

REALPAGE INC  
Form DEF 14A  
April 26, 2019  
Table of Contents

**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**

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 Pursuant to §240. 14a-12

**RealPage, 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 the appropriate box):

Table of Contents



(4) Date Filed:

**Table of Contents**

**REALPAGE, INC.**

**Notice of 2019 Annual Meeting of Stockholders**

**June 5, 2019**

**We are pleased to invite you to attend the 2019 Annual Meeting of Stockholders of RealPage, Inc.**

**When and Where:** The meeting will be held on June 5, 2019, at 10:00 a.m., local time, at RealPage, Inc.'s principal executive offices located at 2201 Lakeside Blvd., Richardson, Texas 75082.

**Items of Business:** The meeting is being held to conduct the following items of business which are described in greater detail in the Proxy Statement accompanying this notice:

1. To elect each of Stephen T. Winn and Jason A. Wright to our board of directors for a term of three years.
2. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019.
3. To approve an advisory (non-binding) proposal concerning our executive compensation program.
4. To transact such other business as may properly come before the meeting or any adjournment thereof.

**Record Date:** Our board of directors set April 10, 2019 as the record date for the meeting. Our stockholders of record at the close of business on that date are entitled to receive this notice and to vote at the meeting.

**Meeting Attendance and Voting:** All stockholders are cordially invited to attend the meeting in person. Whether or not you plan to attend the annual meeting, we hope that you will vote as soon as possible. Voting by written proxy will ensure your representation at the meeting if you do not attend in person. For specific instructions on how to vote your shares, please review the instructions on the proxy card. Stockholders who attend the meeting may vote in person even if they have submitted a proxy. However, if you have submitted a proxy and wish to vote in person at the meeting, you must notify the inspector of elections of your intention to revoke the proxy that you previously submitted and instead vote in person at the meeting. If your shares are held in the name of a broker, trustee, bank or other nominee, please bring a proxy card from the broker, trustee, bank or other nominee with you to confirm that you are entitled to vote the shares.

**Additional Information:** The 2019 Proxy Statement and 2018 Annual Report to Stockholders are included with this notice and are also available at <http://investor.realpage.com>.

By Order of the Board of Directors

David G. Monk  
*Executive Vice President, Chief Legal Officer and Secretary*

Richardson, Texas

April 26, 2019

**Table of Contents**

**REALPAGE, INC.**

**Proxy Statement**

**For the**

**2019 Annual Meeting of Stockholders**

**TABLE OF CONTENTS**

<u>PROXY STATEMENT</u>	1
<u>GOVERNANCE</u>	2
<u>Proposal One Election of Directors</u>	2
<u>Board Composition</u>	2
<u>Required Vote</u>	2
<u>Recommendation of our Board for Proposal One</u>	2
<u>2019 Director Nominees Class III Directors</u>	2
<u>Incumbent Directors whose terms of office continue after the Annual Meeting</u>	4
<u>Board and Committee Governance</u>	6
<u>Board Leadership Structure</u>	6
<u>Director Qualifications</u>	7
<u>Director Independence</u>	8
<u>Board and Committee Meetings and Attendance</u>	8
<u>Board Committees</u>	8
<u>Board Oversight of Risk</u>	11
<u>Communication with our Board</u>	11
<u>Additional Governance Information</u>	12
<u>Articles and Bylaws</u>	12
<u>Code of Business Conduct and Ethics</u>	12
<u>Corporate Governance Guidelines</u>	12
<u>Director Minimum Stock Ownership Requirements</u>	12
<u>Hedging, Short Sale and Pledging Policy under our Insider Trading Policy</u>	13
<u>Director Attendance at Annual Meetings of Stockholders</u>	13
<u>Director Compensation</u>	13
<u>Determining Compensation for Non-Employee Directors in 2018</u>	13
<u>Discussion of Director Compensation</u>	13
<u>Director Compensation Table for Year ended December 31, 2018</u>	14

**Table of Contents**

<u>Transactions With Related Persons, Promoters And Certain Control Persons</u>	15
<u>Stock Options and Restricted Stock</u>	15
<u>Employment Arrangements and Indemnification Agreements</u>	15
<u>Other Relationships</u>	15
<u>Policies and Procedures for Related Party Transactions</u>	15
<u>Limitations of Liability and Indemnification Matters</u>	16
<b><u>SECURITY OWNERSHIP</u></b>	17
<u>Ownership of Equity Securities of RealPage</u>	17
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	19
<b><u>EXECUTIVE OFFICERS</u></b>	19
<b><u>EXECUTIVE COMPENSATION</u></b>	21
<u>Compensation Discussion and Analysis</u>	21
<u>Compensation Philosophy and Objectives</u>	21
<u>Compensation Decision-Making Process</u>	22
<u>Competitive Positioning</u>	23
<u>2018 Elements of Executive Compensation</u>	24
<u>Base Salaries</u>	24
<u>Performance-Based Cash Bonuses</u>	25
<u>Long-Term Equity Incentive Awards</u>	26
<u>Benefits and Other Compensation</u>	27
<u>Perquisites</u>	28
<u>2019 Compensation Determinations</u>	28
<u>Base Salaries</u>	28
<u>Performance-Based Cash Bonuses</u>	28
<u>Long-Term Equity Incentive Awards</u>	29
<u>Other Executive Compensation Considerations</u>	30
<u>Trading Controls and Hedging, Short Sale and Pledging Policies under our Insider Trading Policy</u>	30
<u>Clawback Provisions</u>	30
<u>Executive Stock Ownership</u>	30
<u>Severance and Change in Control Benefits</u>	31
<u>Tax and Accounting Considerations</u>	31
<u>Compensation Committee Report</u>	32
<u>CEO Pay Ratio</u>	33
<u>Compensation Committee Interlocks and Insider Participation</u>	34

**Table of Contents**

<u>Compensation Tables</u>	34
<u>Summary Compensation Table</u>	34
<u>Grants of Plan-Based Awards</u>	36
<u>Supplemental Information Regarding Arrangements with Executive Officers</u>	37
<u>Employment Agreements</u>	37
<u>Outstanding Equity Awards at December 31, 2018</u>	41
<u>Option Exercises and Stock Vested</u>	42
<u>Pension Benefits and Nonqualified Deferred Compensation</u>	43
<u>Potential Payments on Termination or Change in Control</u>	43
<u>Agreement and Plan Terms regarding Termination or Change in Control Payments</u>	43
<u>Certain Definitions</u>	44
<u>Equity Compensation Plans Information</u>	46
<b><u>AUDIT MATTERS</u></b>	47
<u>Proposal Two: Ratification of Independent Registered Public Accounting Firm</u>	47
<u>Background</u>	47
<u>Required Vote</u>	47
<u>Audit Fees and All Other Fees</u>	47
<u>Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditors</u>	48
<u>Other Information</u>	48
<u>Recommendation of our Board for Proposal Two</u>	48
<u>Report of our Audit Committee</u>	49
<b><u>PROPOSAL THREE: ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION</u></b>	50
<b><u>INFORMATION CONCERNING SOLICITATION AND VOTING</u></b>	51
<u>General</u>	51
<u>Householding of Annual Meeting Materials</u>	51
<u>Record Date: Outstanding Shares</u>	51
<u>Voting and Solicitation</u>	51
<u>Treatment of Abstentions and Broker Non-Votes</u>	51
<u>Quorum</u>	52
<u>Voting Requirements</u>	52
<u>Revocability of Proxies</u>	52
<b><u>DEADLINE FOR RECEIPT OF PROPOSALS FOR 2020 ANNUAL MEETING</u></b>	53
<b><u>OTHER MATTERS</u></b>	53

**Table of Contents**

**REALPAGE, INC.**

**2201 Lakeside Boulevard**

**Richardson, Texas 75082**

**(972) 820-3000**

**PROXY STATEMENT**

**FOR THE**

**2019 ANNUAL MEETING OF STOCKHOLDERS**

April 26, 2019

We are furnishing you this proxy statement and proxy card to solicit proxies on behalf of the board of directors (the **Board**) of RealPage, Inc. ( **RealPage**, the **Company**, **we** or **us** ) to be voted at our 2019 Annual Meeting of Stockholders ( **Annual Meeting** ). The Annual Meeting will be held at our principal executive offices located at 2201 Lakeside Boulevard, Richardson, Texas 75082 on June 5, 2019, at 10:00 a.m., local time. The proxies also may be voted at any adjournments or postponements of the Annual Meeting.

We are first mailing the proxy materials to stockholders on April 26, 2019. Please refer to *Information Concerning Solicitation and Voting* located on page 51 in this proxy statement for information relating to the distribution of our annual meeting materials to our stockholders.

All properly executed written proxies and all properly completed proxies submitted by telephone or Internet that are delivered pursuant to this solicitation will be voted at the Annual Meeting in accordance with the directions given in the proxy, unless the proxy is revoked prior to completion of voting at the Annual Meeting.

Only owners of record of shares of our common stock as of the close of business on April 10, 2019 (the **Record Date**) are entitled to notice of, and to vote at, the Annual Meeting or any adjournments or postponements of the Annual Meeting. Each owner of record on the Record Date is entitled to one vote for each share of common stock held. On the Record Date, 94,593,168 shares of our common stock, \$0.001 par value, were issued, outstanding and entitled to vote at the Annual Meeting.

The Notice of Annual Meeting, this Proxy Statement and our Annual Report on Form 10-K for the year ended December 31, 2018 are available at <https://investor.realpage.com>.



**Table of Contents**

**GOVERNANCE**

**PROPOSAL ONE: ELECTION OF DIRECTORS**

**What Am I Voting On?**

Stockholders are being asked to elect two director nominees for three-year terms. This section includes information about our Board, each director nominee, and each incumbent director whose term continues after the Annual Meeting.

**Voting Recommendation:**

**FOR** the election of each director nominee. We believe the combination of the various qualifications, skills and experiences of the 2019 director nominees will contribute to an effective and well-functioning Board as we believe the director nominees possess the necessary qualifications to provide effective oversight of the business and quality advice and counsel to our management.

**Board Composition**

Our Board is currently composed of seven members, divided into three classes with staggered three-year terms. There are currently three directors in Class I, two directors in Class II and two directors in Class III. The current terms of office of the Class III directors, Mr. Stephen T. Winn and Mr. Jason A. Wright, will expire at this Annual Meeting and Mr. Winn and Mr. Wright will stand for re-election to our Board at the Annual Meeting.

The terms of office of the Class I directors, Mr. Alfred R. Berkeley, III, Mr. Peter Gyenes and Mr. Charles F. Kane, will expire at the 2020 annual meeting. The terms of office of the Class II directors, Mr. Scott S. Ingraham and Mr. Jeffrey T. Leeds, will expire at the 2021 annual meeting. Our certificate of incorporation and our bylaws provide that the number of directors will be fixed from time to time by a resolution of the majority of our Board. Nine directors are currently authorized.

**Required Vote**

Directors are elected by a plurality of the votes cast. The two nominees who receive the greatest number of votes cast will be elected directors for three-year terms, in each case until their successors are duly elected and qualified. Withheld votes and broker non-votes, if any, will not be counted either for or against the election of a director nominee. Cumulative voting is not permitted by our certificate of incorporation.

Unless otherwise instructed, the proxy holders will vote the proxies received by them for our nominees named below. If any of our nominees is unable or declines to serve as a director at the time of the Annual Meeting, the proxies will be voted for any nominee who is designated by the present Board to fill the vacancy. It is not expected that any nominee will be unable or will decline to serve as a director.

**Recommendation of our Board for Proposal One**

*Our Board unanimously recommends that stockholders vote FOR the nominees listed below.*

**2019 DIRECTOR NOMINEES CLASS III DIRECTORS**

The nominating and governance committee of our Board ( Nominating and Governance Committee ) recommended the two individuals set forth in the table below for nomination by our Board. Based on such recommendations, our Board nominated such directors for election at the Annual Meeting as Class III directors to serve for a term expiring at the 2022 annual meeting of stockholders, or until their successors have been duly elected and qualified or until their earlier death, resignation or removal.

**Table of Contents**

Our Board and Nominating and Governance Committee believe that the combination of the various qualifications, skills and experiences of the director nominees will contribute to an effective and well-functioning Board and that, individually and as a whole, the director nominees possess the necessary qualifications to provide effective oversight of our business and quality advice and counsel to our management.

The following sets forth information concerning the nominees for election as directors at the Annual Meeting, including information as to each nominee's age as of the Record Date, current principal occupation and business experience.

Name of Director	Age	Position and Offices Held with Company	Director Since
Stephen T. Winn	72	Chairman, CEO and President	1998
Jason A. Wright <sup>(1)(2)(3)</sup>	47	Director	2003

- (1) Member of Compensation Committee
- (2) Member of Audit Committee
- (3) Member of Nominating and Governance Committee

**Class III Directors (Terms Expire in 2019)**

*Stephen T. Winn* has served as our Chief Executive Officer and a member of our Board since November 1998, during which time he served as Chairman of our Board, and as our President since August 2012, a position that Mr. Winn previously held from November 1998 to December 2009. From January 1998 to March 1999, Mr. Winn served in various executive positions, including President of Research Institute of America, a provider of information services to the accounting industry and a wholly owned subsidiary of Thomson Reuters Corporation. From June 1969 to January 1998, Mr. Winn served as President and Chief Executive Officer of Computer Language Research Inc., a publicly traded company focused on tax compliance, tax research and accounting software, which was acquired by Thomson Reuters Corporation. Mr. Winn is a member of the board of directors of the National Multifamily Housing Council. In January 2002, he was one of 25 people recognized by the National Apartment Association as a leader in the multifamily industry. Mr. Winn received Ernst & Young LLP's Entrepreneur of the Year 2012 Southwest Area North Technology Sector award. Mr. Winn received his B.S. in electrical engineering from The University of Texas at Austin and his M.S. in management science from Stanford University. In addition to Mr. Winn's role as our Chief Executive Officer, we believe Mr. Winn's qualifications to serve on our Board include his previous service in executive positions at various public and private technology companies and his extensive experience in the multifamily rental housing industry.

*Jason A. Wright* has served as a member of our Board since December 2003 and as our lead independent director since February 2012. Mr. Wright has served as a member of our Audit Committee since January 2004 and served as chairman of our Audit Committee from February 2012 until February 2013. Mr. Wright has served as a member of our Compensation Committee since October 2006 and a member of our Nominating and Governance Committee since February 2010. Mr. Wright is a partner in the Tech & Telecom Group at Apax Partners LLC, where he focuses primarily on investments in enterprise software and technology-enabled services. Prior to joining Apax in 2000, Mr. Wright served in a variety of roles at General Electric Capital Corporation, a subsidiary of General Electric Corporation, including the evaluation and execution of investment opportunities for the Technology Ventures Group, and Mr. Wright was also a consultant at Andersen Consulting, now Accenture plc. Mr. Wright currently serves on the board of directors of various private companies. Mr. Wright received his B.A. in economics from Tufts University and his M.B.A. in finance from The Wharton School of the University of Pennsylvania. We believe Mr. Wright's qualifications to serve on our Board include his extensive business and financial experience related to enterprise software and technology-enabled services companies.

**Table of Contents****INCUMBENT DIRECTORS WHOSE TERMS OF OFFICE CONTINUE AFTER THE ANNUAL MEETING**

The following sets forth information concerning our directors whose terms of office continue after the Annual Meeting, including information as to each director's age as of the Record Date, current principal occupation and business experience.

<b>Name of Director</b>	<b>Age</b>	<b>Position and Offices Held with Company</b>	<b>Director Since</b>
Alfred R. Berkeley, III <sup>(1)</sup>	74	Director	2003
Peter Gyenes <sup>(1)(2)(3)</sup>	73	Director	2010
Charles F. Kane <sup>(1)(2)(3)</sup>	61	Director	2012
Scott S. Ingraham <sup>(2)(3)</sup>	65	Director	2012
Jeffrey T. Leeds <sup>(3)</sup>	63	Director	1999

(1) Member of Compensation Committee

(2) Member of Audit Committee

(3) Member of Nominating and Governance Committee

**Class I Directors (Terms Expire in 2020)**

*Alfred R. Berkeley, III* has served as a member of our Board since December 2003 and as a member of our Compensation Committee since January 2004. Mr. Berkeley also served as a member and as chairman of our Audit Committee from January 2004 to February 2012 and as our lead independent director from February 2011 to February 2012. Mr. Berkeley has served as Chairman of Princeton Capital Management, Inc., an investment adviser, since December 2012 and Princeton Capital Management LLC since September 2017. Mr. Berkeley has served as Vice Chairman of Gentag, Inc., a developer of technology for near field communications, since November 2011. Mr. Berkeley served as the Chairman of Pipeline Financial Group, Inc., the parent of Pipeline Trading Systems LLC, a block trading brokerage service, from December 2003 until November 2011. From December 2003 to March 2010, Mr. Berkeley also served as the Chief Executive Officer of Pipeline Financial Group, Inc. He also served as Acting Chairman of the National Infrastructure Advisory Council for the President of the United States from 2001 until December 2011. Mr. Berkeley also served as a trustee of Johns Hopkins University and a member of the Johns Hopkins University Applied Physics Laboratory, LLC from 1999 until June 2011. He formerly served as Vice Chairman of the Nomination Evaluation Committee for the National Medal of Technology and Innovation, which makes candidate recommendations to the Secretary of Commerce. He was appointed Vice Chairman of the NASDAQ Stock Market, Inc. in July 2000, serving through July 2003, and served as President of NASDAQ from 1996 until 2000. From 1972 to 1996, Mr. Berkeley served in a number of capacities at Alex. Brown & Sons Incorporated, which was acquired by Bankers Trust New York Corporation and later by Deutsche Bank AG. Most recently, he was Managing Director in the corporate finance department where he financed computer software and electronic commerce companies. He joined Alex. Brown & Sons Incorporated as a Research Analyst in 1972 and became a general partner in 1983. From 1985 to 1987, he served as Head of Information Services for the firm. From 1988 to 1990, Mr. Berkeley took a leave of absence from Alex. Brown & Sons Incorporated to serve as President and Chief Executive Officer of Rabbit Software Inc., a public telecommunications software company. He served as a captain in the United States Air Force and a major in the United States Air Force Reserve.

Mr. Berkeley also served as a director of Kintera, Inc. until May 2008, when it was acquired by Blackbaud, Inc. (NASDAQ: BLKB). Mr. Berkeley also served on the board of Fortegra Financial Corporation (NYSE: FRF), an insurance services company that provides distribution and administration services and insurance-related products to insurance companies, insurance brokers and agents and other financial services companies in the United States from December 2010 to November 2011. Mr. Berkeley served on the boards of directors of ACI Worldwide, Inc. (NASDAQ: ACIW) from 2008 until June 2012 and Edgar Online, Inc. (NASDAQ: EDGR), which was sold to RR Donnelley, from November 2010 through August 2012. Mr. Berkeley also serves as a

**Table of Contents**

director of several private companies. Mr. Berkeley received his B.A. in English from the University of Virginia and his M.B.A. from The Wharton School of the University of Pennsylvania. On October 24, 2011, Mr. Berkeley entered into a consent decree with the Securities and Exchange Commission ( SEC ) relating to his role at Pipeline Trading Systems, LLC. We believe Mr. Berkeley's qualifications to serve on our Board include his extensive experience in corporate finance and securities matters, including his experience as chief executive officer of various companies and his leadership positions with the NASDAQ Stock Market, Inc., and his knowledge gained from service on the boards of various publicly traded and private companies and federal committees.

*Peter Gyenes* has served as a member of our Board since January 2010, as chairman of our Compensation Committee since February 2010, as a member of our Audit Committee since February 2010, and as a member of our Nominating and Governance Committee since February 2010. Mr. Gyenes has served as the non-executive Chairman of the board of directors of Sophos Group plc (LSE: SOPH), a global security software company, since March 2006, lead independent director from September 2012 to July 2015, and again as Chairman since July 2015. Mr. Gyenes served as Chairman and Chief Executive Officer of Ascential Software Corporation, a market leader in data integration software, and its predecessor companies VMark Software, Ardent Software and Informix from 1996 until it was acquired by International Business Machines Corporation in 2005. Mr. Gyenes served on the board of directors of Netezza Corporation from 2008 until it was acquired by International Business Machines Corporation in 2010. Mr. Gyenes also served on the board of Lawson Software, Inc. from 2006 until it was acquired by Infor in July 2011, served on the board of EnerNoc (NASDAQ: ENOC) from 2013 until 2015, served on the board of Cimpress NV (NASDAQ: CMPR) from 2009 until 2015, and served on the board of IntraLinks Holdings, Inc. from 2008 to January 2017. He currently serves on the boards of directors of Pegasystems Inc. (NASDAQ: PEGA), a leader in cloud software for customer engagement and operational excellence, and Carbonite, Inc. (NASDAQ: CARB), a leading provider of online backup solutions for consumers and small and medium sized businesses, and serves as trustee emeritus of the Massachusetts Technology Leadership Council. Mr. Gyenes received his B.A. in mathematics and his M.B.A. in marketing from Columbia University. We believe Mr. Gyenes' qualifications to serve on our Board include his experience as the Chief Executive Officer of a publicly traded company, his knowledge gained from service on the boards of various public and private companies and his more than 40 years of experience in technology, sales, marketing and general management positions within the computer systems and software industry.

*Charles F. Kane* has served as a member of our Board, as a member of our Compensation Committee and as a member of our Nominating and Governance Committee since June 2012. Mr. Kane has served as a member of our Audit Committee since June 2012 and as chairman of our Audit Committee since February 2013. Mr. Kane is an adjunct professor of international finance at the Massachusetts Institute of Technology Sloan Graduate Business School of Management. Mr. Kane is also a Director and Strategic Advisor of One Laptop Per Child, a non-profit organization founded at Massachusetts Institute of Technology that provides computing and internet access for students in the developing world, for whom he served as President and Chief Operating Officer from 2008 until 2009. Mr. Kane served as Executive Vice President and Chief Administrative Officer of Global BPO Services Corp., a special purpose acquisition corporation, from July 2007 until March 2008, and as Chief Financial Officer of Global BPO from August 2007 until March 2008. Prior to joining Global BPO, he served as Chief Financial Officer of RSA Security Inc., a provider of e-security solutions, from May 2006 until RSA was acquired by EMC Corporation in October 2006. From July 2003 until May 2006, he served as Chief Financial Officer of Aspen Technology, Inc., a provider of supply chain management software and professional services. Mr. Kane is currently a director of Carbonite, Inc. (NASDAQ: CARB), a leading provider of online backup solutions for consumers and small and medium sized businesses, and Progress Software (NASDAQ: PRGS), a global software company that simplifies the development, deployment and management of business applications on-premise or in the cloud, on any platform or device, to any data source, with enhanced performance, minimal IT complexity and low total cost of ownership. Mr. Kane was previously a director of Applix Inc., Borland Software Corporation, Demandware Inc. and Netezza Corporation. Mr. Kane is a Certified Public Accountant and holds a B.B.A. in accounting from the University of Notre Dame and an M.B.A. in international finance from Babson College. We believe Mr. Kane's experience as a senior executive officer at a number of publicly

---

## **Table of Contents**

traded companies, including as chief financial officer of several of those companies, and his experience serving on the boards of directors of other public and private companies, qualify him to serve on our Board. As an Audit Committee financial expert and chairman of our Audit Committee, Mr. Kane provides a high level of expertise and leadership experience in the areas of finance, accounting, audit oversight and risk analysis derived from his experience as the chief financial officer of publicly traded technology companies. Mr. Kane also offers substantial public company board experience to our Board.

### **Class II Directors (Terms Expire in 2021)**

*Scott S. Ingraham* has served as a member of our Board since February 2012 and as a member of our Audit Committee and our Nominating and Governance Committee since February 2012. Mr. Ingraham is presently the co-founder and Principal of Zuma Capital, Inc., a private investment firm. He co-founded and served as the Chief Executive Officer and Chairman of Rent.com, an Internet residential real estate listing site, from 1999 until its acquisition by eBay in February 2005. Prior to founding Rent.com, Mr. Ingraham was the CEO, president and co-founder of Oasis Residential, a NYSE-traded apartment REIT which merged into Camden Property Trust in 1998. Mr. Ingraham is on the Board of Trust Managers of Camden Property Trust (NYSE: CPT), a real estate investment trust focused on the development and ownership of apartment properties. Camden Property Trust is one our larger customers. Mr. Ingraham also serves as a director of Kilroy Realty Corporation (NYSE: KRC), a publicly held real estate investment trust focused on the development and ownership of office and industrial properties. Mr. Ingraham graduated from the University of Texas at Austin with a B.B.A. in Finance. We believe Mr. Ingraham's qualifications to serve on our Board include his substantial financial and business expertise as the chief executive officer of several companies in the real estate industry and his significant experience serving on boards of other publicly traded companies.

*Jeffrey T. Leeds* has served as a member of our Board and a member of our Nominating and Governance Committee since December 1999. Mr. Leeds has served as chairman of our Nominating and Governance committee since February 2012. Mr. Leeds is President and Co-Founder of Leeds Equity Partners. Leeds Equity Partners, based in New York, is the oldest and largest private equity firm in the United States focused exclusively on investments in the Knowledge Industries—education, training, and business and information services. Prior to co-founding Leeds Equity Partners in 1993, Mr. Leeds spent seven years specializing in mergers and acquisitions and corporate finance at Lazard Freres & Co. LLC, a subsidiary of Lazard Group LLC. Prior to joining Lazard Freres & Co. LLC, Mr. Leeds served as a law clerk to the Hon. William J. Brennan, Jr. of the Supreme Court of the United States during the 1985 October Term. Mr. Leeds also worked in the corporate department of the law firm of Cravath, Swaine & Moore LLP in New York. Mr. Leeds currently serves on the board of directors of BARBRI, INTO University Partnerships, Knowledge Factor, Medley Management Inc. (NASDAQ: MDLY), Fusion Education Group, Endeavor Schools, LLC and Simplify Compliance Holdings, LLC. Mr. Leeds served on the Board of Education Management Corporation (NASDAQ: EDMC) from June 2006 through July 2015. Mr. Leeds is a member of the Council on Foreign Relations and a member of the Board of Visitors at The Colin L. Powell School for Civic and Global Leadership at The City College of New York. Mr. Leeds received his B.A. in history summa cum laude from Yale University and his J.D. magna cum laude from Harvard Law School. He was also a Marshall Scholar at the University of Oxford. We believe Mr. Leeds's qualifications to serve on our Board include his extensive business and legal experience in corporate finance and his knowledge gained from service on the boards of various publicly traded and private companies.

## **BOARD AND COMMITTEE GOVERNANCE**

### **Board Leadership Structure**

Our governance framework provides our Board with flexibility to select the appropriate leadership structure for us. The current leadership structure is composed of a combined chairman of the board and chief executive officer, a lead independent director, Board committees led by independent directors and active engagement by all directors. Our Board believes this structure provides an effective balance between strong Company leadership and appropriate safeguards and oversight by independent directors.

## **Table of Contents**

Our Board believes that our Chief Executive Officer, Stephen T. Winn, is best situated to serve as Chairman because he is the director most familiar with our business and industry, and most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy. Our independent directors have different perspectives and roles in strategic development. Our independent directors bring experience, oversight and expertise from outside our company and industry, while the Chief Executive Officer brings company-specific experience and expertise. Our Board believes that the combined role of Chairman and Chief Executive Officer promotes strategy development and execution, and facilitates information flow between management and our Board, which are essential to effective governance.

Mr. Jason A. Wright serves as our lead independent director. Our lead independent director is responsible for coordinating activities of our other independent directors, presiding at all meetings of our Board at which the Chairman is not present, including executive sessions of the independent directors, serving as liaison between the Chairman and the independent directors, having the authority to call meetings of the independent directors, and performing various other duties as directed by our Board. Under our Corporate Governance Guidelines, the lead independent director is charged with relaying the discussions of the executive sessions to the Chief Executive Officer, as appropriate, participating in the discussion of Chief Executive Officer performance with our Compensation Committee, and ensuring that our Board annually conducts a self-assessment.

### **Director Qualifications**

Our Board believes that maintaining a Board with a range of skills and experience meeting our needs is important, as is maintaining a size that facilitates group discussion and collegiality.

Our Nominating and Governance Committee, consisting solely of independent directors as determined under applicable NASDAQ listing standards, is responsible for reviewing with our Board, on an annual basis, the requisite skills and characteristics of potential new Board members as well as the composition of our Board as a whole. This assessment includes members' qualification as independent, as well as consideration of character, judgment, diversity, age, skills, including financial literacy, and experience in the context of the needs of our Board and our business. Nominees for directorship are selected by our Nominating and Governance Committee and approved by our Board in accordance with such policies and principles as our Board may promulgate after considering the recommendation of our Nominating and Governance Committee.

Our Corporate Governance Guidelines emphasize the importance of maintaining a Board with a range of skills and experience meeting the needs of the Company. Our Nominating and Governance Committee seeks to identify for Board positions the most qualified candidates, without regard to race, color, veteran status, religion, gender, sex, sexual orientation, medical condition, national origin, marital status or any other characteristics protected by law. Our Nominating and Governance Committee does not have a formal policy with respect to diversity; however, our Board and Nominating and Governance Committee believe that it is important that the members of our Board represent diverse viewpoints, and are committed to an inclusive approach in identifying candidates who provide a variety of skills and experience to the Board, including qualified female Board candidates. Our Nominating and Governance Committee's process for identifying and evaluating nominees typically involves a series of internal discussions, review of information concerning candidates, and interviews with selected candidates. From time to time, we also have engaged one or more executive search consulting firms to assist in the identification and recruitment of potential director candidates.

Our Corporate Governance Guidelines provide that each director should be able and prepared to devote sufficient time and effort to his or her duties as a director. Directors are not permitted to sit on more than six publicly traded company boards or, if such director is a CEO of a public company, he or she is not permitted to sit on the board of more than two public companies besides the board of his or her own company.

Our Board does not have term limits. Directors who have served on our Board for an extended period of time are able to provide valuable insight into our operations and future based on their experience with and

## **Table of Contents**

understanding of our industry, business operations, history, policy and objectives. Our Board believes that, as an alternative to term limits, it can ensure that the Board continues to evolve through the evaluation and nomination process required by our Corporate Governance Guidelines.

Our Corporate Governance Guidelines also provide that, as a general matter, a director should not stand for re-election as a non-employee director after his or her 75<sup>th</sup> birthday. Non-employee directors are required to tender their resignation no later than the expiration of their elected term following their 75<sup>th</sup> birthday. Retirement of a director who has reached the age of retirement may be postponed if our Board determines that it would be in the best interests of RealPage and its stockholders under the particular circumstances. In addition, our Board may nominate any person for election as a non-employee director regardless of his or her age if our Board determines that, due to his or her unique capabilities or special circumstances, the election of such person is in the best interest of RealPage.

Our Nominating and Governance Committee will consider nominees recommended by stockholders provided such recommendations are made in accordance with procedures described in this proxy statement under Deadline for Receipt of Stockholder Proposals for 2020 Annual Meeting. There are no differences in the manner in which our Nominating and Governance Committee evaluates nominees for director based on whether the nominee is recommended by a stockholder.

## **Director Independence**

In accordance with the listing requirements of the NASDAQ Stock Market and our Corporate Governance Guidelines, a majority of our Board must be composed of independent directors. Our Board has determined that each of Mr. Berkeley, Mr. Gyenes, Mr. Ingraham, Mr. Kane, Mr. Leeds and Mr. Wright is independent under applicable NASDAQ listing standards and Rule 10A-3 of the Securities Exchange Act of 1934, as amended, or the Exchange Act.

## **Board and Committee Meetings and Attendance**

Under our bylaws, regular meetings of our Board are held at such times as our Board may determine. Special meetings of our Board may be called by a majority of the authorized number of directors, the Chairman, the Chief Executive Officer, the President or the Secretary. Our Board held a total of eight meetings during 2018. Each director attended 75% or more of the total number of meetings of our Board and the committees of our Board on which such director served during 2018.

The non-employee directors on our Board and Board committees generally meet quarterly in executive session. Executive sessions of our Board may include, among other things, a discussion of the performance of the Chairman and Chief Executive Officer, matters concerning the relationship of our Board with the management directors and other members of senior management, and such other matters as the non-employee directors deem appropriate. No formal action of our Board is taken during executive sessions of the non-employee directors, although the non-employee directors may subsequently recommend matters for consideration by the full Board. In addition, our Audit Committee holds an executive session at each of its meetings and our Compensation Committee holds an executive session at the meeting in which annual compensation is reviewed and determined. On occasion, our non-employee directors invite our Chief Legal Officer to attend executive sessions in the role as legal counsel, but members of management, including Mr. Winn, are otherwise not present at executive sessions of Board and committee meetings. Although all of our current non-employee directors are considered to be independent, if any non-employee directors were determined not to be independent, the independent directors would be required to meet alone in an executive session at least twice per year.

## **Board Committees**

Our Board has three standing committees:

the Audit Committee;

**Table of Contents**

the Compensation Committee; and

the Nominating and Governance Committee.

Committee members are appointed by our Board, which considers the recommendation of our Nominating and Governance Committee and the desires of the individual directors. The table below lists the current membership of each committee and the number of committee meetings held in 2018.

Name of Director	Audit Committee	Compensation Committee	Nominating and Governance Committee
Alfred R. Berkeley, III		Member	
Peter Gyenes	Member	Chairman	Member
Scott Ingraham	Member		Member
Charles F. Kane	Chairman	Member	Member
Jeffrey T. Leeds			Chairman
Jason A. Wright	Member	Member	Member
Number of meetings held in 2018	4	4	2

Our Board has determined that each member of each committee is independent under the applicable requirements of NASDAQ and SEC rules and regulations. Our Board has adopted a charter for each committee. Copies of such charters are available without charge, upon request in writing to RealPage, Inc., 2201 Lakeside Boulevard, Richardson, Texas 75082, Attn: Chief Legal Officer or on our website at <https://investor.realpage.com/corporate-governance/governance-documents> or <https://www.realpage.com/> by clicking on Company, Investor Relations, Governance and then Governance Documents. We believe that the composition, charter and functioning of each of our committees comply with the applicable requirements of NASDAQ and SEC rules and regulations. We intend to comply with future requirements to the extent they become applicable to us.

The primary responsibilities of each committee are described below.

**Audit Committee**

Our Audit Committee's responsibilities are specifically set forth in the committee's charter, which can be found at <https://investor.realpage.com/corporate-governance/governance-documents> or <https://www.realpage.com/> by clicking on Company, Investor Relations, Governance and then Governance Documents. Among other things, our Audit Committee is responsible for:

approving the audit and non-audit services to be performed by our independent auditors;

evaluating the qualifications, performance and independence of our independent auditors;

monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to financial statements or accounting matters;

reviewing the adequacy and effectiveness of our internal control policies and procedures;

discussing the scope and results of the audit with the independent auditors and reviewing with management and the independent auditors our interim and year-end operating results;



preparing the audit committee report required in our annual proxy statement; and

reviewing and evaluating, at least annually, its own performance and that of its members, including compliance with the committee charter.

Our Board has determined that each member of our Audit Committee is independent under the applicable requirements of NASDAQ and SEC rules and regulations, meets the requirements for financial literacy and sophistication, and qualifies as an audit committee financial expert under the applicable requirements of NASDAQ and SEC rules and regulations.

## **Table of Contents**

### ***Compensation Committee***

Our Compensation Committee's responsibilities are specifically set forth in the committee's charter, which can be found at <https://investor.realpage.com/corporate-governance/governance-documents> or <https://www.realpage.com/> by clicking on Company, Investor Relations, Governance and then Governance Documents. Among other things, our Compensation Committee is responsible for:

overseeing our overall compensation philosophy, compensation plans and benefits programs;

reviewing and recommending to the full Board, or approving, new executive compensation programs and revisions to existing programs;

periodically reviewing executive compensation programs and total compensation levels, including conducting comparative analyses of total compensation relative to market, quantifying maximum payouts to executives under performance-based incentive plans and total payments under a variety of termination conditions, including upon a change of control, and the impact of tax and accounting rules and changes;

reviewing and recommending compensation programs for outside directors;

reviewing and approving corporate goals and objectives relevant to compensation of our Chief Executive Officer and evaluating his performance in light of such goals and objectives;

reviewing and approving the following for our Chief Executive Officer and our other executive officers identified by our Compensation Committee: annual base salaries, annual incentive bonuses, including the specific goals and amounts, equity compensation, employment agreements, severance arrangements and change in control arrangements, signing bonuses and payment of relocation costs, and any other benefits, compensation or arrangements;

reviewing and recommending to the full Board, or approving, any contracts or other transactions with our current or former executive officers;

reviewing the plans for officer development and corporate succession plans for our Chief Executive Officer and other senior executive officers;

in its discretion, retaining or obtaining advice of compensation consultants, outside legal counsel or other advisors to assist our Compensation Committee in the performance of its responsibilities, and appointing, compensating and overseeing the work of any such consultants, counsel and advisors;

establishing and administering annual and long-term incentive compensation plans for senior executive officers, including establishing performance objectives and certifying performance achievement, and reviewing and approving all equity-based compensation plans and granting awards of shares and stock options pursuant to such plans;

## Edgar Filing: REALPAGE INC - Form DEF 14A

administering our equity incentive plans, including granting awards under such plans to eligible persons in accordance with procedures and guidelines established by the Board, and recommending to our Board any amendments to the plans and changes in the number of shares reserved for issuance under such plans;

reviewing and discussing with management the compensation discussion and analysis and related disclosures required by the SEC, and reviewing and recommending the final compensation discussion and analysis to our Board for inclusion in our annual report and proxy statement;

preparing the compensation committee report required by the SEC to be furnished with our annual report and proxy statement;

reviewing and reassessing the adequacy of the Compensation Committee charter and recommending changes to our Board for approval; and

reviewing and evaluating, at least annually, its own performance and that of its members, including compliance with our Compensation Committee charter.

## **Table of Contents**

Our Board has determined that each member of our Compensation Committee is independent under the applicable requirements of NASDAQ and SEC rules and regulations, and is a non-employee director, as defined by Rule 16b-3 promulgated under the Exchange Act.

Additional information regarding the processes and procedures that our Compensation Committee employs when considering and determining director and executive compensation, including the committee's engagement of independent compensation consultants for advice in connection with the exercise of its responsibilities, is set forth below under Governance Director Compensation and Executive Compensation Compensation Discussion and Analysis.

### ***Nominating and Governance Committee***

Our Nominating and Governance Committee's responsibilities are specifically set forth in the committee's charter, which can be found at <https://investor.realpage.com/corporate-governance/governance-documents> or <https://www.realpage.com/> by clicking on Company, Investor Relations, Governance and then Governance Documents. Among other things, our Nominating and Governance Committee is responsible for:

assisting our Board in identifying prospective director nominees and recommending nominees for each annual meeting of stockholders to our Board;

reviewing developments in corporate governance practices and developing and recommending governance principles applicable to our Board;

overseeing the evaluation of our Board and management;

recommending members for each Board committee to our Board;

reviewing and monitoring our Code of Business Conduct and Ethics and actual and potential conflicts of interest of members of our Board and officers; and

reviewing and evaluating, at least annually, its own performance and that of its members, including compliance with the committee charter.

Our Board has determined that each member of our Nominating and Governance Committee is independent under the applicable requirements of NASDAQ and SEC rules and regulations.

### **Board Oversight of Risk**

Our Board oversees risk management in a number of ways. Our Audit Committee oversees the management of financial and accounting related risks as an integral part of its duties. Similarly, our Compensation Committee considers risk management when setting the compensation policies and programs for our executive officers and other employees. Our full Board considers various risk-related items periodically, including risks related to intellectual property, taxes, products and employees. Our Board also considers our efforts to manage such risks through safety measures, insurance or self-insurance.

### **Communication with our Board**

Stockholders may communicate with members of our Board by mail addressed to the Chairman, to any other individual member of our Board, to the full Board, or to a particular committee of our Board. In each case, such correspondence should be sent to the following address: 2201 Lakeside Boulevard, Richardson, Texas 75082, Attention: Corporate Secretary. Correspondence received that is addressed to the members of our Board will be reviewed by our Chief Legal Officer or our Chief Legal Officer's designee, who will forward such correspondence to the appropriate members of our Board.



## **Table of Contents**

### **ADDITIONAL GOVERNANCE INFORMATION**

We are committed to strong corporate governance, which we believe promotes the long-term interests of stockholders, strengthens Board and management accountability and helps build public trust in RealPage.

#### **Articles and Bylaws**

Our certificate of incorporation and bylaws can be accessed through our filings located in the [Company Filings](#) portion of the SEC website at [www.sec.gov](http://www.sec.gov). Our amended and restated certificate of incorporation was attached as Exhibit 3.1 to our Form 10-Q filed with the SEC on August 6, 2018 and our bylaws were attached as Exhibit 3.4 to our Registration Statement on Form S-1/A filed with the SEC on July 26, 2010. Our Code of Business Conduct and Ethics, Corporate Governance Guidelines, Board committee charters and other governance materials can be accessed on our website, <https://investor.realpage.com/corporate-governance/governance-documents> or <https://www.realpage.com/>, by clicking on [Company](#), [Investor Relations](#), [Governance](#) and then [Governance Documents](#).

#### **Code of Business Conduct and Ethics**

Our Board has adopted a Code of Business Conduct and Ethics. The code applies to all of our employees, officers (including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions), directors and agents. A copy of our Code of Business Conduct and Ethics can be found on our website at <https://investor.realpage.com/corporate-governance/governance-documents> or <https://www.realpage.com/>, by clicking on [Company](#), [Investor Relations](#), [Governance](#) and then [Governance Documents](#). A copy also is available without charge upon request in writing to RealPage, Inc., 2201 Lakeside Boulevard, Richardson, Texas 75082, Attn: Chief Legal Officer. We intend to disclose future amendments to provisions of our Code of Business Conduct and Ethics, or waivers of such provisions applicable to any principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, or our directors, on our website to the extent and in the manner permitted by Item 5.05 of Form 8-K.

#### **Corporate Governance Guidelines**

Our Board has adopted Corporate Governance Guidelines that address matters pertaining to director qualifications, director responsibilities, lead independent director responsibilities, executive sessions of Board meetings, communications with stockholders, Board committee matters, director access to officers, employees and independent advisors, director compensation, director minimum stock ownership requirements, director orientation and continuing education, Chief Executive Officer evaluation, management and Board succession, indemnification and director and officer insurance, and annual Board performance evaluations. A copy of the Corporate Governance Guidelines can be found on our website at <https://investor.realpage.com/corporate-governance/governance-documents> or <https://www.realpage.com/>, by clicking on [Company](#), [Investor Relations](#), [Governance](#) and then [Governance Documents](#). A copy also is available without charge upon request in writing to RealPage, Inc., 2201 Lakeside Boulevard, Richardson, Texas 75082, Attn: Chief Legal Officer.

#### **Director Minimum Stock Ownership Requirements**

Our Board members are encouraged to make a substantial investment in Company stock. Accordingly, our Corporate Governance Guidelines require our directors to own a number of shares of our common stock with an aggregate value equal to at least three times their annual cash retainer within four years after joining our Board or as soon thereafter as is practicable. The stock ownership of each of our Board members exceeds the suggested minimum threshold. Our Board has also adopted a Stock Ownership Guidelines Policy for our Chief Executive Officer as described under [Executive Compensation](#) [Other Executive Compensation Consideration](#) [Executive Stock Ownership](#) below.

**Table of Contents**

**Hedging, Short Sale and Pledging Policy under our Insider Trading Policy**

We have adopted an Insider Trading Policy. That policy prohibits all employees, including our executive officers, and all directors and agents from purchasing any financial instrument that is designed to hedge or offset any decrease in the market value of our securities. All employees, including our executive officers, and all of our directors and agents are also prohibited from pledging our securities or engaging in short sales of our securities.

**Director Attendance at Annual Meetings of Stockholders**

We encourage, but do not require, our directors to attend our annual stockholders meeting. Our 2018 annual stockholders meeting was attended by one of our directors, Stephen T. Winn, our Chairman, CEO and President.

**DIRECTOR COMPENSATION**

**Determining Compensation for Non-Employee Directors in 2018**

Our Compensation Committee reviews and makes recommendations to our Board regarding the form and amount of compensation for non-employee directors. Directors who are employees of RealPage receive no compensation for service on our Board. Our director compensation program is designed to enable continued attraction and retention of highly qualified directors by ensuring that director compensation is in line with peer companies competing for director talent, and is designed to address the time, effort, expertise and accountability required of active board membership. Our Compensation Committee and our Board believe that annual compensation for non-employee directors should consist of both a cash component, designed to compensate members for their service on our Board and its committees, and an equity component, designed to align the interests of directors and stockholders and, by vesting over time, to create an incentive for continued service on our Board.

**Discussion of Director Compensation**

In 2018, the annual compensation for our non-employee directors was composed of cash compensation in the form of an annual retainer and meeting and committee fees and equity compensation in the form of restricted stock awards. Each of these components is described below.

***Independent Director Compensation Plan***

Our independent director compensation plan provided for the following compensation to our independent directors during 2018:

Retainer	\$11,250 per quarter
Lead Independent Director retainer	\$3,750 per quarter
Audit Committee chair retainer	\$5,000 per quarter
Audit Committee member (excluding chair) retainer	\$3,000 per quarter
Compensation Committee chair retainer	\$3,750 per quarter
Other Board committee chair retainer	\$3,000 per quarter
Other Board committee member (excluding chair) retainer	\$1,500 per quarter
Annual restricted stock grant (each April 1)	\$200,000 restricted stock value (1)

(1) The restrictions related to each annual restricted stock grant lapse with respect to 25% of the restricted shares subject to the grant each quarter commencing on the first day of the calendar quarter immediately following the grant date for four consecutive quarters, subject to the continuous service of the director through each applicable date.

In February 2019, in connection with its regular review of independent director compensation and based in part on information and advice from its independent compensation consultants Pearl Meyer & Partners with





**Table of Contents**

respect to compensation elements, levels and trends in outside director compensation among our peer group of companies, our Compensation Committee amended our independent director compensation plan as follows. All other elements of director compensation described above and not amended remain the same in 2019 as in 2018.

Retainer	\$12,500 per quarter
Lead Independent Director retainer	\$5,000 per quarter
Audit Committee chair retainer	\$6,250 per quarter
Audit Committee member (excluding chair) retainer	\$3,000 per quarter
Compensation Committee chair retainer	\$5,000 per quarter
Compensation Committee member (excluding chair) retainer	\$2,250 per quarter
Other Board committee chair retainer	\$3,000 per quarter
Other Board committee member (excluding chair) retainer	\$1,500 per quarter
Annual restricted stock grant (each April 1)	\$ 220,000 restricted stock value <sup>(1)</sup>

- (1) The restrictions related to each annual restricted stock grant lapse with respect to 25% of the restricted shares subject to the grant each quarter commencing on the first day of the calendar quarter immediately following the grant date for four consecutive quarters, subject to the continuous service of the director through each applicable date.

The term independent directors for purposes of our independent director compensation plan means each of our non-employee directors. The annual equity grants occur automatically on April 1 of each year, pursuant to the terms of the RealPage, Inc. 2010 Equity Incentive Plan (as amended and restated June 4, 2014), as further amended (the 2010 Equity Incentive Plan).

On April 1, 2018, pursuant to our amended independent director compensation plan and the automatic annual restricted stock grant provisions of our 2010 Equity Incentive Plan, we issued 3,843 shares of our restricted common stock to each of Alfred R. Berkeley, III, Peter Gyenes, Scott S. Ingraham, Charles F. Kane, Jeffrey T. Leeds, and Jason A. Wright.

On April 1, 2019, pursuant to our amended independent director compensation plan and the automatic annual restricted stock grant provisions of our 2010 Equity Incentive Plan, we issued 3,645 shares of our restricted common stock to each of Alfred R. Berkeley, III, Peter Gyenes, Scott S. Ingraham, Charles F. Kane, Jeffrey T. Leeds, and Jason A. Wright.

**Director Compensation Table for Year Ended December 31, 2018**

The following table sets forth the annual director compensation paid or accrued by us to individuals who were directors during any part of 2018. The table excludes Stephen T. Winn, who is our Chief Executive Officer and who did not receive any compensation from us in his role as director in 2018.

**DIRECTOR COMPENSATION TABLE FOR YEAR ENDED DECEMBER 31, 2018**

Name	Fees Earned Or Paid in Cash	Stock Awards (1)	Total
Alfred R. Berkley, III	\$ 51,000	\$ 200,000	\$ 251,000
Peter Gyenes	78,000	200,000	278,000
Scott S. Ingraham	63,000	200,000	263,000
Charles F. Kane	77,000	200,000	277,000
Jeffrey T. Leeds	57,000	200,000	257,000
Jason A. Wright	84,000	200,000	284,000

---

**Table of Contents**

- (1) Equals 3,843 shares granted to each director in 2018. The number of shares granted was determined based upon the average of the closing market price of RealPage common stock on each of the 30 trading days immediately preceding the grant date. The value of each award, as calculated pursuant to the aggregate grant date fair value computed in accordance with FASB ASC Topic 718, was \$197,915. See Note 9 of Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2018, for a discussion of assumptions made in determining the grant date fair value of our restricted stock awards.

**TRANSACTIONS WITH RELATED PERSONS, PROMOTERS AND CERTAIN CONTROL PERSONS.**

Since January 1, 2018, there has not been, nor is there currently proposed, any transaction or series of similar transactions to which we were or are a party in which the amount involved exceeded or exceeds \$120,000 and in which any of our directors, executive officers, holders of more than 5% of any class of our voting securities, or any member of the immediate family of any of the foregoing persons, had or will have a direct or indirect material interest, other than compensation arrangements with directors and executive officers, which are described under

Governance Director Compensation, Executive Compensation Compensation Discussion and Analysis, and the following transaction. Ms. Glover's sister in law has been a non-executive employee of RealPage since May 2011, and in such capacity receives annual compensation in excess of \$120,000. Such employment terms were established by RealPage directly with Ms. Glover's sister in law and are based upon market terms and not based upon Ms. Glover's relationship with us.

**Stock Options and Restricted Stock**

Certain restricted stock grants to our non-employee directors are described in Director Compensation.

Certain stock option and restricted stock grants to our named executive officers ( NEOs ) are described in Executive Compensation Grants of Plan-Based Awards, Executive Compensation Compensation Tables Outstanding Equity Awards at December 31, 2018 and Executive Compensation Compensation Tables Supplemental Information Regarding Arrangements With Executive Officers Employment Agreements.

**Employment Arrangements and Indemnification Agreements**

We have entered into employment agreements with each of our executive officers that include, among other things, compensation terms, provisions regarding payments upon termination in certain circumstances and confidentiality, non-competition and indemnification provisions. The employment agreements with our NEOs are described under Executive Compensation Compensation Tables Supplemental Information Regarding Arrangements With Executive Officers Employment Agreements.

**Other Relationships**

There are no family relationships among any of our directors or executive officers.

**Policies and Procedures for Related Party Transactions**

Our Code of Conduct requires that our directors, officers and employees disclose any transaction involving the Company in which they have a significant financial interest, and seek approval where required by the Code of Conduct. Our Audit Committee is responsible for reviewing and approving in advance any related party transaction. Our Audit Committee has not adopted specific policies or guidelines relating to the approval of related party transactions. Our directors who are members of our Audit Committee determine whether to approve related party transactions in the exercise of their fiduciary duties as directors and members of our Audit Committee and the terms of our Code of Conduct.

**Table of Contents**

**Limitations on Liability and Indemnification Matters**

Our amended and restated certificate of incorporation contains provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

any breach of the director's duty of loyalty to us or our stockholders;

any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;

unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or

any transaction from which the director derived an improper personal benefit.

Our amended and restated certificate of incorporation and amended and restated bylaws provide that we are required to indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. Our amended and restated bylaws also provide that we are obligated to advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under the provisions of Delaware law. We have entered into agreements to indemnify our directors, executive officers and other employees as determined by our Board. With specified exceptions, these agreements provide for indemnification for related expenses including, among other things, attorneys' fees, judgments, fines and settlement amounts incurred by any of these individuals in any action or proceeding. We believe that these bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain directors' and officers' liability insurance.

The limitation of liability and indemnification provisions of our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against our directors and officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and officers as required by these indemnification provisions. At present, there is no pending litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

**Table of Contents****SECURITY OWNERSHIP****OWNERSHIP OF EQUITY SECURITIES OF REALPAGE**

The following table sets forth information regarding ownership of our common stock by:

each person or group of affiliated persons known by us to be the beneficial owner of more than 5% of our outstanding common stock;

each of our directors and nominees for director;

each of our NEOs; and

all directors and executive officers as a group.

The amounts for our NEOs and executive officers and directors as a group and our significant stockholders are as of April 10, 2019, the Record Date, unless otherwise indicated in a footnote below (and in that case are based upon SEC filings made on behalf of such owners). Beneficial ownership in this table is determined in accordance with the rules of the SEC, and does not necessarily indicate beneficial ownership for any other purpose. Under these rules, the number of shares of common stock deemed outstanding includes all shares of restricted stock, and those shares issuable upon exercise of options held by the respective person or group that may be exercised within 60 days after April 10, 2019. For purposes of calculating each person's or group's percentage ownership, unvested stock options exercisable within 60 days and all shares of restricted stock are included for that person or group, but not for any other person or group. Percentage of beneficial ownership is based on the shares of common stock outstanding as of April 10, 2019. Beneficial ownership representing less than 1% is denoted with an asterisk (\*).

Name and Address of Beneficial Owner (1)	Number of Shares Beneficially Held	Approximate Percentage of Common Stock Outstanding
<b>5% Stockholders:</b>		
Stephen T. Winn and entities affiliated with Stephen T. Winn <sup>(2)</sup>	14,747,125	15.54%
The Vanguard Group <sup>(3)</sup>	6,648,101	7.07
T. Rowe Price Associates Inc. <sup>(4)</sup>	9,310,377	9.90
T. Rowe Price New Horizons Fund, Inc. <sup>(4)</sup>	5,004,745	5.30
<b>Named Executive Officers, Directors and Nominees:</b>		
Stephen T. Winn <sup>(2)</sup>	14,747,125	15.54
W. Bryan Hill	11,566	*
Andrew Blount <sup>(5)</sup>	105,130	*
William P. Chaney <sup>(6)</sup>	302,503	*
Thomas C. Ernst, Jr. <sup>(7)</sup>	67,210	*
Ashley Glover <sup>(8)</sup>	141,514	*
Alfred R. Berkeley, III <sup>(9)</sup>	45,457	*
Peter Gyenes <sup>(10)</sup>	116,026	*
Scott S. Ingraham <sup>(11)</sup>	55,853	*
Charles F. Kane <sup>(12)</sup>	28,727	*
Jeffrey T. Leeds <sup>(13)</sup>	182,149	*
Jason A. Wright <sup>(14)</sup>	94,478	*

Edgar Filing: REALPAGE INC - Form DEF 14A

All executive officers and directors as a group (14 people) <sup>(15)</sup>	16,175,185	17.05%
---	------------	--------

- (1) Unless otherwise indicated and subject to applicable community property laws, to our knowledge, each stockholder named in the following table possesses sole voting and investment power over the shares listed,

**Table of Contents**

- except for those jointly owned with that person's spouse. Unless otherwise noted below, the address of each person listed on the table is c/o RealPage, Inc., 2201 Lakeside Boulevard, Richardson, Texas 75082.
- (2) Represents 14,747,125 shares held by Stephen T. Winn, of which 436,009 shares are subject to forfeiture to us and 275,000 shares are issuable upon the exercise of options to purchase shares of our common stock held by Mr. Winn that are exercisable within 60 days after April 10, 2019, 10,254,587 shares held by Seren Capital, Ltd., and 3,000,000 shares held by Seren Capital II, Ltd. Stephen T. Winn is the sole manager and president of Seren Capital Management, L.L.C., which is the general partner of Seren Capital, Ltd., or the Seren Partnership, and, by virtue of this relationship, has sole voting and dispositive power over the shares held by the Seren Partnership. Stephen T. Winn is the sole manager and president of Seren Capital Management II, L.L.C., which is the general partner of Seren Capital II, Ltd., or the Seren II Partnership, and, by virtue of this relationship, has sole voting and dispositive power over the shares held by the Seren II Partnership.
  - (3) Pursuant to a Schedule 13G/A filed February 12, 2019, represents 6,648,101 shares beneficially owned by The Vanguard Group ( Vanguard ), 100 Vanguard Blvd., Malvern, PA. 19355. Vanguard has sole power to vote or direct to vote 40,357 shares, shared power to vote or direct to vote 15,144 shares, sole power to dispose or to direct the disposition of 6,600,267 shares and shared power to dispose of or to direct the disposition of 47,834 shares. Vanguard Fiduciary Trust Company, a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 32,690 shares as a result of its serving as investment manager of collective trust accounts. Vanguard Investments Australia, Ltd., a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 22,811 shares as a result of its serving as investment manager of Australian investment offerings.
  - (4) Pursuant to a Schedule 13G/A filed February 14, 2019, represents 9,310,377 shares beneficially owned by T. Rowe Price Associates, Inc. ( Price Associates ), and 5,004,745 shares beneficially owned by T. Rowe Price New Horizons Fund, Inc. ( Price New Horizons Fund ), 100 E. Pratt Street, Baltimore, MD 21202. Price Associates has sole power to vote or direct to vote 2,228,294 shares and sole power to dispose or to direct the disposition of 9,310,377 shares. Price New Horizons Fund has sole power to vote or direct to vote 5,004,745 shares.
  - (5) Includes 59,789 shares subject to forfeiture to us, 6,250 shares issuable upon the exercise of options to purchase shares of our common stock held by Mr. Blount and 1,000 shares held by Mr. Blount's daughter.
  - (6) Includes 100,766 shares subject to forfeiture to us and 174,401 shares issuable upon the exercise of options to purchase shares of our common stock held by Mr. Chaney that are exercisable within 60 days after April 10, 2019.
  - (7) Includes 65,917 shares subject to forfeiture to us held by Mr. Ernst.
  - (8) Includes 118,221 shares subject to forfeiture to us held by Ms. Glover.
  - (9) Includes 3,645 shares subject to forfeiture to us, and 15,931 shares held jointly by Alfred R. Berkeley III and Muriel Van Dusen Berkeley as tenants in entirety.
  - (10) Includes 3,645 shares subject to forfeiture to us and 60,000 shares issuable upon the exercise of options to purchase shares of our common stock held by Mr. Gyenes that are exercisable within 60 days after April 10, 2019.
  - (11) Includes 3,645 shares subject to forfeiture to us.
  - (12) Includes 3,645 shares subject to forfeiture to us.
  - (13) Includes 3,645 shares subject to forfeiture to us.
  - (14) Includes 3,645 shares subject to forfeiture to us.
  - (15) Consists of 16,175,185 shares held of record by our directors and executive officers, which includes 854,380 shares subject to forfeiture to us, 713,696 shares issuable upon the exercise of options held by our directors and executive officers that are exercisable within 60 days after April 10, 2019 and 13,254,587 shares held by entities over which our directors and executive officers may be deemed to have voting or dispositive power.

**Table of Contents****SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires our officers and directors, and persons who own more than 10% of a registered class of our equity securities, to file reports of ownership on Form 3 and changes in ownership on Form 4 or Form 5 with the SEC. Such officers, directors and 10% stockholders are also required by SEC rules to furnish us with copies of all Section 16(a) forms they file. Based solely on our review of the copies of such forms received by us, we believe that, during the fiscal year ended December 31, 2018, all Section 16(a) filing requirements applicable to our officers, directors and 10% stockholders were satisfied, except that Stephen T. Winn and Seren Capital, Ltd. each filed one Form 4 in March 2018 related to various transactions in accordance with a 10b5-1 trading plan after the filing deadline applicable to such transactions.

**EXECUTIVE OFFICERS**

The following table sets forth the name, age, and position of each of our executive officers as of the Record Date.

<b>Name of Executive Officer</b>	<b>Age</b>	<b>Position</b>
Stephen T. Winn	72	Chairman of the Board of Directors, Chief Executive Officer, President
Thomas C. Ernst, Jr.	50	Executive Vice President, Chief Financial Officer and Treasurer
William P. Chaney	48	Executive Vice President, Chief Product Officer
Ashley Glover	47	Executive Vice President and Chief Operating Officer
David G. Monk	52	Executive Vice President, Chief Legal Officer and Secretary
Kandis Thompson	52	Senior Vice President and Chief Accounting Officer

**Executive Officers**

*Stephen T. Winn* serves as our Chairman of the Board, Chief Executive Officer and President, and is a member of our Board. See

Governance Incumbent Directors Whose Terms Of Office Continue After The Annual Meeting for additional information with respect to Mr. Winn.

*Thomas C. Ernst, Jr.* has served as our Executive Vice President, Chief Financial Officer and Treasurer since January 2019. Mr. Ernst is responsible for the company's financial management and reporting, including investor relations, credit facility management, financial planning and analysis, internal reporting, mergers and acquisitions, product pricing control and billing. Mr. Ernst brings more than 20 years of experience in software industry finance and investment advisory, where he advised many high-profile SaaS businesses on organic and acquisition strategies to drive innovation and growth. In 2015, he founded Tom Ernst Advisory (TEA), a strategic consulting firm focused on the software industry. In 2018, Mr. Ernst led TEA in providing strategic advice to software companies, including RealPage. Prior to TEA, Mr. Ernst led the Goldman Sachs Software Investment Banking Team globally and the Deutsche Bank Software U.S. Equity Research Team in coverage of over 30 stocks. Prior to Goldman Sachs, he served as a nuclear engineer and submarine warfare officer in the U.S. Navy. Mr. Ernst has a B.S. in Mathematics from the University of Minnesota and an M.B.A. from the University of Chicago Booth School of Business.

*William P. Chaney* has served as our Executive Vice President, Chief Product Officer since January 2018 leading the Company's product management, development and information technology. With his extensive experience in our enterprise solution offerings, Mr. Chaney served as our Executive Vice President, Enterprise Solutions from August 2012 until January 2018 where he led the Resident Management, Property Management and Leasing & Marketing product divisions as well as shared services for Contact Center, RealPage Exchange, Product Development and Information Technology. Previously he served as President, OneSite and Velocity from 2009 to August 2012 and managed all aspects of RealPage's property management, resident billing,

**Table of Contents**

invoicing, payments, and infrastructure businesses. Mr. Chaney also previously served as our Senior Vice President of product management, leading the payment services team responsible for RealPage's integrated web-based payment processing solution. Prior to joining RealPage, Mr. Chaney served as group president of Jack Henry & Associates Enterprise Payment Solutions from October 2004 to June 2008 and CEO of Select Payment Processing from August 1999 to October 2004. Mr. Chaney received his B.S. in computer science from Texas Christian University.

*Ashley Glover* has served as our Executive Vice President, Chief Operating Officer since January 2018. Ms. Glover manages international operations and customer acquisition, assimilation and retention organizations. Ms. Glover served as our Executive Vice President and Chief Revenue Officer from August 2016 until January 2018. Ms. Glover served as a consultant in real estate investment, operations, and strategy in the US and Europe from January 2014 to July 2016. Ms. Glover served as our Executive Vice President, Chief Sales and Marketing Officer from February 2012 to December 2013 and previously served as our Executive Vice President, Multifamily Solutions from January 2010 to February 2012, as our Executive Vice President, Resident Solutions from April 2009 to January 2010 and as our Senior Vice President, Velocity Utility and Billing Services, from March 2005 until April 2009. From November 2004 through early March 2005, Ms. Glover served in a consulting capacity for us in conjunction with our acquisition of The Pleco Group, LLC. From August 1995 to July 1997 and again from August 1999 to July 2003, Ms. Glover handled both international and domestic assignments for McKinsey & Company. Ms. Glover received her B.S. in computer science from Southern Methodist University and her M.B.A. from Harvard University.

*David G. Monk* has served as our Executive Vice President, Chief Legal Officer and Secretary since January 2016. Mr. Monk is responsible for management of our legal department and compliance operations. Mr. Monk previously served as our Senior Vice President, Chief Legal Officer and Secretary from May 2015 through January 2016, and as Senior Vice President and Deputy General Counsel from June 2010 through April 2015. Prior to joining us, Mr. Monk was a partner in private practice with the international law firm Baker Botts L.L.P., where he practiced from October 1992 to June 2010 and represented clients on a variety of matters including mergers and acquisitions, securities offerings, SEC compliance, corporate governance, technology and outsourcing transactions, and general corporate matters. Mr. Monk received his B.B.A. in finance from Texas A&M University and his J.D. from Southern Methodist University's Dedman School of Law.

*Kandis Thompson* has served as our Senior Vice President and Chief Accounting Officer since July 2018 and has served as our principal accounting officer since January 2019. Ms. Thompson oversees revenue operations and accounting matters including external reporting, corporate accounting, and tax. Ms. Thompson brings over 25 years of experience in corporate strategy, financial modeling, acquisitions, tax and technical accounting to RealPage. Her career spans multiple executive positions at both public and privately-held companies. From May 2017 until July 2018, Ms. Thompson served as Chief Financial Officer of Ryan, LLC, a global private-equity backed corporate tax services firm. From April 2015 to April 2017, Ms. Thompson served as Chief Accounting Officer of Tanium Inc., a cybersecurity and endpoint management software company, and from August 2013 to April 2015, Ms. Thompson served as Vice President of Accounting and US Division Chief Financial Officer of Weatherford International, Inc. Ms. Thompson held various finance leadership roles including Chief Accounting Officer of McAfee, Inc., a cybersecurity software company, from 2002 to 2012, when McAfee was acquired by Intel Corporation. Ms. Thompson is a Certified Public Accountant and holds a B.S. in Accounting and a B.S. in Business Administration with honors from Southwest Baptist University.



**Table of Contents****EXECUTIVE COMPENSATION****COMPENSATION DISCUSSION AND ANALYSIS**

*The following Compensation Discussion and Analysis, or CD&A, describes our executive compensation program for 2018. In particular this CD&A explains how the Compensation Committee of our Board made 2018 compensation decisions for the following named executive officers, or NEOs, for the fiscal year ended December 31, 2018, who include our principal executive officer, principal financial officer, and each of the three most highly compensated executive officers other than our principal executive officer and principal financial officer. As disclosed in prior SEC filings, subsequent to 2018, Mr. Hill's resignation as Executive Vice President, Chief Financial Officer and Treasurer became effective, and Mr. Blount assumed a new role and no longer serves as an executive officer within the meaning of Rule 3b-7 of the Exchange Act. This CD&A also describes decisions made by our Compensation Committee related to compensation that applies to the NEOs for 2019.*

<b>Name</b>	<b>Title</b>	<b>Officer Role</b>
Stephen T. Winn	Chairman, President and Chief Executive Officer	Principal executive officer and principal operating officer; NEO
W. Bryan Hill	Former Executive Vice President, Chief Financial Officer and Treasurer	Former principal financial officer; principal accounting officer; NEO
Andrew Blount	Former Executive Vice President, Chief Innovation Officer	NEO
William P. Chaney	Executive Vice President, Chief Product Officer	NEO
Ashley Glover	Executive Vice President, Chief Operating Officer	NEO

*This CD&A should be read together with the compensation tables and related disclosures that follow this discussion.*

**Compensation Philosophy and Objectives**

Our philosophy is to provide a compensation opportunity to each of our NEOs that is commensurate with his or her position and experience, provide incentives for the NEO to meet and exceed challenging but reasonably attainable short-term and long-term corporate objectives as determined by our Board and align the NEOs' incentives with the long-term interests of our stockholders. Additionally, our executive compensation program is intended to provide significant motivation to our NEOs to remain with the Company and continue to generate value for the Company. Our Compensation Committee has also reviewed with management the design and operation of our incentive compensation arrangements for all employees and concluded that our compensation plans, programs and policies, considered as a whole, including applicable risk-mitigation features, are appropriate and do not encourage inappropriate risk taking or risk taking that is reasonably likely to have a material adverse effect on us.

Based on this philosophy, the primary objectives of our Board and Compensation Committee with respect to executive compensation are to:

attract, retain and motivate skilled and knowledgeable executive talent;

ensure that executive compensation is aligned with our corporate strategies and business objectives; and

align the incentives of the NEOs with the creation of value for our stockholders.

To achieve these objectives, our Compensation Committee periodically evaluates our executive compensation program with the goal of establishing compensation opportunities at levels our Compensation

## **Table of Contents**

Committee believes to be competitive with those of our designated peer group companies. Additionally, we design our executive compensation program to tie a portion of each NEO's overall cash compensation to key strategic, financial and operational goals set by our Board.

### **Compensation Decision-Making Process**

Our Compensation Committee is responsible for overseeing and approving our executive compensation program. Our Compensation Committee currently consists of Alfred R. Berkeley, III, Peter Gyenes, Charles F. Kane, and Jason A. Wright. Mr. Gyenes has been appointed to serve as the Chairman of our Compensation Committee. Our Board has determined that each member of our Compensation Committee is independent under the applicable requirements of NASDAQ and SEC rules and regulations, and is a non-employee director, as defined by Rule 16b-3 promulgated under the Exchange Act. For a discussion of the specific responsibilities of our Compensation Committee, see Governance Board and Committee Governance Board Committees.

Our Compensation Committee makes base salary, cash bonus and long-term incentive compensation recommendations for our Chief Executive Officer, based upon his performance and contributions to achieving our overall corporate objectives. Our Chief Executive Officer is not present during deliberations or voting by the Compensation Committee regarding his performance goals, performance evaluation or compensation level, and he abstains from voting on matters where our Board acts on our Compensation Committee's recommendations regarding his compensation.

For purposes of determining compensation levels for our Chief Executive Officer, our Compensation Committee considers our overall achievement of corporate objectives, Company performance, the performance and individual contributions of our Chief Executive Officer, public company proxy data, survey group market data, advice from an independent executive compensation consultant, our Chief Executive Officer's equity ownership and our Compensation Committee members' own experience in compensation-related matters.

With respect to our other NEOs, our Chief Executive Officer makes base salary, cash bonus and long-term incentive compensation recommendations to our Compensation Committee based on the NEO's level of responsibility, performance and contribution to achieving our overall corporate objectives. Our Compensation Committee also considers Company performance, public company proxy data, survey group market data, information received from our Compensation Committee's compensation consultant, each NEO's equity ownership and our Compensation Committee members' own experience in compensation-related matters. Our Compensation Committee considers the Chief Executive Officer's input but retains complete authority to approve all compensation related decisions for our NEOs.

Our Compensation Committee also considers the results of the annual advisory say-on-pay vote by our stockholders. Our last say-on-pay vote was at our 2018 annual stockholders' meeting, where approximately 97% of the votes cast were voted to approve the executive compensation program described in our 2018 proxy statement. Our Compensation Committee will review the results of our say-on-pay vote at our 2019 annual stockholders' meeting and will continue to consider the outcome of stockholder advisory votes on executive compensation when making future decisions relating to the compensation of our NEOs and our executive compensation programs and policies. Our Compensation Committee also continues to consider the alignment of NEO incentives with the long-term interests of our stockholders. In its compensation decisions in 2018 and 2019, our Compensation Committee continued to place emphasis on performance-based components, including market-based restricted stock and performance-based cash compensation, as described in this Proxy Statement. Our Compensation Committee structures performance-based cash and equity incentives to align directly with Company performance. Market-based long-term incentive awards do not vest if their share price targets are not achieved, and cash-based performance incentives are not earned if certain targets are not achieved. On an ongoing basis we also engage with our stockholders regarding various matters including executive compensation and corporate governance.

---

## **Table of Contents**

For purposes of evaluating compensation levels for 2018 and 2019, our Compensation Committee also considered competitive market benchmarking data as described in Executive Compensation Compensation Discussion and Analysis Competitive Positioning.

### **Competitive Positioning**

Competitive market data is an important component in determining the amount of each element of compensation for each of our NEOs. While actual compensation reflects our performance, our goal is for total cash compensation to be at or around the median target compensation for executives with similar positions in the 2018 Peer Group as described below, with somewhat higher targets for long-term incentive compensation, of which all or a significant portion of such compensation is directly linked to stock price performance. We incorporate flexibility into our compensation programs and into the assessment process to respond to changing business needs, and to take into consideration individual performance, including the relative complexity and strategic importance of specific roles.

Our Compensation Committee utilizes Pearl Meyer & Partners, LLC, or PM, an executive compensation consulting firm, to provide advice regarding the structure of executive compensation as well as competitive data on base salary, target total cash compensation and long-term incentives. In addition, our Compensation Committee reviews the total compensation package for each NEO from the perspective of target total direct compensation, which includes base salary, total annual cash incentive plan and the value and structure of the long-term incentive award.

Pursuant to its charter, our Compensation Committee has the authority to select and retain independent advisors and counsel to assist with carrying out its duties and responsibilities, and we have provided appropriate funding to our Compensation Committee to engage outside consultants from time to time, to conduct market reviews of our executive compensation program and philosophy in order to assess the competitiveness of our program.

Our Compensation Committee regularly reviews the services provided by its outside consultants and believes that PM is independent in providing executive compensation consulting services. Our Compensation Committee conducted a specific review of its relationship with PM in 2018 and determined that PM's work for the committee did not raise any conflicts of interest, consistent with the guidance provided under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), and by the SEC and NASDAQ. PM reports directly to our Compensation Committee Chair, takes direction from our Compensation Committee, and does not provide RealPage with any services other than the services provided at the request of our Compensation Committee. Our Compensation Committee continues to monitor the independence of its compensation consultant on a periodic basis.

In the first quarter of 2018, our Compensation Committee engaged PM to conduct an independent market review of our executive compensation program. PM used public company proxy data and survey market data references to compare our total compensation practices for our executives to those in our market:

*2018 Peer Group.* Publicly available data for a competitive peer group of 15 publicly traded companies similar to us with respect to industry, revenue size and business model, with median revenue equal to \$826 million as of the fiscal year end for each company, and market capitalization size equal to \$5.3 billion as of December 31, 2017 (the 2018 Peer Group) and

*Survey Group.* Technology industry companies similar to us in revenue size included in published surveys (Radford Global Technology Survey).

**Table of Contents**

The 2018 Peer Group for this analysis was developed in consultation among our Compensation Committee, our management team and PM and consisted of the following organizations:

- |                              |                                   |
|------------------------------|-----------------------------------|
| Aspen Technology, Inc.       | Medidata Solutions, Inc.          |
| athenahealth, Inc.           | Splunk Inc.                       |
| Blackbaud Inc.               | SS&C Technologies Holding Inc.    |
| Bottomline Technologies Inc. | Synchronoss Technologies          |
| CoStar Group Inc.            | The Ultimate Software Group, Inc. |
| Guidewire Software, Inc.     | TiVo Corporation                  |
| LogMeIn, Inc.                | Tyler Technologies, Inc.          |
| Manhattan Associates, Inc.   |                                   |

We periodically review our peer group to confirm that the roster of companies remains appropriate for external benchmarking in light of external merger and acquisition activity and our own business evolution. In the first quarter of 2018, we removed Interactive Intelligence Group Inc. and NetSuite Inc. from our prior year peer group in recognition that these companies were no longer independently traded companies following merger and acquisition activity.

PM benchmarked our executive compensation levels, including base salaries, performance-based cash bonuses and long-term equity incentive awards, to those of other executives in the 2018 Peer Group. The PM report indicated that pay levels on average for target cash compensation (base salary plus target bonus) were competitive and close to the market median, while long-term incentive value compensation approximated the 65<sup>th</sup> percentile. Compensation levels varied by executive role and among the peer group companies, and our total compensation pay levels including long-term incentives were at approximately the 60<sup>th</sup> percentile relative to the market median, with competitive position varying by role and type of compensation. Based upon the peer group data and the competitive analysis performed by PM, we believe our total compensation levels are appropriate within the context of the Company’s performance relative to our peer group, with long-term incentive compensation generally weighted more toward performance-based compensation than that of our peers, in particular with respect to long-term incentive compensation for our Chief Executive Officer, which is based solely upon our performance.

**2018 Elements of Executive Compensation**

During 2018, the compensation of our NEOs included the following components:

Base Salaries

Performance-Based Cash Bonuses

Long-Term Equity Incentive Awards (Market-Based Restricted Stock for all NEOs, and Time-Based Restricted Stock for NEOs other than Mr. Winn)

Benefits and Other Compensation

***Base Salaries***

Base salaries are used to recognize the experience, skills, knowledge and responsibilities required of all of our NEOs. Base salaries for our NEOs typically have been negotiated as a part of the employment agreements with our NEOs at the outset of employment. From time to time, consistent with our executive compensation program objectives, base salaries for our NEOs, together with other components of compensation, are evaluated for adjustment by our Compensation Committee based on an assessment of the overall achievement of corporate objectives, each NEO’s sustained performance and compensation trends in our industry. Each NEO’s employment agreement requires that his or her base salary be reviewed no less frequently than annually; however, none of our NEOs has an employment agreement that provides for automatic or scheduled increases in base salary.



**Table of Contents**

In addition to the factors described above, the base salary for our Chief Executive Officer takes into account Mr. Winn's equity ownership in RealPage and his continuing contributions as the founder of RealPage.

In February 2018, our Compensation Committee conducted a review of our executive compensation program for purposes of evaluating compensation levels for our executives for 2018. Based on the considerations described above in Executive Compensation Compensation Discussion and Analysis Compensation Decision-Making Process, our Compensation Committee approved base salaries for Mr. Winn, Mr. Hill, Mr. Blount, Mr. Chaney and Ms. Glover, each effective as of March 1, 2018, as outlined below.

Name	2017 Base Salary	2018 Base Salary	% Change	Rationale
Stephen T. Winn	\$ 625,000	\$ 650,000	4.0%	Merit
W. Bryan Hill	\$ 425,000	\$ 430,000	1.2%	Merit
Andrew Blount	\$ 365,000	\$ 365,000	0%	Market Considerations
William P. Chaney	\$ 400,000	\$ 410,000	2.5%	Merit
Ashley Glover	\$ 400,000	\$ 425,000	6.25%	Merit

**Performance-Based Cash Bonuses**

In 2018, our NEOs participated in our annual non-equity management incentive plans, which also apply to our other senior managers. Our annual management incentive plans are intended to provide cash compensation to our NEOs and senior managers for their contribution to the achievement of our strategic, operational and financial objectives. Our NEOs earn amounts under our management incentive plans based on our achievement of financial performance objectives, including non-GAAP total revenue and adjusted EBITDA targets and an assessment of the NEO's individual performance. In February 2018, our Compensation Committee approved the goals related to 2018 under the Management Incentive Plan (the 2018 MIP), which outlines overall corporate objectives for the fiscal year in addition to establishing guidelines for calculating management incentive plan bonuses in the event that performance objectives are partially achieved or exceeded. The financial performance targets for the 2018 MIP were based on our achievement of financial performance objectives by the Company, including non-GAAP total revenue and adjusted EBITDA targets, and an assessment of each NEO's individual performance. In assessing an executive's individual performance, we consider the executive's level of job responsibilities, the prior performance of the executive, the executive's experience and tenure, compensation of the other RealPage executive officers and the expected future contributions of the executive.

Participants in the 2018 MIP may receive a quarterly payout on a proportional basis based on progression towards the annual achievement of performance objectives for the 2018 MIP. The full-year annual cash bonuses paid to participants under our 2018 MIP are adjusted at year end based on actual achievement of both financial and individual performance objectives.

The 2018 MIP target bonus for Mr. Winn was 100% of base salary, for Mr. Hill was 60% of base salary, for Mr. Chaney and Ms. Glover was 55% of their respective base salaries, and for Mr. Blount was 50% of his base salary, in each case with a maximum bonus potential of 200% of such NEO's target bonus, for achieving financial and individual performance objectives in excess of the targets, and a minimum bonus potential of 0% of such NEO's target bonus.

For each of Mr. Winn, Mr. Hill and Mr. Chaney, the 2018 performance targets for non-GAAP total revenue, adjusted EBITDA and individual performance ratings were weighted 30%, 45% and 25%, respectively. For Mr. Blount and Ms. Glover, the 2018 performance targets for non-GAAP total revenue, adjusted EBITDA, and individual performance ratings were weighted 45%, 30% and 25%, respectively.

The minimum targets for non-GAAP total revenue and adjusted EBITDA for 2018 were increased significantly from the actual results achieved on such measures in 2017, to reflect the growth of our business.

**Table of Contents**

The table below summarizes the minimum, target and maximum performance level and the actual results for each performance measure for 2018.

Measure	Minimum	Target	Maximum (in millions)	Achievement
Non-GAAP Total Revenue	\$ 865.3	\$ 884.7	\$ 908.9	\$ 871.4
Adjusted EBITDA	\$ 212.0	\$ 222.3	\$ 234.3	\$ 231.2

The performance metrics employed in the 2018 MIP are adjusted from total revenue and EBITDA metrics calculated in accordance with Generally Accepted Accounting Principles ( GAAP ) as follows:

*Non-GAAP total revenue:* This metric is calculated by adding acquisition-related and other deferred revenue adjustments to total revenue. We believe it is useful to include deferred revenue written down for GAAP purposes under purchase accounting rules and revenue deferred due to a lack of historical experience determining the settlement of the contractual obligation in order to appropriately measure the underlying performance of our business operations in the period of activity and associated expense. Further, we believe this measure is useful to investors as a way to evaluate our ongoing performance.

*Adjusted EBITDA:* We define Adjusted EBITDA as net income, plus (1) acquisition-related and other deferred revenue adjustments, (2) depreciation, asset impairment, and the loss on disposal of assets, (3) amortization of product technologies and intangible assets, (4) loss due to cyber incident, net of recoveries, (5) acquisition-related expense, (6) costs arising from the Hart-Scott-Rodino antitrust review process for our acquisitions, (7) interest expense, net, (8) income tax (benefit) expense, and (9) stock-based compensation expense. We believe that investors and financial analysts find this non-GAAP financial measure to be useful in analyzing our financial and operational performance, comparing this performance to our peers and competitors, and understanding our ability to generate income from ongoing business operations.

As a result of the calculations described above, our Compensation Committee determined that 2018 performance objectives were achieved and directed payments of the following bonuses to our NEOs pursuant to the 2018 MIP. In making such determinations, the Compensation Committee reviewed the Company's achievement of the targets for non-GAAP total revenue and adjusted EBITDA, as well as the individual performance of each NEO in 2018. The variations described below are based upon the Compensation Committee's assessment of each individual NEO's performance during 2018.

Executive	Target Bonus	Actual Bonus	Actual Bonus as a Percent of Target Bonus
Stephen T. Winn	100%	\$ 725,000	112%
W. Bryan Hill	60%	251,559	100%
Andrew Blount	50%	167,872	92%
William P. Chaney	55%	234,103	106%
Ashley Glover	55%	263,455	115%

**Long-Term Equity Incentive Awards**

Our equity award program is the primary vehicle for offering long-term incentives to our NEOs. In 2018, the equity awards to our NEOs consisted of restricted stock awards. We believe that equity-based compensation in the form of restricted stock awards provides our NEOs with a direct interest in our long-term performance, creates an ownership culture and aligns the interests of our NEOs and our stockholders.

In providing long-term incentives for our Chief Executive Officer, our Compensation Committee granted to Mr. Winn 100% performance-based equity incentives in the form of market-based restricted stock awards that

---

**Table of Contents**

become eligible to vest only if the trading price of our common stock rises to specified levels within a designated time period, and exceeds those levels for a 20-day trading period. The stock price targets require significant stock price increases in order to vest, and thus are tied directly to our market performance. The market-based awards have eligibility and vesting terms based upon achievement of pre-determined performance objectives at threshold, target, exceed and maximum performance levels. Once the applicable performance level is achieved, the associated portion of the award becomes eligible to vest in quarterly installments over a one-year period. The threshold, target, exceed and maximum performance levels correspond to 25%, 37.5%, 50% and 75% increases, respectively, in our stock price prior to July 1, 2021 in order to achieve at each such performance level. The stock price targets must be achieved and sustained over a period of 20 consecutive trading days, which we believe is an appropriate time period because it is a significant and sustained period of time. One fourth of the market-based awards become eligible to vest for achievement at each of these performance targets. Once shares become eligible to vest under such award, they also contain an additional retentive time-based component, whereby such shares vest in quarterly increments over a one-year period thereafter (subject to acceleration of vesting on July 1, 2021 for any then-unvested shares that became eligible to vest prior to that date). Our Compensation Committee views these market-based restricted stock awards as directly linking achievement of our performance and stock price to our Chief Executive Officer's long-term incentive compensation, and thus they are pay for performance compensation having value only if the stock price increases to the target.

In February 2018, our Compensation Committee granted to the NEOs other than Mr. Winn a combination of market-based and time-based restricted stock awards. The market-based restricted stock awards had the same performance criteria as those for Mr. Winn described above.

The time-based awards of restricted stock granted to our NEOs other than Mr. Winn in 2018 vest quarterly over a three-year period, subject to continued service to the Company. We believe that the three-year vesting period furthers our objective of executive retention as it provides an incentive to our executives to remain in our employ during the vesting period, and is consistent with competitive practice among our peers.

Our Compensation Committee typically grants equity awards to Mr. Winn and our other NEOs annually during the first quarter of the year, in connection with its annual review of our executive and employee compensation program, generally, and its assessment of achievement of prior-year performance targets for payments of cash bonuses under our management incentive plans as described under Executive Compensation Compensation Discussion and Analysis 2018 Elements of Executive Compensation Performance-Based Cash Bonuses.

In determining the value of the equity grants for our Chief Executive Officer in 2018, our Compensation Committee considered comparative data for both the size of annual equity awards and total equity ownership of Chief Executive Officers employed by companies in our 2018 Peer Group, our overall achievement of corporate objectives, the Chief Executive Officer's individual performance objectives, the achievement of certain strategic initiatives, the amount of equity previously awarded to the Chief Executive Officer, and the vesting of previous awards. In determining the value of equity grants to our NEOs other than our Chief Executive Officer in 2018, our Compensation Committee considered comparative data for both the size of annual equity awards and total equity ownership of executives employed by companies in our Select Peer Group, our overall achievement of corporate objectives, the applicable NEO's achievement of individual performance objectives, the achievement of certain strategic initiatives, the amount of equity previously awarded to the NEO, the vesting of previous awards, and the recommendations of our Chief Executive Officer.

The amount and terms of the stock options and restricted stock we granted to our NEOs in 2018 are more fully described under Executive Compensation Compensation Tables Grants of Plan-Based Awards.

***Benefits and Other Compensation***

Our NEOs are eligible to participate in broad-based employee benefit plans, which are provided to all eligible U.S.-based employees. These plans include a group medical program, a group dental program, life



**Table of Contents**

insurance, disability insurance, flexible spending accounts and a 401(k) retirement savings plan. Additional benefit programs offered to our NEOs and all full-time U.S.-based employees include programs for job-related educational assistance, group term life insurance equivalent to 1.5 times an employee’s annual base salary up to a \$600,000 maximum, and an employee assistance program. Our NEOs are also entitled to receive reimbursement of up to \$3,500 per year for medical benefits to be used toward preventative medical expenses, including annual physical examinations.

We believe these benefits are consistent with the benefits offered by companies with which we compete for employees, including executive officers, and are necessary to attract and retain qualified individuals for those roles.

***Perquisites***

We believe that cash and equity compensation are the two key components in attracting and retaining management talent and therefore do not provide any additional perquisites to our NEOs.

**2019 Compensation Determinations**

In February 2019, our Compensation Committee performed a competitive assessment and evaluated the elements of our executive compensation program and the performance of RealPage and each of the NEOs in 2018. In the first quarter of 2019, PM performed a comprehensive peer group review and our Compensation Committee reviewed a revised 2019 Peer Group of 19 companies. We removed Synchronoss Technologies from our peer group due to its divergence with respect to operating size on a comparative basis, and added ACI Worldwide, Inc., CoreLogic, Inc., Ellie Mae, Inc., Fair Isaac Corporation and Verint Systems Inc., reflecting our view that these companies are relevant comparators to us with respect to sector, operating size and valuation. As in 2018, the peer group for 2019 compensation was used in combination with other survey data to analyze compensation trends. See Executive Compensation Compensation Discussion and Analysis Competitive Positioning. In February 2019, our Compensation Committee approved the following elements of compensation for each of the NEOs for 2019.

***Base Salaries***

In February 2019, our Compensation Committee conducted a review of our executive compensation program for purposes of evaluating compensation levels for our executives for 2019. Based on the considerations described above in Executive Compensation Compensation Discussion and Analysis Compensation Decision-Making Process, our Compensation Committee approved the following base salaries to be effective as of March 1, 2019:

<b>Name</b>	<b>2019 Salary</b>
Stephen T. Winn	\$ 675,000
William P. Chaney	\$ 425,000
Ashley Glover	\$ 450,000

In January 2019, in connection with Mr. Thomas C. Ernst becoming our Executive Vice President, Chief Financial Officer and Treasurer, the Compensation Committee approved a base salary for Mr. Ernst of \$450,000.

***Performance-Based Cash Bonuses***

In February 2019, our Compensation Committee approved the participation by Mr. Winn and our other NEOs in the Management Incentive Plan for 2019 (the 2019 MIP ). The 2019 target bonus under the 2019 MIP for Mr. Winn is 100% of his base salary with a maximum bonus potential of 200% of target bonus for achieving financial and individual performance objectives in excess of the targets, and a minimum bonus potential of 0% of

---

**Table of Contents**

Mr. Winn's target bonus. The 2019 MIP target bonus for Mr. Ernst and Ms. Glover is 70%, and for Mr. Chaney is 60%, of such NEO's base salary with a maximum bonus potential of 200% of such NEO's target bonus for achieving financial and individual performance objectives in excess of the targets, and a minimum bonus potential of 0% of such NEO's target bonus.

The performance metrics for our NEOs under the 2019 MIP will consist of the following:

Non-GAAP total revenue;

Adjusted EBITDA; and

Individual performance ratings.

***Long-Term Equity Incentive Awards***

In February 2019, our Compensation Committee approved grants to Mr. Winn consisting of 100% performance-based equity incentives in the form of market-based restricted stock awards that become eligible to vest only if the trading price of our common stock rises to specified levels during a designated time period, and exceeds those levels for a 20-day trading period. Similar to the 2018 awards, the stock price targets require significant price increases in order to become eligible to vest, and thus are tied directly to our performance. The market-based awards have eligibility and vesting terms based upon achievement of pre-determined performance objectives at threshold, target, exceed and maximum performance levels. The threshold, target, exceed and maximum achievement levels correspond to 25%, 40%, 60% and 80% increases, respectively, in our stock price prior to July 1, 2022, in order to achieve at each such performance level. One fourth of the market-based awards become eligible to vest at each of these achievement levels. Once shares become eligible to vest under such award, they also contain an additional retentive time-based component, whereby such shares vest in quarterly increments over a one-year period thereafter (subject to acceleration of vesting on July 1, 2022 for any then-unvested shares that became eligible to vest prior to that date).

In February 2019, our Compensation Committee also approved grants of a combination of market-based and time-based restricted stock awards to Mr. Chaney and Ms. Glover. The market-based awards granted to Mr. Chaney and Ms. Glover had the same four-tier achievement requirements as those awarded to Mr. Winn. The time-based awards of restricted stock granted to Mr. Chaney and Ms. Glover in 2019 vest quarterly over a three-year period, subject to continued service to the Company.

In January 2019, in connection with Mr. Thomas C. Ernst becoming our Executive Vice President, Chief Financial Officer and Treasurer, the Compensation Committee approved a combination of market-based and time-based restricted stock awards to Mr. Ernst. The market-based award has eligibility and vesting terms based upon achievement of pre-determined performance objectives at threshold, target, exceed and maximum performance levels. The threshold, target, exceed and maximum achievement levels correspond to 25%, 37.5%, 50% and 75% increases, respectively, in our stock price prior to July 1, 2022, in order to achieve at each such performance level. One fourth of the market-based awards become eligible to vest at each of these achievement levels. Once shares become eligible to vest under such award, they also contain an additional retentive time-based component, whereby such shares vest in quarterly increments over a one-year period thereafter (subject to acceleration of vesting on July 1, 2022 for any then-unvested shares that became eligible to vest prior to that date). Mr. Ernst also received a time-based award of 22,600 shares of restricted stock which vests quarterly over a three-year period, subject to his continued service to the Company.

The total awards for such NEOs are listed below. The number of shares stated below are the maximum number of shares such NEO would earn (i) in the case of market-based awards, at the maximum achievement level (80% increase in stock price for Mr. Winn, Mr. Chaney and Ms. Glover; and 75% increase in stock price for Mr. Ernst); and (ii) for time-based awards, assuming all vesting over the three-year vesting period.

**Table of Contents****2019 GRANTS FOR PLAN BASED AWARDS**

Name	Shares of Restricted Stock (Market Based)	Shares of Restricted Stock (Time Based)
Stephen T. Winn	215,828	
Thomas C. Ernst	45,200	22,600
William P. Chaney	32,374	16,187
Ashley Glover	39,568	19,784

**Other Executive Compensation Considerations*****Trading Controls and Hedging, Short Sale and Pledging Policies under our Insider Trading Policy***

All employees, including our NEOs, directors and agents of RealPage are required to receive permission from us and certify they are not in possession of any material non-public information prior to entering into any transactions in our securities, including, but not limited to, gifts, grants and transactions involving derivatives. Generally, trading is permitted only during announced trading periods. Employees who are subject to trading restrictions, including our NEOs, may enter into trading plans under Rule 10b5-1 of the Exchange Act. These trading plans may be entered into only during an open trading period and must be approved by us. Any employee, including any executive officer or director, bears full responsibility if he or she violates our policy by permitting shares to be bought or sold without preapproval or when trading is restricted. All of our employees, including our executive officers, directors and agents are prohibited by our Insider Trading Policy from pledging our securities or from entering into hedging and short sale transactions with respect to our securities.

***Clawback Provisions***

Equity awards granted to our NEOs under our 2010 Equity Incentive Plan contain provisions under which the executives may be required to forfeit equity awards or profits from equity awards if they engage in certain conduct including, but not limited to, violations of our policies. Awards granted under the 2010 Equity Incentive Plan will be subject to recoupment in accordance with any clawback policy that we are required to adopt pursuant to the listing standards of any national securities exchange or association on which our securities are listed or as is otherwise required by the Dodd-Frank Act or other applicable law. In addition, the plan administrator may impose other clawback, recovery or recoupment provisions in an award agreement as the plan administrator determines necessary or appropriate, including a reacquisition right in respect of previously acquired shares of our common stock or other cash or property if it is determined that the participant violated non-compete, trade secret and confidentiality, or other provisions in the award agreement.

We intend to implement a Dodd-Frank Act compliant clawback policy as soon as the SEC adopts rules that set forth the requirements for such clawback policies and as such rules become effective for us.

***Executive Stock Ownership***

Our Chief Executive Officer held approximately 15.54% of our outstanding shares of common stock as of the Record Date. All other directors and executive officers also held shares as of the Record Date. See Security Ownership. In 2014, our Board adopted a Stock Ownership Guidelines Policy that suggests minimum stock ownership guidelines for our Chief Executive Officer. The minimum stock ownership target suggested by the guidelines is based on a multiple of five times the Chief Executive Officer's annual base salary. This policy also suggests that our Chief Executive Officer hold the suggested minimum stock ownership target within three years of the adoption of such guidelines with respect to our current Chief Executive Officer or three years following appointment with respect to any successor. Our Chief Executive Officer's stock ownership exceeds the suggested minimum stock ownership threshold.

## **Table of Contents**

### ***Severance and Change in Control Benefits***

Our employment agreements with our NEOs provide for payments and other benefits in the event of termination of employment in certain circumstances. For a description of these payments and other benefits, see [Executive Compensation](#) [Potential Payments on Termination or Change in Control](#).

We believe that these severance arrangements help us to attract and retain key management talent in an industry where there is significant competition for management talent. We believe that entering into these agreements helps the NEOs maintain continued focus and dedication to their assigned duties and helps maximize stockholder value. The terms of these agreements were determined after review by our Compensation Committee of our retention goals for each NEO, as well as analysis of market data, similar agreements established by our peer group and applicable law.

### ***Tax and Accounting Considerations***

The Tax Cuts and Jobs Act, which became law on December 22, 2017, generally eliminated the performance-based compensation exemption under Section 162(m) of the Internal Revenue Code, effective January 1, 2018, subject to a special rule that grandfathers certain awards and arrangements that were in effect on November 2, 2017. Prior to the passage of the Tax Cuts and Jobs Act, Section 162(m) of the Internal Revenue Code generally disallowed a tax deduction for certain compensation in excess of \$1.0 million per year paid by a publicly held company to its chief executive officer or any of its three other most highly paid executive officers (other than the company's chief financial officer); however, qualifying performance-based compensation was not subject to the deduction limitation if specified requirements were met. Prior to the passage of the Tax Cuts and Jobs Act, we generally intended to structure the performance-based portion of our executive compensation, when feasible, to comply with exemptions in Section 162(m) so that the compensation remained tax deductible to us. However, amounts paid under our compensation programs may be determined not to so qualify. We continue to consider the tax and accounting effects when designing our compensation plans for our executive officers.

**Table of Contents**

**COMPENSATION COMMITTEE REPORT\***

Our Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Regulation S-K Item 402(b) (the CD&A ) with management and based upon such review and discussion, our Compensation Committee recommended to our Board that the CD&A be included in our Proxy Statement.

Respectfully Submitted,

Peter Gyenes, Chairman  
Alfred R. Berkeley, III  
Charles F. Kane  
Jason A. Wright

*\* The foregoing Compensation Committee Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Company filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate this Compensation Committee Report by express reference therein.*

**Table of Contents**

**CEO PAY RATIO DISCLOSURE**

As required by Section 953(b) of the Dodd-Frank Act, and Item 402(u) of Regulation S-K, we are providing the following information about the relationship of the annual total compensation of our median employee and that of our CEO, Mr. Stephen T. Winn. We believe the pay ratio information provided below is a reasonable estimate calculated in a manner consistent with these new pay ratio disclosure rules.

For fiscal year 2018, our last completed fiscal year, we performed the following calculations in order to identify the median of the annual total compensation of all our employees, as well as to determine the annual total compensation of the median employee. The methodology and the material assumptions, adjustments, and estimates that we used were as follows:

We selected December 31, 2018 as the date upon which we identified the median employee. We compiled a list of all full-time, part-time, temporary and seasonal employees who were employed on that date, including employees working both within and outside of the United States.

We identified the median employee by taking all employees on this list, excluding the CEO, and ranking them based on target annual total compensation during the 2018 fiscal year as a consistently applied compensation measure.

The median of the annual target total compensation of all our employees, excluding our CEO, was \$42,141.

After identifying the median employee, we identified and calculated the elements of such employee's actual compensation for fiscal year 2018 in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K, resulting in annual total compensation of \$49,536.

With respect to the annual total compensation for the CEO, we used the amount reported in the Total column of our 2018 Summary Compensation Table, which was \$11,046,385.

The ratio of the annual total compensation of our CEO to the median employee was 223 to 1.

**Table of Contents****COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

The members of our Compensation Committee are set forth in Governance Board and Committee Governance Board Committees. None of the members of our Compensation Committee is an officer or employee of RealPage, was an officer or employee of RealPage during 2018, or was formerly an officer of RealPage. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our Board or Compensation Committee.

**COMPENSATION TABLES****SUMMARY COMPENSATION TABLE**

The following table provides information regarding the compensation of our NEOs during the years ended December 31, 2018, December 31, 2017 and December 31, 2016. Additional information relevant to this table is set forth below at Executive Compensation Supplemental Information Regarding Arrangements with Executive Officers.

Name and Principal Position	Year	Salary	Bonus	SUMMARY COMPENSATION TABLE			Total	
				Stock Awards <sup>(1)</sup>	Option Awards <sup>(1)</sup>	Non-Equity Incentive Plan Compensation <sup>(2)</sup>		All Other Compensation
Stephen T. Winn	2018	\$ 645,833		\$ 9,664,930		\$ 725,000	\$ 10,622 <sup>(3)</sup>	\$ 11,046,385
	2017	612,500		7,771,813		750,000	8,937 <sup>(3)</sup>	9,143,250
<i>Chairman, Chief Executive Officer and President</i>	2016	541,667		4,916,459		746,197	18,366 <sup>(3)</sup>	6,222,689
W. Bryan Hill <sup>(4)</sup>	2018	429,167		2,800,122		251,559	6,702 <sup>(3)</sup>	3,487,550
	2017	420,833		2,812,940		258,984	6,702 <sup>(3)</sup>	3,499,459
<i>Former Executive Vice President, Chief Financial Officer and Treasurer</i>	2016	395,000		1,899,902		272,075	6,267 <sup>(3)</sup>	2,573,244
Andrew Blount <sup>(5)</sup>	2018	365,000		1,908,668		167,872	6,080 <sup>(3)</sup>	2,447,621
	2017	362,500		2,301,498		181,592	5,777 <sup>(3)</sup>	2,851,367
<i>Former Executive Vice President, Chief Innovation Officer</i>								
William P. Chaney	2018	408,333		2,290,527		234,103	6,174 <sup>(3)</sup>	2,939,137
	2017	397,500		2,301,498		225,796	6,167 <sup>(3)</sup>	2,930,961
<i>Executive Vice President, Chief Product Officer</i>	2016	382,500		1,899,902		263,465	5,713 <sup>(3)</sup>	2,551,579
Ashley Glover	2018	420,833		2,545,272		263,455	6,174 <sup>(3)</sup>	3,235,734
	2017	397,500		1,150,949		244,031	6,167 <sup>(3)</sup>	1,798,647
<i>Executive Vice President, Chief Operating Officer</i>	2016	145,856		2,078,489		87,050	2,554 <sup>(3)</sup>	2,313,949

(1) Represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. See Note 9 of the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2018, for a discussion of assumptions made in determining the grant date fair value of our restricted stock awards.

(2) Represents cash awards under our 2016 MIP, 2017 MIP and 2018 MIP (as applicable).

(3) For a breakdown of the components that comprise All Other Compensation for NEOs for 2016, 2017 and 2018, refer to the table entitled All Other Compensation Detail immediately below.

(4) Mr. Hill resigned as Executive Vice President, Chief Financial Officer and Treasurer, effective January 7, 2019.

(5) Mr. Blount was not an NEO for the fiscal year 2016. Effective March 1, 2019, Mr. Blount serves in a new role with different responsibilities and is no longer an executive officer of the Company within the meaning of Rule 3b-7 of the Securities Exchange Act of 1934, as amended.

**Table of Contents****ALL OTHER COMPENSATION DETAIL**

<b>Name</b>	<b>Year</b>	<b>Registrant Contributions to Defined Contribution Plans <sup>(1)</sup></b>	<b>Insurance Premiums <sup>(2)</sup></b>	<b>Total</b>
Stephen T. Winn	2018	\$ 5,184	\$ 5,438	\$ 10,622
	2017	5,184	3,753	8,937
	2016	4,770	13,596	18,366
W. Bryan Hill	2018	5,184	1,518	6,702
	2017	5,184	1,518	6,702
	2016	4,770	1,497	6,267
Andrew Blount	2018	5,184	896	6,080
	2017	5,184	593	5,777
William P. Chaney	2018	5,184	990	6,174
	2017	5,184	983	6,167
	2016	4,770	943	5,713
Ashley Glover	2018	5,184	990	6,174
	2017	5,184	983	6,167
	2016	2,369	185	2,554

- (1) Represents Company matching contributions under our 401(k) retirement savings plan.  
(2) Represents group term life insurance premiums paid by us on behalf of each of our NEOs.



**Table of Contents****GRANTS OF PLAN-BASED AWARDS**

The following table sets forth information regarding grants of compensation in the form of plan-based awards made during 2018 to our NEOs. Additional information relevant to this table is set forth below at [Executive Compensation Compensation Tables Supplemental Information Regarding Arrangements with Executive Officers](#).

**GRANTS OF PLAN-BASED AWARDS**

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards <sup>(1)</sup>			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares or Units <sup>(2)</sup>	All Other Exercise or Base Price of Underlying Option Awards	Grant Date Fair Value of Stock and Option Awards <sup>(3)</sup>
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)			
Stephen T. Winn	02/22/2018	0	645,959	1,291,918						
	03/02/2018				67,748	135,496	270,992 <sup>(4)</sup>			9,664,930
W. Bryan Hill	02/22/2018	0	250,645	501,290						
	03/02/2018				11,292	22,584	45,172 <sup>(4)</sup>			1,611,022
	03/02/2018							22,585		1,189,100
Andrew Blount	02/22/2018	0	182,500	365,000						
	03/02/2018				7,696	15,392	30,792 <sup>(4)</sup>			1,098,121
	03/02/2018							15,395		810,547
William Chaney	02/22/2018	0	221,378	442,756						
	03/02/2018				9,236	18,472	36,952 <sup>(4)</sup>			1,317,818
	03/02/2018							18,475		972,709
Ashley Glover	02/22/2018	0	228,295	456,589						
	03/02/2018				10,264	20,528	41,060 <sup>(4)</sup>			1,464,367
	03/02/2018							20,530		1,080,905

- (1) Represents potential cash incentive awards at minimum, target and maximum levels, which are governed by our 2018 MIP. The material terms of these annual incentive awards are discussed in this section under [Compensation Discussion and Analysis 2018 Elements of Executive Compensation Performance-Based Cash Bonuses](#).
- (2) Each restricted stock award vests as to 1/12 (one-twelfth) of the shares subject to such restricted stock award on the first day of each calendar quarter, beginning on the first day of the second calendar quarter following the date of grant, for 12 consecutive quarters. The unvested shares of restricted common stock subject to each restricted stock award are subject to forfeiture to us upon certain events. Vesting of restricted stock awards is contingent on the recipient's continued status as our service provider or as a service provider of one of our subsidiaries as of each applicable vesting date.
- (3) Reflects the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. See Note 9 of Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2018, for a discussion of assumptions made in determining the grant date fair value of our stock option awards and restricted stock awards.
- (4) One-fourth (1/4) of the Shares shall become eligible to vest if, prior to July 1, 2021, the average closing price per share of our common stock for 20 consecutive trading days equals or exceeds the threshold price of \$60.89 per share, an additional one-fourth (1/4) of the Shares shall become eligible to vest if, prior to July 1, 2021, the average closing price per share of our common stock for 20 consecutive trading days equals or exceeds the target price of \$66.98 per share, an additional one-fourth (1/4) of the Shares shall become eligible to vest if, prior to July 1, 2021, the average closing price per share of our common stock for 20 consecutive trading days equals or exceeds the exceed price of \$73.07 per share, and an additional one-fourth (1/4) of the Shares shall become eligible to vest if, prior to July 1, 2021, the average closing price per share of our common stock for 20 consecutive trading days equals or exceeds the maximum price of \$85.24 per share (Shares that become eligible to vest, if any, are referred to as [Eligible Shares](#)). Once any Shares become Eligible Shares, they will vest 25% per quarter over the year following the date they become Eligible Shares beginning on the first day of the next calendar quarter, subject to continued status as a service provider (as defined in the 2010 Equity Incentive Plan) through each vesting date. The shares that have become Eligible Shares will be fully vested on July 1, 2021, or upon a Change in Control, Death or Disability (as defined in the 2010 Equity Incentive Plan). The restricted stock shall accelerate and shall be fully vested immediately prior to a Change in Control of the Company (as defined in the 2010 Equity Incentive Plan) that results in consideration per share of our common stock equal to or in excess of \$60.89 per share with respect to the first tranche of shares, \$66.98 per share with respect to the second tranche of shares, \$73.07 per share with respect to the third tranche of shares, and \$85.24 per share with respect to the fourth tranche of shares, respectively.



---

**Table of Contents**

**SUPPLEMENTAL INFORMATION REGARDING ARRANGEMENTS WITH EXECUTIVE OFFICERS**

The following information supplements the information provided in the Summary Compensation Table and the Grants of Plan-Based Awards Table set forth above.

**Employment Agreements**

Each of our NEOs was party to an employment agreement with us during 2018. We entered into amended and restated employment agreements ( Amended Employment Agreements ) with Mr. Winn, Mr. Hill and Mr. Chaney effective March 1, 2015. We also entered into employment agreements with Mr. Blount effective December 11, 2015, as amended January 4, 2016, and Ms. Glover effective August 3, 2016. On October 26, 2016, we entered into an amendment to an employment agreement with Mr. Winn. On January 7, 2019, we entered into a consulting agreement with Mr. Hill. The following descriptions of the terms of the employment agreements with our NEOs are intended as a summary only and are qualified in their entirety by reference to the employment agreements filed as exhibits to our Current Reports on Form 8-K which were filed with the SEC on March 5, 2015 and October 31, 2016, as exhibits to our Quarterly Reports on Form 10-Q which were filed with the SEC on November 8, 2016 and May 8, 2017, and as exhibit 10.25 to our Form 10-K which was filed with the SEC on February 28, 2019.

***Stephen T. Winn***

On February 27, 2015, we entered into an Amended Employment Agreement with Mr. Winn (the Amended CEO Employment Agreement ), which became effective as of March 1, 2015, and replaced and superseded his prior employment agreement described below. The Amended CEO Employment Agreement sets a minimum base salary for Mr. Winn at \$500,000 with a target annual bonus of 100% of his annual base salary as determined under the management incentive plan with performance criteria to be established by our Compensation Committee, and Mr. Winn is entitled to equity grants pursuant to the 2010 Equity Incentive Plan. Mr. Winn is entitled to four weeks paid vacation per year, is eligible to participate in all employee welfare benefits plans and other benefit programs made available generally to our employees or senior executives and is reimbursed for all reasonable business expenses, including travel by private aircraft for business purposes of up to \$300,000 per year. Additionally, we make available to Mr. Winn all fringe benefits and perquisites that are made available to other senior executives. The Amended CEO Employment Agreement also provides for \$3,500 per year in medical benefits to be used toward preventative medical expenses, including annual physical examinations, and certain benefits upon termination of employment as a result of death, Disability, or without Cause or for Good Reason (each as defined in the Amended CEO Agreement) or in connection with a Change in Control of RealPage each of which is disclosed below under Executive Compensation Potential Payments Upon Termination or Change in Control. For a period of two years following the termination of Mr. Winn's employment for any reason, Mr. Winn will be restricted from competing with RealPage and its affiliates and soliciting RealPage and its affiliates' respective customers, licensees or employees. Our employment agreement with Mr. Winn also includes confidentiality provisions, non-interference and non-disparagement obligations during his employment and following termination.

The Amended CEO Employment Agreement provides that payments and benefits payable pursuant to such agreement will be reduced to the extent necessary to avoid the application of any golden parachute excise tax pursuant to Section 4999 of the Internal Revenue Code of 1986, as amended, if such reduction would result in Mr. Winn receiving greater compensation and benefits on an after-tax basis. Mr. Winn's employment agreement provides that, to the fullest extent permitted by law, we will indemnify Mr. Winn (and advance certain legal and other expenses) in connection with the defense of any lawsuit or other claim to which Mr. Winn is made a party by reason of performing his responsibilities as an officer or executive officer of RealPage or any of its subsidiaries, other than claims brought against Mr. Winn by any of his former employers.

On October 26, 2016, we entered into an amended and restated employment agreement with Mr. Winn to remove the ability for Mr. Winn to terminate his employment for any or no reason following a change in control

---

**Table of Contents**

(as defined in the agreement) and receive the benefits of having terminated his employment for Good Reason (as defined in such employment agreement). We believe this amendment reflects current market and peer group practices with respect to executive agreements for Chairman and CEO-level executives.

***W. Bryan Hill***

On February 27, 2015, we entered into an amended employment agreement (the Amended Hill Employment Agreement ) with Mr. Hill, which became effective as of March 1, 2015 and replaced and superseded his prior employment agreement. The Amended Hill Employment Agreement sets a minimum annual base salary for Mr. Hill at \$370,000 with a target annual bonus of 50% of his annual base salary as determined under the management incentive plan with performance criteria to be established by the Compensation Committee, and Mr. Hill is entitled to equity grants pursuant to the 2010 Equity Incentive Plan. Mr. Hill was entitled to four weeks paid vacation per year, was eligible to participate in all employee welfare benefits plans and other benefit programs made available generally to our employees or senior executives and was reimbursed for all reasonable business expenses. Additionally, we made available to Mr. Hill all fringe benefits and perquisites that are made available to other senior executives. The Amended Hill Employment Agreement also provides for \$3,500 per year in medical benefits to be used toward preventative medical expenses, including annual physical examinations, and certain benefits upon termination of employment as a result of death, Disability, or without Cause or for Good Reason (each as defined in the Amended Hill Employment Agreement) or in connection with a Change in Control of RealPage each of which is disclosed below under Executive Compensation Potential Payments Upon Termination or Change in Control. For a period of two years following the termination of Mr. Hill's employment for any reason, Mr. Hill will be restricted from competing with RealPage and its affiliates and soliciting RealPage and its affiliates' respective customers, licensees or employees. The Amended Hill Employment Agreement also includes confidentiality provisions, non-interference and non-disparagement obligations during his employment and following termination.

The Amended Hill Employment Agreement provides for payments and benefits payable pursuant to such agreement will be reduced to the extent necessary to avoid the application of any golden parachute excise tax pursuant to Section 4999 of the Internal Revenue Code of 1986, as amended, if such reduction would result in Mr. Hill receiving greater compensation and benefits on an after-tax basis. Mr. Hill's employment agreement provides that, to the fullest extent permitted by law, we will indemnify Mr. Hill (and advance certain legal and other expenses) in connection with the defense of any lawsuit or other claim to which Mr. Hill is made a party by reason of performing his responsibility as an officer or executive officer of RealPage or any of its subsidiaries, other than claims brought against Mr. Hill by any of his former employers.

Mr. Hill resigned as Executive Vice President, Chief Financial Officer and Treasurer effective January 7, 2019. We entered into a consulting agreement with Mr. Hill on January 7, 2019 in order to assist with the transition of Mr. Hill's duties to the Company, and pursuant to which Mr. Hill remained an employee of the Company until February 28, 2019 and provided consulting services through April 2, 2019. The Consulting Agreement provided that Mr. Hill remain as a service provider (as defined in the 2010 Equity Incentive Plan) until termination of the consulting agreement, and his existing restricted stock and stock option agreements continued to vest through April 2, 2019.

***Andrew Blount***

On December 11, 2015, we entered into an Employment Agreement with Andrew Blount (the Blount Employment Agreement ). The Blount Employment Agreement sets a minimum base salary for Mr. Blount at \$350,000 with a target annual bonus of 50% of his annual base salary as determined under the management incentive plan with performance criteria to be established by our Compensation Committee. Mr. Blount was granted stock option awards to purchase up to 75,000 shares of our common stock, 25,000 shares of restricted stock subject to time-based vesting criteria and 100,000 shares of restricted stock subject to performance criteria tied to the market price of our common stock. Mr. Blount is entitled to three weeks' paid vacation per year, is eligible to participate in all employee welfare benefits plans and other benefit programs made available generally

---

**Table of Contents**

to our employees or senior executives and is reimbursed for all reasonable business expenses. Additionally, we make available to Mr. Blount all fringe benefits and perquisites that are made available to other senior executives. The Blount Employment Agreement also provides for \$3,500 per year in medical benefits to be used toward preventative medical expenses, including annual physical examinations, and certain benefits upon termination of employment as a result of death, Disability, or without Cause or for Good Reason (each as defined in the Blount Employment Agreement) or in connection with a Change in Control of RealPage each of which is disclosed below under Executive Compensation Potential Payments Upon Termination or Change in Control. For a period of two years following the termination of Mr. Blount's employment for any reason, Mr. Blount will be restricted from competing with RealPage and its affiliates and soliciting RealPage and its affiliates' respective customers, licensees or employees. The Blount Employment Agreement also includes confidentiality provisions, non-interference and non-disparagement obligations during his employment and following termination.

The Blount Employment Agreement also provides that payments and benefits payable pursuant to such agreement will be reduced to the extent necessary to avoid the application of any golden parachute excise tax pursuant to Section 4999 of the Internal Revenue Code of 1986, as amended, if such reduction would result in Mr. Blount receiving greater compensation and benefits on an after-tax basis. Mr. Blount's employment agreement also provides that, to the fullest extent permitted by law, we will indemnify Mr. Blount (and advance certain legal and other expenses) in connection with the defense of any lawsuit or other claim to which Mr. Blount is made a party by reason of performing his responsibilities as an officer or executive officer of RealPage or any of its subsidiaries, other than claims brought against Mr. Blount by any of his former employers.

On January 4, 2016, we entered into an amendment to the Blount Employment Agreement (the Amended Blount Employment Agreement). The Amended Blount Employment Agreement provides that the Company will provide a one-time relocation package for Mr. Blount's actual relocation expenses of up to \$80,000.

***William P. Chaney***

On March 5, 2015, we entered into an Amended Employment Agreement with Mr. Chaney (the Amended Chaney Employment Agreement), which became effective as of March 1, 2015, which replaced and superseded his prior employment agreement. Mr. Chaney's Amended Employment Agreement sets a minimum annual base salary for Mr. Chaney at \$370,000 with a target annual bonus of 50% of his base annual salary as determined under the management incentive plan with performance criteria to be established by our Compensation Committee, and Mr. Chaney is entitled to equity grants pursuant to the 2010 Equity Incentive Plan. Mr. Chaney is entitled to four weeks paid vacation per year, is eligible to participate in all employee welfare benefits plans and other benefit programs made available generally to our employees or senior executives and is reimbursed for all reasonable business expenses. Additionally, we make available to Mr. Chaney all fringe benefits and perquisites that are made available to other senior executives. The Amended Chaney Employment Agreement also provides for \$3,500 per year in medical benefits to be used toward preventative medical expenses, including annual physical examinations, and certain benefits upon termination of employment as a result of death, Disability, or without Cause or for Good Reason (each as defined in the Amended Chaney Employment Agreement) or in connection with a Change in Control of RealPage each of which is disclosed below under Executive Compensation Potential Payments Upon Termination or Change in Control. For a period of two years following the termination of Mr. Chaney's employment for any reason, Mr. Chaney will be restricted from competing with RealPage and its affiliates and soliciting RealPage and its affiliates' respective customers, licensees or employees. The Amended Chaney Employment Agreement also includes confidentiality provisions, non-interference and non-disparagement obligations during his employment and following termination.

The Amended Chaney Employment Agreement provides that payments and benefits payable pursuant to such agreement will be reduced to the extent necessary to avoid the application of any golden parachute excise tax pursuant to Section 4999 of the Internal Revenue Code of 1986, as amended, if such reduction would result in Mr. Chaney receiving greater compensation and benefits on an after-tax basis. Mr. Chaney's employment

**Table of Contents**

agreement provides that, to the fullest extent permitted by law, we will indemnify Mr. Chaney (and advance certain legal and other expenses) in connection with the defense of any lawsuit or other claim to which Mr. Chaney is made a party by reason of performing his responsibility as an officer or executive officer of RealPage or any of its subsidiaries, other than claims brought against Mr. Chaney by any of his former employers.

***Ashley C. Glover***

On August 3, 2016, we entered into an Employment Agreement with Ashley C. Glover (the Glover Employment Agreement ). The Glover Employment Agreement sets a minimum base salary for Ms. Glover at \$385,000 with a target annual bonus of 50% of her annual base salary as determined under the management incentive plan with performance criteria to be established by our Compensation Committee. Ms. Glover was granted shares of restricted stock valued at \$1,000,000 and additional shares of restricted stock valued at \$1,000,000, subject to performance criteria tied to the market price of our common stock. Ms. Glover is entitled to three weeks paid vacation per year, is eligible to participate in all employee welfare benefits plans and other benefit programs made available generally to our employees or senior executives and is reimbursed for all reasonable business expenses. Additionally, we make available to Ms. Glover all fringe benefits and perquisites that are made available to other senior executives. The Glover Employment Agreement also provides for \$3,500 per year in medical benefits to be used toward preventative medical expenses, including annual physical examinations, and certain benefits upon termination of employment as a result of death, Disability, or without Cause or for Good Reason (each as defined in the Glover Employment Agreement) or in connection with a Change in Control of RealPage each of which is disclosed below under Executive Compensation Potential Payments Upon Termination or Change in Control. For a period of two years following the termination of Ms. Glover's employment for any reason, Ms. Glover will be restricted from competing with RealPage and its affiliates and soliciting RealPage and its affiliates' respective customers, licensees or employees. The Glover Employment Agreement also includes confidentiality provisions, non-interference and non-disparagement obligations during her employment and following termination.

The Glover Employment Agreement also provides that payments and benefits payable pursuant to such agreement will be reduced to the extent necessary to avoid the application of any golden parachute excise tax pursuant to Section 4999 of the Internal Revenue Code of 1986, as amended, if such reduction would result in Ms. Glover receiving greater compensation and benefits on an after-tax basis. Ms. Glover's employment agreement also provides that, to the fullest extent permitted by law, we will indemnify Ms. Glover (and advance certain legal and other expenses) in connection with the defense of any lawsuit or other claim to which Ms. Glover is made a party by reason of performing her responsibilities as an officer or executive officer of RealPage or any of its subsidiaries, other than claims brought against Ms. Glover by any of her former employers.

**Table of Contents****OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2018**

The following table sets forth information regarding equity awards held by our NEOs as of December 31, 2018:

**OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2018**

Name	Grant Date	OPTION AWARDS			STOCK AWARDS				
		Number of Securities Underlying Unexercised Options (Exercisable)	Number of Securities Underlying Unexercised Options (Unexercisable)	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 (\$) <sup>(2)</sup>	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) <sup>(2)</sup>
Stephen T. Winn	03/01/2011	75,000		\$ 24.03	03/01/2021				
	02/22/2012	100,000		\$ 20.01	02/22/2022				
	02/25/2013	100,000		\$ 21.60	02/25/2023				
	03/02/2017							22,997 <sup>(3)</sup>	1,108,225
	03/02/2018							254,055 <sup>(4)</sup>	12,242,910
W. Bryan Hill	02/26/2016					7,700	371,063 <sup>(5)</sup>		
	03/02/2017					18,069	870,745 <sup>(5)</sup>		
	03/02/2018					18,821	906,984 <sup>(5)</sup>		
	03/02/2017							4,517 <sup>(3)</sup>	217,674
	03/02/2018							42,349 <sup>(4)</sup>	2,040,798
Andrew Blount	12/10/2015	6,250		23.10	12/10/2025				
	05/09/2016					7,500	361,425 <sup>(5)</sup>		
	03/02/2017					14,787	712,586 <sup>(5)</sup>		
	03/02/2018					12,831	618,326 <sup>(5)</sup>		
	03/02/2017							3,698 <sup>(3)</sup>	178,207
03/02/2018							28,868 <sup>(4)</sup>	1,391,149	
William Chaney	11/08/2010	7,500		\$ 27.18	11/8/2020				
	11/04/2011	15,000		\$ 25.24	04/11/2021				
	08/07/2012	40,000		\$ 24.64	08/07/2022				
	02/25/2013	14,712		\$ 21.60	02/25/2023				
	11/12/2013	30,000		\$ 25.70	11/12/2023				
	02/27/2014	6,250		\$ 17.75	02/27/2024				
	03/03/2015	48,439		\$ 19.76	03/03/2025				
	05/08/2015	12,500		\$ 19.84	05/08/2025				
	02/26/2016					7,700	371,063 <sup>(5)</sup>		
	03/02/2017					14,787	712,586 <sup>(5)</sup>		
	03/02/2018					15,397	741,981 <sup>(5)</sup>		
	03/02/2017							3,698 <sup>(3)</sup>	178,207
	03/02/2018							34,643 <sup>(4)</sup>	1,669,446
Ashley Glover	08/17/2016					13,768	663,480 <sup>(5)</sup>		
	03/02/2017					7,393	356,269 <sup>(5)</sup>		
	03/02/2018					17,110	824,531 <sup>(5)</sup>		
	03/02/2017							1,849 <sup>(3)</sup>	89,103
	03/02/2018							38,494 <sup>(4)</sup>	1,855,026

- (1) Stock option awards with an expiration date during the years 2020 through 2023 vested as to 5% of the shares subject to such award on the first day of each calendar quarter, beginning on the first day of the calendar quarter following the date of grant, for 15 consecutive calendar quarters and as to the remaining 25% of the shares subject to such option on the first day of the calendar quarter following such fifteenth consecutive calendar quarter. Stock option awards with an expiration date during the year 2024 or later vested as to one-twelfth (1/12) of the shares subject to such award on the first day of each calendar quarter, beginning on the first day of the calendar quarter following the date of grant, for 12 consecutive quarters. Stock options awarded to each of our NEOs were fully vested as of December 31, 2018.

## Edgar Filing: REALPAGE INC - Form DEF 14A

- (2) Value based on \$48.19, which was the closing market price of our common stock on December 31, 2018. See notes (3) through (4) below for market price thresholds required to be achieved for eligibility and vesting.



**Table of Contents**

- (3) One-third (1/3) of the Shares shall become eligible to vest if, prior to July 1, 2020, the average closing price per share of the Company's common stock for 20 consecutive trading days equals or exceeds the threshold price of \$38.05 per share, an additional one-third (1/3) of the Shares shall become eligible to vest if, prior to July 1, 2020, the average closing price per share of the Company's common stock for 20 consecutive trading days equals or exceeds the target price of \$41.09 per share and an additional one-third (1/3) of the Shares shall become eligible to vest if, prior to July 1, 2020, the average closing price per share of the Company's common stock for 20 consecutive trading days equals or exceeds the maximum price of \$45.66 per share (Shares that become eligible to vest, if any, are referred to as Eligible Shares). Once any Shares become Eligible Shares, they will vest 25% per quarter over the year following the date they become Eligible Shares beginning on the first day of the next calendar quarter, subject to continued status as a service provider (as defined in the 2010 Equity Incentive Plan) through each vesting date, provided that these Shares that have become Eligible Shares will be fully vested on July 1, 2020, or upon a Change in Control, Death or Disability (as defined in the 2010 Equity Incentive Plan). The restricted stock shall accelerate and shall be fully vested immediately prior to a Change in Control of the Company (as defined in the 2010 Equity Incentive Plan) that results in consideration per share of the Company's common stock equal to or in excess of \$38.05 per share with respect to the first tranche of shares, \$41.09 per share with respect to the second tranche of shares and \$45.66 per share with respect to the third tranche of shares, respectively. Vesting of restricted stock awards is contingent upon the recipient's continued status as a service provider as of each applicable vesting date.
- (4) One-fourth (1/4) of the Shares shall become eligible to vest if, prior to July 1, 2021, the average closing price per share of the Company's common stock for 20 consecutive trading days equals or exceeds the threshold price of \$60.89 per share, an additional one-fourth (1/4) of the Shares shall become eligible to vest if, prior to July 1, 2021, the average closing price per share of the Company's common stock for 20 consecutive trading days equals or exceeds the target price of \$66.98 per share, an additional one-fourth (1/4) of the Shares shall become eligible to vest if, prior to July 1, 2021, the average closing price per share of the Company's common stock for 20 consecutive trading days equals or exceeds the exceed price of \$73.07 per share, and an additional one-fourth (1/4) of the Shares shall become eligible to vest if, prior to July 1, 2021, the average closing price per share of the Company's common stock for 20 consecutive trading days equals or exceeds the maximum price of \$85.24 per share (Shares that become eligible to vest, if any, are referred to as Eligible Shares). Once any shares become Eligible Shares, they will vest 25% per quarter over the year following the date they become Eligible Shares beginning on the first day of the next calendar quarter, subject to continued status as a service provider (as defined in the 2010 Equity Incentive Plan) through each vesting date, provided that those Shares that have become Eligible Shares will be fully vested on July 1, 2021, or upon a Change in Control, Death or Disability (as defined in the 2010 Equity Incentive Plan). The restricted stock shall accelerate and shall be fully vested immediately prior to a Change in Control of the Company (as defined in the 2010 Equity Incentive Plan) that results in consideration per share of the Company's common stock equal to or in excess of \$60.89 per share with respect to the first tranche of shares, \$66.98 per share with respect to the second tranche of shares, \$73.07 per share with respect to the third tranche of shares, and \$85.24 per share with respect to the fourth tranche of shares, respectively. Vesting of restricted stock awards is contingent upon the recipient's continued status as a service provider as of each applicable vesting date.
- (5) Restricted stock award vests as to one-twelfth (1/12) of the shares subject to such restricted stock award on the first day of each calendar quarter, beginning on the first day of the second calendar quarter following the date of grant, for 12 consecutive quarters. Vesting of restricted stock awards is contingent upon the recipient's continued status as a service provider as of each applicable vesting date.

**OPTION EXERCISES AND STOCK VESTED**

The following table sets forth information regarding stock option exercises and the value realized upon exercise, as well as all stock awards vested and the value realized upon vesting by our NEOs during the year ended December 31, 2018.

**OPTION EXERCISES AND STOCK VESTED IN 2018**

Name (a)	OPTION AWARDS		STOCK AWARDS	
	Number of Shares Acquired on Exercise (#) (b)	Value Realized on Exercise (\$) <sup>(1)</sup> (c)	Number of Shares Acquired on Vesting (#) (d)	Value Realized on Vesting (\$) <sup>(2)</sup> (e)
Stephen T. Winn		\$	357,471	\$ 17,774,202
W. Bryan Hill	121,835	3,922,063	92,346	4,760,698
Andrew Blount	68,750	2,037,991	97,186	5,001,403
William Chaney			81,561	4,186,167
Ashley Glover			65,582	3,354,201

- (1) The value realized upon exercise of stock options is calculated based on the difference between the market price of our common stock upon exercise and the exercise price of the options.

**Table of Contents**

(2) The value realized upon vesting is equal to the number of shares vesting multiplied by the closing market price of our common stock on the vesting date.

**Pension Benefits and Nonqualified Deferred Compensation**

We do not provide a pension plan for our employees and none of our NEOs participated in a nonqualified deferred compensation plan during the year ended December 31, 2018.

**POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL****Agreement and Plan Terms regarding Termination or Change in Control Payments**

As of December 31, 2018, we were parties to agreements with each of our NEOs that provide for certain payments and benefits upon termination in the event of (i) death or Disability, (ii) termination without Cause or with Good Reason (other than in connection with a Change in Control), (iii) in the event of a Change in Control, or (iv) termination without Cause or with Good Reason in connection with a Change in Control. The following table describes, for each of the events described in the four columns below, the payments and benefits that we would owe to each of our NEOs pursuant to the applicable employment and equity award agreements with our NEOs and our 2010 Equity Incentive Plan. The following assumes the events occurred on December 31, 2018 and the value of our common stock is equal to \$48.19 per share (the closing market price on such date). Certain payments and benefits set forth in the following table are conditioned upon the NEO signing and not revoking a release agreement with us. Capitalized terms in this paragraph and in the following table are defined below.

**POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL**

Named Executive	Compensation	Termination on Death or Disability	Termination without Cause or for Good Reason other than in connection with a Change in Control	Change in Control	Termination Without Cause or for Good Reason in connection with a Change in Control
			Change in Control		Change in Control
Stephen T. Winn	Severance Payment <sup>(1)</sup>	\$ 650,000	\$ 975,000	\$	\$ 1,300,000
	Bonus <sup>(2)</sup>				
	Restricted Stock Acceleration <sup>(3)</sup>	13,351,135		1,108,225	
	Employee Benefits <sup>(4)</sup>	15,186	15,186		30,372
	Total	\$ 14,016,322	\$ 990,186	\$ 1,108,225	\$ 1,330,372
W. Bryan Hill	Severance Payment <sup>(1)</sup>	\$ 215,000	\$ 430,000	\$	\$ 860,000
	Bonus <sup>(2)</sup>				
	Restricted Stock Acceleration <sup>(3)</sup>	4,407,265		217,674	2,148,792
	Employee Benefits <sup>(4)</sup>	17,433	17,433		34,866
	Total	\$ 4,639,698	\$ 447,433	\$ 217,674	\$ 3,043,658
Andrew Blount	Severance Payment <sup>(1)</sup>	\$ 182,500	\$ 365,000	\$	\$ 730,000
	Bonus <sup>(2)</sup>				
	Restricted Stock Acceleration <sup>(3)</sup>	2,900,267		178,207	1,330,911
	Employee Benefits <sup>(4)</sup>	17,433	17,433		34,866
	Total	\$ 3,100,200	\$ 382,433	\$ 178,207	\$ 2,095,777
William Chaney	Severance Payment <sup>(1)</sup>	\$ 205,000	\$ 410,000	\$	\$ 820,000
	Bonus <sup>(2)</sup>				

Edgar Filing: REALPAGE INC - Form DEF 14A

	Restricted Stock Acceleration <sup>(3)</sup>	3,673,283		178,207	1,825,630
	Employee Benefits <sup>(4)</sup>	17,433	17,433		34,866
	Total	\$ 3,895,716	\$ 427,433	\$ 178,207	\$ 2,680,496
Ashley Glover	Severance Payment <sup>(1)</sup>	\$ 212,500	\$ 425,000	\$	\$ 850,000
	Bonus <sup>(2)</sup>				
	Restricted Stock Acceleration <sup>(3)</sup>	3,788,409		89,103	1,844,279
	Employee Benefits <sup>(4)</sup>	17,433	17,433		34,866
	Total	\$ 4,018,342	\$ 442,433	\$ 89,103	\$ 2,729,145

**Table of Contents**

- (1) Pursuant to the employment agreements with each of our NEOs, in the case of termination as a result of death or Disability, the applicable NEO is entitled to receive 6 months of annual base salary (12 months in the case of Mr. Winn). In the case of termination without Cause or for Good Reason other than in connection with a Change in Control, the applicable NEO is entitled to a severance payment equal to 100% of his or her annual base salary (150% in the case of Mr. Winn). In the case of termination without Cause or for Good Reason during the 24-month period following a Change in Control (or before a Change in Control if such termination is proximate to or following our entering into an agreement to enter into a transaction that would constitute a Change in Control and such termination or the event giving rise to the Good Reason claim is made at the direction of the third party effectuating such Change in Control) the applicable NEO is entitled to a severance payment equal to 200% of his or her annual base salary. The foregoing payments are conditional on the NEO executing a release of claims agreement with us.
- (2) Pursuant to each NEO's employment agreement, in the case of termination as a result of death or Disability or without Cause or for Good Reason (whether or not in connection with a Change in Control), each NEO is entitled to receive a lump sum cash payment equal to any earned but unpaid bonus. For the purposes of this table, we assume the bonus is unearned as of December 31, 2018.
- (3) The amount disclosed represents the aggregate gain that the applicable NEO would receive from the accelerated vesting of invested shares of restricted stock under each event described in the respective column headings. The amount disclosed with respect to termination for death or Disability represents the value of accelerated vesting of all time- and market-based restricted stock awards. The amount disclosed with regard to solely a Change in Control represents the value of accelerated vesting of all unvested market-based restricted stock awards that would vest assuming a Change in Control stock price of \$48.19 per share or which had become Eligible Shares through achievement of applicable stock price growth hurdles prior to December 31, 2018. The terms of the Company's 2010 Equity Incentive Plan provide that all outstanding awards become fully vested if not assumed or substituted for by the successor corporation in a Change in Control, and the amounts disclosed with respect to solely a Change in Control assume all other outstanding awards have been assumed or substituted by the successor corporation. In the event the successor corporation were not to assume or substitute such remaining awards, the Change in Control estimated value of accelerated vesting of all outstanding restricted stock awards as of December 31, 2018 would be \$13,351,135 for Mr. Winn, \$4,407,265 for Mr. Hill, \$2,900,267 for Mr. Blount, \$3,673,283 for Mr. Chaney, and \$3,788,409 for Ms. Glover. The amount disclosed with respect to termination without Cause or for Good Reason in connection with a Change in Control represents the value of accelerated vesting of all time-based restricted stock awards (and assumes any awards substituted by a successor corporation in a Change in Control would be subject to vesting on the same terms).
- (4) Pursuant to the employment agreements with each of our NEOs, in the event of termination for death or Disability or for Cause or Good Reason other than in connection with a Change in Control, the applicable NEO is entitled to payment equal to the product of the excess of the monthly Consolidated Omnibus Budget Reconciliation Act premium over the monthly premium the NEO would be required to pay for such coverage if still employed by us, multiplied by 12 (a one-year period), and in case of termination without Cause or for Good Reason in connection with a Change in Control, the applicable NEO is entitled to a payment equal to the excess premium described immediately above but multiplied by 24 (a two-year period) instead of 12.

**Certain Definitions**

The benefits described in the preceding table are subject to conditions set forth in employment agreements and the applicable equity award agreements between us and each NEO. The terms Cause, Change in Control, Disability, and Good Reason are defined in those agreements as follows:

Cause means the occurrence of any of the following events which (with respect to clauses (iv) through (vii) below) are not cured by the NEO within ten days (30 days in the case of Mr. Winn) after receipt of written notice of such alleged cause from us or, except in the case of Mr. Winn, if such event cannot be corrected within such ten-day period, if the NEO does not commence correction such default within said ten-day period and does not complete such correction within a reasonable time, up to 30 days: (i) the NEO's conviction for any acts of fraud or breach of trust or any felony criminal acts; (ii) the NEO's knowingly making a materially false written statement to RealPage's auditors or legal counsel; (iii) the NEO's willful and material falsification of any corporate document or form; (iv) any material breach by the NEO of any published policy of RealPage received and acknowledged by the NEO in writing; (v) any material breach by the NEO of a material provision of the employment agreement between RealPage and the NEO; (vi) the NEO's making a material misrepresentation of fact or omission to disclose material facts in relation to transactions occurring in the business and financial matters of RealPage; or (vii) the NEO's repeated and material failure substantially to perform the NEO's duties. A termination of Mr. Winn for Cause shall require a finding by the Board that an event or events have occurred constituting Cause under Mr. Winn's employment agreement. Notwithstanding the foregoing and, in the case of Mr. Winn, in addition to the finding by the Board described in the previous sentence, during the two-year period following a Change in Control (as defined below), a termination for Cause (other than pursuant to clause (i)) shall require a showing by RealPage that the actions giving rise to such termination resulted in material and demonstrable harm to RealPage.

---

**Table of Contents**

**Change in Control** has the meaning set forth in our 2010 Equity Incentive Plan. The definition covers the occurrence of any of the following events: (i) any one person, or more than one person acting as a group, acquires ownership of our stock that, together with the stock held by such person, constitutes more than fifty percent (50%) of the total voting power of our stock; provided, however, that for purposes of this subsection (i), the acquisition of additional stock by any one person who is considered to own more than fifty percent (50%) of the total voting power of our stock will not be considered a Change in Control; or (ii) a majority of members of our Board is replaced during any 12 month period by Directors whose appointment or election is not endorsed by a majority of the members of our Board prior to the date of the appointment or election (excluding a situation where a person was already in effective control of RealPage and is merely acquiring additional control); or (iii) any person acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such person or persons) assets from us that have a total gross fair market value equal to or more than fifty percent (50%) of the total gross fair market value of all of our assets immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of our assets: (A) a transfer to an entity that is controlled by our stockholders immediately after the transfer, or (B) a transfer of assets by us to: (1) a stockholder of RealPage (immediately before the asset transfer) in exchange for or with respect to our stock, (2) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by us, (3) a person, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all our outstanding stock, or (4) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a person described in this subsection. Gross fair market value means the value of our assets, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. Persons will be considered to be acting as a group for purposes of the definition of a **Change in Control** if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with us.

**Disability** means an NEO's incapacity due to physical or mental condition and, if reasonable accommodation is required by law, after providing such reasonable accommodation, the NEO shall have been absent from such NEO's duties on a full-time basis (i) for a period of six consecutive months or (ii) for shorter periods aggregating six months during any 12-month period, and in either case within 30 days after written notice of termination by RealPage is given the NEO shall not have returned to the performance of such NEO's duties on a full-time basis.

**Good Reason** means, without the NEO's written consent: (i) a material reduction in NEO's base salary or incentive compensation opportunity, (ii) a material reduction in the NEO's responsibilities or authority; (iii) a material breach by us of a material provision of the NEO's employment agreement with us, or (iv) a material change in the geographic location at which the NEO must perform their services; provided, that in no instance will the relocation of the NEO to a facility or a location that is either 25 miles or less from the NEO's then-current office or 25 miles or less from the NEO's then-current primary residence be deemed material for purposes of the NEO's employment agreement. Each NEO must provide us with written notice of the acts or omissions constituting the grounds for Good Reason within 90 days of the initial existence of the grounds for Good Reason and a reasonable opportunity for us to cure the conditions giving rise to such Good Reason, which shall not be less than 30 days following the date of notice from us. If we cure the conditions giving rise to such Good Reason within 30 days of the date of such notice, the NEO will not be entitled to severance payments and/or benefits contemplated by the NEO's employment agreement in connection with a termination of employment by the NEO for Good Reason if the NEO thereafter resigns from us based on such grounds. Any termination for Good Reason must be effectuated within 90 days of the expiration of such cure period.

**Table of Contents****EQUITY COMPENSATION PLANS INFORMATION**

The number of shares to be issued upon exercise of outstanding options and the number of shares issued pursuant to restricted stock awards granted to employees and non-employee directors, as well as the number of shares remaining available for future issuance, under our equity compensation plans as of December 31, 2018 are summarized in the following table:

<b>EQUITY COMPENSATION PLANS INFORMATION</b>			
<b>Plan category</b>	<b>Number of shares issued pursuant to restricted stock awards or to be issued upon exercise of outstanding options</b>	<b>Weighted-average exercise price of outstanding options</b>	<b>Number of shares remaining for future issuance under equity compensation plans</b>
Equity compensation plans approved by stockholders	3,780,586 <sup>(1)</sup>	\$ 18.96	4,893,503 <sup>(2)(3)</sup>
Equity compensation plans not approved by stockholders	63,220 <sup>(4)</sup>	18.96	
<b>Total</b>	<b>3,843,806</b>	<b>\$ 18.96</b>	<b>4,893,503</b>

- (1) Includes (i) 1,465,102 shares to be issued upon exercise of outstanding options and (ii) 2,315,484 shares with respect to outstanding restricted stock awards, of which there were 1,785,812 shares of time-based restricted stock awards and 529,672 shares of market-based restricted stock awards.
- (2) Represents 4,893,503 shares available for future issuance under our 2010 Equity Incentive Plan.
- (3) Our 2010 Equity Incentive Plan includes an evergreen provision that provides for automatic increases to the number of shares of our common stock reserved for issuance thereunder on January 1 of each year in an amount equal to the lesser of (i) 10,000,000 shares, (ii) 5.0% of our outstanding shares on the last day of the immediately preceding fiscal year, on a fully-diluted basis, or (iii) such amount as our Board may determine. In 2018, our Board determined not to increase the number of shares of common stock reserved for future issuance under the 2010 Equity Incentive Plan.
- (4) Represents (i) 3,220 shares to be issued upon exercise of outstanding options originally issued under the Multifamily Technology Solutions, Inc. 2005 Equity Incentive Plan and assumed by us in connection with our 2011 acquisition of Multifamily Technology Solutions, Inc. and (ii) 60,000 shares to be issued upon exercise of outstanding options granted to one of our directors as disclosed in the Form S-1 Registration Statement filed on April 29, 2010 and Form S-8 Registration Statement filed on August 17, 2010.

**Table of Contents****AUDIT MATTERS****PROPOSAL TWO: RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM****What Am I Voting On?**

Stockholders are being asked to ratify the appointment of Ernst & Young LLP to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2019. Although our Audit Committee has the sole authority to appoint the independent registered public accounting firm, as a matter of good corporate governance, our Board submits its selection to our stockholders for ratification. If the stockholders should not ratify the appointment of Ernst & Young LLP, our Audit Committee will reconsider the appointment.

**Voting Recommendation:**

**FOR** the ratification of the appointment of Ernst & Young LLP as independent registered public accounting firm for the fiscal year ended December 31, 2019.

**Background**

Our Audit Committee has the sole authority and responsibility to hire, evaluate and, where appropriate, replace our independent registered public accounting firm and, in its capacity as a committee of the Board, is directly responsible for the appointment, compensation and general oversight of the work of the independent registered public accounting firm. Our Audit Committee appointed the firm of Ernst & Young LLP ( EY ) as our independent registered public accounting firm for the fiscal year ending December 31, 2019. Our Audit Committee is asking the stockholders to ratify this appointment. EY has served as our independent registered public accounting firm since 2004.

**Required Vote**

The ratification of the appointment of our independent registered public accounting firm requires the favorable vote of a majority of our shares of common stock present or represented by proxy at the Annual Meeting and entitled to vote on the proposal. Abstentions from voting will have the same effect as voting against the ratification, and broker non-votes, if any, will be disregarded and have no effect on the outcome of the vote.

In the event the stockholders fail to ratify the appointment, our Audit Committee will reconsider its selection. Even if the selection is ratified, our Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit Committee believes that such a change would be in the best interests of us and our stockholders.

**Audit Fees and All Other Fees**

The following table sets forth fees for services EY provided to RealPage during the fiscal years ended December 31, 2018 and 2017, all of which were preapproved by the Company's Audit Committee:

	<b>2018</b>	<b>2017</b>
Audit Fees	\$ 3,047,492	\$ 2,735,865
Audit-related fees	198,692	291,837
Tax fees	500,841	568,171
All other fees	202,340	267,461
<b>Total</b>	<b>\$ 3,949,365</b>	<b>\$ 3,863,334</b>

## **Table of Contents**

### ***Audit Fees***

The aggregate fees billed for professional services rendered for the audits of our annual consolidated financial statements, the quarterly reviews of our condensed consolidated financial statements, the audits of the Company's internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act of 2002, assistance in responding to SEC comment letters, comfort letters related to our registered securities offerings and registration statements, and other services normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings.

### ***Audit-Related Fees***

The aggregate fees billed for assurance and other services related to the audit of RealPage's annual consolidated financial statements, which primarily include services in connection with due diligence related to our acquisitions.

### ***Tax Fees***

The aggregate fees billed for professional tax services provided which relate primarily to preparation of our annual consolidated federal and state tax returns, and tax due diligence for our acquisitions.

### ***All Other Fees***

Miscellaneous fees billed for service provided to RealPage not otherwise included in the categories above. The fees for fiscal 2018 were for capital market consultations on the 2018 equity public offering. The fees for fiscal 2017 were for capital market consultations on the 2017 convertible debt offering.

### **Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditors**

Our Audit Committee's policy is to pre-approve all services provided by our independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. Our Audit Committee may also pre-approve particular services on a case-by-case basis. The independent registered public accounting firm is required to periodically report to our Audit Committee regarding the extent of services provided by such firm in accordance with such pre-approval. Our Audit Committee has delegated pre-approval authority to one of its members, who must report any decisions to our Audit Committee at the next scheduled meeting. During 2018, our Audit Committee approved in advance all audit, audit-related, tax and other services to be provided by EY.

EY has not received approval to perform nor performed any prohibited activities as such term is defined in Section 201 of the Sarbanes Oxley Act of 2002.

### **Other Information**

A representative of EY is expected to be available at the Annual Meeting to make a statement if such representative desires to do so and to respond to appropriate questions.

### **Recommendation of our Board for Proposal Two**

***Our Board unanimously recommends a vote FOR the ratification of the appointment of EY as our independent registered public accounting firm.***



---

**Table of Contents**

**REPORT OF OUR AUDIT COMMITTEE\***

Our Audit Committee is composed of four independent directors and operates under a written charter adopted by the Board. The members of our Audit Committee are Charles F. Kane, Chairman, Peter Gyenes, Scott S. Ingraham, and Jason A. Wright. All members of our Audit Committee meet the independence standards of Rule 5605(a)(2) of the NASDAQ listing standards.

Management is responsible for our internal controls and the financial reporting process. Our independent registered public accounting firm is responsible for performing an independent audit of our consolidated financial statements in accordance with standards of the Public Company Accounting Oversight Board (United States) and for issuing opinions on the conformity of those audited financial statements with U.S. generally accepted accounting principles, the effectiveness of our internal control over financial reporting and managements assessment of internal control over financial reporting. Our Audit Committee s responsibility is to monitor and oversee these processes.

Our Audit Committee schedules its meetings and conference calls with a view to ensuring it devotes appropriate attention to all of its tasks. Our Audit Committee met four times during fiscal 2018 to carry out its responsibilities. Our Audit Committee regularly meets privately with our independent registered public accounting firm, internal audit personnel, and management, each of whom has unrestricted access to our Audit Committee. Our Audit Committee evaluated the performance of the items enumerated in our Audit Committee Charter.

As part of its oversight of our financial statements, our Audit Committee reviewed and discussed with both management and the independent registered public accounting firm our quarterly and audited fiscal year financial statements, including a review of our Annual Report on Form 10-K. Our Audit Committee also reviewed and approved the independent registered public accounting firm s work plan, audit fees, and all non-audit services performed by our independent registered public accounting firm. Our Audit Committee also discussed with the independent registered public accounting firm any matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees, as amended, as adopted by the Public Company Accounting Oversight Board (PCAOB) in Rule 3200T.

Our Audit Committee has also received the written disclosures from Ernst & Young LLP required by Rule 3526, Communication with Audit Committees Concerning Independence, and our Audit Committee has discussed the independence of Ernst & Young LLP with that firm. Our Audit Committee has implemented a procedure to monitor the independence of our independent registered public accounting firm.

Based upon our Audit Committee s discussion with management and Ernst & Young LLP and the report of Ernst & Young LLP to our Audit Committee, our Audit Committee recommended that our Board include the audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2018, which was filed with the SEC.

AUDIT COMMITTEE  
Charles F. Kane, Chairman  
Peter Gyenes  
Scott S. Ingraham  
Jason A. Wright

*\* The foregoing Report of our Audit Committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Company filing under the Securities Act or the Exchange Act, except to the extent we specifically incorporate this Report of our Audit Committee by express reference therein.*

---

**Table of Contents**

**PROPOSAL THREE: ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION**

**What Am I Voting On?**

We are asking our stockholders to vote to approve, on an advisory (non-binding) basis, our executive compensation program.

**Voting Recommendation:**

**FOR** the approval of the RealPage executive compensation program, as described in the Compensation Discussion and Analysis and Executive Compensation sections of this proxy statement.

Section 14A of the Exchange Act enables our stockholders to vote to approve, on an advisory (non-binding) basis, the compensation of our NEOs as disclosed in this proxy statement in accordance with the SEC's rules (commonly referred to as a Say-on-Pay).

As described under the heading Executive Compensation Compensation Discussion and Analysis, our executive compensation programs are designed to attract, retain and motivate our NEOs, who are critical to our success. We believe that the various elements of our executive compensation program work together to promote our goal of ensuring that total compensation should be related to both our performance and individual performance.

Stockholders are urged to read the Compensation Discussion and Analysis section of this proxy statement, which discusses how our executive compensation policies implement our compensation philosophy, and the Executive Compensation section of this proxy statement, which contains tabular information and narrative discussion about the compensation of our NEOs, for additional details about our executive compensation programs, including information about fiscal 2018 compensation of our NEOs. Our Compensation Committee and our Board believe that these policies are effective in implementing our compensation philosophy and in achieving its goals.

We are asking our stockholders to indicate their support for our executive compensation as described in this proxy statement. This Say-on-Pay proposal gives our stockholders the opportunity to express their views on our NEOs' compensation. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our NEOs and the philosophy, policies and practices described in this proxy statement. Accordingly, we are asking our stockholders to approve, on an advisory basis, the compensation of our NEOs, as disclosed in this proxy statement pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, the Summary Compensation Table and the other related tables and disclosure.

The Say-on-Pay vote is advisory, and therefore not binding on us, our Compensation Committee or our Board. However, our Board and our Compensation Committee value the opinions of our stockholders and to the extent there is any significant vote against our NEO compensation as disclosed in this proxy statement, we will consider our stockholders' concerns and our Compensation Committee will evaluate whether any actions are necessary to address those concerns. The Say-on-Pay vote is conducted annually, and the next such vote will occur at the 2020 Annual Meeting of Stockholders.

**Recommendation of our Board of Directors for Proposal Three**

*Our Board unanimously recommends voting **FOR** the approval of the RealPage executive compensation program, as described in the Compensation Discussion and Analysis and Executive Compensation sections of this proxy statement.*

---

**Table of Contents**

**INFORMATION CONCERNING SOLICITATION AND VOTING**

**General**

Our Board has delivered printed versions of proxy materials to you by mail, in connection with our Board's solicitation of proxies for use at the Annual Meeting to be held on June 5, 2019, at 10:00 a.m. local time or at any adjournments or postponements thereof, for the purposes set forth in this proxy statement and in the accompanying Notice of Annual Meeting of Stockholders. Proxy materials are also available to you on the Internet at <http://investor.realpage.com>. The Annual Meeting will be held at our principal executive offices located at 2201 Lakeside Boulevard, Richardson, Texas 75082. Our telephone number is (972) 820-3000.

**Householding of Annual Meeting Materials**

Some brokers and other nominee record holders may be participating in the practice of householding proxy materials, proxy statements and annual reports. This means that only one copy of the proxy materials may have been sent to multiple stockholders in a stockholder's household unless otherwise instructed by one or more of the stockholders. We will promptly deliver a separate copy of any of these documents to any stockholder who contacts our investor relations department at 2201 Lakeside Boulevard, Richardson, Texas 75082, (972) 820-3773, requesting such copies. If a stockholder is receiving multiple copies of the proxy materials or the printed versions of such other accounts at the stockholder's household and would like to receive a single copy of these documents for a stockholder's household in the future, stockholders should contact their broker, other nominee record holder, or our investor relations department to request mailing of a single copy of any of these documents.

**Record Date; Outstanding Shares**

Stockholders of record at the close of business on April 10, 2019, the Record Date, are entitled to receive notice of and vote at the Annual Meeting. On the Record Date, 94,593,168 shares of our common stock, \$0.001 par value, were issued, outstanding and entitled to vote at the Annual Meeting.

**Voting and Solicitation**

Every stockholder of record on the Record Date is entitled, for each share held, to one vote on each proposal that comes before the Annual Meeting. In the election of directors, each stockholder will be entitled to vote for two nominees and the two nominees with the greatest number of votes will be elected.

Whether you hold shares directly as the stockholder of record or beneficially in street name (as defined below), you may vote by completing, signing and mailing the proxy card enclosed herewith in the postage-prepaid envelope provided for that purpose. Voting by written proxy will ensure your representation at the Annual Meeting if you do not attend in person. For specific instructions on how to vote your shares, please review the instructions on the proxy card.

The cost of this solicitation will be borne by us. We have retained D.F. King & Co., Inc. ( D.F. King ) to aid in the solicitation of proxies and to verify records relating to the solicitation. D.F. King will receive a fee for its services of \$10,500, including fees per call to stockholders and expense reimbursement. We may reimburse expenses incurred by brokerage firms and other persons representing beneficial owners of shares in forwarding solicitation materials to beneficial owners. Proxies may be solicited by certain of our directors, officers and other employees, without additional compensation, personally, by telephone or by email.

**Treatment of Abstentions and Broker Non-Votes**

Broker non-votes and abstentions are counted for purposes of determining whether a quorum is present. A non-vote occurs when a nominee holding shares for a beneficial owner votes on one proposal but does not vote on another proposal because, with respect to such other proposal, the nominee does not have discretionary voting power and has not received instructions from the beneficial owner.

## **Table of Contents**

If your shares are held by your broker, bank or other agent as your nominee (that is, in street name), your nominee will provide you with appropriate voting materials (such as a voting instruction form). Please follow the instructions included on those materials regarding how to instruct your broker, bank or other agent to vote your shares. If you do not give instructions to your broker, bank or other agent, they can vote your shares with respect to discretionary items but not with respect to non-discretionary items. Discretionary items are proposals that are considered routine under the rules of the New York Stock Exchange and on which your broker, bank or other agent may vote shares held in street name in the absence of your voting instructions. On non-discretionary items for which you do not give instructions to your broker, bank or other agent, the shares will be treated as broker non-votes. At the Annual Meeting, Proposal Two, the ratification of the appointment of our independent registered public accounting firm, will be a discretionary item. Proposal One, the election of directors, and Proposal Three, the advisory (nonbinding) vote to approve executive compensation, will be non-discretionary items.

## **Quorum**

A majority of the shares of our common stock issued and outstanding and entitled to vote, present in person or represented by proxy, constitutes a quorum for the transaction of business at the Annual Meeting.

## **Voting Requirements**

The vote requirement for each matter is:

*Proposal One (Election of Directors)* Directors are elected by a plurality of the votes cast. The two nominees who receive the greatest number of votes cast will be elected directors for three-year terms, in each case until their successors are duly elected and qualified. Withheld votes and broker non-votes, if any, will not be counted either for or against the election of a director nominee.

*Proposal Two (Ratification of Independent Registered Accounting Firm)* The ratification of the appointment of our independent registered accounting firm requires the favorable vote of a majority of our shares of common stock present or represented by proxy at the Annual Meeting and entitled to vote on the proposal. Abstentions from voting will have the same effect as voting against the ratification, and broker non-votes, if any, will be disregarded and have no effect on the outcome of the vote.

*Proposal Three (Advisory (Non-binding) Vote to Approve Named Executive Compensation)* The approval, on an advisory (non-binding) basis, of the compensation of our NEOs as disclosed in this proxy statement in accordance with the SEC rules (commonly referred to as a Say-on-Pay) requires the favorable vote of a majority of our shares of common stock present or represented by proxy at the Annual Meeting and entitled to vote on the proposal. Abstentions from voting will have the same effect as voting against the ratification, and broker non-votes, if any, will be disregarded and have no effect on the outcome of the vote.

## **Revocability of Proxies**

Proxies given pursuant to this solicitation may be revoked at any time before they have been used. You may change or revoke your proxy by delivering a written notice of revocation to our Secretary or by completing a new proxy card bearing a later date (which automatically revokes the earlier proxy instructions). Attendance at the Annual Meeting will not cause your previously granted proxy to be revoked unless you specifically so request by notifying the inspector of elections of your intention to revoke your proxy and voting in person at the Annual Meeting.

**Table of Contents**

**DEADLINE FOR RECEIPT OF STOCKHOLDER PROPOSALS FOR 2020 ANNUAL MEETING**

Our stockholders may submit proper proposals for inclusion in our proxy statement and for consideration at the annual meeting of stockholders to be held in 2020 (the 2020 annual meeting ) by submitting their proposals in writing to our Secretary in a timely manner. In order to be considered for inclusion in our proxy materials for the 2020 annual meeting, stockholder proposals must be received by our Secretary no later than December 28, 2019, and must otherwise comply with the requirements of Rule 14a-8 of the Exchange Act.

In addition, our bylaws establish an advance notice procedure with regard to business to be brought before an annual meeting, including stockholder proposals not included in our proxy statement. For director nominations or other business to be properly brought before our 2020 annual meeting by a stockholder, such stockholder must deliver written notice to our Secretary at our principal executive offices no later than March 12, 2020, and no earlier than February 11, 2020. If the date of our 2020 annual meeting is advanced by more than 30 calendar days or delayed by more than 60 calendar days from the anniversary date of the 2019 Annual Meeting, your notice of a proposal will be timely if it is received by our Secretary at our principal executive offices no earlier than the close of business on the 120th day prior to the 2020 annual meeting and not later than later of the close of business on the 90th day before the 2020 annual meeting or the tenth day following the day we first publicly announce the date of the 2020 annual meeting.

The proxy grants the proxy holders discretionary authority to vote on any matter raised at the Annual Meeting. If a stockholder fails to comply with the foregoing notice provisions, proxy holders will be allowed to use their discretionary voting authority on such matter should the stockholder proposal come before the 2020 annual meeting.

A copy of the full text of the bylaw provisions governing the notice requirements set forth above may be obtained by writing to our Secretary. All notices of proposals and director nominations by stockholders should be sent to RealPage, Inc., 2201 Lakeside Boulevard, Richardson, Texas 75082, Attention: Corporate Secretary.

**OTHER MATTERS**

We know of no other matters to be submitted at the Annual Meeting. If any other matters properly come before the Annual Meeting, it is the intention of the persons named in the enclosed proxy to vote the shares they represent as our Board may recommend.

BY ORDER OF THE BOARD OF DIRECTORS

**David G. Monk**  
Executive Vice President, Chief Legal Officer and  
Secretary

Richardson, Texas

April 26, 2019

**Table of Contents**

**Table of Contents**