a pre-existing civil action where it would otherwise be appropriate to assert such a claim, in lieu of commencing arbitration as described herein. Additionally, in the event eXp seeks injunctive relief that binding arbitration would not have the authority to award, eXp may assert such claims through an appropriate civil action.

b. Arbitration shall proceed only on an individual basis. The Parties waive all rights to have their disputes heard or decided by a jury or in a court trial and the right to pursue any class or collective claims against each other in court, arbitration, or any other proceeding. Each Party shall only submit their own individual claims against the other and will not seek to represent the interests of any other person. The arbitrator shall have no jurisdiction or authority to compel any class or collective claim, or to consolidate different arbitration proceedings with or join any other party to an arbitration between the Parties. The arbitrator, not any court, shall have exclusive authority to resolve any dispute relating to the enforceability or formation of this ICA and the arbitrability of any dispute between the Parties, except for any dispute relating to the enforceability or scope of the class and collective action waiver, which shall be determined by a court of competent jurisdiction.

c. Agent understands the meaning and effect of the waivers being made in Section 18.b, immediately above, and Agent has been provided with reasonable time and an opportunity to consult with his or her own legal counsel regarding the same; Agent agrees to be bound by the mandatory binding arbitration and dispute resolution provisions set forth in the eXp P&Ps.

[Agent's Signature Here]

19. **Non-Solicitation and Non-Disparagement.** Agent agrees to abide by eXp's Non-Solicitation and Non-Disparagement Policy, as set forth within eXp's Code of Conduct under the eXp P&Ps.

20. **Survival.** Any rights and obligations under this ICA, and in any of eXp's Policies, which by their nature extend beyond the termination of this ICA will survive the termination of this ICA. Without limiting the generality of the foregoing, the following Sections shall survive termination of this ICA: 2.a, 3, 6.a, 6.c, 9.b, 9.e, 10, 11, 12, 13, 1, 16, and 18 - 21.



21. **Miscellaneous.** This ICA shall be governed in accordance with the substantive and procedural laws of that state in which Agent is licensed as a real estate licensee (and, if Agent is licensed as a real estate licensee in more than one state, the governing law shall be of that state of Agent’s licensure in which the ICA is intended to be enforced), and to the extent controlling, to the federal laws of the United States of America, without giving effect to any choice or conflict of law rule. This ICA (inclusive of any appurtenant addenda), together with eXp’s Policies, embodies the complete agreement and understanding among eXp and Agent with respect to the subject matter of this ICA, and supersedes any prior written or verbal understandings, agreements, or representations by or among the Parties which may have related to the subject matter of this ICA in any way. **To the extent there may be any conflict between the terms of this ICA and the terms in any of eXp’s Policies, the more restrictive terms (in eXp’s favor) shall be controlling.** No failure to exercise, and no delay in exercising, on the part of any Party, any right or any power hereunder shall operate as a waiver thereof. This ICA may be executed in any number of identical counterparts, each of which is considered an original, but together are one agreement. This ICA is to be executed by electronic signature only, and shall have the same force and effect as if signed by original signature. Section headings in this ICA are included for convenience of reference only and shall not constitute a part of this ICA for any other purpose. This ICA and the rights of the Parties hereunder shall be governed by and construed in accordance with the laws of Agent’s primary state (as such term is used in Section 8.a, above). In the event that any provision of this ICA is determined to be unenforceable, such provision shall be deemed severed from all other provisions hereof and the remaining provisions of this ICA shall remain in full force and effect; the severed provision shall not be deemed severed from this ICA in any other jurisdiction. It is the desire and intent of the Parties that this ICA be enforced to the fullest extent permitted by law. If any provision in this ICA requires interpretation, the resolution of such ambiguity shall not be held against the drafter. Except as provided elsewhere in this ICA (inclusive of eXp’s Policies), Agent shall not sell, assign, or transfer any of Agent’s rights, interests, duties, or obligations under this ICA to any third party without eXp’s prior written consent, which may be withheld, delayed, or conditioned in eXp’s sole and absolute discretion. This ICA shall be binding upon and inure to the benefit of the respective heirs, successors, and permitted assigns of the Parties. Subject to Section 13, above, in the event of any dispute between eXp and Agent under this ICA, the prevailing Party shall be entitled to recover its reasonable legal fees and costs; the “prevailing party” will be that Party who may be fairly said by the trier of fact to have prevailed on the major disputed issues.

IN WITNESS WHEREOF, and by their electronic signatures, below, the Parties hereto evidence their agreement to enter into and be bound by the terms of this ICA effective as of the Effective Date.

Agent:

eXp (Primary State):

Signature

Signature

Agent Name

Name, Title

(To be completed only if Agent is to be licensed and affiliated with eXp in more than one state.)

eXp (non-Primary State):

eXp (non-Primary State):

Signature

Signature

Name, Title

Name, Title

eXp Realty (hereafter, "eXp," "we," "our," and such analogous terminology) reserves the right to make updates to the policies and procedures set forth within these eXp Realty Policies and Procedures ("eXp P&Ps" or "eXp's P&Ps"). When and if updates are made, they will be communicated through Workplace, eXp News weekly newsletter, and/or the weekly company meeting.

By signing an Independent Contractor Agreement ("ICA") with eXp, each independent contractor real estate licensee with eXp (singularly an "Agent"; and collectively, "Agents") is agreeing to adhere to and abide by these eXp P&Ps, with such eXp P&Ps being incorporated by reference into Agent's ICA verbatim and at length, and constituting a part of Agent's ICA as though fully set forth therein. A glossary of terms defined in these eXp P&Ps is located at the back of these eXp P&Ps; defined terms that are used but not otherwise defined in these eXp P&Ps shall be as defined in the ICA.

TABLE OF CONTENTS:

I. CORE VALUES.....	6
II. POLICY.....	6
III. PROCEDURES.....	6
IV. STATE POLICIES AND PROCEDURES.....	7
V. CODE OF CONDUCT.....	7
VI. DUTIES AS AN AGENT.....	8
A. Fiduciary.....	9
B. Cooperation and Compensation.....	9
C. Good Standing.....	9
D. Agreements, Compliance Forms, Insurance Forms.....	10
E. License Renewal and State Department of Licensing Rules.....	10
F. Non-Disclosure Of Trade Secrets.....	10
G. Real Estate Transactions.....	11
H. Transaction Files.....	11
1. Forms.....	11
2. Executed Real Estate Documents.....	11
3. Earnest Money.....	12
4. Late or Incomplete Paperwork Submissions.....	12
I. Agent-Owned Real Properties.....	13
1. Generally.....	13
2. Personal Transactions.....	14
J. Commercial Property.....	15
K. Unauthorized Activities.....	15
1. Generally.....	15
2. Competitor Affiliation is Prohibited.....	18
3. Limited Representation is Prohibited.....	18
VII. ANCILLARY AND AFFILIATED SERVICES.....	19
A. Property Preservation Services.....	19

- B. Mortgage Loan Origination 19
 - 1. Generally 19
 - 2. Dual Capacity 19
 - 3. Familial Relationship - Conditionally Acceptable 19
- C. Title And Escrow Companies 20
- D. Home Warranty Companies 22
 - 1. Free to Contract with Home Warranty Company 22
 - 2. No Review of Contract 22
 - 3. No Referral Fees 22
 - 4. Free to Receive Payment for Compensable Services 22
 - 5. No Amendment to ABA Disclosure Form 22
- VIII. AGENT FEES 23
 - A. Standard Fees 23
 - B. Minimum Company Dollar Rule 25
 - 1. Exemptions from the Minimum Company Dollar Rule 26
 - C. Late Fees 26
 - D. eXp Right to Payment 26
 - E. Agent Fees Non-Refundable 27
- IX. ACCOUNTING AND COMMISSIONS 27
 - A. 1099 27
 - B. Commissions; Other Fees From Clients 27
 - C. Commission Advances 28
 - D. Actions for Unpaid Commissions or Procuring Cause Claims 29
 - E. Referrals Payments and Relocation Companies 29
 - F. Perceived Commission Discrepancies 30
- X. MARKETING AND ADVERTISING 30
 - A. Compliance with Laws, Guidelines, and Regulations 30
 - B. eXp Brand Guidelines 31
 - C. Intellectual Property Rights 32
 - 1. Permission to Use eXp Trademarks 32
 - 2. eXp Trademark Usage 32
 - 3. Unlicensed Content and Trademarks 33
 - D. Review and Approval 33
 - E. Review and Approval Process 33
 - F. Property-Related Advertising 34
 - G. General Advertising 34
 - 1. In Any Medium 34
 - 2. Business Cards 35
 - 3. Social Media 35
 - 4. Websites 36
 - H. Promotional Discount Advertisements 37
 - I. Co-Marketing and Co-Listing Arrangements 37
 - J. Employment Ads and Job Postings 37
 - K. Media Relations 38

L. Content License And Model Release Provided By An Agent.....	39
XI. REPRESENTATION ON REALTOR® ASSOCIATION AND MULTIPLE LISTING SERVICE BOARDS OF DIRECTORS.....	40
A. Associations of REALTORS®.....	40
B. Multiple Listing Services.....	40
XII. EXP SUSTAINABLE REVENUE SHARE PLAN.....	41
A. Definitions.....	41
B. Revenue Share Explained.....	43
C. Qualifications To Receive Revenue Share.....	44
D. Manipulating Revenue Share Plan Prohibited.....	44
E. Revenue Share Vesting Policy.....	45
1. Achieving Vested Status.....	45
2. Maintaining Vested Status.....	45
3. Losing Vested Status.....	45
4. Discretionary Regaining of Vested Status upon Reaffiliation.....	46
F. Agent Succession Policy.....	46
G. Modifications to the Revenue Share Plan.....	48
XIII. AGENT ATTRACTION.....	48
A. Sponsorship Interference Prohibited.....	49
B. Income Claims.....	49
C. Recruiting.....	50
D. Sponsorship.....	51
1. Definition and Responsibilities.....	51
2. Change Requests.....	52
3. Cross-Border Sponsorship.....	53
E. Agent Prospects, Contacts, and Leads.....	53
F. Attraction Marketing and Communication.....	54
G. Reporting Agent Attraction Violations.....	55
H. Stock Solicitations Prohibited.....	55
I. Event Sponsorship Requests from Vendors.....	56
XIV. COMPANY TOOLS AND INFORMATION.....	56
A. eXp Communication and Training Platforms.....	56
B. Workplace.....	57
1. User Guidelines for Agents.....	57
2. Group Guidelines for Agents.....	57
C. eXp World.....	57
D. eXp Email for Agents.....	58
XV. ICON AGENT AWARD.....	58
XVI. EXP MENTOR PROGRAM.....	59
XVII. EXPRESSOFFERS INVESTOR REFERRAL FEE.....	59
XVIII. MULTI-GLOBAL LICENSE PROGRAM.....	59
A. Background.....	59
B. Multi-Country Affiliation (Generally).....	59
C. Agents' Additional Affiliation.....	60

- D. Agents' Independent Obligations 60
- E. "Capped Status" Matters 60
- F. Icon Agent Awards 61
- G. Sponsor; FLQA; Initial FLQA Period 61
- XIX. LEGAL, INSURANCE, and COMPLIANCE WITH THE LAW 61
- A. Antitrust 61
- B. Conflicts of Interest 61
- C. Data Security and Client Privacy 62
- D. Do Not Call Rules 62
- E. Drones 62
- F. Drug and Alcohol Use 62
- G. Harassment 63
- H. Prohibition on Changes to Commission Splits and Referral Fees During Legal Action; No Split Checks 63
- I. Products and Services 63
 - 1. Selling, Offering To Sell, Or Promoting Any Competing Products Or Services 63
- J. Reporting Problems 64
- K. Legal Action Between eXp Agents 64
- L. Legal Action Against eXp Prohibited 65
- M. Claims Reimbursement 65
- N. Claims That Are Not Covered By E&O Insurance 66
- XX. OFFICE POLICIES 67
- A. Agent Business Expenses 67
- B. Agent Assistants - Generally 67
- C. Agent Assistants - Unlicensed 67
- D. Agent Assistants - Licensed 68
- E. Administrative Transaction Fees 68
- F. Associations and Board Memberships 69
- G. Contact Information 70
- H. Contacting the State Broker(s) 70
- I. Open Houses 71
- J. Out of Town or Unavailable 71
- K. Physical Office Space 71
- XXI. TEAMS AT EXP REALTY 72
- A. Generally 72
- B. Team Names 72
- C. Team Composition 72
- D. Team Agreements 72
- E. Team Disputes 73
- F. Team Fee Distribution 73
- G. Non-Solicitation of Other eXp Team Members 74
- H. Application of Non-Solicitation and Non-Disparagement Policy To Teams 74
- XXII. OMISSIONS FROM POLICY AND PROCEDURES 74
- XXIII. UPON TERMINATION OF ICA 74

A. eXp's Transfer of Pending Transactions	75
B. eXp's Retention of Pending Transactions	75
C. Leads Upon Departure	76
D. Rejoining eXp.....	77
XXIV. EXP'S COMPLIANCE COMMITTEE.....	77
A. Appeal of Determination made by eXp's Compliance Committee.....	77
XXV. INTERPRETATION	78
XXVI. CONFLICTS.....	78
XXVII. REVISIONS TO THESE EXP P&PS	78
XXVIII. GLOSSARY OF DEFINED TERMS.....	78
XXIX. INSIDER TRADING POLICY OF EXP WORLD HOLDINGS, INC.....	87

I. CORE VALUES

At eXp, our core values are more than just motivational posters on virtual walls; they support our vision and shape our culture. Our global community is powered by agents, partners, and staff who work collaboratively to transform the real estate experience. These eXp P&Ps, our code of conduct, and the way we carry out our daily operations, including the enforcement of these policies, are based on these nine core values.

Core Values

 <p>Community Be a good neighbor to create a sustainable legacy.</p>	 <p>Service Make a positive change in our company and local community.</p>	 <p>Sustainability Be a good financial steward of the environment, organization and our families.</p>
 <p>Collaboration We are all on the same field.</p>	 <p>Transparency Get things out from behind the curtain.</p>	 <p>Integrity Do the right thing.</p>
 <p>Innovation The best way to predict the future is to invent it.</p>	 <p>Agile Force chaos and change to survive and grow.</p>	 <p>Fun Don't take yourself too seriously.</p>

II. POLICY

It is the policy of eXp to participate in a real estate activity only when it is legal, honest, fair and beneficial to us and others. In pursuit of compensation for ourselves, we will never ignore the benefit of our community. Therefore, we will conduct our business in a manner to follow all the laws and rules of our profession. We pledge to exercise the highest standard of ethics, honesty, fairness and professionalism in all our real estate activities.

III. PROCEDURES

Every Agent is expected to adhere to and abide by these eXp P&Ps. Failure to adhere to the eXp P&Ps

could result in legal and regulatory liability for the Agent and eXp. Therefore, the Agent agrees that if they depart from the eXp P&Ps, they will defend, indemnify and hold eXp, and its principals and affiliates harmless against any and all claims, complaints or actions that may arise from such a departure. In addition, failure to comply with this Policy is grounds for the immediate release of an Agent's license and removal from eXp.

These eXp P&Ps provide detailed guidelines for eXp's brokerage policies and procedures; however, there may be some circumstances or issues that are not addressed. In those instances, decisions and actions taken will reflect our core values.

As provided above, these eXp P&Ps are incorporated into the ICA that each Agent entered into as part of the process of associating with eXp. Failure to comply with these eXp P&Ps may be grounds for immediate termination and dismissal from eXp. Additionally, an Agent's right to be compensated for their work, activities on behalf of eXp, revenue share and stock may be adversely affected by any failure on Agent's part to carry out, adhere to, and otherwise support and fulfill the provisions of these eXp P&Ps.

IV. STATE POLICIES AND PROCEDURES

These eXp P&Ps are designed to address nationwide brokerage policies and procedures applicable to all Agents in all states in which eXp does business. It is impractical to address the peculiarities of state and local requirements in the body of these eXp P&Ps, particularly the responsibilities of Agents to principals and the public. While it is each Agent's obligation to be fully familiar with and fully comply with state and local law pertaining to the provision of real estate brokerage services, eXp offers additional state policies and procedures where necessary, to address many, but not all, state and local requirements. Any State P&Ps, if applicable, will be a critical part of these eXp P&Ps and, to the extent it is inconsistent with these eXp P&Ps, the applicable State P&Ps supersedes these eXp P&Ps.

V. CODE OF CONDUCT

All Agents shall conduct their business in alignment with eXp's core values, the National Association of REALTORS® Code of Ethics, and in accordance with applicable federal and state laws. Agents should conduct themselves in an appropriate business-like manner in all activities and relations with fellow Agents, clients, potential customers and eXp staff.

All Agents shall strive at all times to perform in a manner that will increase the goodwill, reputation and business of eXp, and Agents shall do nothing which would serve to disturb, discredit or devalue eXp or eXp's goodwill, reputation and/or business.

Any Agent whose conduct, actions or performance violates or conflicts with eXp's P&Ps, eXp's core values, or any other eXp policy, may be released from eXp immediately and without warning.

It is the commitment of eXp to ensure the brokerage is free from negative, aggressive and inappropriate behaviors, and that the environment is aimed at providing an atmosphere upholding our core values. All Agents and employees of eXp have the right to be treated with dignity and respect. All complaints of negative and inappropriate behaviors will be taken seriously and followed through to resolution. Agents or employees of eXp who file complaints will not be victimized for "whistle-blowing" or reporting others for their inappropriate behavior. Agents may file complaints by emailing compliance@exprealty.net.

Agents who are members of the National Association of REALTORS® are required to maintain their mandatory ethics training. Failure to complete the course will result in suspension or termination of Realtor® membership and removal from eXp.

Agents are expected to become familiar with and adhere to the National Association of REALTORS® Pathways to Professionalism found on their website at <https://www.nar.realtor/code-of-ethics-and-arbitration-manual/pathways-to-professionalism>.

Agents shall not disparage the conduct, reputation, or character of another Agent, of any eXp employee or member of management, or of eXp itself (including eXp's products, services, and business model). Agents shall not disparage competing brokerages or their agents. Agents shall not solicit, recruit, employ, induce, or entice (either for themselves or another), directly or indirectly through a third party, any eXp partners, affiliates, salespersons, real estate agents, and/or employees to leave eXp during the Term of an Agent's ICA, and for a period of two (2) years following termination of an Agent's ICA. This paragraph shall be referred to as eXp's Non-Solicitation and Non-Disparagement Policy.

Agents shall not take any action that creates, or has the possibility of creating, any civil and/or criminal liability for eXp and/or other eXp Agents.

Violations of this Code of Conduct are grounds for immediate termination of Agent's ICA.

VI. DUTIES AS AN AGENT

A. Fiduciary

1. The Agent and all licensed assistants shall abide by their fiduciary responsibilities when acting as an Agent for a client. The Agent owes the client the fiduciary duties of obedience, loyalty, disclosure, confidentiality, accounting, reasonable skill and care. Agents shall also deal fairly with all parties to a transaction.
2. The agency relationship with any party with whom an Agent is working on behalf of eXp or an Agent must have their license affiliated with eXp and have established in writing on a form acceptable to the state Designated Managing Broker or applicable Managing Broker(s) (individually, and collectively, hereinafter referred to as "State Broker") before an offer on a property is written, or a listing is taken. The failure to establish and disclose the type of relationship one has by the time of contract is unacceptable. The contract is to serve only as confirmation of an election made by the buyer/lessee or seller/lessor in a separate written agreement before the contract is written.

B. Cooperation and Compensation

1. As a matter of policy, eXp does not offer cooperation or compensation to sub-agents.
2. An Agent exclusively representing a buyer shall not, under any circumstances, contact a seller directly without first obtaining the express consent by the listing broker and State Broker. The exception to this policy being for sale by owner properties.
3. All Agents shall offer compensation to cooperating licensed real estate professionals in their MLS and/or Association/Board who work with potential buyers of eXp's listed properties, as directed by a seller, and such compensation shall be offered equally and without discrimination.

C. Good Standing

Each Agent has a duty to remain in Good Standing at eXp. To be considered in "Good Standing," an Agent must:

1. be current on all financial obligations and not have any unpaid fees, charges, repayments, or any other amounts owed by the Agent to eXp;
2. have and maintain an active and current status for:
 - a) all required licenses;
 - b) local, state, and national REALTOR® Association/Board memberships, where applicable; and
 - c) any other subscriptions that are required to conduct real estate business in the Agent's state(s);
3. not be deemed in breach of any term, covenant, condition, obligation (including monies owed) or duty set forth in the ICA and these eXp P&Ps, as determined by eXp in its reasonable discretion; and
4. not be involved in any legal claims, disputes, or administrative hearings.

eXp reserves the right to withhold earnings from, and assign another Agent to close out, any pending transactions concerning any Agent that is not in Good Standing.

In order to remain eligible to collect revenue share under the eXp Sustainable Revenue Share Plan ("**Revenue Share Plan**"), an Agent must be and remain in Good Standing; any failure to remain in Good Standing may result in a loss of pending revenue share earnings.

D. Agreements, Compliance Forms, Insurance Forms

Each Agent will submit all documents necessary for eXp to keep themselves in compliance with all applicable local, state, and federal laws, as well as with eXp's P&Ps. eXp will share all materials with an Agent that eXp maintains in its records relating to that Agent's agency and independent contractor relationship with eXp.

eXp reserves the right to assess penalties (financial and otherwise) against an Agent, in accordance with each Agent's ICA and eXp's P&Ps, if that Agent fails or refuses to provide completed documentation as required by eXp or by any applicable local, state, or federal law, in order to achieve and maintain compliance with such laws.

E. License Renewal and State Department of Licensing Rules

Agents shall maintain an active real estate license with the applicable state department or agency that is charged with administering the issuance of any real estate licenses in that state ("**State Department of Licensing**"). It is the Agent's sole responsibility to fulfill all continuing education requirements and file their renewal promptly and be aware of their licensing status with the State Department of Licensing. eXp may, at its sole option, sever the Agent's license with eXp if the Agent's license is not renewed on time. Failure to renew can have severe financial impacts on the Agent. Commissions are subject to forfeiture for any unlicensed real estate activities after expiration/revocation of an Agent's license.

Agents shall adhere to all state and federal licensing rules and regulations. It shall be the Agent's responsibility to be knowledgeable about the rules set forth by their State Department of Licensing. Should a complaint be filed against an Agent, the Agent must immediately notify eXp via their State Broker for assistance in responding promptly to the complaint and cooperate fully with the State Department of Licensing.

F. Non-Disclosure Of Trade Secrets

Each Agent recognizes and acknowledges that much of the information that will be furnished to him/her concerning eXp's clients, customers, listings, holdings, investments, transactions, eXp-generated leads, and other confidential matters constitutes valuable, special, and unique assets and are trade secrets of eXp. Accordingly, Agents shall not, during or after their affiliation with eXp, disclose any such information or any part thereof, to any person, firm, corporation, association, or other entity for any reason or purpose whatsoever without the express written consent of eXp.

G. Real Estate Transactions

All real estate transactions must be taken in eXp's name (and not in an Agent's name or in the name of any other real estate brokerage company), and processed and closed through eXp. This means that any listings (whether sale or rental) must be listed, advertised, processed, and closed through eXp; and any buyer/tenant-representation services must be performed through eXp.

Each Agent shall ensure that all fees, commissions, or other compensation earned by the Agent, and for which the Agent must be an active licensed real estate professional in order to receive such commission or compensation, in connection with the sale, lease, or rental of real estate, and any interest therein or service in relation thereto, are made payable to eXp.

H. Transaction Files

1. Forms

Agents shall use the most current forms provided by eXp Realty or that are customary to the MLS or REALTOR® Board where the Agent is a member. eXp does not condone or endorse the unauthorized use of any copyright-protected forms developed by any MLS or REALTOR® Board. Under no circumstance may Agents use any copyright-protected forms developed by any MLS or REALTOR® Board unless such Agents belong to the MLS or REALTOR® Board that created the copyright-protected forms. Agents, and not eXp, will be solely responsible for all costs and expenses arising from their unauthorized use of any copyright-protected forms. Agents must use any applicable regulatory documents required by federal and state agencies.

Agents may not create and use their own forms unless the forms intended to be used are first approved, in writing, by both their State Broker and COE Director. Many eXp forms will be found within the transaction management system currently used.

Agents are aware and understand that all dual agency transactions must contain a fully executed consent for dual/limited representation form, completed prior to purchase/sale contract execution, in order to preserve the right to errors and omissions insurance coverage on the file. Agents are aware that if they fail to obtain such written consent, the file may be excluded from coverage and such Agent shall be responsible for the full amount of the damages, attorneys' fees, and costs incurred by and/or recovered against eXp.

2. Executed Real Estate Documents

The State Broker has a supervisory responsibility by law and must comply with the State Licensing Department's rules. All purchase and sale agreements, listings, referrals and any other transactional documents must be uploaded into the transaction management system within two business days of execution to allow time for review and approval by the applicable State Broker team. Please refer to the transaction checklists provided in each state.

Transaction files should include all documents related to the transaction and any and all correspondence, notes, email communications, text messages, etc., regardless of whether the

Transaction closed or not. Agents are encouraged to make copies of their files. eXp reserves the right to maintain digital files in storage for the statutory period as required by the state licensing departments. Unauthorized removal of any file from the transaction management system may lead to termination.

Once a customer or client has signed a document, they are entitled to and shall, therefore, receive a copy of the document upon its execution. Agents are required to either provide an electronic copy, via email, or deliver a physical copy of the document(s) to them.

Agents shall transact ALL real estate brokerage business through one of the eXp World Holdings, Inc. family of real estate brokerage companies. Transactions that are processed outside of the foregoing may be grounds for immediate termination.

3. Earnest Money

Earnest money shall be handled as described in State P&Ps. The Agent will be subject to immediate termination if it has been determined that there has been any improper handling of earnest money.

All files must contain an accounting for disbursement of funds including earnest money and final settlement statements.

4. Late or Incomplete Paperwork Submissions

Signed documents of any variety, listing files, and files pertaining to completed transactions must each be uploaded within eXp's transaction management system within the sooner of the following: (a) forty-eight (48) hours after their execution or in the case of a completed transaction, the respective closing date (as applicable), or (b) the maximum time period permitted by the Agent's applicable state's real estate licensing laws. Listing files and files pertaining to completed transactions must include all required paperwork pertaining to the listing or transaction, as applicable; missing paperwork is not acceptable. Failure to adhere to these requirements is a violation of eXp policy and may subject the Agent to escalating repercussions, all as determined by the State Broker and/or Brokerage Operations leadership, in their sole discretion. Such repercussions include, without limitation, any of the following or combination thereof:

- a) Loss of split check (if allowed in the Agent's state) for stated times;
- b) If the Agent fails to adhere to these requirements three (3) or more times within a rolling, consecutive 6-month period, the Agent will be required to use an eXp-approved Transaction Coordinator ("TC") to assist Agent with organizing and uploading the Agent's next three (3) Agent listing files and/or files pertaining to completed transactions, all at the Agent's sole cost and expense. Thereafter, the Agent is free to continue or discontinue using the same or different eXp-approved TC, as the Agent determines; if use is continued, such use will be at the Agent's sole cost and expense.
- c) Required training on eXp's transaction management system, and policies and procedures

- pertaining to state contracts; and
- d) Offboarding the Agent from eXp.

Any fines assessed to the State Broker, or to eXp, pertaining to an Agent's failure to follow these document and file submission policies shall be reimbursed by that Agent. The costs of undertaking any investigation by the State Broker for an Agent's non-compliance with these document and file submission policies may be passed on to that Agent, all at eXp's sole discretion.

I. Agent-Owned Real Properties

1. Generally

One of the great benefits of having a real estate license is the advantage of building personal wealth through the sale and purchase of real estate. However, these transactions place both eXp as well as the Agent-Owner (defined below) at a greater risk of litigation due to the nature of rehabbed and flipped property transactions. In addition, the mere fact that a seller or buyer is a licensed real estate professional and REALTOR® means they are held to a higher standard and subject to higher incidences of legal claims and litigation. Therefore, these policies are intended to protect both the Agent-Owner, eXp, and all of our Agents and shareholders.

- a) **"Agent-Owned"** means ownership is held or controlled by an Agent, whether through an Agent's own name, a spouse's name, a business entity, a trust, or that is otherwise owned and/or controlled by Agent and/or Agent's spouse (also referred to as an **"Agent-Owner"**)
- b) Unless prior written approval is granted by Brokerage Operations leadership, Agents shall not enter into a contract to sell or flip a property until the Agent holds legal title (as opposed to mere equitable title) to the subject property.
- c) A single Agent may not represent both sides of a sales transaction if the Agent or a family member of the Agent is a principal or party to the transaction.
- d) Under NO circumstances can an Agent represent the buyer in a Personal Transaction (as defined below); additionally, an Agent cannot act as an intermediary in a Personal Transaction.
- e) Agents shall never act as a principal in a transaction without the full written consent of all parties.
- f) The buyer must sign an agency representation disclosure.
- g) Both the buyer and Agent shall execute the Disclosure of Personal Interest of eXp Realty Agent Addendum to Residential Purchase Contract with each Agent-Owned property.
- h) The parties must use standard forms and sales contracts and all forms must be state approved with full and accurate signatures & dates.
- i) Agent's name, Agent and/or Agent's spouse's business entity or trust name, or Agent's spouse's name must be on the title or lease agreement (as applicable) for the Transaction to be considered.

- j) All seller disclosures must be made regarding any property defects or material information, must be completed on a seller's disclosure notice, and must have all necessary signatures, dates & initials.
- k) For all transactions where the property is Agent-Owned, eXp strongly encourages that the Agent-Owner ensures a home inspection is delivered to the buyer.
 - (1) The buyer must have a home inspection done by a licensed property inspector (if licensing is a requirement in the state in which the property is located) or submit a written waiver of such.
 - (2) If buyer waives the right to a property inspection, the buyer must provide written notice of that waiver by completing and signing the Buyer Acknowledgement and Waiver of Inspections.
 - (3) A copy of the property inspection, along with all addenda and/or amendments must be included in the file.
- l) For all transactions where the property is Agent-Owned, the Agent-Owner is strongly encouraged to ensure the property is covered by a standard home warranty from a company of the buyer's choice.
 - (1) The buyer must be made aware that they may purchase a residential service contract (home warranty) for the property via the Disclosure of Personal Interest of eXp Agent Addendum to Residential Purchase Contract.
- m) Ownership must be disclosed in all marketing materials, MLS, advertising, and stated in the special provisions, or its equivalent, section of the contract regardless of what percentage of ownership interest in the property is held by the Agent.
- n) Agents are required to turn in a copy of the full closing disclosure and copies of any/all commission checks received for the transaction.
- o) Any work completed on the property that requires a permit or is a major repair (i.e., repairs that are not of a casual nature, or otherwise require permits) shall be done by a licensed, bonded, and insured contractor. In jurisdictions where a contractor license is not required, the individual performing the repair(s) must be an experienced and qualified tradesperson.

2. Personal Transactions

A "**Personal Transaction**" is any transaction concerning a property that is Agent-Owned or leased by an Agent.

Agents may exempt three (3) Personal Transactions per Anniversary Year, whether involving the Agent's ownership interests or leasehold interests. (Please communicate with your State Broker should you have questions.)

Personal Transactions will carry a Personal Transaction Fee ("**Personal Transaction Fee**") taken as a charge against the Contractor Dollar, as follows:

- a) Personal Transactions involving a purchase or sale will carry a \$250 Personal Transaction Fee, in addition to the Transaction Review Fee and Risk Management Fee. For Agents who have reached a Capped Status and who are paying a reduced Capped Status Transaction Fee, the Personal Transaction Fee shall be collected at the reduced rate of \$75 per Personal Transaction for the remainder of that Agent's Capping Period.
- b) Personal Transactions involving a lease will carry a \$75 Personal Transaction Fee, and either, (i) no Transaction Review Fee or Risk Management Fee (if the Gross Commission Income is \$1,000 or less), or (ii) a Transaction Review Fee and Risk Management Fee (if the Gross Commission Income is greater than \$1,000). **Personal Transactions involving a lease do not count towards the three (3) exempt Personal Transactions per Anniversary Year.

Personal Transaction commissions are not included in revenue share calculations where no Company Dollar is generated from the completion of the Personal Transactions.

For eXp Agents in the eXp Mentor Program, please see the relevant eXp Mentor Program Addendum to Independent Contractor Agreement for rules and fees involved in a Personal Transaction.

J. Commercial Property

Prior to transacting in or contemplating a commercial transaction, Agents must have authorization from their State Broker. Agents may not act outside their area of expertise.

Agents must be aware that eXp's errors & omissions insurance policy limits are generally not sufficient to conduct many commercial real estate activities.

For purposes of these eXp P&Ps, "**Residential Property**" shall be defined as any real property that is zoned to accommodate a residential dwelling having not less than one (1) and not greater than four (4) dwelling units, whether such real property is vacant land or improved real property; and "**Commercial Property**" shall be defined as any real property that is not Residential Property.

K. Unauthorized Activities

1. Generally

- a) No business will be conducted in eXp's name that does not pertain directly to the duties of a real estate licensee as directed by federal, state and local laws/regulations as well as eXp's Policies, referenced herein.
- b) Agents shall not open any brick-and-mortar offices in eXp's name or bind eXp to any agreements without the written consent of their State Broker.
- c) Except as otherwise provided in the last sentence to this paragraph, Agents shall not conduct property management services through eXp. The term "**property management services**" means engaging in any activities concerning an actual or prospective tenant on behalf of a client, whether or not such activities are coupled with any property preservation services (as that term is defined herein) (e.g., collecting rents, performing

- inspections, setting up repairs and maintenance, running a background check, making or assisting with tenant selection, etc.). However, Agents may list rental properties on behalf of landlord-clients, and Agents may assist tenant-clients in locating suitable properties in which to rent.
- d) Agents shall not operate limited function referral offices through eXp. The term **"limited function referral offices"** means those offices that are solely engaged in referring clients or customers to non-eXp real estate brokerage companies. Agents desiring to perform limited function referral offices should both (i) refer to their State P&Ps, and (ii) contact their State Broker for more information.
 - e) Agents shall not sell or list to sell business opportunities or engage in business brokerage activities. For avoidance of doubt, this prohibition does not apply to brokering interests of cooperative corporations (co-ops).
 - f) Agents shall not conduct a final walk-through inspection on behalf of a client.
 - g) Agents shall not perform work or do repairs on properties where the Agent is representing a buyer or seller.
 - h) A single Agent shall not represent both sides of a sales transaction if the Agent or a family member of the Agent is a principal or party to the transaction. Failure to follow this policy can result in loss of errors and omissions coverage and each Agent shall be responsible for any legal costs and may be subject to removal from eXp, as provided in their ICA.
 - i) Agents shall not represent both sides of a transaction without full written consent from all parties executed prior to contract. Failure to follow this policy can result in loss of errors and omissions coverage. Agents shall be responsible for all legal costs and may be subject to removal from eXp, as more fully provided in Agent's ICA.
 - j) Agents shall not engage in the act of wholesaling properties, in which they, or a family member, have a financial interest without first obtaining written approval from both the State Broker and Brokerage Operations leadership. No real estate commission arising from a wholesaling transaction in which either the Agent and/or the Agent's family member is a principal, shall be credited, reduced, or otherwise waived unless the transaction file is complete; and if the file is complete, any such crediting, reduction, or waiver must be approved in writing, and in advance, by Agent's State Broker. In this instance, real estate wholesaling occurs when the Agent contracts with a home seller to purchase their property, markets the home to potential buyers and then sells and assigns the purchase contract to another buyer before the purchase transaction closes. The Agent makes a profit, which is the difference between the contracted price with the seller and the amount paid by the buyer. For avoidance of doubt, real estate wholesaling does not occur (for purposes of this paragraph) when there is a deed transfer as between the original seller and first buyer, on the one hand, and a second deed transfer as between the first buyer and subsequent buyer, on the other hand, even if the two deed transfers occur on the same day, whether or not through simultaneous closings. Agents should consult with their State Broker team or Centers of Excellence Director ("**COE Director**") (formerly known as their, "Regional Operations Manager or "ROM") for more information.

- k) Agents may only work with an unrepresented party with proper disclosure, and the Agent must represent a party in the transaction (i.e., helping a buyer client purchase from a for sale by owner, helping an unrepresented buyer purchase their listing where they represent the seller). MLS-only listings are not allowed.
- l) Agents shall not act outside of their area of expertise, either in knowledge base or geographic area. At the option of the State Broker, another Agent may be assigned to work with the Agent or to personally assist the Agent in such a transaction. If compensation to the Agent is affected, the State Broker shall negotiate a reasonable compensation agreement on that transaction.
- m) As a general rule, Agents shall not contract for any services or bind eXp in any way without written consent of eXp. However, Agents may enter into client-specific or transaction-specific agreements (on eXp's behalf), (1) that affect only themselves (as opposed to any other eXp Agents), and (2) which a reasonably prudent real estate licensee would customarily enter into in the normal and regular course of rendering those real estate brokerage services offered by eXp (including, without limitation, listing agreements, client-specific or transaction-specific referral agreements, and buyer-representation agreements).
- n) For avoidance of doubt, Agents do not have authority and are not permitted to enter into any agreements (on eXp's behalf) that may affect any Agents other than themselves or eXp, including by way of example only, and without limitation, master referral agreements, lead generation agreements, master service agreements, office lease agreements, non-disclosure or confidentiality agreements, or any other type of business-to-business vendor agreement. If Agents are unsure whether they have the authority to enter into an agreement on eXp's behalf, they should refrain from entering into that agreement and confer with their State Broker.
- o) Agents shall not render legal, appraisal or tax advice to any person on behalf of the Agent, the State Broker or eXp. Under no circumstances is an Agent to deny, or in any way discourage, a client from seeking the advice of an attorney of client's choice. Rather, such activity should be encouraged.
- p) Agents shall not agree to act as an "attorney in fact" under a power of attorney on behalf of a client or customer of eXp without first obtaining written approval from the applicable State Broker.
- q) Agents whose clients are operating as an attorney in fact under a power of attorney must confer with their State Broker prior to accepting such client. For avoidance of doubt, eXp cannot confirm the validity or enforceability of any powers of attorney.
- r) Agents shall not recommend third party services with whom the Agent has a familial relationship in any transactions the Agent is directly involved in or has a financial interest in unless the Agent discloses their familial and/or financial interest (if any) in writing to the client, and also provides at least one additional referral, preferably more, at the same time.
- s) Agents shall not, directly or indirectly (such as through a company an Agent owns or controls), perform or complete any repairs on a property for a client, that is or is intended

to become the subject of a transaction in which the Agent is involved, regardless of whether the Agent is a licensed contractor.

- t) Agents shall not enroll or participate in auction websites without State Broker approval.

2. Competitor Affiliation is Prohibited

An Agent shall not be affiliated with a competing real estate brokerage company. This means that an Agent (including an Agent's spouse or partner, if applicable) shall not alone or in association with others, whether individually or through any legal entity (such as a corporation, limited liability company, joint venture, etc.) do any of the following:

- a) own, manage, operate, or control;
- b) be employed by, or engaged as an independent contractor with;
- c) serve as an officer, director, consultant, or agent to;
- d) capitalize or lend money to; or
- e) grant the use of his or her name to

any residential or commercial real estate brokerage firm other than those within the eXp family of real estate brokerage companies. Notwithstanding the foregoing, an Agent may own, as a passive investor, the issued and outstanding stock of a publicly held company that competes with any real estate brokerage company within the eXp family of real estate brokerage companies.

3. Limited Representation is Prohibited

Except as otherwise provided below, no Agent shall enter into any representation relationship with a seller, buyer, landlord, or tenant that limits the services to be provided to that person ("**Limited Representation**"), nor shall any Agent participate in any transaction that does not result in a fiduciary relationship between an Agent and the seller, buyer, landlord, or renter.

However, an Agent may engage in any of the following Limited Representation relationships provided that, (1) each such relationship is disclosed in writing and signed by the client or customer, and such disclosure clearly establishes the Agent's duties to the client or customer (including the limitations of the Agent's relationship with the client or customer), (2) any such relationship is not prohibited by applicable law or regulations, and (3) any such relationship is not prohibited by State P&Ps:

- a) a "limited dual agency" relationship;
- b) a "transactional" relationship (i.e., a nonagency relationship where an Agent does not represent a buyer or seller, or landlord and renter, in the transaction, treating both as customers); and
- c) a "facilitator" relationship (i.e., a relationship where an Agent assists a buyer and seller, or landlord and renter, in reaching agreement in a real estate transaction but has no fiduciary duties to either party).

If an Agent is unclear with the above, the Agent should contact their State Broker before engaging in any of these relationships.

In any listing engagement (including where there is Limited Representation), no Agents shall encourage or place in any "MLS listing remarks," directions that a buyer's or renter's agent (or potential buyers or renters themselves) contact the seller or landlord, directly, for any reason.

VII. ANCILLARY AND AFFILIATED SERVICES

A. Property Preservation Services

Agents may only engage in property preservation services when working on behalf of clients that are asset managers or institutional clients (whether or not associated with eXp's REO/Relocation division). Agents may not engage in property preservation services for clients that are not asset managers or institutional clients. The term "**property preservation services**" means tending to and managing only the physical aspects of any real property on behalf of a client (e.g., scheduling, coordinating, and/or setting up any repairs or maintenance concerning a client's real property). For avoidance of doubt, "property preservation services" are distinct from "property management services" (defined herein). For example, and without limitation, an Agent may schedule plumbing repairs on behalf of a bank that owns an REO property, but an Agent may not schedule plumbing repairs for a mere, individual property owner that owns a property.

B. Mortgage Loan Origination

1. **Generally**

Except as may otherwise be prohibited by law, an Agent may perform mortgage activities in any Transaction in which they have a personal or financial interest.

2. **Dual Capacity**

If an Agent is authorized by applicable law to perform both real estate brokerage activities and mortgage loan origination activities, the Agent may perform both sets of activities in the same transaction provided that the Agent has properly disclosed their "dual capacity" (as both real estate agent and mortgage loan originator) to his or her client.

3. **Familial Relationship - Conditionally Acceptable**

An Agent may not refer the services of a mortgage loan originator, that has a familial relationship to the Agent, on any transactions in which the Agent is performing real estate brokerage activities, unless each of the following conditions are met: (1) the buyer/borrower is being represented through the Agent and is not an opposite party in the purchase transaction; (2) such familial relationship is disclosed to the buyer/borrower, in writing, in advance of making the referral (an email from the Agent to the buyer/borrower is acceptable; see below example); (3) if the disclosure is made through email, then a copy of the email is uploaded to the transaction file in eXp's transaction management system; if the disclosure is made in any other written form, it must be signed and then uploaded to the transaction file in eXp's transaction management system; and (4) the Agent must provide the name and contact

information for at least one additional mortgage loan originator at the time the referral is made to buyer/borrower.

Example: Agent sends the following email to the buyer/borrower:

"Dear [Buyer/Borrower],

Here are a couple of loan originators for your consideration:

1. Sally Smith of Smith Mortgage: (732) 123-4567
2. Jenny Jones of Jones Home Loans: (732) 321-7654
*Jenny is my spouse; you can pick any loan originator you choose and your options are not limited to the two individuals or companies listed in this email."

C. Title And Escrow Companies

*** (This section of these eXp P&Ps is applicable when an Agent has an ownership interest in a title and escrow company or is a member of any team whose team member owns a title and escrow company.) ***

1. Step 1: Produce an Affiliated Business Arrangement (ABA) Disclosure Form

Agents that own an interest in a title and escrow company must use their own ABA disclosure form in all purchase and sale Transactions that they participate in on behalf of eXp; this is to be used in addition to eXp's own ABA disclosure form. Agents will have their own ABA disclosure form prepared. The proposed ABA disclosure form must name eXp (and the Agent) in the "From" line at the top of the form; the form must also contain language referencing eXp, substantially similar to the following:

"eXp Realty, LLC, together with its subsidiaries and affiliates (collectively, "eXp"), **does not** have any relationship with Happy Harry's Title and Escrow Company, Happy Harry's Holdings, LLC, or Happy Harry's Agency (collectively, the "Harry Companies"), nor will eXp receive any benefit, financial or otherwise, from any referral to any of the Harry Companies given by Agent."

**References to the Harry Companies are for exemplary purposes only; Agent to use only those company names applicable to Agent.*

(Agents are responsible for updating their ABA disclosure form from time to time so that it always remains in conformance with applicable law and any changes in factual circumstances. Each update to an Agent's ABA disclosure form must be accompanied by an additional legal opinion letter, as more fully discussed, below.)

2. Step 2: RESPA Attorney

Agent consults with an attorney of their choosing that is knowledgeable in the Real Estate Settlement Procedures Act ("RESPA"), for the purpose of having that attorney review the Agent's proposed ABA disclosure form (and any updates to that form) at the Agent's sole cost and expense. The attorney will also be responsible for confirming the truth and accuracy of any entities and entity-relationships referenced in the proposed (or updated) ABA disclosure form. If the Agent's attorney determines that the proposed (or updated) ABA disclosure form does not conform with RESPA or is less than true and correct, then the Agent or attorney will revise it so that it conforms to RESPA and is true and correct.

3. Step 3: Legal Opinion Letter

After the Agent's attorney has determined that the proposed (or updated) ABA disclosure form conforms with RESPA, makes true and correct representations, and contains the recommended language that is needed for eXp, the Agent's attorney proceeds to draft a legal opinion letter, for the benefit of Agent and eXp and upon which each may rely, that among other things, (1) provides that the attorney is conversant in RESPA, (2) affirms that the proposed (or updated) ABA disclosure form conforms with RESPA, (3) substantiates how/why it conforms with RESPA, and (4) affirms that the relationships spelled out in the ABA disclosure form are true and correct. (Agent must have a new legal opinion letter produced each time Agent's ABA disclosure form is updated.)

4. Step 4: Delivery to eXp

The Agent provides eXp with a copy of both the proposed (or updated) ABA disclosure form and the Agent's attorney's legal opinion letter. The proposed (or updated) ABA disclosure form and legal opinion letter are to be routed to eXp's Legal Operations Department for its review.

5. Step 5(a): Authorization for Proposed ABA Disclosure form

If eXp receives Agent's proposed ABA disclosure form and the accompanying legal opinion letter and its Legal Operations Department approves of each of them, then eXp will present Agent with a copy of its Title & Escrow eXp Addendum ("**T&E Addendum**") for Agent's signature. Thereafter, Agent will have eXp's authorization to use, and shall use, Agent's proposed ABA disclosure form in connection with each Transaction that they and any of their team members engage in.

6. Step 5(b): Authorization for Updated ABA Disclosure form

If eXp receives Agent's updated ABA disclosure form and the accompanying legal opinion letter and its Legal Operations Department approves of each of them, then eXp will formalize its approval, in writing, and thereafter, Agent will have eXp's authorization to use, and shall use, Agent's updated ABA disclosure form in connection with each Transaction that they and any of their team members engage in.

7. Step 6: Use

Once the proposed (or updated) ABA disclosure form and Agent's attorney's legal opinion letter have been approved by eXp, Agent shall use, and shall cause each member of any team

to which Agent belongs (if applicable) to use, Agent's proposed (or updated) ABA disclosure form in all Transactions that they participate in on behalf of eXp.

Note

Agent may not own a title and escrow company and also serve as a real estate licensee on behalf of eXp unless/until all the above referenced steps are completed.

D. Home Warranty Companies

*** (This section of these eXp P&Ps is applicable when an Agent wants to work with and be compensated by a home warranty company.) ***

1. Free to Contract with Home Warranty Company

eXp will not prohibit an Agent from contracting directly with a home warranty company on their own, individual behalf (and not on behalf of eXp), for purposes of rendering a "compensable service" (as such term is used in Title 24 of the Code of Federal Regulations Section 3500.14 (Prohibition against kickbacks and unearned fees)) to that home warranty company. For avoidance of doubt, a compensable service is not conditioned on the referral of business to that home warranty company; rather, it is services actually performed by an Agent. Any such contract as between a home warranty company and an Agent is not to reference eXp in any way.

2. No Review of Contract

eXp will not review or render any opinion on the sufficiency of any contract to be entered into between a home warranty company and an Agent as it relates to the Agent's performance of a "compensable service" for that home warranty company.

3. No Referral Fees

No Agent may receive compensation (*i.e.*, a referral fee) from a home warranty company if the basis for such compensation is the making of a referral of a prospective customer to a home warranty company.

4. Free to Receive Payment for Compensable Services

eXp will not prohibit an Agent from receiving compensation directly from a home warranty company as a result of the Agent's rendering of a compensable service for that home warranty company. eXp will not be a payment intermediary, *i.e.*, we will not receive payment from a home warranty company and then forward that payment along to an Agent.

5. No Amendment to ABA Disclosure Form

eXp will not amend its ABA Disclosure Form, or produce or authorize the production of any new eXp ABA Disclosure Form, to include references to any home warranty company with whom an Agent may be individually contracted.

VIII. AGENT FEES

A. Standard Fees

Agent fees include each of those listed below (note - unused portions of any monthly fees previously paid will not be credited/prorated). For avoidance of doubt, an Agent shall not be assessed, more than once per Transaction, any Agent fees that are generated on a Transaction-by-Transaction basis (such as Transaction Review Fees, Risk Management Fees, and Capped Status Transaction Fees).

- **Sign-Up Fee:** \$149*. This sum includes an Agent's first month Cloud Brokerage Fee. (*NYC REBNY Agents shall pay a Sign-Up Fee of \$199.)
- **Cloud Brokerage Fee:** \$85* per month, includes access to all platforms. (*NYC REBNY Agents shall pay a Cloud Brokerage Fee of \$165 per month.)
- **Washington Workers Compensation Insurance:** Agents whose primary state of licensure is Washington shall pay the workers portion of the Washington Workers' Compensation Insurance premium as stated on each annual Rate Notice issued by the Washington State Department of Labor & Industries prior to the start of each calendar year.
- **Transaction Review Fee:** \$25 per Transaction. All Transactions (as defined in the ICA) will include a Transaction Review Fee taken as a charge against the Contractor Dollar (defined below) and shall be deducted from all Transactions, excluding all referrals, Broker Price Opinions ("BPOs"), and leasing/rental commissions under \$1,000 Gross Commission Income (defined below) to eXp.
- **Risk Management Fee:** \$60 per Transaction. All Transactions will include a Risk Management Fee taken as a charge against the Contractor Dollar Amount and shall be deducted from all closings, excluding all referrals, BPOs, and leasing/rental commissions under \$1,000 Gross Commission Income to eXp. The annual per eXp Agent cap on payment of Risk Management Fees for non-commercial Transactions is \$750. Commercial Transactions do not have a Risk Management Fee cap.
- **Capped Status Transaction Fee:** Once an Agent has reached their annual Company Dollar Cap amount and is in a "**Capped Status**", then that Agent shall pay a Capped Status Transaction Fee in an amount that is *the lesser of* the following: (a) 20% of GCI, or (b) \$250 per Transaction. The Capped Status Transaction Fee shall be collected until \$5,000 has been collected (per Capping Period), at which point the Capped Status Transaction Fee shall be collected at the reduced rate of \$75 per Transaction for the remainder of that Agent's Capping Period.

This Capped Status Transaction Fee applies to each side of a Transaction closed by an Agent in a Capped Status, unless the Agent is in a "One eXp Agent, Two Transaction Sides" transaction (defined below), in which case the Agent is charged one Capped Status Transaction Fee per Transaction, not per Transaction side. The term "**One eXp Agent, Two Transaction Sides**" means a dual agency transaction in which one natural person represents a buyer and seller in the same transaction.

For avoidance of doubt, if an Agent in a Capped Status is representing a seller, and another Agent in a Capped Status is representing a buyer, in the same Transaction, then the Agent that is representing the seller shall pay their 20% of GCI or \$250 (if they have not already paid \$5,000 in Capped Status Transaction Fees for that Capping Period), or \$75 (if they have already paid \$5,000 in Capped Status Transaction Fees for that Capping Period), and the Agent that is representing the buyer shall pay their 20% of GCI, \$250, or \$75 (as the case may be), for that Transaction.

Revenue share will not be paid out on Transactions completed by Agents in a Capped Status. Capped Status Transaction Fees will be in addition to all other deductions and fees. The Minimum Company Dollar Rule (defined below) and the Capped Status Transaction Fee are separate from each other; when one applies, the other does not. The Minimum Company Dollar Rule applies when an Agent is not in a Capped Status, and the Capped Status Transaction Fee applies when an Agent is in a Capped Status.

In situations where more than one Agent together represent either (or both) Transaction side(s) in any single Transaction, and because the Capped Status Transaction Fee is "per Transaction side" and not "per Agent," then the Capped Status Transaction Fees are always split between Agents on the same Transaction side in an amount equal to the proportionate percentage of the commission each Agent earns, as reflected in the applicable Disbursement Agreement.

Example 1 (Two eXp Agents, One Transaction Side):

If:

- Agent A and Agent B are both in a Capped Status; and
- Agent A has paid \$1,000 and Agent B \$2,500 in Capped Status Transaction Fees during their respective then-current Capping Periods; and
- Agent A and Agent B both represented the buyer in a sales Transaction; and
- GCI is \$10,000
- Agent A received 60% of the commission and Agent B received 40% of the commission.

Then:

- The applicable Capped Status Transaction Fee for both Agent A and Agent B would be \$250, because \$250 is less than the amount that equals 20% of GCI (that is, \$10,000 GCI x 20% = \$2,000); and
- Agent A would pay \$150 (60% of the \$250) of the Capped Status Transaction Fee and

Agent B would pay \$100 (40% of the \$250) of the Capped Status Transaction Fee.

Example 2 (Two eXp Agents, One Transaction Side):

If:

- Same facts as Example 1, except that Agent A has paid \$5,000 in Capped Status Transaction Fees during his/her then-current Capping Period

Then:

- The \$250 Capped Status Transaction Fee would then be reduced to \$75 for Agent A because Agent A has paid a total of \$5,000 in Capped Status Transaction Fees; and
- Agent A would pay \$45 (60% of the \$75) of the Capped Status Transaction Fee and Agent B would pay \$100 (40% of the \$250) of the Capped Status Transaction Fee

In the example above, each Agent will pay the percentage of their respective Capped Status Transaction Fee amount, if any, if the Agents have different applicable Capped Status Transaction Fee amounts.

B. Minimum Company Dollar Rule

Subject to the below-referenced exemptions, eXp is to receive a minimum amount of Company Dollar on each closed purchase Transaction, and on each closed sale Transaction, involving an Agent who is not in a Capped Status. This is known as the **"Minimum Company Dollar Rule."** The Minimum Company Dollar Rule shall be applied as follows:

- When the final, gross sales price of the subject property is greater than or equal to \$83,333, then the amount of Company Dollar to be received by eXp shall be the greater of, (a) \$500, or (b) an amount that is equal to twenty percent (20%) of the GCI.
- When the final, gross sales price of the subject property is less than \$83,333, then the amount of Company Dollar to be received by eXp shall be an amount that is equal to twenty percent (20%) of the GCI.

Each Agent has an obligation to act in good faith in his or her dealings with eXp. Therefore, and except as it pertains to exempted Personal Transactions, no Agent shall credit, reduce, or otherwise waive his or her rights to receive a real estate commission in amounts greater than thirty percent (30%) of the GCI, on any Transaction that is subject to the Minimum Company Dollar Rule, without first receiving their State Broker's written approval. For avoidance of doubt, eXp does not mandate the amount of fees or percentages that an Agent charges clients.

NOTE: The Minimum Company Dollar Rule applies to all purchase or sale Transactions, except as otherwise set forth in these P&Ps. The Minimum Company Dollar Rule and the Capped Status Transaction Fee are separate from each other; when one applies, the other does not. The Minimum Company Dollar Rule applies when an Agent is not in a Capped Status, and the Capped Status Transaction Fee applies when an Agent is in a Capped Status. For avoidance of doubt, the Minimum

Company Dollar Rule does not reduce or eliminate an Agent's obligation to pay any other applicable per Transaction fee; an Agent's obligation to pay all such fees remain in full force and effect.

1. Exemptions from the Minimum Company Dollar Rule:

The following Transaction types are exempt from the Minimum Company Dollar Rule and will be paid out according to the Agent's regular payment plan per the terms of the Agent's ICA and in these eXp P&Ps:

- a) 3 Personal Transactions per Anniversary Year;
- b) REO/HUD Listings;
- c) Short Sales;
- d) Rental Transactions;
- e) Referral Transactions;
- f) BPO Transactions; and
- g) Such other Transactions as may be determined by eXp in its sole and absolute discretion on a case-by-case basis.

C. Late Fees

All amounts charged to the Agent from eXp for recurring payments, monthly Cloud Brokerage Fees, and/or paid for programs opted in, and any other fees charged or back-charged for reimbursement per written agreements and policies are due within 10 days from the date of billing.

Any billing that remains unpaid more than 30 days past due shall be assessed a late fee in an amount that is the *lesser of*: (a) \$25 or (b) the maximum amount allowed under state law. For avoidance of doubt, no unpaid invoice shall be assessed more than one late fee.

If an Agent's account reaches 90 days past due/delinquent, eXp may terminate this Agreement pursuant to the Termination clause in the ICA and any/all pending commission payments and/or revenue share payments shall be forfeited to the company.

Each Agent shall pay eXp, in full, any past due fees and other amounts owing from that Agent upon demand, and any unpaid balances shall be subject to collections and/or formal legal proceedings. Additionally, if an Agent has elected to participate in the 2015 Agent Equity Program, the Agent's participation will be temporarily suspended until eXp has been paid in full.

D. eXp Right to Payment

eXp has the irrevocable right to seek payment or reimbursement, as applicable, from each Agent, in connection with the Reimbursable Amounts. Payment or reimbursement of Reimbursable Amounts may be obtained by eXp, through any (or any combination) of the following methods: (i) offset against any fees, commissions, revenue sharing, other compensation, or any combination thereof, owed by eXp to an Agent; and (ii) using an Agent's preferred payment method then on file with eXp.

E. Agent Fees Non-Refundable

All of the above referenced fees are non-refundable. Sales tax laws and regulations for each state determine whether a fee is subject to sales tax. If applicable, sales tax is applied as a separate line item on the Agent's statement. eXp reserves the right to adjust this fee schedule. For the avoidance of doubt, nothing in this section shall preclude eXp from having the ability to make any adjustments or corrections; any such adjustments or corrections shall not constitute a refund to Agent.

IX. ACCOUNTING AND COMMISSIONS

A. 1099

Agents will receive Form 1099 on or before January 31 of the calendar year following their earnings in compliance with requirements published by the Internal Revenue Service. Total earnings reported to Agents will include Agent commissions earned, revenue share earned, and stock issuances (ICON Agent Awards, stock awards, etc.). All information reported to the Internal Revenue Service is reported on a cash basis, thus all commissions reported are based on the calendar year in which the Agent was paid. For example, if a home closed for a client on December 30, but eXp did not receive final paperwork until January 2, and the Agent was paid on January 3, that transaction will be included on the next year's Form 1099. Please consult a tax advisor for proper reporting of taxable income and deductions. Upon submitting an email request to ap@exprealty.com, Agents can receive a 1099 Report with the breakdown of earnings and fees paid within the period. Agents that are licensed in more than one state will be paid in accordance with the real estate licensing laws and rules of the most restrictive state in which that Agent is licensed.

B. Commissions; Other Fees From Clients

The Agent's commission shall be made payable to the name or entity on file with the State Department of Licensing and the current W-9 on file with eXp. The name on file with the Department and the name on the W-9 must match in order for payment to be rendered by eXp to the Agent. If the Agent elects to be paid as a PC or PLLC, LLC or Agent corporation/company name, as allowed by state and federal law, the Agent must amend his/her W-9 to reflect the proper name and tax identification number of the entity and advise eXp of the same. Agents shall not be paid in the name of a PC or PLLC, LLC or Agent corporation/company name without complying with all State Department of Licensing rules and regulations as well as federal and state law. For the avoidance of doubt, if Agent elects to get paid under a PC or PLLC, LLC or Agent corporation/company, the entity must be both, (1) duly licensed, active, and in good standing with the State Department of Licensing, and (2) validly formed, existing, and in good standing with applicable state office or agency that administers the formation and maintenance of legal entities (such as a state's Office of Secretary of State, Corporation Commissions, or such analogous office or agency).

An Agent cannot transact real estate brokerage business, for payment, in a state in which an Agent is not licensed.

All commissions, including but not limited to, retainers (that is, all fees, deposits, or other monies requested from a consumer that are to be used to retain the professional real estate services of an Agent), rental commissions, administrative fees, document storage fees, broker price opinions, and any additional fees charged to the consumer by the Agent (such as, for example, any Administrative Transaction Fee), shall be made payable to eXp and shall be subject to any applicable splits. At no time shall the Agent accept client payments made payable to themselves directly. All commissions and Agent-collected fees are subject to applicable Company Dollar and Contractor Dollar commission splits.

Any agreement to share commissions between Agents within eXp shall be done so in writing. All agreements shall be uploaded and stored in eXp's transaction management system. In the absence of a signed written agreement between Agents, eXp shall pay the entire Agent share of the commission to the Agent(s) whose name(s) appear on the transactional document between the principals (to be divided equally between those Agents if more than one and not otherwise specified). Except for team disputes, eXp will make the final determination regarding commission disputes between Agents licensed with eXp. All referrals between Agent and any other eXp-related agent must be documented on that eXp-approved Referral Agreement for use in the originating brokerage jurisdiction. For example, if an eXp Agent in Utah were to refer a client to an agent in Italy that is affiliated with eXp Italia S.r.l. (that is eXp's affiliate operating in Italy), then that referral relationship must be memorialized in the form of Referral Agreement as used and approved by eXp in Utah. Conversely, if an agent affiliated with eXp Italia S.r.l. were to refer a client to an eXp Agent in Utah, then that referral relationship must be memorialized in the form of Referral Agreement as used and approved by eXp Italia S.r.l.

An Agent may only receive payment related to a transaction if any one or more of the following apply: (1) they are designated on the transaction paperwork as the Agent representing a party to the transaction; or (2) they have a written referral document in eXp's transaction management system; or (3) they have the appropriate team documents on file with eXp indicating, with specificity, when and in what amounts compensation to the Agent is to be made; or (4) with the prior express written consent of an attorney within eXp's Legal Operations Department or a Designated Managing Broker ("DMB") (or higher) in eXp's Brokerage Operations Department. This prohibition applies regardless of whether an Agent seeks to modify a general agreement concerning all transactions, an agreement concerning transactions within a specific category, or an agreement concerning a specific property. This prohibition extends to changes in commission an Agent would otherwise receive even for theoretical transactions that are not yet under contract.

Any sales incentive, gift, and/or bonus received shall be paid to eXp. eXp treats bonuses, gifts and incentives as any other commissions and will pay the Agent based on the Agent's current split.

C. Commission Advances

Commission advances are not offered by eXp directly but may be obtained in accordance with the following procedures.

1. All commission advances must be approved in writing by the State Broker in advance.
2. Prior to signing any commission advance agreement, the Agent must have the listing file (with an accepted purchase and sale contract) or the transaction file uploaded in eXp's transaction management system, and it must have passed eXp's approval process.
3. An Agent may only receive up to 70% of the net commission due to the Agent as a commission advance, or an amount less than \$20,000, and up to \$3,000 on active listing advances. (Note: Commission advance companies outside of the eXp preferred partners network may offer different amounts). Exceptions to this general rule may be made on a case by case basis in extenuating circumstances, as determined by eXp in its sole and absolute discretion.
4. Agents may receive multiple commission advances but the aggregate of all commission advances that an Agent may have outstanding at any one time shall not exceed \$20,000.
5. A \$100 service charge ("**Service Charge**") will be added to: 1) any advances made from a commission advance company that is outside of the eXp preferred partners network; and 2) and UCC liens presented to eXp from a commission advance company seeking payment of any unpaid commission advance(s).

D. Actions for Unpaid Commissions or Procuring Cause Claims

A decision to proceed with legal action, mediation or arbitration against a party owing a commission to eXp will be made solely at the discretion of eXp. eXp shall not have any monetary obligations to the Agent or any other party, resulting from brokerage fees and/or commissions that are uncollected. Agents may obtain independent counsel as desired to pursue and/or defend their position during mediation or arbitration. eXp shall not supply counsel to pursue these items.

Should the Agent be named in a mediation or arbitration as the respondent, eXp reserves the right to require that the total amount of the disputed commission is held by eXp until the mediation or arbitration results are received. Should eXp and the Agent not prevail, the Agent shall pay all commission amounts immediately to eXp.

An Agent does not have the authority to reduce, defer or replace any portion of eXp's splits or fees without the written consent of the State Broker, or eXp.

E. Referrals Payments and Relocation Companies

Referrals shall only be paid to licensed Agents in conjunction with all Department of Licensing rules and regulations. However, as it pertains to any international referrals concerning jurisdictions that do not require licensing, such referrals will be facilitated in accordance with that jurisdiction's laws, rules, and regulations.

All referrals between an Agent and any other non-eXp agent or brokerage must be in writing and uploaded into eXp's transaction management system.

All third-party referrals are subject to eXp split and eXp cap rules.

Outbound referral fees are taken off the top of a transaction and directed to the referral/relocation companies.

F. Perceived Commission Discrepancies

Agents shall have ninety (90) days following original disbursement of a commission to notify eXp's Transaction Processing Team (via email only to commissiondispute@exprealty.net) of any perceived commission discrepancy resulting in a **payment shortage to the Agent**. eXp will evaluate the Agent's notification and if eXp agrees that there has been a payment discrepancy at the Agent's expense, eXp will correct such a discrepancy. However, if the Agent fails to timely notify eXp's Transaction Processing Team of any such perceived commission discrepancy within the time and manner specified, then the subject commission payment amount will be deemed correct and final by eXp, and that amount, whatever it may be, will be used and relied upon by eXp for all purposes under the Agent's ICA. For the avoidance of doubt, nothing in eXp's P&Ps shall preclude eXp from reopening any matters or revisiting any files, at any time, in instances where there may have been any commission discrepancy resulting in a **payment shortage to eXp** (e.g., an overpayment to an Agent); eXp reserves all rights to seek immediate reimbursement from an Agent for such amounts in such instances.

X. MARKETING AND ADVERTISING

As a representative of eXp, Agents are expected to adhere to the highest standards of conduct and professionalism. This extends to all marketing and advertising activities including social media, digital, print and other forms of content used to communicate with potential clients and prospective Agents.

A. Compliance with Laws, Guidelines, and Regulations

1. Agents are prohibited from posting inaccurate or misleading information in all of their content whether intended for clients or prospective Agents; Agents' marketing, advertising and communication must be completely factual.
2. All marketing, advertising, and communication, whether for property listings, Agent Attraction, or general purposes, must adhere to all federal, state, and local laws and regulations (e.g., any REALTOR® Code of Ethics, fair housing, antitrust, license, copyright, etc.), including, when using any tools or communications provided by or on behalf of eXp. This includes broad-based mandates like the Telephone Consumer Protection Act ("**TCPA**"), including "do not call list" guidelines, the Telemarketing Sales Rules ("**TSR**"), the CAN-SPAM Act, Federal Trade Commission ("**FTC**") rules, Securities and Exchange Commission ("**SEC**") regulations, and state and national tortious interference laws, and their implementing rules and regulations (collectively, "**Solicitation Laws**"). For avoidance of doubt, eXp cannot and does not make any representations to Agents concerning the lawfulness of the content and/or manner of transmission of any communication or communication tools provided to Agents that may be provided or offered by eXp or any of eXp's affiliated partners, any eXp provided lead generation

vendors, or in or through any training classes or materials provided by or through any other Agent or eXp employee. Agents must consult their own legal counsel before using any eXp tools and/or communication.

3. Agents are solely responsible for the content of any and all communications and the means of communication (phone, fax, text, etc.) with any third parties, including customers, potential customers, leads or other individuals or entities, and Agents are solely responsible for complying with any laws, and payment of taxes and tariffs applicable in any way to an Agent's real estate practice and marketing or any other service offerings contemplated in an Agent's real estate practice. AGENT IS EXPRESSLY PROHIBITED FROM ENGAGING IN ANY COMMUNICATIONS VIOLATIVE OF THE SOLICITATION LAWS OR ANY SIMILAR FEDERAL, STATE, OR LOCAL LAW, RULE, OR REGULATION AS AN AGENT OF EXP, AND DOES NOT HAVE EXPRESS, IMPLIED, OR APPARENT AUTHORITY TO MAKE SUCH COMMUNICATIONS. If eXp becomes aware that it has received compensation from any transactions in which an Agent engaged in violative calls, eXp will return any such compensation and such a return shall be intended to constitute full rejection (as opposed to ratification) of such conduct.
4. Agents are responsible for ensuring that all advertisements are HUD and RESPA compliant. Furthermore, Agents must adhere to the standards of the REALTOR® Code of Ethics and the rules of Boards or MLSs.
5. Agents may not use the name, likeness, or reference to or of any other Agents in their own marketing materials without first obtaining the referenced-Agent's prior written consent.

B. eXp Brand Guidelines

1. Use of eXp logo and name are considered advertising and must be approved in advance. Please send your Agent-created content to your State Broker through their designated email address.
2. Agents must read and comply with the eXp Brand Guidelines, which can be found at [join.exprealty.com/brand](https://www.exprealty.com/brand), for brand and logo usage.
3. eXp provides Agents with access to a vast library of pre-produced and pre-approved marketing and advertising content through the eXp Marketing Center which can be found at www.expmarketingcenter.com. Agents are encouraged to utilize this tool to the furthest extent possible. All content in eXp Marketing Center has been reviewed and approved by eXp's Marketing, Agent Compliance, and Legal teams. **Note:** *Any content used by Agents from eXp Marketing Center must also be reviewed and approved by the State Broker prior to publication to ensure compliance with state guidelines (see more about **Review and Approval** below).*
4. Agents must properly brand their content to avoid leading viewers to believe that their website, social media profile, presentation, or other marketing content is official eXp marketing collateral. Agents must prominently identify themselves and provide their contact information on all content. Specific to websites, Agent's name and/or team name, as well as eXp's logo should be visible above the fold.

5. Use of the letters or trademark "eXp" or "eXp Realty" in DBA, entity names, domain names, social media handles, channel names, and other social media is prohibited (e.g., @exprealtyjohn, @exprealtytx, etc.).
6. Agents may use a combination of their name or team name along with the phrase "eXp Realty" to name pages on Facebook and other similar platforms (e.g., The John Doe Team – eXp Realty).
7. The use of the letters "eXp" or the name "eXp" in social media profiles or page names to claim a geographic area or specific location is prohibited (e.g., eXp of Bellingham, eXp Washington, etc.).

C. Intellectual Property Rights

eXp respects the valid intellectual property of others, and we fully expect our employees and Agents to do the same, in the same way we expect others to respect our intellectual property. Agents shall not infringe the intellectual property rights of others in the course of providing real estate agent services, including (a) avoiding the use of any trademarks that would in any way be confusingly similar to the senior trademarks of others, and (b) avoiding the use of any unlicensed images or other media of others.

1. Permission to Use eXp Trademarks

- a) In order to keep the eXp brand strong and enforceable, eXp is required to control its use and maintain consistency and quality associated with its use. As an Agent of eXp, in the course of promotion of real estate services, Agents may only use eXp trademarks (e.g., eXp, eXp, and/or the logos associated therewith), in a manner consistent with the eXp Brand Guidelines, which can be found at join.exprealty.com/brand.
- b) Moreover, Agents should not do anything that would damage or dilute the goodwill associated with eXp trademarks. To the extent eXp determines that an Agent's use of an eXp trademark is, in any way, harmful to eXp, or its trademarks, the Agent will modify his/her use immediately after notice from eXp to conform to eXp's standards.
- c) eXp may revoke any permission to display eXp trademarks if an Agent does not comply with the policies in this document.

2. eXp Trademark Usage

- a) Agents may only use eXp trademarks to promote their activities as Agents with eXp and not for any other purpose. Prohibited uses include using eXp trademarks to promote Agent-hosted events without obtaining permission from eXp.
- b) Agents may not use any eXp trademarks or branding content to sell products or services online or elsewhere, such as accessories, or apparel, etc., or to promote the products or services of others, unless eXp grants a written license to do so.
- c) Agents should use the eXp Realty logo, together with their team name and/or team logo, in their advertising and communication content to avoid confusion with official eXp

created advertising and communication.

- d) Agents must not use the trademark eXp, EXP, or variations thereof, or any other eXp trademark, in any website domain, email address (other than provided by eXp), social media handle, or social media page.
- e) Agents may not use any eXp Commercial related trademark for any purposes unless they are also affiliated with eXp Commercial and subject to an eXp Commercial-specific Independent Contractor Agreement. Use of eXp Commercial-related trademarks shall be subject to those terms and conditions set forth within eXp Commercial U.S. Policies and Procedures, which, for the avoidance of doubt, is distinct and separate from the policies set forth within these eXp P&Ps.

3. Unlicensed Content and Trademarks

- a) Agents may not use unlicensed images or other unlicensed media (e.g., photos, videos, music, etc.) in promoting the Agent's real estate services.
- b) All media used by the Agent, other than media owned by the Agent, must be acquired from a reputable licensor (e.g., reputable stock image supplier).
- c) Agents are prohibited from using trademarks or names in promoting their real estate services that are confusingly similar to the trademarks of others. To avoid such trademark conflicts, Agents shall not infringe the trademark rights of others in promoting their real estate services.

D. Review and Approval

All content used by Agents for marketing and advertising must be reviewed and approved prior to publication by the applicable State Broker, and by Regulatory Relations (where applicable). Agents can submit custom-created content for review and approval by following the Review and Approval Process set out below.

E. Review and Approval Process

1. Agents shall perform a self-review of their custom-created content and make updates consistent with the eXp Brand Guidelines, which can be found at join.exprealty.com/brand.
2. Custom-created content must be submitted for review and approval via email to the applicable State Broker team.
3. The Agent Compliance team and applicable State Broker will receive the request and initiate the review process.
4. As soon as necessary reviews and approvals are completed (within two (2) business days for most submissions), the State Broker will notify the Agent of required changes or approval for publication.

5. With final approval, Agents can freely use their custom content in their marketing and advertising efforts.

F. Property-Related Advertising

All property-related advertising including yard signs, flyers, door hangers, digital ads (web, social media, etc.) may not be published or placed until eXp has the executed listing agreement.

1. Yard Signs
 - a) Signs must comply with all local, state and federal requirements.
 - b) Signs used must be signs designed by or expressly approved by eXp. This includes sign riders, directional signs, sold signs, and other signs as needed to support the listing. Approval can be obtained through the review process outlined above.
 - c) Most MLSs prohibit putting up a "For Sale" sign before entering the listing in the MLS. A listing must be reported when it is taken and when it is sold within certain limitations. Agents must follow the MLS rules and comply. Any fine that results due to a violation of this policy will be paid by the Agent and not the State Broker or eXp.
2. Flyers, Door Hangers, etc.
 - a) Printed content must comply with all local, state and federal requirements.
 - b) Review and approval of flyers, door hangers, etc. can be obtained through the review process outlined above.
3. Online Advertisements and Content
 - a) Agents may post property-related content to their own websites, blogs, and social media profiles and pages provided.
 - b) Agents may use paid or boosted advertisements through social media, search engines, or other online platforms for the purchase or sale of client property.
 - c) Online advertising and content marketing must be approved by the State Broker or eXp prior to posting.

G. General Advertising

1. In Any Medium

Under no circumstances may an Agent hold themselves out to the public, or advertise in any medium (including, without limitation, in their email signature block, or when engaging in recruiting efforts), that they are an "owner agent" of eXp, even if the Agent owns one or more shares of stock in eXp World Holdings, Inc. For avoidance of doubt, the foregoing prohibition is entirely unrelated to, and distinct from, an Agent's obligation to disclose and/or advertise that they are an "agent owner" of any real property that they maintain as a listing.

2. Business Cards

Unless the Agent has the express permission (through the official review process) on a design different from those provided by eXp, the Agent will use an eXp-approved design. Template designs are available to Agents in eXp Marketing Center.

All Agent business cards will have the following identifying information on the cards:

- a) Brokerage name.
- b) Agent name as it appears on state licensing documents.
- c) Agent title.
 - (1) Title may include any of the following where allowed:
 - (a) REALTOR®
 - (b) Real Estate Professional
 - (c) Buyer's Agent
 - (d) Listing Agent
 - (2) Title may also list a professional designation as recognized by the National Association of REALTORS®.
 - (a) CRS, ABR, SRS, RSPS, etc.
 - (3) Agents cannot use a title that would reasonably lead someone to believe that the Agent is an employee of eXp or representing themselves as an employee of eXp (e.g., Recruiter, Recruiting Manager, Vice President of Agent Attraction, Growth Leader) or any other such term or title that may cause confusion as to the Agent's position with eXp.
 - (4) Additional items which may be included on the front of business cards:
 - (a) eXp provided alias email address
 - (b) Agent's direct phone number
 - (c) eXp website or Agent's careers site
 - (d) Social media accounts such as LinkedIn, Facebook and/or Twitter
 - (e) Personal business website or blog
- d) Business cards must adhere to all applicable state-specific requirements such as real estate license number(s), MLS number(s), font size, etc.

3. Social Media

- a) Agents must learn and abide by the terms of service of any social networks or online advertising platforms.
- b) Shareable social media content can be found at www.expmarketingcenter.com and on eXp's respective social media channels, including those that are linked at www.expworldholdings.com/social.
- c) Agents may not use social media to compete with eXp or engage in conduct that could create a conflict of interest.

- d) Social media content that is discourteous, aggressive, defamatory, discriminatory, sexually explicit, offensive, or in any other way damaging to viewers is prohibited.
 - (1) Attacks or harassment against protected classes based on race, religion, age, gender, familial status, sexual orientation, disability, national origin, veteran status, and/or genetic information are not allowed.
 - (2) Agents are to avoid arguments and aggressive language on social media that could leave a negative view of eXp and/or impact the Agent's business.
 - (3) Agents shall demonstrate respect to other eXp Agents, staff, clients, and potential clients and Agents, by not using social media to make defamatory or negative comments about eXp or other persons affiliated with eXp (e.g., staff, customers, vendors, contractors, service providers, etc.).
 - (4) Agents are responsible for their social media channels and content. Any violation of these policies can lead to sanctions, and up to termination.
- e) Agents must identify themselves clearly and avoid deceptive titles that would reasonably lead the public to believe the Agent is an employee of eXp (e.g., Director of Agent Attraction at eXp, CEO of Revenue Share at eXp, etc.)
 - (1) Agents must identify themselves as Agents, sales representatives, brokers, etc. with eXp Realty, and in accordance with state guidelines.
 - (2) If an Agent is using a title within their team structure, they should clearly state their position in the team, the team's name, and include that the team is with "eXp Realty" (e.g., John Doe, Team Lead – Team Excellence, with eXp Realty).
 - (3) Agents are prohibited from claiming they own or have rights to exclusively represent eXp for any given geographical territories via social media, websites, job ads, etc. (e.g., "John Doe – eXp Bellingham, Washington").
 - (4) Agents must adhere to state-specific rules and guidelines for profile and page names, as well as all other content on social media networks.
- f) Social media pages, profiles or handles that contain eXp branding and content may contain Agent team names if the Agent's team name has been appropriately registered with eXp and the state department of real estate where required.
- g) Shared statistics about eXp (Agent count, rankings, etc.) should be cited and verified with eXp before posting.
- h) Paid advertisements for Agent Attraction are not allowed through social media platforms or search engines. See the Agent Attraction section for more information.
- i) See something, say something. If an Agent sees something on social media that requires an official eXp response or violates the policies and procedures or ICA, they are encouraged to contact compliance@exprealty.net. The team will respond within two business days.

4. Websites

- a) Websites containing eXp brand or logo must have prominent above-the-fold co-branding

for the Agent/Agent team and eXp. Users should be able to reasonably differentiate between Agent-created sites and official eXp sites.

- b) Domain names used for real estate or relating to eXp's business may not use the trademark "eXp" or the letters "exp" in the domain name (e.g., expbellingham.com, expwashington.com, realestateexperts.com, etc.).
- c) Agents are responsible for ensuring articles, blogs, downloadable files, and all online content are accurate and not misleading.
- d) If content (blog post, article, etc.) is hosted on a site other than the Agent's, approval should be obtained through the Review and Approval process mentioned above.
 - (1) Upon publication and distribution, Agents should monitor channels daily for the first week, then weekly thereafter for any false or defamatory comments.
 - (2) Comments that are false or misleading should be removed or addressed through proper communication channels.
- e) Revenue share calculators and similar tools or applications are not allowed and should not be made available or published on Agent-Owned websites, or elsewhere.

H. Promotional Discount Advertisements

From time to time an Agent may decide to offer and advertise promotional discounts in order to generate additional listings for themselves. Any Agent that elects to offer and advertise such promotional discounts must ensure that such advertisements clearly and conspicuously state that the promotional discount is being offered exclusively by the Agent, and not by eXp, and approved as outlined above.

I. Co-Marketing and Co-Listing Arrangements

eXp does not prohibit Agents from engaging in co-marketing arrangements and/or co-listing arrangements, as between eXp, on the one hand, and a non-eXp brokerage firm, on the other hand, provided that any such arrangements conform with, and are not violative of, all applicable law, rules, and regulations. If Agents are interested in engaging in any such arrangements, they must first consult with their State Broker.

J. Employment Ads and Job Postings

Agents may not create employment ads or job postings for the sole purpose of attracting prospective Agents to grow their Revenue Share Group within the eXp Sustainable Revenue Share Plan. Advertisements for open positions may only be used to recruit prospective Agents to join a registered team in a salaried or shared commission position or to hire individuals for paid support positions.

All employment ads or job postings must adhere to local laws and regulations, eXp policies, and National Association of REALTORS® advertising guidelines. The use of job websites, online classifieds, employment-related search engines, and paid advertisements for the purpose of posting a job or creating an employment ad is limited to the following criteria:

1. Only teams (defined as one lead Agent or team leader and at least one or more licensed Agents working as a team member with a Team Agreement, as defined in the Teams section below) that have registered with and been approved by their state commission, State Broker, and by eXp's Agent Transitions team may advertise for available Agent positions on their team. These are positions for Agents who will join a registered team (not to be confused with Revenue Share Group) participating in a predetermined commission split.
2. Any employment ad or job posting that results in direct affiliation with eXp (i.e., an Agent joining your team who also signs an ICA with eXp) must be reviewed and approved by the State Broker and by eXp's Agent Compliance team prior to publication. The job description must also include the following disclaimer: *"[TEAM NAME] is a team of licensees independently contracted with eXp. The position in this ad is not a listing for direct employment. The earning potential, perks, benefits, and access to systems listed within this description are contingent upon the applicant signing an Independent Contractor Agreement with eXp."*
3. Employment ads or job postings for support staff (scheduling coordinator, valuation specialist, transaction coordinator, etc.) must also be reviewed and approved by the Agent Compliance team via compliance@exprealty.net. Independent Contractors not affiliated with a team may also post jobs and employment ads to build their support staff.
4. An independent Agent who wishes to form a registered team may use job sites, online classifieds, or employment-related search engines to advertise for their first salaried position or Agent team member. The Agent should submit their intention to form a team and their advertisement to their State Broker and to eXp's Agent Compliance team for review and approval prior to posting and indicate that it is an advertisement for the initial team member.
5. Agents shall not advertise under false pretenses and/or offer what appear to be positions of employment with eXp, eXp World Holdings, Inc., or any of its subsidiaries and/or advertise content which is otherwise misleading. Employment ads should include Agent team name and indication of affiliation with eXp (e.g., John Doe Real Estate Team – by, with, or of, eXp).
6. Job listings must not contain eXp branding, official images, logos, or other intellectual property with the exception of an eXp logo. Employment advertisements must not contain links to official eXp job listings or websites.
7. Income as an eXp Agent through commission or revenue share is not guaranteed and is based on productivity. Unless the position for which the Agent is hiring has a set base hourly rate or salary amount, then the amount listed in the wages or salary section of the employment ad must say "commission-based" or an equivalent. If platform rules do not allow a non-specific amount, Agents must select the lowest wage or salary amount allowed and provide information about earning potential within the body of the description. Job postings must follow platform guidelines for independent contractor, non-employee (1099) positions if there is no base wage or salary offer.

K. Media Relations

eXp has furnished Agents with the "Media Relations Guidelines and Best Practices" resource that they should read and understand before engaging with the media. This resource can be found at exprealty.com/publicrelations. Any additional questions or requests related to media relations should

be sent to pressreleases@exprealty.com.

All press releases mentioning eXp must be pre-approved prior to distribution and include the following language: “[insert name] is an independent contractor of eXp and this is not an official press release of eXp, its parent company eXp World Holdings, Inc., or any related subsidiary.” Once approved via the above email address, the press release cannot be modified without additional approval for the modifications.

Please refer all media requests to talk about eXp, services, products, data, stock price, market expansion, etc. to pressreleases@exprealty.com.

Media requests about the Agent’s opinion on the local market are acceptable. Agents should refrain from speaking directly about eXp or speculating on the stock price of eXp World Holdings, Inc. We discourage Agents from discussing national industry issues or local/national competitors.

L. Content License And Model Release Provided By An Agent

Unless otherwise expressly agreed upon in writing between eXp and Agent, to the extent an Agent provides to eXp or any of its affiliates or licensees (not to be confused with real estate licensees) (collectively, “**eXp Licensees**”), any photographs, images or content of any type created or otherwise owned by the Agent (collectively, “**Agent Content**”) including, without limitation, by uploading such Agent Content via any online network operated by an eXp Licensee, Agent retains ownership to such Agent Content but Agent hereby grants eXp Licensees a royalty-free, irrevocable, world-wide, perpetual, non-exclusive license to publicly display, distribute, reproduce and create derivative works of the Agent Content, in whole or in part, in any media, including on any eXp Licensee website, for any purpose, including advertising and promotion of eXp Licensee services and/or products.

1. Agent warrants and represents that Agent Content provided by Agent to eXp Licensees does not violate the intellectual property of others. eXp Licensees will not be required to pay any additional consideration or seek any additional approval in connection with using the Agent Content provided by Agent, and eXp Licensees retain exclusive and sole discretion as to whether to use such Agent Content or reject or remove such Agent Content from any online systems operated by any eXp Licensees.
2. Moreover, to the extent Agent provides to any eXp Licensees, or otherwise consents to allow eXp Licensees to receive and/or record any photographs and/or verbal statements of the Agent as a model, Agent hereby provides eXp Licensees with the irrevocable right to use Agent’s name (or any fictional name), likeness, picture, portrait, photograph, video, and voice in all forms and in all media and in all manner, without any restriction as to changes or alterations (including but not limited to composite or distorted representations or derivative works made in any medium) for advertising, trade, promotion, exhibition, or any other lawful purposes, and Agent waives any right to inspect or approve such photograph(s) or finished version(s) incorporating such photograph(s), including any written materials or other content that may be created and appear in connection therewith. Agent acknowledges and agrees that eXp may record any instances occurring within eXp World, and that all Agent avatars and/or voices are subject to recordation and subsequent use by eXp. For example, if you

attend any eXp in-person events (as an Agent), and photographs are taken, those photographs may be used by eXp for any purposes; that is, eXp is free to use them in advertising, on social media sites, etc. The preceding is but one example, and is not intended to limit the license being granted to eXp.

3. Agent hereby waives all moral rights as to such photographs and releases and shall hold harmless eXp Licensees, and their assigns, licensees, successors in interest, agents, employees and representatives from any liability by virtue of any blurring, distortion, alteration, or use in composite form whether intentional or otherwise, that may occur or be produced in the taking of the photographs, or in any processing thereof.

XI. REPRESENTATION ON REALTOR® ASSOCIATION AND MULTIPLE LISTING SERVICE BOARDS OF DIRECTORS

A. Associations of REALTORS®

Being elected to serve on a Board of Directors of a REALTOR® Association is both an honor and a privilege that also carries responsibilities. An Agent's role on the Board of Directors, while earned by personal excellence, reflects upon eXp as their brokerage.

In general, eXp leaves local Association business decisions in the Agent's capable hands, however there are areas where eXp requests that the Agent consider the welfare of the brokerage as being the deciding factor in the vote. Specifically, if there are opportunities for either physical or data consolidation, eXp asks that the Agent strongly support them as being beneficial to the industry and to eXp as a national brokerage.

From time to time, eXp will publish guidance as to our position on issues specific to the National Association of REALTORS® or at the state or local levels. Please consider that guidance as being a recommended course of action when voting. If an Agent has any questions, please do not hesitate to contact the VP(s) of Brokerage Operations.

B. Multiple Listing Services

Agent access to their local/regional multiple listing service ("MLS") is always via the broker participant; Agents cannot join an MLS without the broker first becoming a participant of the service.

When serving on the Board of Directors of an MLS, eXp Agents and regional brokers will bear in mind that because we are a brokerage, not a franchise model, access to the MLS is conditional upon eXp's approval. As a result, policy and business decisions regarding MLS on the national, state and local levels will conform precisely to stated eXp policies and positions. In the absence of a stated position, elected volunteers usually cannot go wrong by choosing consumer-friendly policies that enhance data collaboration, consolidation and the freedom of the broker to use MLS data in ways conforming to

generally accepted practices on the internet.

XII. EXP SUSTAINABLE REVENUE SHARE PLAN

The eXp Sustainable Revenue Share Plan exists to provide a financial incentive to the Agents with eXp who have helped grow sales within the eXp family of real estate brokerage companies. The Revenue Share Plan aims to pay out 50% of Company Dollar (referred to as the Revenue Share Pool) to Agents who help eXp's sales grow by attracting fellow agents to join its ranks. As defined in the ICA, Company Dollar is that dollar amount (typically equivalent to 20% of GCI) that eXp retains from commission earned on closed Transactions. The Revenue Share Plan guidelines are defined and explained below.

A. Definitions

Tier: The hierarchy of Agents that are sponsored in succession beginning with the Agent and each group of Agents thereafter, as follows:

- Agent.
- Tier 1: the group of eXp Agents sponsored by the Agent.
- Tier 2: the group of eXp Agents sponsored by Tier 1 eXp Agents.
- Tier 3: the group of eXp Agents sponsored by Tier 2 eXp Agents.
- Tier 4: the group of eXp Agents sponsored by Tier 3 eXp Agents.
- Tier 5: the group of eXp Agents sponsored by Tier 4 eXp Agents.
- Tier 6: the group of eXp Agents sponsored by Tier 5 eXp Agents.
- Tier 7: the group of eXp Agents sponsored by Tier 6 eXp Agents.

Revenue Share Group: An Agent's Revenue Share Group consists of the Agents he or she personally sponsors to join the sales ranks of eXp and those Agents sponsored thereafter as a result of that Agent's original sponsorship(s).

Qualifying Transaction: A Qualifying Transaction is either, (a) a purchase Transaction, sales Transaction, or (in the case of eXp Commercial) a business brokerage Transaction, that generates Company Dollar; or (b) BPOs, rental/lease Transactions, or referrals that respectively generate Gross Commission Income of at least \$1,000. A Personal Transaction does not generate Company Dollar, and is therefore not a Qualifying Transaction.

Revenue Share Pool: Fifty percent (50%) of Company Dollar generated on a Qualifying Transaction; used for calculation of revenue share payments.

eXpansion Share: eXpansion Share is revenue share generated from the Revenue Share Pool received from Qualifying Transactions closed by an Agent's Revenue Share Group, and that is paid out to the Agent in an amount that is based on the Tier group of Agent(s) who closed the

Transaction(s). See the Revenue Share Plan Chart ("**Revenue Share Chart**") below for a breakdown of the amount of eXpansion Share paid for each Tier group.

eXponential Share: eXponential Share is revenue share generated from the Revenue Share Pool received from Qualifying Transactions closed by an Agent's Revenue Share Group, and that is paid out to the Agent in an amount that is based on the Tier group of Agent(s) who closed the Transaction(s). In order to unlock eXponential Share earning potential, the Agent must have the minimum number of Front-Line Qualifying Active agents (as defined below). See the Revenue Share Chart below for a breakdown of the amount of eXponential Share paid for each Tier.

Front-Line Qualifying Active ("FLQA"): A Front-Line Qualifying Active agent is a licensed Agent who has been sponsored into eXp and that has been active and productive with eXp during the prior rolling six-month period by closing a minimum of \$5,000 in Gross Commission Income. In order to unlock eXponential Share earning potential beyond Tier 1, an Agent must have the minimum number of Front-Line Qualifying Active agents in his or her Revenue Share Group.

Revenue Share Eligible: For an Agent to remain eligible to collect revenue share (also referred to as "**Revenue Share Eligibility**"), the Agent must be in Good Standing.

Initial FLQA Period: The Initial FLQA Period is a six (6) month period that begins at the moment that an Agent satisfies the Initial FLQA Period Productivity Requirement (defined below), during which time Agent will be classified as FLQA for his or her sponsor.

Initial FLQA Period Productivity Requirement: A new Agent satisfies the Initial FLQA Period Productivity Requirement (also referred to as the "**Productivity Requirement**") when he/she closes a minimum of \$5,000 in Gross Commission Income during the prior six (6) month period.

Vested: Subject to certain qualifications and conditions, as described below, an Agent that is Vested in the Revenue Share Plan may continue to receive benefits payable thereunder after Agent terminates his or her ICA or discontinues actively engaging in licensed real estate activities.

Straw Agent: Straw Agents are Agents who are not engaged in the business of selling real estate or engaged in the process of attracting other productive agents to join eXp and help grow company sales.

B. Revenue Share Explained

Revenue Share 2.0

TIER	eXpansion Share Percentage	FLQA Count Needed	eXponential Share						Top % of Revenue Share Pool on Transactions in Each Tier Group	
			0 - 4	0 - 4	0 - 4	5 - 9	10 - 14	15 - 29		30+
TIER 1	///		17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%
TIER 2	1.0%		///	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	20.0%
TIER 3	0.5%		///	///	12.0%	12.0%	12.0%	12.0%	12.0%	12.5%
TIER 4	0.5%		///	///	///	7.0%	7.0%	7.0%	7.0%	7.5%
TIER 5	0.5%		///	///	///	///	4.5%	4.5%	4.5%	5.0%
TIER 6	2.5%		///	///	///	///	///	10.0%	10.0%	12.5%
TIER 7	2.5%		///	///	///	///	///	///	22.5%	25.0%

As an eXp Agent encourages fellow active and productive agents to join the ranks of eXp and the eXp Agent is named as the sponsor of those new agents, the eXp Agent will begin earning the standard Tier 1, 17.50% of the Revenue Share Pool, revenue share amount on the Qualifying Transactions of the Agent's Tier 1 group of eXp Agents. As the Agent's Tier 1 group of Agents (Agent's direct sponsored agents) become sponsors themselves of more new Agents, each new Agent added to the Agent's Revenue Share Group can potentially expand and unlock the Agent's ability to earn more revenue share in two different ways: 1) eXpansion Share; and 2) eXponential Share.

Illustration: Agent directly sponsors 15 new eXp Agents (Tier 1 group), who in turn sponsor 25 more new eXp Agents (Tier 2), who in turn sponsor 40 more new eXp Agents (Tier 3), who in turn sponsor 30 more new eXp Agents (Tier 4). Of the Tier 1 group of eXp Agents, 10 are classified as FLQA which unlocks Tiers 2 & 3 of eXponential Share for the Agent. Agent will now earn:

1. 17.50% of the Revenue Share Pool in eXponential Share on all Qualifying Transactions of the 15 new eXp Agents (Tier 1 group); and
2. 1.0% in eXpansion Share + 19% in eXponential Share, for a total of 20% of the Revenue Share Pool on all Qualifying Transactions of the 25 new eXp Agents (Tier 2 group); and
3. 0.50% in eXpansion Share + 12% in eXponential Share, for a total of 12.50% of the Revenue Share Pool on all Qualifying Transactions of the 40 new eXp Agents (Tier 3 group); and
4. 0.50% of the Revenue Share Pool in eXpansion Share on all Qualifying Transactions of the 30 new eXp Agents (Tier 4 group).

(Note: The above illustration does not factor in application of any adjustment bonus.)

For all Company Dollar/Revenue Share Pool earned from Qualifying Transactions of each of the Agents in Agent's Tier groups, the Agent will receive revenue share from each of those Qualifying Transactions as long as the eXp Agent that closed the Transaction is not in a Capped Status. This is because there is no Company Dollar/Revenue Share Pool retained from the Transactions of an Agent who is in a Capped Status from which revenue share can be paid out.

The Revenue Share Plan pays out a percentage of the Revenue Share Pool per Qualifying Transaction of the Agent's Revenue Share Group and pays on the 22nd day of the calendar month following the closing of the Qualifying Transactions by the Agent's Revenue Share Group. If the 22nd day of the month falls on a weekend or bank holiday, then payment will be made on the business day prior.

When an Agent who is not Vested leaves eXp, the position that the departing Agent held within other sponsors' Revenue Share Groups immediately becomes an eXp position. The revenue share structure does not compress or roll up.

The Revenue Share Plan is funded entirely by the percentage of the Company Dollar that eXp retains on closed Transactions. Therefore, no revenue share dollars are paid out on any Transaction where the Agent who consummated the Transaction was in Capped Status or where no Company Dollar is earned.

C. Qualifications To Receive Revenue Share

In order to be qualified to receive revenue share, both eXpansion Share and eXponential Share, an Agent must be Revenue Share Eligible on the date when a Qualifying Transaction closes, and the Agent's license must be active and affiliated with eXp in every state that the Agent engages in activities requiring a real estate license.

D. Manipulating Revenue Share Plan Prohibited

Each Agent has an obligation to act in good faith in his or her dealings with eXp. Agents shall not attempt to manipulate the Revenue Share Plan. Examples of attempts to manipulate the Revenue Share Plan include, without limitation, each of the following: (1) engaging in the practice of sponsoring Straw Agents, and (2) adding any other Agent's name(s) to transaction documentation who was not a true party to the transaction solely for the purpose of artificially qualifying that eXp Agent as an FLQA.

eXp shall have the right and sole discretion to determine who is manipulating the Revenue Share Plan, and reserves the right to terminate Agents for such activities.

eXp will also notify an Agent that it has released the licenses of any Agent(s) that it believes are Straw Agents and review the Agent's recruiting practices with the Agent.

If, after reviewing the recruiting practices with the Agent, the Agent continues to engage in, or appears to be engaged in, the practice of manipulating the Revenue Share Plan, the Agent may be restricted from sponsoring agents and/or released from eXp.

E. Revenue Share Vesting Policy

1. Achieving Vested Status

Except as otherwise provided elsewhere in these eXp P&Ps, to become vested in the Revenue Share Plan, an Agent must satisfy each of the following two conditions for not less than 36 consecutive calendar months (the "Vesting Period"):

- a) be in Good Standing; and
- b) be affiliated with eXp as a real estate licensee.

2. Maintaining Vested Status

Once vested, an Agent shall remain vested in the Revenue Share Plan, subject to the following additional conditions:

- a) Within thirty (30) days from an Agent's Offboard Date, if the Agent has achieved a vested status, as described above, the Agent must submit a request to eXp via email to revenueshare@exprealty.net to be recognized as a vested Agent.
- b) For eXpansion Share: An Agent shall maintain their vested status in the eXpansion Share earned under the Revenue Share Plan from and after their Offboard Date, provided that they maintain a real estate license that is active and in good standing, even if they affiliate with a competitor (as described in the Competitor Affiliation is Prohibited section in these P&Ps).
- c) For eXponential Share: An Agent shall maintain their vested status in the eXponential Share earned under the Revenue Share Plan from and after their Offboard Date, provided that (i) they maintain a real estate license that is active and in good standing, and (ii) they do not affiliate with a competitor (as described in the Competitor Affiliation is Prohibited section in these P&Ps).

3. Losing Vested Status

Despite the statements in the "Maintaining Vested Status" section, above, eXp reserves the right, as determined in its sole discretion, to withdraw an Agent's Vested Status if any of the following conditions are true:

- a) an Agent is convicted of a crime;
- b) an Agent commits or attempts to commit or admits to committing acts of moral turpitude or that are inconsistent with eXp's core values;
- c) an Agent has engaged in legal action against eXp or acted in a manner that facilitates, or is in any way connected to, legal action against eXp; or
- d) an Agent has violated one or more obligations that survive the termination of their ICA.

4. Discretionary Regaining of Vested Status upon Reaffiliation

If a vested Agent offboards from eXp, and subsequently re-affiliates with eXp, regardless of whether reaffiliation occurs during or after the Agent's Original Sponsor Window, then that Agent may, in eXp's sole and absolute discretion, be restored to their original position in the Revenue Share Plan (and regain their vested status), subject to the following conditions:

- a) Agent re-affiliates under their original sponsor; and
- b) Agent did not lose their vested status for any of the reasons specified in Section 3 (Losing Vested Status), immediately above.

For avoidance of doubt, Agent's failure to satisfy the conditions of maintaining their vested status under Section 2 (Maintaining Vested Status), above, shall not adversely impact the potential restoration of Agent's original position in the Revenue Share Plan. Agent will not be entitled to receive any "back payments"; Agent will only be entitled to receive payments arising from their original position in the Revenue Share Plan which are generated from and after Agent's new Onboard Date.

F. Agent Succession Policy

An Agent may nominate a successor to his or her position in the eXp Sustainable Revenue Share Plan (collectively, an "**Agent position**" or "**Agent's position**") in the event of the Agent's death or permanent incapacitation. Upon the death or permanent incapacity of an Agent, such Agent shall automatically be considered Vested in the Revenue Share Plan regardless of whether the Agent has met the requirements under the Revenue Share Vesting Policy.

Nomination of a successor may only be accomplished by correctly completing the "Rev. Share Position" Successor Nomination Form (the "**Successor Nomination Form**"), which can be found at www.exprealty.com/successornomination, and submitting it to the Onboarding team (for newly joining agents) or the eXpert Care team (for existing agents), as applicable, within eXp prior to such Agent's death or permanent incapacity. Any Successor Nomination Form(s) submitted to eXp that is/are not properly completed will not be accepted. Nomination of a successor(s) becomes effective once the Onboarding Team receives a correctly completed and signed copy of the Successor Nomination Form. Completed Successor Nomination Forms submitted by newly joining Agents shall be submitted together with the rest of their new agent documentation to the Onboarding team; all other Agents must submit their completed Successor Nomination Forms to the eXpert Care Team via email to expertcare@exprealty.net.

Successor nomination(s) will only apply to the Agent's position as identified by the Agent ID number provided in section 1 of the Successor Nomination Form. An Agent may nominate no more than one primary and one secondary successor at a time. A minor, trust, or entity cannot be nominated as a successor because the successor must be eligible to obtain and hold a valid real estate license. An Agent's position may be transferred to the Agent's secondary successor if no primary successor is living or able to accept the Agent's position for any reason at the time of the Agent's death or

permanent incapacitation, or if the Agent's primary successor is not approved by eXp. If both of the successors nominated by an Agent predecease the Agent then the Agent must change his or her successor nomination(s) or that Agent's position will close upon that Agent's death and no further successor nomination(s) will be accepted, with the exception of any surviving spouse that was not previously nominated.

It is the sole responsibility of an Agent to change any nominated successors, except that, if the Agent was married and does not nominate a successor, or no nominated successor survives the Agent, the Agent's spouse shall be deemed to be nominated as the Agent's successor, provided that proof of marriage or a legally recognized union be provided to eXp upon request, and provided also that the Agent's spouse meets all of the requirements to become an approved, succeeding Agent. In the event of divorce where a former spouse was a nominated successor to an Agent, such nomination will automatically lapse and will not be recognized by eXp unless a new nomination, dated after the divorce or termination, is submitted.

An Agent can change his or her successor nomination(s) at any time by submitting one of the following to the eXpert Care Team at expertcare@exprealty.net: (i) a new Successor Nomination Form; or (ii) a letter of instruction to revoke the then current successor nomination(s) on file with eXp. The submitting Agent must *sign and date* the Successor Nomination Form or letter of instruction, as described immediately above, for his or her nomination change or revocation of nomination to be valid. A successor nomination may not be changed or revoked by will, codicil, trust, request made by email, telephone conversation, or any method other than by the Successor Nomination Form or letter of instruction, as described above.

Before any nominated successor can be placed into another Agent's position within eXp, the nominated successor must first be approved (through appointment) by eXp. eXp reserves the right, in its sole discretion, at any time and without prior notice, to decline to approve or accept any nominated successor for any or no reason. eXp shall not be required to approve the appointment of the nominated successor for an Agent that was not in Good Standing with eXp or for a nominated successor that is an existing Agent not in Good Standing. A nominated successor shall have a reasonable time, but in no event more than twelve (12) months from the date of Agent's death or permanent incapacity, to become a licensed real estate professional and join eXp, which shall be determined by the nominated successor's Onboard Date. All requests to exercise a successor's nomination must be submitted to the Agent Compliance team via email to compliance@exprealty.net.

Nomination as a successor does not create any legal right(s) to, legal interests in, or any guarantee of approval and appointment as a successor by eXp. Additionally, an Agent's position is not a property right that can be transferred through a will, trust instrument, probate proceedings, guardianship/conservatorship proceedings, divorce proceedings, sale and/or assignment, and/or any other legal process. For avoidance of doubt, an Agent's legal representative (under a will), trustee (under a trust), attorney in fact (under a power of attorney), guardian or conservator (under a guardianship/conservatorship), or a court of competent jurisdiction (in legal proceedings), cannot nominate (or appoint) an Agent's successor; only an Agent can nominate his or her successor by

completing and submitting the Successor Nomination Form to eXp and only eXp can approve an Agent's nomination and appoint a successor to an Agent's position. An Agent's position cannot be bought, sold, traded, or otherwise conveyed by an Agent; eXp reserves the right to deny approving and accepting the appointment of an Agent's nominated successor if eXp, in its sole discretion, believes that an Agent's position is being bought, sold, traded, or otherwise conveyed.

Any revenue share earnings that would otherwise become payable during the period of time beginning on the date of an Agent's death or permanent incapacitation and the nominated successor's Onboard Date (if the successor is not already an Agent), or appointment approval date (if the successor is already an Agent), shall accrue for a period not to exceed twelve (12) months following Agent's death or permanent incapacitation. The accrued revenue share earnings shall be paid to Agent's approved and appointed successor. If Agent's nominated successor does not become approved and appointed on or before the twelve (12) month period, then all such accrued revenue share earnings shall lapse and will not be paid out to the Agent's successor or held for payment at a later date.

An Agent's position may be transferred through Agent Succession in perpetuity. If an Agent holds more than one Agent position through Agent Succession, that Agent can only earn an ICON Agent Award on one Agent position. If an Agent holds more than one Agent position, that Agent may nominate different successor(s) to each Agent position that they hold.

G. Modifications to the Revenue Share Plan

The stated revenue share payout structure may be modified to allow eXp to better compete, attract and retain agents as well as to maintain a base level of profitability.

The terms and conditions of this policy, or to the eXp Sustainable Revenue Share Plan, are subject to modification as and when determined by the Executive Management of eXp and/or the Board of Directors of eXp World Holdings, Inc., without notice to or approval from Agents. An explanation about revenue sharing calculations as well as other aspects of the Revenue Share Plan can be obtained by contacting eXp's Revenue Share Support Team at revenueshare@exprealty.com. Notwithstanding anything to the contrary in the ICA or in eXp's P&Ps, no modifications to the Revenue Share Plan will require eXp to provide notice of such modifications to Agents, or to obtain signatures from Agents, in order for such modifications to be binding against Agents.

**In acknowledgment of certain contributions made to eXp's growth and infrastructure, eXp reserves the right to designate certain managing brokers, executives and key personnel as being in Good Standing with eXp notwithstanding any discrepancies that may exist from time to time between their own personal production and the criteria set forth in the ICA and the eXp P&Ps. In addition, such personnel may be deemed to be in Good Standing even though no monthly Cloud Brokerage Fee is assessed against such personnel.

XIII. AGENT ATTRACTION

Agents can influence prospective Agents not yet affiliated with an eXp brokerage firm to join eXp and leverage their efforts to earn Revenue Share. **"Agent Attraction"** is the process of engaging credible, ethical, and productive real estate professionals and inviting them to join eXp, or its commercial affiliate, eXp Commercial.

The policies in this section are based on eXp's core values and serve as a guide for Agents as they participate in ethical and successful Agent Attraction activities. All efforts related to Agent Attraction that violate any law, rule, or regulation on a national, state, and local level are prohibited.

A. Sponsorship Interference Prohibited

1. Agents are prohibited from encouraging prospective Agents already engaged in the Agent Attraction process with another Agent to change their intended sponsorship declaration.
2. It is the responsibility of each Agent to discover if a prospective Agent is already engaged in the Agent Attraction process with another Agent and shall refer them back to their prior contact as a professional courtesy.
3. Each Agent is responsible to ensure that the recipients of their Agent Attraction communication are not currently eXp Agents. These types of solicitations and any other actions encouraging a change of sponsorship by a current Agent are considered to be interference and are prohibited.
4. Any effort to interfere with, coerce, or otherwise unethically convince a prospective or current Agent to change their intended sponsorship declaration (or current sponsor) is subject to corrective action up to and including termination of their affiliation with, and severance, from eXp.
5. Incentives may not be used as a means to persuade a prospective Agent to change their intended sponsorship declaration. This includes offering benefits outside of eXp business model such as cash, access to paid services, gifts, office space, guaranteed leads, the payment of monthly technology and registration costs with eXp, etc.
6. Disparaging fellow Agents in an effort to persuade a prospective Agent to change sponsorship or their intended sponsorship declaration is strictly prohibited.

B. Income Claims

Agents at eXp can generate income through three distinctive opportunities: Real Estate Commission, Equity Opportunities, and eXp Sustainable Revenue Share Plan. The discussion or presentation of these opportunities to prospective Agents are considered to be income claims and must be done so in accordance with the guidelines below.

Income claims are statements or representations that depict earnings obtained by Agents as a result of participating in eXp opportunity. Such claims consist of direct statements, presentations, videos, social media posts, charts, and images that directly state or imply what earnings an individual Agent made or makes and what earnings a prospective Agent might be able to make with eXp. Income and earnings claims also include implied claims such as lifestyle representations.

All claims related to earning income with eXp must adhere to the following guidelines:

1. Income claims must be truthful, accurate, and not misleading in any way.
2. All claims related to earning income with eXp should set appropriate expectations for your audience by providing context including the time, work, and effort needed to obtain it.
3. Income claims must be accompanied by eXp's income disclaimer statement that also includes a link to eXp's U.S. average income disclosure chart. Agents shall place the following statement clearly and conspicuously in their content:

"These figures are not a guarantee, representation or projection of earnings or profits you can or should expect. They also do not include expenses incurred by agents in operating their businesses. eXp makes no guarantee of financial success. Success with eXp results only from successful sales efforts, which require hard work, diligence, skill, persistence, competence, and leadership. Your success will depend upon how well you exercise these qualities. Visit www.exprealty.com/income for average agent earnings and additional information about earning opportunities with eXp."

4. Agents shall use eXp-produced marketing materials to describe the ways to earn income with eXp. This content includes general program descriptions, detailed information, and hypothetical examples of earnings through the various income opportunities offered by eXp. Any Agent-created content including income claims and examples must be submitted for review and approval via email to the applicable State Broker team and to eXp's Agent Compliance team through compliance@exprealty.net.
5. Agents may not use words and phrases such as "residual" or "passive" income, or in any other way imply that hard work and effort is not needed to earn income with eXp from commissions, equity or revenue share.
6. The creation and use of online revenue share calculators is strictly prohibited.

C. Recruiting

1. Except as expressly provided by eXp, in writing, real estate licensees who hang their license with eXp are the only individuals authorized to present the eXp opportunity to prospective Agents.
2. Agents may employ the services of assistants (including licensed, unlicensed and virtual) to engage in limited Agent Attraction-related activities provided they adhere to these guidelines:
 - a) Assistants may not actively recruit individuals or present eXp opportunity.
 - b) Compensating individuals, in any manner, either directly or through affiliation, who are not real estate licensees affiliated with eXp, to recruit or attract agents to eXp is strictly prohibited. Agents shall not hire or engage any third parties for the purpose of engaging in recruitment or attraction activities on that Agent's behalf.
 - c) Assistants may set appointments for the Agent who employs them to present eXp opportunity to prospective Agents.
 - d) Assistants must clearly identify the Agent or team they are representing, provide opt-out instructions, and present the Agents' contact information to the prospective Agent they

are communicating with. For example, if an assistant is engaged by a particular Agent and not by eXp (as a company), that assistant cannot say that they are calling on behalf of eXp; they may only say they are calling on behalf of the Agent on whose behalf they are engaged.

- e) The hiring of assistants whose responsibilities will include participation in the above Agent Attraction activities must comply with the policies found in these eXp P&Ps (respectively titled "Agent Assistants - Unlicensed," and "Agent Assistants - Licensed") that regulate the utilization of assistants.
3. The use of agents, hired agents, staff, recruitment companies or other similar third-party services to send unsolicited text messages, emails, place phone calls, etc. is not allowed in the Agent Attraction process.
 4. Compensating individuals, in any manner, who are not real estate licensees affiliated with eXp, to recruit or attract agents to eXp is strictly prohibited. An Agent shall not hire or engage any third parties for the purpose of engaging in recruitment or attraction activities on such Agent's behalf.
 5. Agents may utilize prospective-agent prospect lead-generating services provided that the prospective-agent leads have given permission to be contacted and the initial contact with such leads is in compliance with the terms and services of platforms where the contact takes place and adheres to any applicable laws such as the Solicitation Laws. Lead-generating services and their representatives may not present the eXp opportunity.
 6. Agents are prohibited from offering cash or stock incentives as a means to recruit prospective Agents. However, Agents may offer to help cover some de minimis transition (trivial or minor) expenses such as, new signs, business cards, etc.
 7. Unless expressly authorized by eXp's Agent Compliance Group, in writing, Agent-created content that includes comparative advertising of eXp to a competing real estate brokerage is prohibited.

D. Sponsorship

1. Definition and Responsibilities

The eXp Sustainable Revenue Share Plan is a way for eXp to say "thank you" to Agents who attract serious and productive professionals who fit culturally with eXp and its core values. Once a joining Agent selects a sponsor and joins eXp, their sponsor enters into a financial relationship with eXp where eXp pays a percentage of Company Dollar to that individual in the form of revenue share. If the sponsor leaves eXp, that financial relationship is severed and their position in the Revenue Share Plan reverts to eXp.

It is the right of a prospective Agent to identify and select the individual they choose to name as their sponsor. The sponsor is the Agent who a joining Agent identifies as the person who most influenced them to join eXp. This declaration is made during the process of completing the ICA. An Agent's sole requirement to qualify as a sponsor is selection by the joining Agent as the individual who most influenced them to join eXp. The role of sponsor is distinctive from other roles like a mentor, coach, or team leader. In some cases, these roles are

assumed by the same person, but they are not mandatory for a sponsor.

2. **Change Requests**

In order to maintain the integrity of eXp Sustainable Revenue Share Plan, eXp may only grant changes in sponsorship in very limited situations. Changes in sponsorship are only permitted under very extraordinary conditions that meet one or more of the criteria below. Except in situations with extenuating circumstances as determined by eXp, sponsorship change requests must be submitted to eXp via email at compliance@exprealty.net within **thirty (30) business days** of the Onboard Date of the Agent requesting the sponsorship change.

Sponsorship change request criteria:

- a) Errors
 - (1) Clerical, administrative, or system errors on the part of eXp.
 - (2) Misidentification of sponsoring Agent by eXp or joining Agent (e.g., John Smith as opposed to Jon Smith).
 - (3) Omission of sponsor name during the enrollment process (if requested by eXp, in its sole discretion, Agent may be required to provide evidence of prior relationship with the requested sponsor and their attraction efforts).
 - (4) Sponsor change requests within the same Revenue Share Group in cases where the Agent has misidentified sponsor as the upline/team leader (requires written approval from the current sponsor).
- b) Misconduct
 - (1) Misleading or fraudulent attraction efforts where a prospective Agent is led to believe they are signing up under a specific individual, but the listed sponsor is another Agent not previously discussed or disclosed to the prospective Agent.
 - (2) Sponsorship change based on improper enrollment of the prospective Agent without their authorization or signing up a prospective Agent without disclosing eXp as the brokerage.
- c) Brokerage Migration
 - (1) In situations where an independent brokerage moves to eXp and the joining Agent had previously been with eXp and is still within the Original Sponsor Window (as such term is defined in the ICA), eXp will allow the joining Agent to select a new sponsor under the joining team.

Agents wishing to leave eXp in order to change their selected sponsor must remove their license from eXp and allow the Original Sponsor Window to expire before they can rejoin under a different sponsor. If the Agent returns before expiration of the Original Sponsor Window, the Agent must name their original sponsor.

Sponsorship changes outside of the preceding criteria will only be made at eXp's discretion. All other sponsorship selections, placements, and decisions are considered irrevocable.

3. Cross-Border Sponsorship

Cross-border sponsorship under the Revenue Share Plan may be subject to different rules than those set forth in these eXp P&Ps, which differing rules are enforceable in eXp's discretion.

E. Agent Prospects, Contacts, and Leads

Agents shall not engage in the unlawful recruitment of prospective Agents, including, but not limited to, intentionally and knowingly encouraging or facilitating a franchise broker/owner to (i) abandon their franchise prior to the expiration term in the franchise agreement or (ii) otherwise breach their franchise agreement to affiliate with eXp. Any violation of state or national law during Agent Attraction activities is, at eXp's exclusive election, grounds for termination of an Agent's ICA with eXp or exclusion from participation in eXp's Sustainable Revenue Share Plan.

Agent Attraction contacts and leads must be sourced and managed appropriately in accordance with the following guidelines:

1. Agent is responsible to verify that Agent prospect contacts and leads are not currently Agents who are licensed with eXp. "Blind" attraction efforts between existing Agents may constitute interference and are strictly prohibited.
2. Agents are prohibited from harvesting prospective Agent contact information from databases such as the MLS, Boards, or other sources in order to broadcast attraction-related information to large groups through mass emailing, robo-dialers, text messages, mailers (flier), online messenger, or other channels.
3. Leads and contacts obtained from third-party services or other forms of recruiting assistance must be verified by the Agent as having given permission to be contacted regarding eXp opportunity. It is the sole responsibility of the Agent to certify this information.
4. Prospective Agent contacts must knowingly opt-in to receive information regarding eXp opportunity and must be provided with easily-accessible means to opt-out of future solicitations related to Agent Attraction. Agents must honor opt-out requests promptly and cease further contact. Outreach must be performed in accordance with the Solicitation Laws, and all other applicable federal, state and local guidelines, and their implementing rules and regulations. Transmitting unsolicited voice and text messages (as well as other forms of communication) is heavily restricted and regulated under the Solicitation Laws and other federal laws and regulations as well as various state and local jurisdictions' laws and regulations. Each Agent should consult their legal advisor to ensure compliance with the Solicitation Laws.
5. Agents shall not engage in the unlawful recruitment of prospective Agents, including, but not limited to, intentionally and knowingly encouraging or facilitating a franchise broker/owner to (i) abandon their franchise prior to the expiration term in the franchise agreement or (ii) otherwise breach their franchise agreement to affiliate with eXp. Any violation of state or national law during Agent Attraction activities is, at eXp's exclusive election, grounds for termination of an Agent's ICA with eXp or exclusion from participation in eXp's Sustainable

Revenue Share Plan.

F. Attraction Marketing and Communication

1. All content (both offline and online) related to Agent Attraction must adhere to the guidelines and approval process found in the Marketing And Advertising section of these eXp P&Ps.
2. Any communication for the purpose of Agent Attraction (whether solicited or unsolicited) through email, telephone, text message, social media, messenger, etc. must be done so in adherence with national, state, and local laws that regulate communication including, but not limited to, the Solicitation Laws.
3. Social Media
 - a) Paid ads for the purpose of Agent Attraction through social media, search engines or other online advertising platforms are prohibited.
 - b) Agents are encouraged to leverage their social media networks and execute their own organic social media campaigns to share eXp opportunity.
 - c) Accurate and truthful representation in professional profiles, whether online or otherwise, is required. Agents must avoid using titles which would reasonably lead someone to believe that they are an employee of eXp or representing themselves as an employee of eXp.
4. In-person and online meetings must be advertised and conducted in accordance with our core values of transparency and integrity. Agents must deliver on advertised content and avoid "bait and switch" tactics to entice attendees to join an Agent Attraction event.
 - a) "Lunch and Learns", webinars, conference calls, and other similar opportunities must be advertised and executed in such a way that prospective Agents do not feel deceived or misled in any way. If Agents host such events the intent to share eXp opportunity must be clearly stated in all communications advertising for the event.
 - b) Paid ads for Agent Attraction are not allowed. Therefore, any event with the intention of Agent Attraction may not be advertised through paid means. These types of events may be shared organically through social media, through opted-in email lists, etc.
 - c) If an Agent event provides education or training on a real estate-related topic (not Agent Attraction), you may advertise (paid and non-paid) for this event. At the conclusion of an Agent-hosted event you may let attendees know that you will be taking a short break allowing them to leave. If they choose to stay, you may then engage those who remain in the Agent Attraction process after a clear break has been taken from your original presentation. The intention and spirit of this provision is that an Agent cannot advertise for an attraction event; consequently, Agent cannot "bait and switch" by advertising for an education or training event on a real estate-related topic, provide token coverage of that topic, and use the balance of that event to engage in the attraction process.

G. Reporting Agent Attraction Violations

It is at eXp's sole discretion to determine if a practice not mentioned in the policies above is aligned with its culture and core values. eXp reserves the right to ask Agents to discontinue any Agent Attraction practice that it deems to be in conflict with these policies and procedures and eXp's core values.

Agents must abide by the articles set forth in the National Association of REALTORS® Code of Ethics, eXp's Core Values, and these eXp P&Ps. Agents must always represent eXp and its business model with the highest degree of accuracy, integrity, and professionalism. Agent Attraction and participation in the revenue share plan is a privilege and not a right.

Any violation of these guidelines must be reported to the Agent Compliance team by email at compliance@exprealty.net.

H. Stock Solicitations Prohibited

As a business having a parent corporation with publicly traded common stock, eXp is subject to requirements relating to the substance and manner of public communication. Federal securities laws generally require that, in the absence of an exemption, offers to buy stock, and solicitations regarding stock, need to be preceded by a filed registration statement relating to the offer. All Agents of eXp shall follow the guidelines below (in addition to the eXp World Holdings, Inc. Insider Trading Policy, also below) for the protection of eXp and those affiliated with it. Failure to adhere to these guidelines will result in immediate release from eXp.

1. All directors, officers, employees and Agents are subject to SEC Insider Trading regulations which include the obligation not to disseminate confidential information of eXp.
2. Agents cannot solicit interest in, or encourage others to buy eXp World Holdings, Inc.'s stock, or promote eXp World Holdings, Inc.'s stock or stock's growth as the basis for encouraging others to join eXp, unless expressly authorized by eXp World Holdings, Inc. and pursuant to applicable securities laws.
3. Agents should only discuss the equity program or similar stock incentives according to official eXp literature.
4. Agents may not post their equity account balances on social media whether it is in the form of a screenshot, a graphic, or in a text description. This prohibition also extends to inclusion in presentations, videos, and other content that is used for Agent Attraction.
5. Agents must adhere to all guidelines found in the Income Claims section of the eXp P&Ps when discussing, presenting, or sharing their participation in the equity opportunities with eXp both in public and private conversations (including social media). Agents are encouraged to direct potential Agents to eXp approved resources or publicly available information.

I. Event Sponsorship Requests from Vendors

From time to time, opportunities may arise for vendors to sponsor local events for eXp (for example, and without limitation, eXp Regional Rallies events). Individuals that are not eXp Agents may or may not attend such local events. By contrast, EXPCON events are not "local" events for purposes of this section of this eXp P&Ps.

If Agent learns of a vendor that desires to sponsor a local event for eXp (hereinafter, a "**Potential Local Sponsor**"), the Agent will submit a sponsorship request to eXp's Brokerage Operations department (through one of its COE Directors) at least two weeks prior to the event. eXp reserves all rights to refuse such sponsorship by a Potential Local Sponsor for any reason. At NO time is the Agent to handle the funds without written approval from eXp's Brokerage Operations department (through one of its COE Directors).

If the Potential Local Sponsor is not a participant in eXp Solutions (formerly referred to as Affiliated Services, and Preferred Partners), eXp will not advertise or otherwise promote Potential Local Sponsor in eXp World, on eXp's Workplace from Facebook application, in eXp's newsletters, or in eXp-generated emails; however, an acknowledgement of the Potential Local Sponsor's sponsorship (in the form of a "thank you") may be made on eXp's Workplace from Facebook application, in eXp's newsletters, and in eXp-generated emails.

XIV. COMPANY TOOLS AND INFORMATION

A. eXp Communication and Training Platforms

Through Workplace, eXp Enterprise and eXp World, eXp provides best practices in different parts of the business. It is the responsibility of the Agent to stay up to date on the latest policies and procedures, as well as the latest best practices relative to working with any tools and services eXp has deployed or is being recommended for Agents to use.

1. Agents shall not give out usernames or passwords or any other access to any internal or eXp provided third party system.
2. Agents may not share any recorded video (e.g., event instances in eXp World, sessions from eXp Shareholders Summit, sessions from eXpCON, etc.) intended for internal use by eXp without receiving written approval from eXp.
3. When hosting a session in eXp World, Agents may record the session but only with the consent of the attendees.
4. Distribution of recorded or captured content through websites and social media (e.g., Facebook, LinkedIn, YouTube, etc.) is not allowed without eXp's written consent.
5. eXp reserves the right to limit the use of any video content to the extent eXp determines in its sole discretion that the video content does not contain accurate information about eXp or does not accurately represent eXp's desired image or brand.

B. Workplace

Workplace is an invaluable tool that eXp and its Agents use to communicate, interact, and share information with each other. This internal network empowers all users to practice eXp's Core Values of Community and Collaboration. In order to maintain the integrity and usefulness of the network, Agents must abide by the following guidelines as they use Workplace in their daily work.

1. User Guidelines for Agents

- a) Content that is discourteous, aggressive, defamatory, discriminatory, sexually explicit, offensive, or in any other way damaging to Workplace users is prohibited. Content of this nature will be deleted by eXp's Workplace administrators.
- b) Disparagement of fellow Agents, eXp staff, eXp leadership, or competitors is not allowed.
- c) Using Workplace to self-promote and to promote merchandise, products, and paid services is permitted only in the eXp Marketplace closed group. Agents can access this group by clicking [here](#). All other solicitations are prohibited. Posts in violation of this policy will be deleted. Repeated violations of this policy may result in disciplinary action up to removal from eXp.
- d) Using Workplace Chat to message, "cold call", or make any kind of solicitation to other users without their consent is not permitted.

2. Group Guidelines for Agents

Workplace groups encourage and enhance cross-team collaboration, provide a place to give feedback and speed up decision making. Agents may join or create groups. Group creation must adhere to all of these guidelines:

- a) Agents must make sure the group doesn't already exist;
- b) The title of the group should not have "eXp" in the title as that is used for official company-monitored groups. All official groups will display the designation of "official group" and are marked with a green Workplace shield icon;
- c) The group should be for discussion, project, or general interest;
- d) Groups should not create the expectation that eXp support will be provided;
- e) Ensure that your group aligns with eXp Core Values; and
- f) Adding users to groups without their consent is not allowed.

Any group or content deemed to be misleading or inappropriate will be removed by eXp's Workplace administrators. eXp reserves the right to remove or assign admins to any group it deems necessary.

C. eXp World

Even though eXp World is a virtual work environment it should be treated as a professional place of

business. Appropriate workplace etiquette must be observed including the personal conduct and behavior of all users. Agents shall adhere to eXp's Code of Conduct, Core Values, and avoid any actions or content that are argumentative, discourteous, or otherwise unprofessional while in eXp World.

Agents should also become familiar with the platforms' Terms of Service and Privacy Policy found at <https://learn.framevr.io/tos-privacy-policy>. Failure to adhere to these guidelines could result in disciplinary action.

D. eXp Email for Agents

eXp provides to each Agent an eXp email alias, also known as a forwarding or alternate email address, that is configured to forward to the personally owned and controlled email address an Agent provides to eXp for purposes of conducting eXp business. eXp email aliases do not have a mailbox of their own, and instead only forward all incoming emails to an Agent's personal email address. Email aliases may be delivered by various providers from time-to-time as requirements and costs dictate. eXp email aliases enable forwarding to other email addresses and systems. eXp does not and cannot access Agent personal email accounts and only receives logs of forwarding activity related to each eXp provided email alias. eXp provided email aliases are not configured for sending email from the provided email alias, Agents are responsible for that configuration. Agents are responsible for ensuring their respective eXp email alias forwards incoming email to their correct email account, so that important communication from eXp, their State Broker, and/or actual or prospective clients is not missed.

For avoidance of doubt, eXp employees use eXp provided email accounts using the "@exprealty.net" email domain to communicate with Agents and other eXp employees, and to conduct eXp business, as opposed to Agents' eXp email aliases which use the "@exprealty.com" email domain.

Agents are strongly encouraged to use email security best practices to protect their email accounts from unauthorized access and avoid wire fraud attempts. Agents are also strongly encouraged to use the Wire Fraud Email Notice Template provided by the National Association of Realtors® at <https://www.nar.realtor/law-and-ethics/wire-fraud-email-notice-template>.

XV. ICON AGENT AWARD

The ICON Agent Award is aimed at attracting and incentivizing top Agents into eXp.

The ICON Agent Award provides each qualified "ICON" with publicly traded eXp World Holdings, Inc. common stock upon the achievement of certain production and cultural goals within an Agent's Anniversary Year. The ICON Agent Award Program is subject to approval by the Board of Directors each year. Full qualification details can be found by visiting the ICON Agent Award webpage at join.exprealty.com/icon-agent-award. An Agent is not eligible to receive an ICON Agent Award (or receive ICON status), unless the Agent is in Good Standing with eXp.

XVI. EXP MENTOR PROGRAM

Generally, if an Agent has not completed three purchase Transactions or sale Transactions (or any combination thereof) within the twelve (12) month period immediately preceding the Agent's Onboard Date (collectively, the "**Mentor Program Requirements**"), the Agent will be required to participate in the eXp Mentor Program, as a mentee, upon transfer of their license to eXp. In that event, Agent will be required to enter into the eXp Mentor Program Addendum to ICA, the form of which will vary depending upon the state in which the Agent is licensed. Notwithstanding the preceding, eXp reserves the right to require an Agent to participate in the eXp Mentor Program, as determined in its sole discretion. eXp reserve the right to require any Agent to reenroll in the eXp Mentor Program as may be required by applicable law. If an Agent enrolled in the eXp Mentor Program has not been assigned a mentor, then that Agent's mentor shall be that Agent's State Broker. eXp may share the mentee's personal contact information with other Agents that provide assistance in the eXp Mentor Program.

XVII. EXPRESSOFFERS INVESTOR REFERRAL FEE

Agents desiring to participate in eXp's ExpressOffers program and generate additional referral fees by referring investors to eXp must first complete the ExpressOffers training and enter into the ExpressOffers Investor Referral Addendum to Independent Contractor Agreement.

XVIII. MULTI-GLOBAL LICENSE PROGRAM

A. Background

The eXp World Holdings, Inc. family of real estate brokerage companies is comprised of the following brands: eXp® Realty and eXp® Commercial. Each brand conducts its own in-country operations through specific brokerage companies that are licensed or registered to engage in the real estate brokerage business in their particular jurisdiction (whether country, state, province, region, etc.) (each, an "**eXp Brokerage**"). Except as it pertains to the brokerage companies operating under the eXp® Realty (USA) brand, and eXp® Commercial (USA) brand, respectively, each eXp Brokerage operating outside of the United States maintains its own form of Independent Contractor Agreement that is to be used by any individual desiring to affiliate with that eXp Brokerage, in that jurisdiction, for the purpose of engaging in real estate brokerage activities on that eXp Brokerage's behalf in that jurisdiction.

B. Multi-Country Affiliation (Generally)

The "Multi-Global License Program" is applicable in instances where an Agent desires to affiliate with

two or more eXp Brokerages, each in a different country (e.g., with eXp Commercial, LLC in Arizona, and with eXp Italia S.r.l. in Italy). The Multi-Global License Program is not applicable in instances where Agents that are or desire to become affiliated, (1) with two or more eXp Brokerages within the same brand and operating within the same country (e.g., with eXp Realty, LLC in Arizona, and with eXp Realty of California, Inc. DBA "eXp Realty" in California), or (2) with two or more eXp Brokerages across different brands and operating within the same country (e.g., with eXp Commercial, LLC in Arizona, and with eXp Realty of California, Inc. DBA "eXp Realty" in California).

C. Agents' Additional Affiliation

Under our Multi-Global License Program, Agents are permitted to affiliate with any eXp Brokerages, provided that, (1) the eXp Brokerages are in different countries, and (2) the Agent satisfies all of the terms, conditions, and requirements of each such eXp Brokerage. By affiliating across national borders with more than one eXp Brokerage, an Agent automatically becomes subject to all of the terms and conditions of the Multi-Global License Program.

D. Agents' Independent Obligations

All Agents participating in the Multi-Global License Program shall abide by all monetary, policy, and contractual obligations imposed upon them by each eXp Brokerage with whom they are affiliated. An Agent's affiliation with more than one eXp Brokerage will not excuse that Agent from any of his or her payment or performance obligations to any other eXp Brokerage with whom the Agent is affiliated. Agents' payment and performance obligations to each eXp Brokerage are distinct obligations. So, for example (and without limitation), Agents will have to pay all fees imposed upon them by each eXp Brokerage with whom they are affiliated; Agents will have to honor all policies and procedures applicable to each eXp Brokerage with whom they are affiliated; and Agents will have to honor the terms and conditions of each Independent Contractor Agreement to which they are a party.

E. "Capped Status" Matters

All matters concerning achieving a "Capped Status," as applied by each eXp Brokerage with whom an Agent is affiliated, shall co-exist and apply independently. An Agent's Company Dollar Cap, Capping Period, Cap Reset Date, and Anniversary Year, will be applied separately as between each eXp Brokerage with whom the Agent is affiliated. This means, for example, that if an Agent is affiliated with two eXp Brokerages, that Agent can (and likely will) have two different Cap Reset Dates, Capping Periods, and/or achieve a Capped Status at two different times (if at all), and so on. In addition, Company Dollar earned and collected from an Agent by any eXp Brokerage with whom that Agent is affiliated will not be aggregated with Company Dollar earned and collected from the Agent by any other eXp Brokerage with whom that Agent is affiliated (for the purpose of determining whether the Agent is considered to be in a Capped Status in any country). For example, assume that an Agent is affiliated with two eXp Brokerages, namely eXp Realty, LLC (in the USA) and eXp Italia S.r.l. (in Italy). If the Agent has satisfied all of the requirements to reach a Capped Status under eXp Italia S.r.l., then the Agent shall be considered to be in a Capped Status with respect to only eXp Italia S.r.l., and not with respect to eXp Realty, LLC. Company Dollar collected by eXp Realty, LLC (in the USA) will not be combined with any Company Dollar collected by eXp Italia S.r.l. for the purpose of determining

whether that Agent is to be considered in Capped Status at eXp Italia S.r.l.

F. Icon Agent Awards

All matters concerning ICON Agent Awards, as applied by each eXp Brokerage with whom an Agent is affiliated, shall co-exist and apply independently. Agents can earn an ICON Agent Award in each country where an Agent is affiliated with an eXp Brokerage, according to each such eXp Brokerage's own rules. However, earning an ICON Agent Award in one eXp Brokerage does not mean that an Agent has or will earn an ICON Agent Award in any other eXp Brokerage.

G. Sponsor; FLQA; Initial FLQA Period

Agents cannot have more than one Sponsor at any given time when associated with any eXp Brokerage (i.e., Agents can only have one Sponsor, regardless of how many eXp Brokerages they are affiliated with). Agents shall only be considered an FLQA once, at any given time, for their Sponsor. The Initial FLQA Period shall only apply one time, and with respect to that particular eXp Brokerage with whom an Agent first satisfies the applicable FLQA requirements. We have no obligation to notify any Sponsor that an Agent sponsored by that Sponsor, is a participant in the Multi-Global License Program.

XIX. LEGAL, INSURANCE, AND COMPLIANCE WITH THE LAW

A. Antitrust

eXp is a full service real estate brokerage company. As such, commission rates of eXp are determined by each Agent on a transaction by transaction basis, and such rates are to be based on the value of the services provided and competitive market conditions. Commission rates are determined solely by agreement between the Agent and the listing party. Agents shall not participate in any discussions with individuals affiliated with any other company concerning the commission rates charged by eXp or any other real estate company. When soliciting a listing or negotiating any agreement, Agents shall not make any reference to a "prevailing" or "standard" commission rates in the market or any other words that suggest that the commission rates are uniform, standard or non-negotiable. Any advertised commission rate for service must be clear and prominent, and specify that it is the Agent (or team) that is setting the commission rate, and not eXp. Listing Agents shall work with sellers to determine the buyer-broker commission to be offered.

B. Conflicts of Interest

Agents shall avoid engaging in activities that would result in a question of business ethics or a compromise in the Agent's loyalty to eXp or clients. Questions regarding potential conflicts must be directed to the Agent's State Broker. When purchasing an eXp listing, it must be disclosed in the contract that the Agent is a member of eXp. Additionally, no Agent shall be involved in any form of settlement service or receive income or benefits "for value" directly from a settlement service company while actively licensed with eXp.

C. Data Security and Client Privacy

Agents will come in contact with personal and confidential information in the day-to-day course of their business. All Agents of eXp are expected to become familiar with and follow a course of action concerning the transmission, handling, storage, and disposal of all personal and confidential information that is in alignment with all local, state, and federal laws regarding data security and client privacy. Agents are encouraged to review the National Association of REALTORS® Data Security and Privacy Toolkit found at <https://www.nar.realtor/data-privacy-security/nars-data-security-and-privacy-toolkit> (including its Cybersecurity Checklist: Best Practices for Real Estate Professionals found at <https://www.nar.realtor/law-and-ethics/cybersecurity-checklist-best-practices-for-real-estate-professionals>), and to adopt those "best practices" presented by the National Association of REALTORS®. If an Agent fails to secure their client's data and confidential information, the Agent will defend, indemnify, and hold eXp, and its principals and affiliates harmless against any and all claims, complaints, or actions that may arise from such a departure. In addition, failure to comply with this Policy is grounds for the immediate release of the Agent's license and removal from eXp. eXp's own Privacy Policy and Data Processing Policy may be found by visiting <https://expworldholdings.com/privacy-policy/>.

D. Do Not Call Rules

Agents must stay up-to-date on rules relating to the National Do Not Call Registry (See: www.ftc.gov/donotcall), as well as all anti-spam laws and regulations (See: www.ftc.gov/enforcement/rules/rulemaking-regulatory-reform-proceedings/can-spam-rule).

Cold calling must be done in compliance with applicable state and national laws. Any fines that result from any violation of the "do not call" law or any other solicitation will be paid for by the Agent who broke said rule.

Agents are encouraged to leverage eXp "Dial Safe" for review of all telephone numbers prior to making initial contact. eXp "Dial Safe" may be located via My eXp or via Okta dashboard.

E. Drones

Agents who desire to use drones must be familiar with and follow all Federal Aviation Administration (FAA) drone rules, and any other applicable laws and regulations. (See: www.faa.gov/uas for more information.)

F. Drug and Alcohol Use

Drug and alcohol use is strictly prohibited while engaged in real estate brokerage services or any other activities where Agents are representing eXp. Accordingly, Agents are prohibited from possessing, selling, consuming alcohol or drugs, smelling of alcohol or being under the influence of any drug(s) while engaged in real estate brokerage services, and any other work for or on behalf of eXp (including, without limitation, any eXp attraction events, and any other activities where Agents are representing eXp).

Agents shall also discourage the use of drugs or alcohol by any party during a Transaction. Upon discovering that a party is under the influence of either drugs or alcohol, Agents should take appropriate action to terminate that day's activity and suggest that they discuss or complete the Transaction another time.

G. Harassment

eXp takes all forms of harassment seriously. This includes but is not limited to verbal, physical or sexual. All reported or suspected occurrences of harassment will be promptly and thoroughly investigated. Any Agent that is found to have harassed another Agent, employee, client, customer, or any member of the public shall be immediately, and without warning, released from eXp at eXp's sole discretion.

If an Agent feels they have been harassed in any way, the Agent shall notify the State Broker or a member of the corporate team immediately.

eXp will not permit or condone any acts of retaliation against anyone who files harassment complaints or cooperates in the investigation of the same.

H. Prohibition on Changes to Commission Splits and Referral Fees During Legal Action; No Split Checks

When a lawsuit, garnishment, or other legal action has been served upon eXp, or eXp has been made aware that such an action is pending, any Agents that are a party to such legal action shall be prohibited from changing any commission split agreement(s), including, but not limited to, Team Agreement(s), existing referral agreements with fellow Agents, co-listing agreements, etc., without the prior express written consent of the Agent's State Broker. This prohibition applies regardless of whether the Agent seeks to modify a general agreement concerning all transactions, an agreement concerning transactions within a specific category, or an agreement concerning a specific property. This prohibition also extends to changes in commission that the Agent would otherwise receive, even for future transactions, listing assignments, or co-listings until no further legal action is pending.

For so long as an Agent is not in Good Standing or has any legally required withholdings (such as, for example, garnishments, tax levies, child support orders, or UCC-1 liens from unpaid commission advances) being withheld from an Agent's commissions or other earnings from eXp, that Agent shall not partake in receiving a "split check" in states where such practices are permitted.

I. Products and Services

Agents may not offer any non-eXp business plan, opportunity, product or incentive (including any multi-level marketing programs) utilizing any eXp platform such as eXp World or otherwise in conjunction with offering eXp products or services.

1. Selling, Offering To Sell, Or Promoting Any Competing Products Or Services

Agents may not directly sell, offer to sell or directly promote to other Agents competing

products or services. Any product or service in the same generic category as an eXp product or service is deemed to be competing.

J. Reporting Problems

It is understood that Agents, though operating as independent contractors, act as agents of eXp and must, therefore, keep eXp informed of their activities. Agents shall immediately, but in no event longer than five (5) calendar days after the time that they become aware of any of the following situations, bring any of the following situations to their State Broker's attention and provide eXp with copies of any correspondence or legal process in connection with such situations. Failure to timely notify the State Broker and eXp may, in certain circumstances and in eXp's sole discretion, result in termination of Agent's ICA and disaffiliation from eXp.

1. Any substantive complaint involving a real estate transaction or the providing of real estate brokerage services, whether brought by a client, the state real estate licensing authority or a third party.
2. Any disclosure, or potential disclosure, of confidential client information.
3. Any accident or injury that occurs while providing real estate brokerage services.
4. Any criminal charge, judgment, or order (including, without limitation, DUIs and felonies) against an Agent other than a traffic infraction.
5. Any civil suit (including bankruptcy), judgment, order, subpoena, or other legal document concerning real estate activity of an Agent or that would adversely affect the licensing status of any of an Agent's real estate license(s).
6. Any contact by or with the state real estate licensing authority.
7. Any threat of any legal or administrative action against an Agent or eXp resulting from that Agent's real estate brokerage services.
8. Any act(s) of discrimination witnessed.
9. Any unresolved dispute with another Agent or a real estate professional affiliated with another brokerage firm.
10. Any foreseeable dispute or problem relating to the payment or collection of a commission.
11. Any other situation involving professional real estate activity that could lead to liability on the part of eXp or anyone associated with eXp.
12. Any notification received from the state real estate licensing authority regarding the status of an Agent's real estate license.

K. Legal Action Between eXp Agents

No Agent shall file a Civil or Administrative Action (defined in the ICA) against any other Agent affiliated with the eXp family of real estate brokerage companies (including eXp Realty, LLC, eXp Commercial, LLC, and/or eXp International Holdings, Inc., and any of their respective subsidiaries, divisions, affiliates, or assigns) for any issue arising out of or relating to the actual or alleged real estate brokerage activity of that other Agent without providing seven (7) days prior written notice to

their own State Broker advising of their intent to do so and identifying, with specificity, the basis of the Agent's dispute with the other Agent. To the extent there is any real estate brokerage-related dispute as between two or more Agents, such disputes must be resolved through eXp's own "internal" arbitration procedures; this requirement shall not apply to any disputes among members of any particular team whose Team Agreement provides for dispute resolution procedures.

In addition, an Agent shall provide written notice to their own State Broker within twenty-four (24) hours following their own filing of a Civil or Administrative Action advising of the occurrence of such filing. An Agent's failure to comply with the foregoing notice requirements shall constitute a material breach of these eXp P&Ps. Nothing in this section shall prohibit an Agent from notifying a licensing or other governmental entity of allegations that he or she is required by law to report. However, all requirements in this section must be complied with to the maximum extent possible, with performance excused only to the extent that he or she is legally required to take some action which precludes compliance with a particular requirement in this section.

L. Legal Action Against eXp Prohibited

By acknowledging and accepting the terms within these eXp P&Ps, each Agent represents, warrants, and covenants to eXp that they will not cause or participate in the filing of any Civil or Administrative Action against eXp, its holding companies, and its or their respective subsidiaries, affiliates, directors, officers, managers, members, or employees. Each Agent acknowledges and agrees that the filing of any such Civil or Administrative Action shall constitute a material breach of these eXp P&Ps, and that eXp may thereafter terminate the offending Agent's ICA in accordance with its terms, as determined by eXp in its sole and absolute discretion. Nothing in this section shall prohibit any Agent from notifying a licensing or other governmental entity of allegations that he or she is required by law to report. However, all terms in this section must be complied with to the maximum extent possible, with performance excused only to the extent that he or she is legally required to take some action which precludes compliance with a particular requirement in this section.

M. Claims Reimbursement

Each Agent shall be responsible for and shall reimburse eXp up to \$2,500 (two thousand five hundred dollars) incurred in the defense or resolution of any claim made against that Agent and/or eXp as a result of the Agent's actions or inactions (except for any procuring cause claims), regardless of whether or not the claim is eligible for insurance coverage. Even where the Agent does not believe the claim or cause of action has merit and/or does not believe any money should be expended in the defense or resolution of the matter, the Agent expressly agrees in advance, by signing his or her ICA, that he or she will reimburse eXp up to \$2,500 expended in defense or resolution of the matter within thirty (30) days of receipt of a request for reimbursement from eXp. An Agent may elect to have all or any portion of the reimbursable amount withheld from any commissions and/or revenue share payments due to the Agent in lieu of making payment directly to eXp. However, if an Agent does not reimburse eXp directly within the thirty (30) day period then eXp shall deduct the full amount due from any and all commissions and revenue share payments due to the Agent until eXp has been fully reimbursed. If it is determined that an Agent acted fraudulently, grossly or recklessly negligent, or willfully, the Agent shall be responsible for the full amount of the damages and costs recovered

against eXp, along with all costs of defense. This language in no way limits the liability of an Agent to eXp and in no way limits any covenants or conditions stated in an Agent's ICA.

N. Claims That Are Not Covered By E&O Insurance

eXp's real estate errors and omissions ("E&O") insurance extends coverage to eXp Agents **solely in the performance of real estate sales and leasing services for a fee or commission**. All eXp Agents should be aware and understand that eXp's E&O insurance policy, like many others, has certain limitations and exclusions and only provides insurance coverage for specific types of claims. It is particularly important for eXp Agents to know that there are certain types of claims that, when made against eXp or an eXp Agent, **are not covered under eXp's E&O insurance policy**. Some of these uninsured claim types include, but are not limited to:

1. Claims made under the Telephone Consumer Protection Act ("TCPA"), including "do not call list" guidelines, the Telemarketing Sales Rules ("TSR"), the CAN-SPAM Act, Federal Trade Commission ("FTC") rules;
 - a. *Example:* An eXp Agent makes cold calls or text messages to prospects but does not follow one or more of the above laws; these claims are not covered by any insurance available on the market and carry hefty statutory fines, which means there is no defense to these claims outside of proving that you did not place the call(s) or send the text message(s);
2. Personal injury claims;
 - a. *Example:* A person slips and falls, injuring themselves while at a property and the person claims the eXp Agent is at fault for their alleged injuries; an eXp Agent's for sale sign in the yard falls over and injures someone, etc.
3. Intellectual property infringement claims, including copyright infringement;
 - a. *Example:* An eXp Agent uses a photo or image on their website that they have not obtained permission to use.
4. An eXp Agent's Personal Transaction, regardless of whether eXp or the eXp Agent/Owner earned a fee or commission;
 - a. *Example:* A buyer makes any kind of claim against an eXp Agent in a Transaction where the eXp Agent was selling a property they owned (or had any kind of interest in) or controlled and neither eXp nor the eXp Agent earned a commission on the Transaction.
5. Claims against an eXp Agent's entity: the eXp Agent may have coverage, but the eXp Agent's entity does not, even if eXp is paying the eXp Agent through their entity;
 - a. *Example:* A plaintiff sues eXp, eXp Agent Doe, and individual, and Agent Doe, LLC, the eXp Agent's company. The E&O insurance will cover Agent Doe as an individual but not Agent Doe, LLC.
6. Class action claims of any kind whatsoever.

eXp Agents should determine whether they want to obtain their own individual insurance coverage for

activities such as those listed in the examples above.

Lastly, like most insurance policies, eXp's E&O insurance policy will not cover claims in which it is determined that eXp's or an eXp Agent's actions were fraudulent, grossly or recklessly negligent, or willful.

XX. OFFICE POLICIES

A. Agent Business Expenses

eXp shall not be responsible for any expense incurred by Agents in the performance of their business duties unless approved in advance and in writing by the State Broker. No inducements, including inspections or other services associated with real estate brokerage services customarily paid by customers or clients, shall be offered or paid by an Agent without advance approval by the State Broker, and then shall be at the Agent's sole expense. An Agent shall disclose, in writing, any commission or profit received or to be received by such Agent (whether directly or indirectly), in connection with any expenditures advanced on behalf of that Agent's client.

B. Agent Assistants - Generally

eXp fully supports the use of licensed and unlicensed assistants (which include transaction coordinators) by the Agents. By delegating tasks that may be performed by those other than the Agent, the Agent's time can be spent more efficiently on tasks directly related to maximizing earning potential. eXp advises all Agents using assistants to seek legal counsel regarding employment laws and obligations within their state.

Agents must have a written contract with their assistants. Said contract must be submitted to the State Broker for approval within ten (10) business days of joining eXp or entering into an agreement for these services. Copies of the contract are to be filed in the Agent's file.

Assistants (including transaction coordinators) are to be compensated for their services directly by those Agents with whom they are respectively engaged. Assistants that are licensed with eXp are to be paid for their services through escrow. Agents shall not use the services of any licensed assistants that are licensed with any real estate brokerage company other than eXp.

C. Agent Assistants - Unlicensed

Agents are responsible for training their assistants, making sure they are familiar with and abide by all eXp policies and procedures and all federal and state regulations. The Agent must review these eXp P&Ps with the assistant and present a copy of the [eXp Agent & Support Personnel Cloud Brokerage Access Agreement](#) ("**Access Agreement**") to the assistant, for their review. An unaltered copy of the Access Agreement that has been signed by both the Agent and assistant shall be returned to the Agent's State Broker, and must be approved and signed by that State Broker before the assistant may access any eXp systems. To the extent that an Agent grants any assistants with access to any eXp

systems, without first securing the State Broker's prior written consent in the manner provided above, then eXp may exercise any rights or remedies (including terminating the Agent's ICA) as provided in the Agent's ICA or these eXp P&Ps.

An unlicensed assistant may not perform the following tasks or duties, including but not limited to:

- Host an open house.
- Solicit sellers or buyers in any manner.
- Provide advice or guidance to a consumer with regards to a listing contract or a contract of purchase and sale.
- Meet with owners to obtain or renew listing agreements.
- Present or negotiate an offer.
- Communicate with consumers about real estate transactions.
- Be paid from the commission at closing or be paid commission in any way, regardless of timing.
- Open listings for clients or prospective clients.

An unlicensed assistant may:

- Perform office filing.
- Fill out a document at the instruction of the Agent.
- Place or remove signs.
- Witness signatures.
- Perform Agent's bookkeeping.
- Draft correspondence for approval by the Agent.
- Draft forms for review by the Agent.
- Make and deliver copies of any public records.

D. Agent Assistants - Licensed

Licensed assistants must be licensed with eXp and with no other real estate brokerage company. Licensed assistants are bound by the same licensing requirements as an Agent including, but not limited to, executing an ICA and fully associating themselves with eXp. They shall pay all fees due under their ICA and follow all policies and procedures of eXp. Licensed assistants may only assist other Agents and may not work for or with any agents outside of eXp.

E. Administrative Transaction Fees

Agents are free to determine whether or not they will assess their respective clients an administrative transaction fee ("**Administrative Transaction Fee**"), provided that doing so is not precluded by applicable federal or state law, please refer to your State P&Ps for guidance. An Administrative Transaction Fee is a fee amount, determined by each respective Agent, that consists of an Agent's cost of doing business (e.g., costs for any assistants and transaction coordinators used in a transaction). The Administrative Transaction Fee is distinct from and in addition to any real estate

commissions to be earned by eXp and the Agent. If an Agent elects to assess his or her clients an Administrative Transaction Fee, they must first receive each such client's prior written consent; a sample form, referred to as an "Administrative Transaction Fee Agreement," is available by request to the Agent's State Broker. The Administrative Transaction Fee Agreement must be signed by each such client before an Administrative Transaction Fee may be assessed, and each must specify all of the following:

1. that the Agent has the discretion to establish, set, and assess each or any of his or her clients an Administrative Transaction Fee;
2. that eXp does not require its Agents to charge any Administrative Transaction Fee, and that eXp does not establish the amount of any Administrative Transaction Fee to be charged by any of its Agents;
3. that the Administrative Transaction Fee amount may fluctuate from client to client depending upon the specific costs incurred and/or additional services rendered by the Agent;
4. that the Administrative Transaction Fee is separate from, and in addition to, any real estate commission to be earned by eXp and the Agent;
5. the exact amount of the Administrative Transaction Fee to be assessed to the respective client;
6. the time that the Administrative Transaction Fee will be due and payable, whether at closing or prior to the Agent's rendering of any brokerage related services.

If used by an Agent, the fully executed Administrative Transaction Fee Agreement must be uploaded into eXp's transaction management system. Administrative Transaction Fees are subject to the same commission split applicable to an Agent at the time of receipt of payment of the Administrative Transaction Fee. Administrative Transaction Fees may also be considered part of a referral fee that is to be paid to an outside company or vendor.

F. Associations and Board Memberships

Unless specifically waived by eXp in an addendum to an Agent's ICA, all Agents must be members (active and in good standing) of the National Association of REALTORS®, as well as both the state and local Association of REALTORS® where that respective Agent is situated. An Agent's participation in an MLS is optional and is not required by eXp, unless eXp will be charged a fee as a result of that Agent's license being affiliated with eXp, in which event that Agent's participation will be required. If an Agent holds real estate licenses in more than one state, that Agent may, in eXp's discretion, be required to join each state Association of REALTORS® in such additional states, as well as one or more local Association(s) of REALTORS® and/or MLS(s) in such additional states, as determined by eXp.

Subject to the foregoing paragraph, an Agent shall maintain an active membership in a local association or board of REALTORS® affiliated with the National Association of REALTORS®, as determined by eXp, unless that Agent maintains an active membership in the Real Estate Board of New York ("REBNY") and/or the Brooklyn MLS.

Any state that requires eXp to pay the Agent's portion of the membership dues will be handled

accordingly. For any REALTORS® associations that require eXp to pay membership fees upfront on behalf of an Agent, that Agent shall reimburse eXp within 10 days of invoice for the same. Agents who fail to timely reimburse eXp will be subject to removal from eXp.

Agents who are billed directly by the Association and MLS are expected to pay those bills in a timely manner as directed by the Association and MLS. eXp will not pay late dues on behalf of the Agent and the Agent will be subject to removal from eXp. Please check with your State eXp P&Ps for state specific information and any variances to this policy.

Agents shall abide by the REALTORS® Code of Ethics and Standards of Practice of the National Association of REALTORS®, the statutes and rules of the state within which they are licensed, and any requirements of the MLS of which they are a member.

G. Contact Information

Agents MUST use their legal name as it appears on their real estate license in all advertising, on contracts and in all real estate correspondence. Agents using any name other than their full legal name may only do so if allowable within their state and must have the State Broker's approval.

Agent's business address is the eXp office address in the state in which the Agent's license is registered. Agents must use this address in all activities if an address is required by the state licensing department. All business correspondence related to transactions must be sent to this address, not to the Agent's home. No personal mail may come to the office. Any mail coming to the office will be considered official business and subject to being opened by the State Broker or admin team. Agents shall make arrangements to pick up any parcels that are delivered to the office by vendors and will work to properly inform all vendors that parcel deliveries are to be scheduled directly with the Agent. All unclaimed parcels are subject to disposal within seven (7) days of delivery.

Escrow companies, title companies and other closing agencies must send all communications pertaining to a transaction to our company address. Agents may receive a duplicate copy of escrow documents for the file.

Agents are solely responsible for keeping their personal contact information (including mailing address, forwarding email address used to forward Agent's eXp email alias to, and telephone number) current in Enterprise. eXp will rely upon the information provided by an Agent, in Enterprise, as being true, correct, and complete. Agents can update their forwarding email address, telephone number, and emergency contact information directly in Enterprise. Any failure by an Agent to provide or maintain the most current information in Enterprise shall not affect the validity of any notice from eXp to the Agent.

H. Contacting the State Broker(s)

Each state has a different State Broker, as a result, please review any state specific information with regard to broker communication. Each State Broker will make themselves available inside of eXp World for general communication and discussions. Consult the State Broker's public calendar or

State P&Ps for their availability.

If an Agent has a specific urgent need for the State Broker to address outside of business hours, the Agent should call or email the State Broker directly.

I. Open Houses

Agents shall only hold open houses for other eXp Agents. No open houses shall be held for any listings other than eXp listings or For Sale By Owner where written authorization has been given. Agents holding open houses for sellers who do not have their house listed for sale must have appropriate state approved documentation completed giving them the right to do so. eXp listings shall only be held open by other eXp Agents who are appropriately licensed and acting within their area of expertise for the geographic location of the listing.

J. Out of Town or Unavailable

When an Agent has listings and/or open escrows and is out of town, or otherwise unable to provide services to clients, the Agent is required to notify the State Broker and fill out the appropriate company form establishing someone to manage the business in Agent's absence.

K. Physical Office Space

eXp has a cloud-based office and as such does not invest in physical bricks-and-mortar infrastructure, except where required by the State Department of Licensing laws. Agents are encouraged to contact their local affiliates, title and escrow companies, lenders, banks and other organizations with whom they work if they need physical space to meet clients.

Where allowed by law and Association/Board rules, Agents who have achieved the level of associate broker and have agreed to policies relating to the opening of an eXp office may, with approval from eXp, be permitted to have a branded eXp office. Agents shall be responsible for compliance with all local and state laws regarding their branch office. This includes, but is not limited to, meetings, licensing, advertising, and signage requirements.

eXp may itself open and operate, or authorize the opening and operation of, an eXp office ("**Branch Office**"). Any Branch Office that eXp authorizes an Agent to open and operate will be paid for by the Agent or Agents who have agreed to open that office, and no obligation relating to that office will transfer to eXp. Any financial obligation with regard to opening and/or maintaining a Branch Office will be at the expense of the Agent(s) who opened the Branch Office including any fines for non-compliance and renewal fees.

Please ask the State Broker for the Branch Office Agreement and talk to the State Broker to see if the Agent qualifies. Branch Offices must be pre-approved in writing (through a Branch Office Agreement) by eXp prior to operation, advertising, or opening. Except for any Branch Offices that have been approved by eXp, Branch Offices shall not be situated within any Agent's (or other person's) personal residence.

XXI. TEAMS AT EXP REALTY

A. Generally

A **"team"** is generally defined, in most states, as a lead Agent (**"team leader"**) and at least one other Agent working as a team member (**"team member"**). When forming a team, an intended team leader shall first read and understand the eXp Checklist for Team Leaders (**"Checklist"**); an intended team leader must first return a signed copy of the Checklist to eXp before any team will be approved by eXp. For more information on teams, Agents may review eXp's Teams at eXp - Understanding Types and Commissions informational sheet, and contact eXp's Team Services Department at teamservices@exprealty.net.

B. Team Names

Team names shall conform with the real estate licensing laws and rules in effect in the state(s) in which the team name is being used. A team leader shall select a proposed team name upon formation of a team. Regardless of whether or not state requirements allow use of the terms "Realty" or "Real Estate" in a team name, eXp does not allow the use of such terms in a team name of any Agents. The proposed team name must be presented by the team leader to his or her State Broker for approval. A team name may only be used if, and after, it has been approved in writing by the team leader's State Broker. For team registration requirements, Agents should consult their State P&Ps and their State Broker team.

C. Team Composition

A team of any kind (whether a standard team, domestic team, or other, but excluding self-organized teams) cannot be composed of members from both eXp and eXp Commercial. All team members must be affiliated with the same brokerage as their team leader (i.e., eXp or eXp Commercial; eXp and eXp Commercial being distinct brokerages). For example, a team that has a team leader affiliated with eXp must also have all team members associated with eXp; those team members could not be associated with eXp Commercial.

Unless advance arrangements are made with eXp, in writing, a team leader's departure from a team (whether because they leave the team, offboard from eXp, or otherwise) shall cause a team to dissolve automatically as of that date the team leader leaves the team or offboards from eXp, whichever occurs first.

D. Team Agreements

"Team Agreements" are to be made based on mutually agreed upon terms between a team leader and the team member(s). These agreements must be in writing, fully executed, and carefully considered to ensure compliance with all federal, state and local law as well as eXp's policies. A team leader shall maintain a copy of each fully executed Team Agreement in their files at all times.

Team leader shall provide a signed copy of their written Team Agreement with each team member, to eXp. Adjusted Company Dollar Cap amounts for team members shall only be provided within applicable team structures. eXp will not allow a team to stay affiliated with eXp if the team enforces or attempts to enforce a restriction against a former team member which would prevent them from staying with eXp after leaving the team; nor will eXp intervene in any disputes between team members and team leaders.

E. Team Disputes

Any disputes that may arise between or among current or former team leader(s) and/or team member(s) (collectively, the **"disputing parties"**), concerning any Team Agreement entered into between them, shall be resolved between and among the disputing parties and without eXp's participation. In no event will eXp assist any of the disputing parties to enforce the terms of any Team Agreement against the other disputing parties (including enforcement of any restrictive covenants such as non-compete or non-solicitation provisions), nor will eXp preclude a former team member from remaining affiliated with eXp after his or her departure from a team.

By executing their eXp ICA, each Agent agrees that if they wish to remain affiliated with eXp, they will not attempt to enforce any restrictive covenants (including, without limitation, the terms of any non-compete provisions) under any Team Agreement, against any former team member that remains affiliated with eXp after leaving the applicable team, and regardless of whether or not such former team member joins a new team or remains unaffiliated with any team.

If team leader(s) or team member(s) nevertheless attempt to enforce any restrictive covenant in contravention to the preceding sentence, then eXp may terminate such team leader(s)' and/or team member(s)' ICA(s) and end such team leader(s)' and/or team member(s)' engagement with eXp.

F. Team Fee Distribution

1. **Transaction Review Fee:** Can be paid by either the team leader or the team member or split between the two as agreed upon in their written Team Agreement.
2. **Risk Management Fee:** Shall be divided equally between the team leader and the team member. Each Agent shall be responsible for their annual Risk Management Fee cap.
3. **Commissions:** Gross Commission Income ("**GCI**"), as defined in Agent's ICA, shall be first divided between the team leader and the team member based on the percentages agreed to between the team leader and team member. From there, each Agent's commission split will be divided according to Company Dollar and Contractor Dollar split in effect for that Agent at the time of the Transaction closing, less any applicable Transaction fees.
4. **Capped Transaction Fees:** Once an Agent has reached their Company Dollar Cap (as that term is defined in the Agent's ICA), that Agent will pay a percentage of the Capped Transaction Fee equal to the percentage of GCI they received.

In certain cases, eXp will reduce a team member's annual Company Dollar Cap. Team members with a reduced Company Dollar Cap are not eligible to receive the "capping equity award" or the ICON

Agent Award, as paying a full cap amount is required for both. For a team member to qualify for a reduced Company Dollar Cap, the team and team leader must meet any requirements prescribed to the applicable team.

G. Non-Solicitation of Other eXp Team Members

No Agent may solicit, recruit, employ, or entice (either for themselves or another), directly or indirectly through a third party, any individuals that are members of other existing teams at eXp, to leave those teams and join Agent's team.

H. Application of Non-Solicitation and Non-Disparagement Policy To Teams

To the extent that eXp's Non-Solicitation and Non-Disparagement Policy, as described in the Code of Conduct, above, would prohibit an Agent who is a team leader of an eXp approved real estate team from leaving eXp and taking his or her team members with them to a competing brokerage, the non-solicitation portion of this particular policy shall not apply.

XXII. OMISSIONS FROM POLICY AND PROCEDURES

Any items or procedural issues not covered in the eXp P&Ps are subject to State Broker and eXp approval. Any decisions rendered on the items not covered in the eXp P&Ps are final and are to be made at the sole discretion of eXp.

XXIII. UPON TERMINATION OF ICA

An Agent shall forfeit all rights to any Transactions, transactional commissions or proceeds if the Agent does not affiliate with a new (non-eXp) brokerage company within three (3) business days following the Agent's Offboard Date (as that term is defined in Section 6 of the ICA). Each Agent shall communicate with his/her State Broker in advance of, and following, their Offboard Date regarding any pending Transactions to ensure that such Transactions are not adversely impacted by the termination of the Agent's affiliation with eXp.

A. eXp's Transfer of Pending Transactions

Subject to the terms in the opening paragraph of this section above, an Agent may execute a pending escrow transfer form and transfer any pending Transaction(s) to his/her new brokerage company. Eligibility to transfer pending Transactions in this way is conditioned upon satisfaction of each of the following: (1) the Agent must be in Good Standing as of his/her Offboard Date, (2) the Agent's new brokerage company must be willing to accept the transfer of such pending Transactions from eXp, (3) eXp must receive each affected client's prior written consent authorizing the transfer to the new brokerage company, and (4) eXp must approve in writing of each such transfer (which eXp may withhold in its sole and absolute discretion). For each such Transaction that is to be transferred, if any of the preceding conditions are not met, that pending Transaction will remain with eXp. For Agents not in a Capped Status, the transfer of any pending Transaction(s) away from eXp to the Agent's new brokerage company shall require the payment of a twenty percent (20%) referral fee from that new brokerage company back to eXp. In addition, for all Agents, regardless of Capped Status, any other applicable referral fees that may be due upon the closing of that pending Transaction shall be paid to eXp (by Agent through Agent's new brokerage firm), who will then remit payment to the originating brokerage company pursuant to the terms of any preexisting referral agreement.

B. eXp's Retention of Pending Transactions

Subject to the terms in the opening paragraph of this section above, eXp will pay Agent's commission, less any splits, Agent fees, deductions or withholdings (including, but not limited to, invoices issued from accounting, transaction coordination fees, garnishments or any other outstanding fees or legally required withholding) upon closing of any pending Transactions that remain with eXp following Agent's affiliation with a new brokerage company.

In addition to Section 6 under the ICA, an Agent's ICA shall also immediately, and automatically terminate, without prior notice, if for any reason, the Agent breaches his or her obligations hereunder, or if the Agent's license expires, is restricted, suspended or is revoked.

In the event an Agent leaves eXp, his/her Offboard Date will be determined in accordance with Section 6 of the Agent's ICA titled, "Termination."

Termination of an Agent's ICA could, and likely will, result in a significant financial loss to an Agent, including but not limited to:

- (1) loss of certain pending transactions, as more fully described above;
- (2) if an Agent is not in a vested status, loss of eXpansion Share payments and eXponential Share payments, including those that would otherwise have been earned on or before the Agent's Offboard Date, but paid following the Agent's Offboard Date;
- (3) if an Agent is in a vested status, loss of eXponential Share payments, including those that would otherwise have been earned on or before the Agent's Offboard Date, but paid following the Agent's Offboard Date; and
- (4) loss of **UNVESTED** eXp World Holdings, Inc. stock awards.

Example 1:

An Agent is in a vested status and is receiving eXpansion Share and eXponential Share payments. That Agent leaves eXp, having an Offboard Date of August 15, 2022, and the Agent retains their vested status following their Offboard Date. Also, the Agent maintains a real estate license that is active and in good standing and the Agent does not affiliate with a competitor. It then follows that the Agent will receive their eXpansion Share payments and eXponential Share payments earned for the month of July 2022, when each are paid by eXp on August 22, 2022.

Example 2:

Same facts as Example 1, except that the Agent affiliates with a competitor effective as of their Offboard Date. In that event, it then follows that the Agent will receive only their eXpansion Share payments earned for the month of July 2022, when such payments are released by eXp on August 22, 2022. However, the Agent will not receive any eXponential Share payments that otherwise would have been earned for the month of July 2022 and paid by eXp on August 22, 2022.

Upon termination of their affiliation with, and severance from eXp, Agents will lose access to all eXp tools, emails, files, and eXp provided third party sites. eXp strongly encourages Agents to backup any files they desire access to prior to requesting offboarding.

C. Leads Upon Departure

Upon an Agent's actual or pending departure from eXp (the "**Departing Agent**"), eXp shall maintain and preserve the Departing Agent's database of eXp-generated and non-eXp generated leads within any eXp-provided consumer relationship management applications for a period of up to 30 days (the "**Preservation Period**") following the Agent's Offboard Date.

If the Departing Agent would like to obtain a list of his/her non-eXp generated leads, then the non-eXp generated leads can be exported upon written request to eXp's Technology and Technical Support at support@exprealty.com (an "**Export Request**") provided that, (1) the Export Request is received within the Preservation Period, and (2) the Departing Agent is in Good Standing. If the Departing Agent does not provide an Export Request as set forth herein during the Preservation Period, then the Departing Agent's non-eXp generated leads are subject to forfeiture and deletion after the Preservation Period expires.

Notwithstanding the foregoing, any eXp-generated leads (such as, for example only, and without limitation, those generated through eXp's REO division, eXp's Relocation division, and eXp's ExpressOffers program) may not be released to Agent.

D. Rejoining eXp

If an Agent terminates his or her ICA while there remain any Amounts Owed to eXp, and the Agent wishes to rejoin eXp, then eXp may, in its sole discretion, provide the Agent with a one-time option to rejoin eXp under the following conditions:

- (1) the entirety of the Agent's Amounts Owed to eXp must be repaid to eXp (assuming that such Amounts Owed to eXp have not already been satisfied in full); and
- (2) at eXp's discretion, by and through the COE Director responsible for managing the Agent's state, such Amounts Owed to eXp must be repaid to eXp as follows: either (i) in one lump sum prior to the Agent's rejoining eXp, or (ii) in accordance with those terms and conditions set forth in a written repayment plan ("**Repayment Plan**") presented by the Agent's forthcoming COE Director, which Repayment Plan shall not have a term longer than sixty (60) days following the date of the Agent's rejoining eXp;
- (3) the Agent enters into a new ICA with eXp; and
- (4) the Repayment Plan shall take the form of an addendum to the Agent's new ICA with eXp.

If the Agent breaches any of the above conditions, or if the Agent's new ICA is terminated for any reason, by either the Agent or eXp, and at the time of this additional ICA termination there again exists any Amounts Owed to eXp, then Agent is forever precluded from rejoining eXp as a real estate licensee, as determined in eXp's sole and absolute discretion.

XXIV. EXP'S COMPLIANCE COMMITTEE

eXp has a Compliance Committee whose members are senior eXp executives who review, evaluate, and make determinations for the fair resolution of serious violations by Agents of their ICA and/or eXp P&Ps.

A. Appeal of Determination made by eXp's Compliance Committee

If a disciplinary determination was made against an Agent by eXp's Compliance Committee, and such disciplinary determination results in any disciplinary action to be taken against an Agent, then an Agent (or former Agent) may appeal the disciplinary action to eXp's Compliance Committee (which is distinct from, and not to be confused with, the Agent Compliance team).

The Agent's appeal must be in writing (together with any supporting documentation) and must be delivered to, and received by, the Agent Compliance team within fourteen (14) calendar days following the date that the Agent received notice of the disciplinary determination (send to compliance@exprealty.net). Thereafter, the Agent Compliance team will present the Agent's written appeal to eXp's Compliance Committee. If the written appeal (and any supporting documentation, if any) is not received by the Agent Compliance team within the fourteen (14) calendar day period, the disciplinary determination made by eXp's Compliance Committee will be considered final by eXp. In its review of the Agent's appeal, eXp's Compliance Committee will take under consideration any newly

presented evidence and the previously enacted disciplinary action and notify the Agent of its decision to accept or reject the appeal. The decision of eXp's Compliance Committee concerning the Agent's appeal will be final. Agents who have had their ICA's terminated as a disciplinary action must fully exhaust eXp's appeals process before engaging in any legal action, as may be permitted under the ICA and these eXp P&Ps.

For avoidance of doubt, the appeals process described in this section is limited only to those situations where a disciplinary determination was made by eXp's Compliance Committee, and corresponding disciplinary action was taken by eXp through eXp's Compliance Committee.

XXV. INTERPRETATION

If any provision in these eXp P&Ps requires interpretation, the resolution of such ambiguity shall not be held against eXp. In these eXp P&Ps, the singular includes the plural and the plural the singular; words importing any gender include the other genders; references to statutes are to be construed as including all statutory provisions consolidating, amending, or replacing the statute referred to; the word "or" shall be deemed to include "and/or", the words "including," "includes," and "include" shall be deemed to be followed by the words "without limitation"; and section headings are included for convenience of reference only and shall not constitute a part of these eXp P&Ps for any other purpose.

XXVI. CONFLICTS

To the extent there may be any conflict between the terms of an Agent's ICA and the terms in these eXp P&Ps, the more restrictive terms (in eXp's favor) shall be controlling.

XXVII. REVISIONS TO THESE EXP P&PS

eXp reserves the right to revise these eXp P&Ps, in its sole discretion. Revisions to these eXp P&Ps shall be consistent with revisions to Agent's ICA, as provided by the terms of Agent's ICA.

XXVIII. GLOSSARY OF DEFINED TERMS

- **Affiliated Business Arrangement (ABA)** - The definition of the term "affiliated business arrangement" is defined in 12 USCS § 2602(7) of the Real Estate Settlement Procedures Act. The term "affiliated business arrangement" means an arrangement in which (A) a person who is in a position to refer business incident to or a part of a real estate settlement service involving a federally related mortgage loan, or an associate of such person, has either an

affiliate relationship with or a direct or beneficial ownership interest of more than 1 percent in a provider of settlement services; and (B) either of such persons directly or indirectly refers such business to that provider or affirmatively influences the selection of that provider; and (8) the term "associate" means one who has one or more of the following relationships with a person in a position to refer settlement business: (A) a spouse, parent, or child of such person; (B) a corporation or business entity that controls, is controlled by, or is under common control with such person; (C) an employer, officer, director, partner, franchisor, or franchisee of such person; or (D) anyone who has an agreement, arrangement, or understanding, with such person, the purpose or substantial effect of which is to enable the person in a position to refer settlement business to benefit financially from the referrals of such business.

- **Access Agreement** - An abbreviated term referring to the eXp Agent & Support Personnel Cloud Brokerage Access Agreement that, once completed and accepted, allows support staff (such as administrative and/or transaction coordinator assistants) to access eXp's various systems.
- **Administrative Transaction Fee** - A fee amount, determined by each respective Agent, that consists of an Agent's cost of doing business (e.g., costs for any assistants and transaction coordinators used in a given transaction) and is distinct from and in addition to any real estate commissions to be earned by eXp and Agent.
- **Agent** - An independent contractor real estate licensee who has entered into an agreement with eXp through an eXp Independent Contractor Agreement (referred to as Agents collectively).
- **Agent Attraction** - The process of engaging credible, ethical, and productive real estate professionals and inviting them to join eXp, or its commercial affiliate, eXp Commercial.
- **Agent Content** - Content such as photographs, images or content of any type created, commissioned by, or otherwise owned by Agent.
- **Agent-Owned** - Ownership is held or controlled by an Agent, whether through an Agent's own name, a spouse's name, a business entity, a trust, or that is otherwise owned and/or controlled by Agent and/or Agent's spouse (also referred to as an "Agent-Owner")
- **Anniversary Date** - The first day of the calendar month following an Agent's Onboard Date with eXp. So, for example, if Agent's Onboard Date is January 18, 2022, then Agent's Anniversary Date will be February 1, 2022.
- **Anniversary Year** - The period of time that begins on an Agent's Anniversary Date with eXp and ends the first day of the calendar month following the Agent's Onboard Date with eXp, and ending on the day immediately preceding the next Anniversary Date. So, for example, if an Agent's Onboard Date is January 18, 2022, then the Agent's Anniversary Date would be February 1, 2022 and the Agent's Anniversary Year will run from February 1, 2022 through January 31, 2023, and continue for the same period each year thereafter. Except as otherwise

expressly agreed to the contrary, an Agent's Capping Period will directly overlap with Agent's Anniversary Year.

- **Branch Office** - Any eXp office, whether opened and operated by eXp, or authorized by eXp to be opened and operated by an Agent. Agent opened and operated Branch Offices must be pre-approved in writing (through a Branch Office Agreement) by eXp prior to operation, advertising, or opening.
- **BPO** - An abbreviation for the term "Broker Price Opinion."
- **Capped Status** - An Agent reaches Capped Status when the amount of Company Dollar required under that Agent's ICA or ICA addendum has been collected by eXp within that Agent's Capping Period.
- **CAN-SPAM** - Abbreviation for the Controlling the Assault of Non-Solicited Pornography And Marketing Act of 2003 which is a law passed in 2003 establishing the United States' first national standards for the sending of commercial email.
- **Commercial Property** - Any real property that is not Residential Property. (See definition for "Residential Property" below).
- **Company Dollar** - The portion of Gross Commission Income retained by eXp from each Transaction.
- **eXp's Compliance Committee** - A committee whose members are senior eXp executives who review, evaluate, and make determinations for the fair resolution of serious violations by Agents of their ICA and/or eXp P&Ps.
- **Departing Agent** - Agent departing from eXp.
- **DMB** - An abbreviation for the term "Designated Managing Broker."
- **E&O** - Errors and omissions insurance.
- **eXp Licensees** - eXp or any of its affiliates or licensees (not to be confused with real estate licensees), as it pertains to Agent Content. (See definition for "Agent Content" above).
- **eXp** - The applicable eXp Realty entity licensed as a real estate brokerage company in the Agent's state(s) of licensure: eXp Realty, LLC (in all states except those that follow); eXp Realty of California, Inc. (in California); eXp Realty of Northern California, Inc. (in northern California); eXp Realty of Greater Los Angeles, Inc. (in central California); eXp Realty of Southern California, Inc. (in southern California); eXp Realty North, LLC (in N. Dakota, Minnesota, and portions of New York, except as further qualified); eXp Realty of Connecticut, LLC (in Connecticut, and

Brooklyn, New York); and eXp Realty Associates, LLC (in Brooklyn, mid-town, and downtown, New York City).

- **eXp Brokerage** – This is a specific brokerage company, within the eXp World Holdings, Inc. family of real estate brokerage companies, that conducts business under any of the eXp® Realty or eXp® Commercial brands, and that is licensed or registered to engage in the real estate brokerage business in its particular jurisdiction (whether country, state, province, region, etc.).
- **eXpansion Share** - eXpansion Share is revenue share generated from the Revenue Share Pool received from Qualifying Transactions closed by an Agent's Revenue Share Group, and that is paid out to the Agent in an amount that is based on the Tier group of the Agent(s) who closed the Transaction(s).
- **eXponential Share** - eXponential Share is revenue share generated from the Revenue Share Pool received from Qualifying Transactions closed by an Agent's Revenue Share Group, and that is paid out to the Agent in an amount that is based on the Tier group of the Agent(s) who closed the Transaction(s). In order to unlock eXponential Share earning potential, the Agent must have the minimum number of Front-Line Qualifying Active agents (as defined below).
- **Export Request** - A written request from a Departing Agent to eXp's Technology and Technical Support team, sent via email to support@exprealty.com, for a list of all of the Departing Agent's non-eXp generated leads.
- **Front-Line Qualifying Active (FLQA)** - A Front-Line Qualifying Active agent is a licensed Agent who has been sponsored into eXp and has been active and productive with eXp during the prior rolling six-month period by closing a minimum of \$5,000 in Gross Commission Income. In order to unlock eXponential Share earning potential beyond Tier 1, an Agent must have the minimum number of Front-Line Qualifying Active agents in his or her Revenue Share Group.
- **FTC** - An abbreviation for the Federal Trade Commission which is an independent agency of the United States government whose principal mission is the enforcement of civil U.S. antitrust law and the promotion of consumer protection.
- **Gross Commission Income (GCI)** - Gross Commission Income is income retained by eXp after referrals, but prior to commission split.
- **Good Standing** - To be considered in Good Standing, an Agent must be current on all financial obligations and not have any unpaid fees, charges, repayments, or any other amounts owed by Agent to eXp; (2) have and maintain an active and current status on: (i) all required licenses; (ii) local, state, and national REALTOR® Association/Board memberships, where applicable; and (iii) any other subscriptions which are required to conduct real estate business in Agent's state(s); (3) not be deemed in breach of any term, covenant, condition, obligation (including monies owed) or duty set forth in the ICA and these eXp P&Ps, as determined by eXp in its

reasonable discretion; and (4) not be involved in any legal claims, disputes, or administrative hearings.

- **ICA** - An abbreviation for eXp's form of Independent Contractor Agreement
- **ICON** - A status awarded to Agents who have received an ICON Agent Award.
- **ICON Agent Award** - An award earned by Agents who have achieved certain production and cultural goals within an Agent's Capping Period. Each qualified "ICON" receives publicly-traded eXp World Holdings, Inc. common stock.
- **Income Claims** - Statements or representations that depict earnings obtained by Agents as a result of participating in the eXp opportunity. Such claims can consist of direct statements, presentations, videos, social media posts, charts, and images that directly state or imply what earnings an individual Agent made or makes and what earnings a prospective Agent might be able to make with eXp. Income and earnings claims also include implied claims such as lifestyle representations.
- **Initial FLQA Period**: A six (6) month period that begins at the moment that an Agent satisfies the Initial FLQA Period Productivity Requirement, during which time Agent will be classified as FLQA for his or her Sponsor.
- **Initial FLQA Period Productivity Requirement (a.k.a. "Productivity Requirement")** - The requirement that a new Agent must close a minimum of \$5,000 in Gross Commission Income during the prior six (6) month period to qualify for the Initial FLQA Period.
- **Limited Function Referral Offices** - Offices that are solely engaged in referring clients or customers to non-eXp real estate brokerage companies. Agents shall not operate limited function referral offices through eXp.
- **Limited Representation** - Any representation relationship with a seller, buyer, landlord, or tenant that limits the services to be provided to that person.
- **Mentor Program Requirements** - Generally, if an Agent has not completed three (3) purchase Transactions or sale Transactions (or any combination thereof) within the twelve (12) month period immediately preceding the Agent's Onboard Date, then the Agent will be required to participate in the eXp Mentor Program, as a mentee, upon transfer of their license to eXp.
- **Minimum Company Dollar Rule** - The rule providing that Company Dollar on purchase or sale commissions below 3% of the closed selling price will be subject to a minimum of \$500 or the regular 20% split based on 3% of the closed selling price, whichever is lower. This Minimum Company Dollar Rule only applies to Transactions closed by Agents who are not in a Capped Status.

- **MLS** - An abbreviation for Multiple Listing Service.
- **NAR** - An abbreviation for the National Association of REALTORS®.
- **One eXp Agent, Two Transaction Sides** - A dual agency transaction in which one natural person represents a buyer and seller in the same transaction.
- **Original Sponsor Window** - The one hundred eighty (180) day period immediately following an Agent's Offboard Date during which time, if an Agent rejoins eXp, that Agent's Sponsor will continue to serve in the same capacity.
- **Personal Transaction** - Any transaction concerning a property that is Agent-Owned or leased by an Agent, regardless of whether the Agent-Owner chooses to represent themselves or have another eXp Agent represent them.
- **Potential Local Sponsor** - A vendor that desires to sponsor a local event for eXp.
- **Preservation Period** - A period of up to 30 days in which a Departing Agent's database of eXp-generated and non-eXp generated leads within any eXp-provided consumer relationship management applications is preserved.
- **Property Management Services** - Engaging in any activities concerning an actual or prospective tenant on behalf of a client, whether or not such activities are coupled with any property preservation services (as that term is defined herein) (e.g., collecting rents, performing inspections, setting up repairs and maintenance, running a background check, making or assisting with tenant selection, etc.).
- **Property Preservation Services** - Tending to and managing only the physical aspects of any real property on behalf of a client (e.g., scheduling, coordinating, and/or setting up any repairs or maintenance concerning a client's real property).
- **Qualifying Transaction:** A Qualifying Transaction is either, (a) a purchase Transaction, sales Transaction, or (in the case of eXp Commercial) a business brokerage Transaction, that generates Company Dollar; or (b) BPOs, rental/lease Transactions, or referrals that respectively generate Gross Commission Income of at least \$1,000. A Personal Transaction does not generate Company Dollar, and is therefore not a Qualifying Transaction.
- **Residential Property** - Any real property that is zoned to accommodate a residential dwelling having not less than one (1) and not greater than four (4) dwelling units, whether such real property is vacant land or improved real property.
- **REBNY** - An abbreviation for the Real Estate Board of New York.
- **RESPA** - An abbreviation for the Real Estate Settlement Procedures Act.

- **Revenue Share Group** - An Agent's Revenue Share Group consists of the Agents that he or she personally sponsors to join the sales ranks of eXp and those Agents sponsored thereafter as a result of the Agent's original sponsorship(s).
- **Revenue Share Eligible (a.k.a. "Revenue Share Eligibility")** - For an Agent to remain eligible to collect revenue share (also referred to as "Revenue Share Eligibility"), the Agent must be in Good Standing.
- **Revenue Share Plan** - The common term used to identify the eXp Sustainable Revenue Share Plan that allows Agents to participate in a financial incentive paid out monthly to agents who have helped grow company sales.
- **Revenue Share Pool**: Fifty percent (50%) of Company Dollar generated on a Qualifying Transaction; used for calculation of revenue share payments.
- **SEC** - An abbreviation for the U.S. Securities and Exchange Commission which is an independent agency of the United States federal government whose primary purpose is to enforce the law against market manipulation.
- **Service Charge** - A \$100 service charge that is added to: 1) any advances made from a commission advance company that is outside of the eXp preferred partners network; and 2) and UCC liens presented to eXp from a commission advance company seeking payment of any unpaid commission advance(s).
- **Solicitation Laws** - Laws encompassing broad-based mandates like the Telephone Consumer Protection Act ("TCPA"), the Telemarketing Sales Rules ("TSR"), the CAN-SPAM Act, Federal Trade Commission ("FTC") rules, Securities and Exchange Commission ("SEC") regulations, and state and national tortious interference laws, and their implementing rules and regulations.
- **Sponsor** - A Sponsor is the Agent who a joining Agent selects (as identified in their ICA) as the person who most influenced them to join eXp.
- **Sponsorship** - An Agent's sole requirement to qualify as a sponsor is selection by the joining Agent in their ICA as the individual who most influenced them to join eXp. The role of sponsor is distinctive from other roles like a mentor, coach, or team leader. In some cases, these roles are assumed by the same person, but they are not mandatory for a sponsor.
- **Sponsorship Interference** - Any effort(s) or action(s) taken by an Agent to interfere with, coerce, or otherwise unethically encourage or convince a prospective or current Agent to change their intended sponsorship declaration (or current sponsor); Sponsorship Interference is prohibited and subject to corrective action up to and including termination of their affiliation with, and severance from eXp.

- **State Broker** - Designated Managing Broker or applicable Managing Broker(s) (individually, and collectively).
- **State P&Ps** – Means those policies and procedures applicable to a particular state.
- **State Department of Licensing** - A State's department or agency that is charged with administering the issuance of any real estate licenses in that State.
- **Straw Agent** - Straw Agents are Agents who are not engaged in the business of selling real estate or engaged in the process of attracting other productive agents to join eXp and help grow company sales.
- **eXp Sustainable Revenue Share Plan (a.k.a. "Revenue Share Plan")** - The Revenue Share Plan exists to provide a financial incentive to the Agents with eXp who have helped grow sales within the eXp family of real estate brokerage companies.
- **T&E Addendum** - An abbreviation for the term "Title & Escrow eXp Addendum."
- **TC** - An abbreviation for the term "Transaction Coordinator."
- **TCPA** - An abbreviation for the term "Telephone Consumer Protection Act of 1991." This law restricts marketing through certain types of phone calls and text messages, and provides protection for private citizens through the National Do Not Call List. It also places restrictions on the use of automated dialing systems and artificial or prerecorded voice messages.
- **Team** - A "team" is generally defined, in most states, as a lead Agent ("team leader") and at least one other Agent working as a team member ("team member").
- **Team Agreement** - An agreement outlining mutually agreed upon terms between a team leader and the team member(s). These agreements must be in writing, fully executed and carefully considered to ensure compliance with all federal, state and local law as well as eXp's Policies.
- **Team Leader** - Lead Agent on a team.
- **Team Member** - An Agent (other than a team leader) that is working as a team member with a team leader.
- **Tier** - In the Revenue Share Plan, the hierarchy of Agents that are sponsored in succession beginning with the Agent and each group of Agents thereafter.
- **TSR** - An abbreviation for the Telemarketing Sales Rule, enacted in 1995; it is the FTC's regulation on telemarketing authorized by the Telemarketing and Consumer Fraud and Abuse Prevention Act.

- **Vesting Period** - The time period, consisting of not less than 36 consecutive months, during which time an Agent must satisfy the following two conditions in order to become vested in the Revenue Share Plan: (1) be in Good Standing; and (2) be affiliated with eXp as a real estate licensee.

[NEXT SECTION CONTINUED ON NEXT PAGE]

*****(This section of these eXp P&Ps is an excerpt taken directly from the Insider Trading Policy of eXp World Holdings, Inc. (adopted as of March 31, 2023). Part II has been intentionally omitted as it does not apply to Agents of eXp, unless they are also "insiders," in which event they will receive Part II separately.)*****

XXIX. INSIDER TRADING POLICY OF EXP WORLD HOLDINGS, INC.

This Insider Trading Policy ("**Policy**") describes the standards of eXp World Holdings, Inc. and its subsidiaries (the "**Company**") on trading, and causing the trading of, the Company's securities or securities of certain other publicly traded companies while in possession of confidential information. Part I of this Policy (below) prohibits trading in certain circumstances and applies to all directors, executive officers, employees, agents, and brokers, and their respective immediate family members, of the Company.

One of the principal purposes of the United States federal securities laws is to prohibit so-called "insider trading." Simply stated, insider trading occurs when a person uses material nonpublic information about the Company to make decisions to purchase, sell, give away or otherwise trade the Company's securities or the securities of certain other companies or to provide that information to others outside the Company. The prohibitions against insider trading apply to trades, tips and recommendations by any person, including all persons associated with the Company, if the information involved is "material" and "nonpublic." These terms are defined in this Policy under Part I, Section 3 below. The prohibitions would apply to any director, executive officer, employee, agent or broker of the Company who buys or sells securities on the basis of material nonpublic information that he or she obtained about the Company, its businesses, partners, competitors or other companies with which the Company has contractual relationships or may be negotiating transactions.

PART I

1. Applicability.

This Policy applies to all trading or other transactions in (i) the Company's securities, including common stock, options and any other securities that the Company may issue, such as preferred stock, notes, bonds and convertible securities, as well as to derivative securities relating to any of the Company's securities, whether or not issued by the Company and (ii) the securities of certain other companies, including common stock, options and other securities issued by those companies as well as derivative securities relating to any of those companies' securities, where the person trading used information obtained while working for the Company.

2. No Trading or Causing Trading While in Possession of MNPI.

(a) No director, executive officer, employee, agent, or broker or any of their immediate family members may purchase or sell, or offer to purchase or sell, any Company security, whether or not issued by the Company, while in possession of material nonpublic information ("**MNPI**") about the Company. (The terms "material" and "nonpublic" are defined in Part I, Section 3(a) and (b) below.)

(b) No director, executive officer, employee, agent, or broker or any of their immediate family members who knows of any material nonpublic information about the Company may communicate that information to any other person ("**tip**"), including family members and friends, or otherwise disclose such information without the Company's authorization.

(c) No director, executive officer, employee, agent, or broker or any of their immediate family members may purchase or sell any security of any other publicly traded company while in possession of material nonpublic information related to that company that was obtained in the course of his or her involvement with the Company. No director, executive officer, employee, agent, or broker or any of their immediate family members who knows of any such material nonpublic information may communicate that information to, or tip, any other person, including family members and friends, or otherwise disclose such information without the Company's authorization.

(d) For compliance purposes, you should never trade, tip or recommend securities (or otherwise cause the purchase or sale of securities) while in possession of information that you have reason to believe is material and nonpublic unless you first consult with, and obtain the advance approval of, the Compliance Officer (which is defined in [Part I, Section 3\(c\)](#) below).

(e) Directors and executive officers of the Company must "pre-clear" all trading in securities of the Company in accordance with the procedures set forth in [Part II, Section 3](#) below.

3. **Definitions.**

(a) **Material.** Insider trading restrictions come into play only if the information you possess is "material." Materiality, however, involves a relatively low threshold. Information is generally regarded as "material" if it has market significance, that is, if its public dissemination is likely to affect the market price of securities, or if it otherwise is information that a reasonable investor would want to know before making an investment decision.

Information dealing with the following subjects is reasonably likely to be found material in particular situations:

- (i) significant changes in the Company's prospects;
- (ii) significant write-downs in assets or increases in reserves;
- (iii) developments regarding significant litigation or government agency investigations;
- (iv) liquidity problems;
- (v) changes in earnings estimates or unusual gains or losses in major operations;
- (vi) major changes in the Company's management or the board of directors;
- (vii) changes in dividends;
- (viii) extraordinary borrowings;
- (ix) major changes in accounting methods or policies;
- (x) award or loss of a significant contract;
- (xi) cybersecurity risks and incidents, including vulnerabilities and breaches;
- (xii) changes in debt ratings;
- (xiii) proposals, plans or agreements, even if preliminary in nature, involving mergers, acquisitions, divestitures, recapitalizations, strategic alliances, licensing arrangements, or purchases or sales of substantial assets; and
- (xiv) offerings of Company securities.

Material information is not limited to historical facts but may also include projections and forecasts. With respect to a future event, such as a merger, acquisition or introduction of a new product, the point at

which negotiations or product development are determined to be material is determined by balancing the probability that the event will occur against the magnitude of the effect the event would have on a company's operations or stock price should it occur. Thus, information concerning an event that would have a large effect on stock price, such as a merger, may be material even if the possibility that the event will occur is relatively small. When in doubt about whether particular nonpublic information is material, you should presume it is material. **If you are unsure whether information is material, you should either consult the Compliance Officer before making any decision to disclose such information (other than to persons who need to know it) or to trade in or recommend securities to which that information relates, or assume that the information is material.**

(b) **Nonpublic.** Insider trading prohibitions come into play only when you possess information that is material and "nonpublic." The fact that information has been disclosed to a few members of the public does not make it public for insider trading purposes. To be "public" the information must have been disseminated in a manner designed to reach investors generally, and the investors must be given the opportunity to absorb the information. Even after public disclosure of information about the Company, you must wait until the close of business on the second trading day after the information was publicly disclosed before you can treat the information as public.

Nonpublic information may include:

- (i) information available to a select group of analysts or brokers or institutional investors;
- (ii) undisclosed facts that are the subject of rumors, even if the rumors are widely circulated; and
- (iii) information that has been entrusted to the Company on a confidential basis until a public announcement of the information has been made and enough time has elapsed for the market to respond to a public announcement of the information (normally two trading days).

As with questions of materiality, if you are not sure whether information is considered public, you should either consult with the Compliance Officer, or assume that the information is nonpublic and treat it as confidential.

(c) **Compliance Officer.** The Company has appointed the General Counsel as the Compliance Officer for this Policy. The duties of the Compliance Officer include, but are not limited to, the following:

- (i) assisting with implementation and enforcement of this Policy;
- (ii) circulating this Policy to all covered persons and ensuring that this Policy is amended as necessary to remain up-to-date with insider trading laws;
- (iii) pre-clearing all trading in securities of the Company by directors and executive officers in accordance with the procedures set forth in [Part II, Section 3](#) below; and
- (iv) providing approval of any Rule 10b5-1 plans under [Part II, Section 1\(c\)](#) below and any prohibited transactions under [Part II, Section 4](#) below.

4. **Exception.**

The trading restrictions of this Policy do not apply if you are exercising stock options granted under the Company's 2015 Equity Incentive Plan (or any successor plan) for cash or the delivery of previously owned Company stock. However, the sale of any shares issued on the exercise of Company-granted stock options and any cashless exercise of Company-granted stock options are subject to trading restrictions under this Policy.

5. **Violations of Insider Trading Laws.**

Penalties for trading on or communicating material nonpublic information can be severe, both for individuals involved in such unlawful conduct and their employers and supervisors, and may include jail terms, criminal fines, civil penalties and civil enforcement injunctions. Given the severity of the potential penalties, compliance with this Policy is absolutely mandatory.

(a) Legal Penalties. A person who violates insider trading laws by engaging in transactions in a company's securities when he or she has material nonpublic information can be sentenced to a substantial jail term and required to pay a criminal penalty of several times the amount of profits gained or losses avoided.

In addition, a person who tips others may also be liable for transactions by the tippees to whom he or she has disclosed material nonpublic information. Tippees can be subject to the same penalties and sanctions as the tippees, and the SEC has imposed large penalties even when the tipper did not profit from the transaction.

The SEC can also seek substantial civil penalties from any person who, at the time of an insider trading violation, "directly or indirectly controlled the person who committed such violation," which would apply to the Company and/or management and supervisory personnel. These control persons may be held liable for up to the greater of \$2,301,065 or three times the amount of the profits gained or losses avoided. Even for violations that result in a small or no profit, the SEC can seek penalties from a company and/or its management and supervisory personnel as control persons.

(b) Company-Imposed Penalties. Persons who violate this Policy may be subject to disciplinary action by the Company, including dismissal for cause. Any exceptions to the Policy, if permitted, may only be granted by the Compliance Officer and must be provided before any activity contrary to the above requirements takes place.

6. **Inquiries.**

If you have any questions regarding any of the provisions of this Policy, please contact the Compliance Officer at james.bramble@expworldholdings.com.

[END OF DOCUMENT]

**Certification of the Chief Executive Officer pursuant to Rule
13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Glenn Sanford, hereby certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of eXp World Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2024

By: /s/ Glenn Sanford
Glenn Sanford
Chief Executive Officer (Principal Executive Officer)

**Certification of Chief Executive Officer pursuant to 18 U.S.C.
1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the quarterly report of eXp World Holdings, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2024 as filed with the Securities and Exchange Commission (the "Report"), I, Glenn Sanford, the Chief Executive Officer of the Company, hereby certify pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 1, 2024

By: /s/ Glenn Sanford
Glenn Sanford
Chief Executive Officer (Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission ("SEC") or its staff upon request.

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the SEC and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

**Certification of Chief Accounting Officer (Principal Financial Officer) pursuant to 18 U.S.C.
1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the quarterly report of eXp World Holdings, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2024 as filed with the Securities and Exchange Commission (the "Report"), I, Kent Cheng, the Chief Accounting Officer (Principal Financial Officer) of the Company, hereby certify pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 1, 2024

By: /s/ Kent Cheng
Kent Cheng
Chief Accounting Officer (Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission ("SEC") or its staff upon request.

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the SEC and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

EXHIBIT VIII

**RESTATED CERTIFICATE OF INCORPORATION OF
EXP WORLD HOLDINGS, INC.**

EXHIBIT A

RESTATED CERTIFICATE OF INCORPORATION OF EXP WORLD HOLDINGS, INC.

ARTICLE I

Indemnification

SECTION 1.01. Name. The name of the Corporation is “eXp World Holdings, Inc.” (the “Corporation”).

ARTICLE II

Purpose

SECTION 2.01. Purpose. The purpose for which the Corporation is organized is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law (“DGCL”).

ARTICLE III

Capital Stock

SECTION 3.01. Amount. The total number of shares of stock which the Corporation has authority to issue is 900,000,000 shares initially all of which are designated as Common Stock, par value of \$0.0001 per share (“Common Stock”).

SECTION 3.02 Common Stock

(A) The holders of shares of Common Stock shall be entitled to one vote for each such share on each matter submitted to the stockholders on which the holders of shares of Common Stock are entitled to vote. Except as otherwise required by law or this Amended and Restated Certificate of Incorporation, and at any annual or special meeting of the stockholders the holders of shares of Common Stock shall have the right to vote for the election of directors and on all other matters submitted to a vote of the stockholders; provided, however, that, except as otherwise required by law.

(B) The holders of shares of Common Stock shall be entitled to receive such dividends and other distributions (payable in cash, property, or capital stock of the Corporation) when, as and if declared thereon by the Board of Directors from time to time out of any assets or funds of the Corporation legally available therefor, and shall share equally on a per share basis in such dividends and distributions.

(C) In the event of any voluntary or involuntary liquidation, dissolution, or winding-up of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation, and the holders of shares of Common Stock shall be entitled to receive all the remaining assets of the Corporation available for distribution to its stockholders, ratably in proportion to the number of shares of Common Stock held by them.

(D) Any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding common stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an office or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded; provided, however if at any time Glenn Sanford and Penny Sanford no longer are the beneficial owners, in the aggregate, of at least a majority in voting power of all shares entitled to vote in the election of directors, then any action required or permitted to be taken by the holders of the Common Stock of the Corporation must be effected at a duly called annual or special meeting of such holders and may no longer be effected by any consent in writing by such holders.

ARTICLE IV

Directors

SECTION 4.01. Management of the Corporation. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Director of the Corporation.

SECTION 4.02. Number. The number of directors of the Corporation shall be limited as provided in the Bylaws and determined exclusively by resolution adopted by a majority of the Whole Board. For purposes of this Amended and Restated Certificate of Incorporation, the term “Whole Board” means the total number of authorized directors whether or not there exist any vacancies in previously authorized directorships.

SECTION 4.03. Election of Directors. The directors shall be elected at the annual meeting of stockholders by such stockholders as have the right to vote on such election. Directors need not be stockholders of the Corporation. Unless required by the Bylaws, the election of the Board of Directors need not be by written ballot.

SECTION 4.04. Vacancies. Any vacancy in the Board of Directors, however occurring, including a vacancy resulting from an enlargement of the Board of Directors, may be filled only by vote of a majority of the directors then in office, even if less than a quorum, or by a sole remaining director.

SECTION 4.05. Amendment of the Bylaws by the Board. The Board of Directors of the Corporation is expressly authorized to adopt, amend or repeal the Bylaws of the Corporation.

ARTICLE V

Indemnification

SECTION 5.01. Right to Indemnification and Advancement. The Corporation shall indemnify (and advance expenses to) its officers and directors to the fullest extent permitted by the DGCL, as amended from time to time

ARTICLE VI

Director Liability

SECTION 6.01. Waiver of Liability. A director of the Corporation shall not be personally liable either to the Corporation or to any of its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL. Any amendment or modification or repeal of the foregoing sentence or of the DGCL shall not adversely affect any right or protection of a director of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification, or repeal. If the DGCL hereafter is amended to further eliminate or limit the liability of a director, then a director of the Corporation, in addition to the circumstances in which a director is not personally liable as set forth in the preceding sentence, shall not be liable to the fullest extent permitted by the amended DGCL.

ARTICLE VII

Registered Agent and Registered Office

SECTION 7.01. Registered Agent and Office. The name and street address of the registered agent at the Corporation's registered office are:

CORPORATION SERVICE COMPANY
251 LITTLE FALLS DRIVE
WILMINGTON, NEW CASTLE COUNTY
DE, 19808

ARTICLE VIII

Quorum Requirement

SECTION 8.01. Quorum. The holders representing a majority of the combined voting power of the capital stock issued and outstanding and entitled to vote at a meeting, present in person or represented by proxy, shall constitute a quorum.

ARTICLE IX

Cumulative Voting

SECTION 9.01. No Cumulative Voting. No holder of any shares of any class of stock of the Corporation shall be entitled to cumulative voting rights in any circumstances.

ARTICLE X

Preemptive Rights

SECTION 10.01. No Preemptive Rights. No stockholder shall have any preemptive rights to acquire unissued shares of the Corporation or securities of the Corporation convertible into or carrying a right to subscribe to or acquire shares.

ARTICLE XI

Internal Corporate Claims

SECTION 11.01. Venue for Internal Corporate Claims. Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery in the State of Delaware shall be the sole and exclusive forum for all “internal corporate claims.” “Internal corporate claims” mean claims, including claims in the right of the Corporation, (i) that are based upon a violation of a duty by a current or former director or officer or stockholder in such capacity or (ii) as to which Title 8 of the Delaware Code confers jurisdiction upon the Court of Chancery, except for, as to each of (i) through (ii) above, any claim as to which the Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, or for which the Court of Chancery does not have subject matter jurisdiction. If any provision or provisions of this Article XI shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article XI (including, without limitation, each portion of any sentence of this Article XI containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

ARTICLE XII

Supermajority Provisions

SECTION 12.01. Amendment of the Certificate of Incorporation by Stockholders. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation; provided, however, that, notwithstanding any other provision of the Amended and Restated Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote or no vote, but in addition to any vote of the holders of any class or series of the stock of the Corporation

required by law or by this Amended and Restated Certificate of Incorporation, the affirmative vote of the holders of at least fifty-one percent (51%) of the voting power of the outstanding shares of stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to amend or repeal, or adopt any provision of this Amended and Restated Certificate of Incorporation inconsistent with Articles IV, V, XI and XII.

SECTION 12.02. Amendments to Bylaws by Stockholders. The stockholders shall also have the power to adopt, amend or repeal the Bylaws of the Corporation; provided, however, that, in addition to any vote of the holders of any class or series of stock of the Corporation required by law or by this Amended and Restated Certificate of Incorporation, the amendment of the Bylaws by the Corporation's stockholders shall require the affirmative vote of the holders of at least fifty-one percent (51%) of the voting power of all of the then outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

EXHIBIT IX
RESTATED BYLAWS OF EXP WORLD HOLDINGS, INC.

EXHIBIT A

RESTATED BYLAWS OF EXP WORLD HOLDINGS, INC.

ARTICLE I

Meeting of Stockholders

Section 1.1. Annual Meetings. If required by applicable law, an annual meeting of stockholders shall be held for the election of directors at such date, time and place, if any, either within or without the State of Delaware, as may be designated by resolution of the board of directors (the "Board of Directors") of eXp World Holdings, Inc., a Delaware corporation (the "Corporation") from time to time. Any other proper business may be transacted at the annual meeting.

Section 1.2. Special Meetings. Special meetings of stockholders for any purpose or purposes, unless otherwise prescribed by statute or by the Corporation's certificate of incorporation, as amended, restated, supplemented or otherwise modified (the "Certificate of Incorporation"), may be called at any time by the Secretary pursuant to a resolution adopted by a majority of the Whole Board (as defined below). Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice. For purposes of these Bylaws, the term "Whole Board" shall mean the total number of authorized directors whether or not there exist any vacancies in previously authorized directorships.

Section 1.3. Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a notice of the meeting shall be given that shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting) and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the Certificate of Incorporation or these Bylaws, the notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at the meeting as of the record date for determining the stockholders entitled to notice of the meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation.

Section 1.4. Adjournments. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of

stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record as of the record date so fixed for notice of such adjourned meeting.

Section 1.5. Quorum. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, at each meeting of stockholders the presence in person or by proxy of the holders of not less than a majority of the outstanding shares of stock entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. In the absence of a quorum, then either (i) the chairperson of the meeting or (ii) a majority of the outstanding shares of stock present (in person or by proxy) and entitled to vote may adjourn the meeting from time to time in the manner provided in Section 1.4 of these Bylaws until a quorum shall attend.

Section 1.6. Organization. Meetings of stockholders shall be presided over by a Chairperson of the meeting designated by the Board of Directors or, in the absence of such designation, by a Chairperson chosen at the meeting by the stockholders. The Secretary shall act as secretary of the meeting, but in his or her absence the Chairperson of the meeting may appoint any person to act as secretary of the meeting.

Section 1.7. Voting; Proxies. Except as otherwise provided by or pursuant to the provisions of the Certificate of Incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date. Voting at meetings of stockholders need not be by written ballot. At meetings of stockholders for the election of directors at which a quorum is present where the number of director nominees is equal to the number of positions on the Board of Directors to be filled through election and proxies are solicited for such election of directors solely by the Corporation, the affirmative vote of a majority of the shares of stock of the Corporation which are voting in the election of directors shall be required to elect. In all other meetings of stockholders for the election of directors at which a quorum is present, a plurality of the votes cast shall be sufficient to elect. All other questions presented to the stockholders at a meeting at which a quorum is present shall, unless otherwise provided by the Certificate of Incorporation, these Bylaws, the rules or regulations of any stock exchange applicable to the Corporation, or applicable law or pursuant to any regulation applicable to the Corporation or its securities, be decided by the affirmative vote of the holders of a majority of the shares of stock of the Corporation which are voting on the matter.

Section 1.8. Fixing Date for Determination of Stockholders of Record.

(A) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

(B) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which shall not be more than sixty (60) days prior to such other action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 1.9. List of Stockholders Entitled to Vote. The officer who has charge of the stock ledger shall prepare and make a complete list of the stockholders entitled to vote at the meeting (provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting at least ten (10) days prior to the meeting (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of meeting or (ii) during ordinary business hours at the principal place of business of the Corporation. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the

meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 1.9 or to vote in person or by proxy at any meeting of stockholders.

Section 1.10. Action by Written or Electronic Consent of Stockholders Without a Meeting. Any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an office or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded; provided, however if at any time the Company is no longer a “controlled company” under the rules of the Nasdaq Stock Market, then any action required or permitted to be taken by the holders of the Common Stock of the Corporation must be effected at a duly called annual or special meeting of such holders and may no longer be effected by any consent in writing by such holders.

Section 1.11. Inspectors of Election. The Corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the Corporation or a subsidiary, to act at the meeting or any adjournment thereof and to make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the Corporation outstanding, (ii) determine the shares of capital stock of the Corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the Corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of their duties. Unless otherwise provided by the Board of Directors, the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting. No ballot, proxies, votes or any revocation thereof or change thereto, shall be accepted by the inspectors after the closing of the polls unless the Court of Chancery of the State of Delaware upon application by a stockholder shall determine otherwise. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the Corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

Section 1.12. Conduct of Meetings. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the person presiding over any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such presiding person, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the presiding person of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the presiding person of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. The presiding person at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such presiding person should so determine, such presiding person shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board of Directors or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 1.13. Notice of Stockholder Business and Nominations.

(A) *Annual Meetings of Stockholders*.

(1) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders only (a) pursuant to the Corporation's notice of meeting (or any supplement thereto), (b) by or at the direction of the Board of Directors or any committee thereof or (c) by any stockholder of the Corporation who was a stockholder of record of the Corporation at the time the notice provided for in this Section 1.13 is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 1.13.

(2) For any nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (c) of paragraph (A)(1) of this Section 1.13, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and any such proposed business (other than the nominations of persons for election to the Board of Directors) must constitute a proper matter for stockholder action. To be timely, a stockholder's notice shall be

delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day, nor earlier than the close of business on the one hundred twentieth (120th) day, prior to the first anniversary of the preceding year's annual meeting (provided, however, that in the event that no annual meeting was held in the previous year or if the date of the annual meeting is more than thirty (30) days before or more than seventy (70) days after such anniversary date, notice by the stockholder must be so delivered not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Corporation). In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth: (a) as to each person whom the stockholder proposes to nominate for election as a director (i) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to and in accordance with Section 14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder, and (ii) such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Bylaws of the Corporation, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, (ii) the class or series and number of shares of capital stock of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner, (iii) a description of any agreement, arrangement or understanding with respect to the nomination or proposal between or among such stockholder and/or such beneficial owner, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing, including, in the case of a nomination, the nominee, (iv) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the stockholder's notice by, or on behalf of, such stockholder and such beneficial owners, whether or not such instrument or right shall be subject to settlement in underlying shares of capital stock of the Corporation, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such

stockholder or such beneficial owner, with respect to securities of the Corporation, (v) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination, (vi) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (a) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (b) otherwise to solicit proxies or votes from stockholders in support of such proposal or nomination, and (vii) any other information relating to such stockholder and beneficial owner, if any, required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in an election contest pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder. The foregoing notice requirements of this Section 1.13 shall be deemed satisfied by a stockholder with respect to business other than a nomination if the stockholder has notified the Corporation of his, her or its intention to present a proposal at an annual meeting in compliance with applicable rules and regulations promulgated under the Exchange Act and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting. The Corporation may require any proposed nominee to furnish such other information as the Corporation may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation.

(3) Notwithstanding anything in the second sentence of paragraph (A)(2) of this Section 1.13 to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation at the annual meeting is increased effective after the time period for which nominations would otherwise be due under paragraph (A)(2) of this Section 1.13 and there is no public announcement by the Corporation naming the nominees for the additional directorships at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 1.13 shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(B) *Special Meetings of Stockholders.* Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (1) by or at the direction of the Board of Directors or any committee thereof or (2) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the

Corporation who is a stockholder of record at the time the notice provided for in this Section 1.13 is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting and upon such election and who complies with the notice procedures set forth in this Section 1.13. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by paragraph (A)(2) of this Section 1.13 shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth (120th) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(C) *General.*

(1) Except as otherwise expressly provided in any applicable rule or regulation promulgated under the Exchange Act, only such persons who are nominated in accordance with the procedures set forth in this Section 1.13 shall be eligible to be elected at an annual or special meeting of stockholders of the Corporation to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 1.13. Except as otherwise provided by law, the Chairperson of the meeting shall have the power and duty (a) to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 1.13 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination or proposal is made solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies or votes in support of such stockholder's nominee or proposal in compliance with such stockholder's representation as required by clause (A)(2)(c)(vi) of this Section 1.13) and (b) if any proposed nomination or business was not made or proposed in compliance with this Section 1.13, to declare that such nomination shall be disregarded or that such proposed business shall not be transacted. Notwithstanding the foregoing provisions of this Section 1.13, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 1.13, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such

stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(2) For purposes of this Section 1.13, “public announcement” shall include disclosure in a press release reported by the Dow Jones News Service, Associated Press or other national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

(3) Notwithstanding the foregoing provisions of this Section 1.13, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations promulgated thereunder with respect to the matters set forth in this Section 1.13; provided however, that any references in these Bylaws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to this Section 1.13 (including paragraphs (A)(1)(c) and (B) hereof), and compliance with paragraphs (A)(1)(c) and (B) of this Section 1.13 shall be the exclusive means for a stockholder to make nominations or submit other business (other than, as provided in the penultimate sentence of (A)(2), business other than nominations brought properly under and in compliance with Rule 14a-8 of the Exchange Act, as may be amended from time to time). Nothing in this Section 1.13 shall be deemed to affect any rights (a) of stockholders to request inclusion of proposals or nominations in the Corporation’s proxy statement pursuant to applicable rules and regulations promulgated under the Exchange Act or (b) of the holders of any series of preferred stock to elect directors pursuant to any applicable provisions of the Certificate of Incorporation.

ARTICLE II

Board of Directors

Section 2.1. Number; Qualifications. Subject to the Certificate of Incorporation, the Board of Directors shall consist of not less than three members nor more than eleven members, the number thereof to be determined from time to time by resolution of the Whole Board. Directors need not be stockholders.

Section 2.2. Election; Resignation; Vacancies. All directors shall be elected for terms lasting until the next annual meeting of stockholders following their election, and until their successors are elected and qualified, subject to their earlier death, resignation or removal from the Board of Directors. Any director may resign at any time upon notice given in writing or by electronic transmission to the Corporation. Such resignation shall take effect when such notice is

given unless the notice specifies (a) a later effective date, or (b) an effective date determined upon the happening of an event or events. Unless otherwise specified in the notice of resignation, the acceptance of such resignation shall not be necessary to make it effective. Unless otherwise provided by law or the Certificate of Incorporation, any newly created directorship or any vacancy occurring in the Board of Directors for any cause may be filled only by the affirmative votes of a majority of the remaining members of the Board of Directors, although such majority is less than a quorum, and each director so elected shall hold office until the expiration of the term of office of the director whom he or she has replaced or until his or her successor is elected and qualified.

Section 2.3. Removal. Any one or more or all of the directors may be removed, with or without cause, by the holders of at least a majority of the outstanding shares of capital stock then entitled to vote at an election of directors.

Section 2.4. Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine.

Section 2.5. Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by any two members of the Board of Directors. Notice of a special meeting of the Board of Directors shall be given by the person or persons calling the meeting either by first class United States mail at least three days before such special meeting, or by overnight mail, courier service, electronic transmission, or hand delivery at least 48 hours before the special meeting or such shorter period as is reasonable under the circumstances.

Section 2.6. Telephonic Meetings Permitted. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this by-law shall constitute presence in person at such meeting.

Section 2.7. Quorum; Vote Required for Action. At all meetings of the Board of Directors the directors entitled to cast a majority of the votes of the Whole Board shall constitute a quorum for the transaction of business. In the event one or more of the directors shall be disqualified to vote at any meeting, then the required quorum shall be reduced by one for each such director so disqualified; provided, however, that in no case shall less than one-third (1/3) of the total number of directors constitute a quorum. Except in cases in which the Certificate of Incorporation, these Bylaws or applicable law otherwise provides, a majority of the votes entitled to be cast by the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 2.8. Organization. Meetings of the Board of Directors shall be presided over by the Chairperson of the Board of Directors or, in his or her absence, by a Chairperson chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence, the Chairperson of the meeting may appoint any person to act as secretary of the meeting.

Section 2.9. Action by Unanimous Consent of Directors. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmissions are filed with the minutes of proceedings of the board or committee in accordance with applicable law.

Section 2.10. Chairperson of the Board and Vice-Chairperson of the Board. The Board of Directors may elect one or more of its members to serve as Chairperson or Vice Chairperson of the Board and may fill any vacancy in such position at such time and in such manner as the Board of Directors shall determine. The Chairperson of the Board, if any, shall preside at all meetings of the Board of Directors at which he or she is present and shall perform such duties and possess such powers as are designated by the Board of Directors. If the Board of Director appoints a Vice Chairperson of the Board, he or she shall, in the absence or disability of the Chairperson of the Board perform the duties and exercise the powers of the Chairperson of the Board and shall perform such other duties and possess such other powers as may from time to time be designated by the Board of Directors. The fact that a person serves as either Chairperson or Vice Chairperson of the Board shall not make such person considered an officer of the Corporation.

ARTICLE III

Committees

Section 3.1. Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it.

Section 3.2. Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these Bylaws.

ARTICLE IV

Officers

Section 4.1. Officers. The officers of the Corporation shall consist of a Chief Executive Officer, a Chief Financial Officer, a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers as the Board of Directors may from time to time determine, which may include, without limitation, one or more Vice Presidents, Assistant Secretaries or Assistant Treasurers. Each of the Corporation's officers shall be elected by the Board of Directors, each to have such authority, functions or duties as set forth in these Bylaws or as determined by the Board of Directors. Each officer shall be chosen by the Board of Directors and shall hold office for such term as may be prescribed by the Board of Directors and until such person's successor shall have been duly chosen and qualified, or until such person's earlier death, disqualification, resignation or removal.

Section 4.2. Removal, Resignation and Vacancies. Any officer of the Corporation may be removed, with or without cause, by the Board of Directors, without prejudice to the rights, if any, of such officer under any contract to which it is a party. Any officer may resign at any time upon notice given in writing or by electronic transmission to the Corporation. Such resignation shall take effect when such notice is given unless the notice specifies (a) a later effective date, or (b) an effective date determined upon the happening of an event or events, such as the failure to receive the required vote for reelection as a director and the acceptance of such resignation by the Board of Directors. Unless otherwise specified in the notice of resignation, the acceptance of such resignation shall not be necessary to make it effective. If any vacancy occurs in any office of the Corporation, the Board of Directors may elect a successor to fill such vacancy for the remainder of the unexpired term and until a successor shall have been duly chosen and qualified.

Section 4.3. Chief Executive Officer. The Chief Executive Officer shall have general supervision and direction of the business and affairs of the Corporation and shall be responsible for corporate policy and strategy. Unless otherwise provided in these Bylaws or by the Board, all other officers of the Corporation shall report directly to the Chief Executive Officer. In the absence of a separately appointed President, the Chief Executive Officer shall be the President.

Section 4.4. President. The President shall perform such duties as the Board of Directors may from time to time determine. The President shall, when requested, counsel with and advise the other officers of the Corporation.

Section 4.5. Chief Operating Officer. The Chief Operating Officer shall be the chief operating officer of the Corporation, with general responsibility for the management and control of the operations of the Corporation and shall perform such other duties as the Board of Directors may from time to time determine. The Chief Operating Officer shall, when requested, counsel with and advise the other officers of the Corporation.

Section 4.6. Chief Financial Officer. The Chief Financial Officer shall exercise all the powers and perform the duties of the office of the chief financial officer and in general have overall supervision of the financial operations of the Corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital retained earnings, and shares. The Chief Financial Officer shall, when requested, counsel with and advise the other officers of the Corporation and shall

perform such other duties as the Board of Directors may from time to time determine. In the absence of a separately appointed Treasurer, the Chief Financial Officer shall be the Treasurer.

Section 4.7. Vice Presidents. The Vice President shall have such powers and duties as shall be prescribed by his or her superior officer or the Chief Executive Officer. A Vice President shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Board of Directors may from time to time determine.

Section 4.8. Treasurer. The Treasurer shall supervise and be responsible for all the funds and securities of the Corporation, the deposit of all moneys and other valuables to the credit of the Corporation in depositories of the Corporation, borrowings and compliance with the provisions of all indentures, agreements and instruments governing such borrowings to which the Corporation is a party, the disbursement of funds of the Corporation and the investment of its funds, and in general shall perform all of the duties incident to the office of the Treasurer. The Treasurer shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Board of Directors may from time to time determine.

Section 4.9. Secretary. The secretary shall attend all sessions of the Board of Directors and all meetings of the stockholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for committees when required. He or she shall give, or cause to be given, notice of all meetings of the stockholders and meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the president. The secretary shall keep in safe custody the seal of the Corporation and have authority to affix the seal to all documents requiring it and attest to the same.

Section 4.10. Additional Matters. The Chief Executive Officer and the Chief Financial Officer of the Corporation shall have the authority to designate employees of the Corporation to have the title of Assistant Vice President, Assistant Treasurer or Assistant Secretary. Any employee so designated shall have the powers and duties determined by the officer making such designation. The persons upon whom such titles are conferred shall not be deemed officers of the Corporation unless elected by the Board of Directors.

Section 4.11. Execution of Contracts and Instruments. All contracts, deeds, mortgages, bonds, certificates, checks, drafts, bills of exchange, notes and other instruments or documents to be executed by or in the name of the Corporation shall be signed on the corporation's behalf by such officer or officers, or other person or persons, as may be so authorized (i) by the Board of Directors, or (ii) subject to such limitations, if any, as the Board of Directors may impose, by the Chief Executive Officer. Such authority may be general or confined to specific instances and, if the Board of Directors or Chief Executive Officer (whichever grants authority) so authorizes or otherwise directs, may be delegated by the authorized officers to other persons. Unless otherwise provided in such resolution, any resolution of the Board of Directors or a committee thereof authorizing the Corporation to enter into any such instruments or documents or authorizing their execution by or on behalf of the Corporation shall be deemed to authorize the execution thereof on its behalf by the Chief Executive Officer, the President, Chief Financial Officer or any Vice President (an "Authorized Officer"). Furthermore, each Authorized Officer shall be authorized to enter into any contract or execute any instrument in the name of and on behalf of the Corporation

in matters arising in the ordinary course of the Corporation's business and to the extent incident to the normal performance of such Authorized Officer's duties.

ARTICLE V

Stock

Section 5.1. Certificates. The shares of the Corporation may be certificated or uncertificated in accordance with the Delaware General Corporation Law and shall be entered in the books of the Corporation and registered as they are issued. The issue of shares in uncertificated form shall not affect shares represented by a certificate until the certificate is surrendered to the Corporation. Any certificates representing shares of the Corporation's stock shall be in such form as may be prescribed by law and by the Board of Directors, certifying the number and class of shares owned by such stockholder in the Corporation. Every holder of stock represented by certificates shall be entitled to have a certificate signed by any two authorized officers of the Corporation certifying the number of shares owned by such holder in the Corporation. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent, or registrar at the date of issue.

Section 5.2. Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The Corporation may issue (i) a new certificate of stock or (ii) uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

ARTICLE VI

Indemnification and Advancement of Expenses

Section 6.1. Right to Indemnification. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, limited liability company, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Covered Person. Notwithstanding the preceding sentence, except as otherwise provided in Section 6.3, the Corporation shall be required to indemnify a Covered

Person in connection with a proceeding (or part thereof) commenced by such Covered Person only if the commencement of such proceeding (or part thereof) by the Covered Person was authorized in the specific case by the Board of Directors of the Corporation.

Section 6.2. Prepayment of Expenses. The Corporation shall to the fullest extent not prohibited by applicable law pay the expenses (including attorneys' fees) incurred by a Covered Person in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Article VI or otherwise.

Section 6.3. Claims. If a claim for indemnification (following the final disposition of such proceeding) or advancement of expenses under this Article VI is not paid in full within thirty (30) days after a written claim therefor by the Covered Person has been received by the Corporation, the Covered Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim to the fullest extent permitted by law. In any such action, the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 6.4. Nonexclusivity of Rights. The rights conferred on any Covered Person by this Article VI shall not be exclusive of any other rights which such Covered Person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, these Bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 6.5. Other Sources. The Corporation's obligation, if any, to indemnify or to advance expenses to any Covered Person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such Covered Person may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

Section 6.6. Amendment or Repeal. Any right to indemnification or to advancement of expenses of any Covered Person arising hereunder shall not be eliminated or impaired by an amendment to or repeal of these Bylaws after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought.

Section 6.7. Other Indemnification and Advancement of Expenses. This Article VI shall not limit the right of the Corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

ARTICLE VII

Miscellaneous

Section 7.1. Fiscal Year. The fiscal year of the Corporation shall be determined by resolution of the Board of Directors.

Section 7.2. Seal. The corporate seal shall have the name of the Corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

Section 7.3. Method of Notice. Whenever notice is required by law, the Certificate of Incorporation or these Bylaws to be given by the Corporation to any director, committee member or stockholder, personal notice shall not be required and any such notice may be given in writing (a) by mail, addressed to such director, committee member or stockholder at his or her address as it appears on the books of the Corporation, or (b) by any other method permitted by law (including, but not limited to, overnight courier service, facsimile, electronic mail or other means of electronic transmission) directed to the addressee at his, her or its address most recently provided to the Corporation. Any notice given by the Corporation by mail shall be deemed to have been given at the time when deposited in the United States mail. Any notice given by the Corporation by overnight courier service shall be deemed to have been given when delivered to such service. Any notice given by the Corporation by facsimile, electronic mail or other means of electronic transmission that generally can be accessed by or on behalf of the receiving party at substantially the same time as it is transmitted shall be deemed to have been given when transmitted, unless the Corporation receives a prompt reply that such transmission is undeliverable to the address to which it was directed.

Section 7.4. Waiver of Notice. Whenever any notice is required to be given under the provisions of the statutes or of the Certificate of Incorporation or of these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, or a waiver by electronic transmission by the person entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 7.5. Form of Records. Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or by means of, or be in the form of, any information storage device or method, provided that the records so kept can be converted into clearly legible paper form within a reasonable time.

Section 7.6. Amendment of Bylaws. Subject to any additional votes set forth in the Certificate of Incorporation or these Bylaws, these Bylaws may be amended or repealed or new Bylaws may be adopted by the stockholders or by the Board of Directors. Notwithstanding any provision of these Bylaws, the Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, in addition to any vote of the holders of any class or series of stock of the Corporation required by law or by the Certificate of Incorporation, the amendment or repeal of all or any portion of Articles I, II, VI, VIII or this Section 7.6 by the stockholders of the Corporation shall require the affirmative vote of the holders of at least fifty-

one percent (51%) of the then outstanding shares of capital stock entitled to vote generally in the election of directors.

Section 7.7. Registered Stockholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

Section 7.8. Facsimile Signature. In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these Bylaws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors or a committee thereof.