

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

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2024**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: **001-38493**



eXp World Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation or organization)

98-0681092

(I.R.S. Employer
Identification No.)

**2219 Rimland Drive, Suite 301
Bellingham, WA**

(Address of principal executive offices)

98226

(Zip Code)

Registrant's telephone number, including area code: **(360) 685-4206**

Securities registered pursuant to section 12(b) of the Act:

Title of each class
Common Stock, par value \$0.00001 per share

Trading Symbol(s)
EXPI

Name of each exchange on which registered
The Nasdaq Stock Market

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

Based on the registrant's closing price of \$11.29 as quoted on the Nasdaq Stock Market on June 28, 2024, the last business day of the Registrant's most recently completed second fiscal quarter, the aggregate market value of the voting and nonvoting common equity held by non-affiliates of eXp World Holdings, Inc. was approximately \$922.7 million. The number of shares of the registrant's \$0.00001 par value common stock outstanding as of December 31, 2024 was 154,133,385.

DOCUMENTS INCORPORATED BY REFERENCE The registrant intends to file a definitive proxy statement pursuant to Regulation 14A within 120 days after the end of the fiscal year ended December 31, 2024. Portions of such proxy statement are incorporated by reference into Part III of this Form 10-K. Portions of the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 are incorporated into Part I, Item 1 and Part II, Item 7, of this Form 10-K.

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FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (this "Annual Report"), the documents incorporated into this Annual Report by reference, and our other public filings contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not based on historical facts but rather represent current expectations and assumptions of future events. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Many of these risks and other factors are beyond our ability to control or predict. Forward-looking statements can be identified by words such as "believe," "expect," "anticipate," "estimate," "project," "plan," "should," "intend," "may," "will," "could," "can," "would," "potential," "seek," "goal" and similar expressions. These risks and uncertainties, as well as other risks and uncertainties that could cause our actual results to differ significantly from management's expectations, include, but are not limited to:

- the impact of macroeconomic conditions on the strength of the residential real estate market;
- the impact of monetary policies of the U.S. federal government and its agencies on our operations;
- the impact of changes in consumer attitudes on home sale transaction volume;
- the impact of excessive or insufficient home inventory supply on home sale transaction value;
- our ability to attract and retain additional qualified personnel;
- changes in tax laws and regulations that may have a material adverse effect on our business;
- our ability to protect our intellectual property rights;
- the impact of security breaches, interruptions, delays and failures in our systems and operations on our business;
- financial condition and reputation;
- our ability to predict the demand or growth of our new products and services;
- our ability to maintain our agent growth rate;
- the impact of adverse outcomes in litigation and regulatory actions against us and other companies and agents in our industry on our business, including the outcome of any settlements related to those actions; and
- the effect of inflation and continuing high interest rates on real estate transaction values and our operating results, profits and cash flows.

Other factors not identified above, including those described in Item 1A, "Risk Factors", Item 3, "Legal Proceedings," Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations", Item 9A, "Controls and Procedures – Inherent Limitations on Effectiveness of Controls" and elsewhere in this Annual Report, may also cause actual results to differ materially from those described in our forward-looking statements. Most of these factors are difficult to anticipate and are generally beyond our control. You should consider these factors in connection with considering any forward-looking statements that may be made by us.

Forward-looking statements are based on currently available operating, financial and market information and are inherently uncertain. Investors should not place undue reliance on forward-looking statements, which speak only as of the date they are made and are not guarantees of future performance. Actual future results and trends may differ materially from such forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future developments or otherwise, except as may be required by law.

NOTE REGARDING INDUSTRY AND MARKET DATA

This Annual Report contains information based on industry publications or reports generated by third-party providers, or other publicly available information, as well as other information based on our internal sources. As noted in this Annual Report, the National Association of Realtors, or NAR, and various Multiple Listing Service, or MLS, systems are the primary source for third-party industry data and those systems generally state that the information contained therein has been obtained from sources believed to be reliable. We have not independently verified any of the data from third-party sources nor have we validated the underlying economic assumptions relied on therein.

PART I

Item 1. BUSINESS

General

eXp World Holdings, Inc. ("eXp," or, collectively with its subsidiaries, the "Company," "we," "us," or "our") owns and oversees a diversified portfolio of service-oriented businesses. These businesses significantly benefit from the integration of our advanced enabling technology platform. Our strategic focus is on expanding our real estate brokerage operations. To achieve this, we emphasize enhancing the value proposition for our agents, investing in the development of immersive, cloud-based technological solutions, and offering affiliate and media services that bolster these efforts.

The following are developments in our business since the beginning of the fiscal year ended December 31, 2024:

- The Company announced various new agent incentive programs to enhance the agent experience and to attract culturally aligned agents, teams of agents and independent brokerages to the Company. New incentive programs include the ICON Incentive Program, Revenue Share Capping Incentive Program, and REVenue Share 2.0, which offer unique financial incentives.
- The Company launched various new platforms and services to support the development and success of its agents, brokers and customers, including the launch of eXp Elevate Coaching, Global Agent Referral Platform, eXp Commercial Groups, new on-demand eXp University courses including the Fast Cap Training Program and Fast Start Series, and affiliate relationships with Sisu and Canva. In 2024, the Company acquired the assets of LUXVT to enhance our eXp Luxury agent program, which experienced continued growth throughout the year.
- The Company announced expansion into Türkiye, Peru and Egypt, currently expected to be launched in 2025.
- Numerous remarkable agents, teams of agents, and independent brokerages joined the Company in 2024 in the US, Canadian, and global markets. Additionally, new talent joined the Company and certain key talent promoted to new roles in 2024, including the appointment of Leo Pareja as Chief Executive Officer of eXp Realty, LLC, a wholly owned subsidiary of the Company ("eXp Realty"), Wendy Forsythe as Chief Marketing Officer of eXp Realty, Renee Kaspar as Chief Human Resources Officer of eXp Realty, Seth Siegler as Chief Innovation Officer of eXp Realty, and Sumanth Kamath as Chief Technology Officer of eXp Realty.

Business Segments

The Company is operated and managed as three reportable segments which are North American Realty, International Realty and Other Affiliated Services. Our business segments bring together related eXp technologies and services to support the success and development of agents, entrepreneurs and businesses and provide them remote business solutions. In prior years, the Company's Virbela and FrameVR.io businesses represented an operating and reporting segment under Accounting Standards Codification ("ASC") 280. As a result of the Company's decision to wind down or sell of the application-based Virbela business in the first quarter of 2024, the Company determined that the remaining operations of Virbela did not meet the operating or reporting segment criteria; therefore, any operating results related to Virbela, prior to the completion of its disposition in the fourth quarter of 2024, are included in discontinued operations. Operating results related to FrameVR.io technologies are included in the Other Affiliated Services segment beginning in the first quarter of 2024. All prior period segment disclosure information has been reclassified to conform to the current reporting structure in this Annual Report.

North American Realty and International Realty

Both the North American Realty segment and the International Realty segment generate revenue primarily by serving as a licensed broker for the purpose of processing residential and commercial real estate transactions, from which we earn commissions. The Company in turn pays a portion of the commissions earned to the real estate agents and brokers. eXp offers an innovative cloud-based brokerage model, which reduces costs to our agents and brokers. The model features low entry fees, stock ownership opportunities for agents and brokers and a revenue-sharing plan through which agents and brokers can earn commission from transactions conducted by agents and brokers they have attracted to eXp. Our North American Realty segment also includes lead-generation and other real estate support services in North America and Canada. Our International Realty segment includes our foreign operations in the United Kingdom (the "U.K."), Australia, South Africa, India, Mexico, Portugal, France, Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama, Germany, the Dominican Republic, Greece, New Zealand, Chile, Poland, and Dubai.

Other Affiliated Services

The Company's Other Affiliated Services segment includes key assets such as FrameVR.io, our web-accessible proprietary technology offering immersive 3D platforms that are deeply social and collaborative, and SUCCESS® magazine and its related media properties, which provide training, classes, resources, and tools to empower our agents, brokers, staff, and general

customers to excel and empower their professional development. This segment also includes SUCCESS® Space, a coworking solution offering highly flexible, on-demand rental workspaces for individual and group use, access to professional development coaching, media production services, virtual-world communications technology and full-service cafes.

Markets and Customers

Real Estate Brokerage: Our clients are primarily residential homeowners and homebuyers in the markets in which we operate as serviced by our global network of independent agents and brokers. These customers are sellers or purchasers of new or existing homes and engage us to aid in the facilitation of the closing of the real estate transaction, including, but not limited to, searching, listing, application processing and other pre- and post-close support. Our experienced agents and brokers are well suited to support our customers' needs with a high level of professionalism, knowledge and support as they endeavor on one of the largest lifetime purchases they will most likely undertake.

Our North American Realty segment is comprised of operations in the U.S. and Canadian residential real estate markets. Through our network of independent agents and brokers, we have brokerages in all 50 states in the U.S. residential real estate market and residential real estate markets in all of the Canadian provinces. Our North American Realty segment represented 98.1% of total consolidated revenues in 2024.

Our International Realty segment operates in the U.K., Australia, South Africa, India, Mexico, Portugal, France, Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama, Germany, the Dominican Republic, Greece, New Zealand, Chile, Poland and Dubai. Our International Realty segment represented 1.9% of total consolidated revenues in 2024.

Other Affiliated Services: We provide affiliated services to our agents, brokers and customers that support their professional efforts and personal betterment. The Company's cloud-based brokerage is powered by FrameVR.io technology, offering immersive 3D platforms that are deeply social and collaborative, enabling agents to be more connected and productive. Under its ownership, the Company has also built upon SUCCESS® magazine and its related media properties to develop a robust SUCCESS® brand of innovative personal and professional development tools.

Competition

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

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

We believe that we are the only global cloud-based real estate brokerage with massive scale. This innovative operational structure coupled with our distribution model allows us to effectively enter new markets with speed and flexibility and without much of the investment and cost associated with establishing a traditional brokerage. We also believe our compensation and incentive programs to attract and retain highly productive agents are one of the most compelling in the industry. As such, we believe that we are well positioned in our competitive landscape.

Resources

Software Development

Our Company continues to increase our investment in the development of our own cloud-based technology and transaction processing platforms and further expand our technological products and service offerings. We continue to create process efficiencies and provide our agents and brokers with technologies designed to facilitate transactions in an efficient and consumer-friendly way. Our operational model and growth strategies necessitate the proprietary technologies used to support our operations now and in the future, as well as requiring us to, at times, consider existing and emerging technology companies for acquisition, partnerships and other collaborative relationships.

Intellectual Property

Our cloud-based real estate brokerage is highly dependent on the proprietary technology that we employ and the intellectual property that we create. "eXp Realty" is one of our registered trademarks in the United States, among other registered and nonregistered trademarks. We also own the rights to key domain names used by our domestic and international brokerages: including, for example, <https://exprealty.com> and <https://exprealty.ca>. Additionally, we own registered trademarks and the rights to

domain names which are leveraged in our other business segments and in connection with services that complement our real estate brokerage, such as the "SUCCESS" registered trademark and <https://success.com>. We have also engaged various third parties to extend enterprise licenses for critical transaction management, client relationship management and other proprietary software. Information contained on the websites associated with such domain names is not incorporated by reference into this Annual Report.

While there can be no assurance that registered trademarks and other intellectual property rights will protect our proprietary information, we intend to assert our intellectual property rights against any infringement. Although any assertion of our rights could result in a substantial cost and diversion of management effort, we believe the protection and defense against infringement of our intellectual property rights are essential to our business.

Seasonality of Business

Seasons and weather traditionally impact the real estate industry in the markets in which we operate. Spring and summer seasons historically reflect greater sales periods and, in turn, higher revenues and operating results in comparison to fall and winter seasons. The Company has historically experienced higher revenue during the second and third quarters of its fiscal year due in part to seasonal industry patterns. By contrast, our Other Affiliated Services segment experiences generally consistent revenue during the year, with some increased adoption around the Company's eXpcon events held throughout the year.

Government Regulation

See Note 14 – *Commitments and Contingencies* to the consolidated financial statements included elsewhere within this Annual Report for additional information on the Company's legal proceedings. For additional information with respect to related risks facing our business, see Item "1A. – Risk Factors" included elsewhere within this Annual Report.

Legal and Regulatory Environment

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

Residential Real Estate

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

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

From time to time, certain industry practices come under federal or state scrutiny or are the subject of litigation. The industry is currently experiencing increased scrutiny by private parties, regulators and other government offices, both on a federal and state level, particularly in the areas of antitrust and competition, Real Estate Settlement Procedures Act ("RESPA") (and similar state statutes) compliance, Telephone Consumer Protection Act of 1991 ("TCPA") (and similar state statutes) compliance and worker classification.

RESPA

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

Antitrust

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

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

While anti-competition enforcement has intensified across industries, there is a unique focus on the real estate industry in the United States and Canada. In 2024, antitrust enforcement in the real estate industry has continued to evolve, with regulators maintaining a focus on transparency and competition in broker compensation and MLS practices. In March 2024, the NAR reached a settlement with the plaintiffs in various related antitrust lawsuits. The settlement required significant changes to NAR’s policies, including increased transparency in agent compensation and modifications to MLS rules, which have begun to impact industry practices. These changes have prompted brokerages, including ours, to evaluate and adapt business models to comply with the revised standards. While the long-term effects of the settlement on the real estate industry remain uncertain, these adjustments could potentially increase operational costs or alter competitive dynamics.

As disclosed in *Note 14 – Commitments and Contingencies* to the consolidated financial statements included elsewhere within this Annual Report, we are a defendant in certain antitrust class action complaints which allege violations of federal antitrust law in the United States and Canada. In December 2024, the Company entered into a settlement agreement (the “Settlement”) to resolve U.S. antitrust claims whereby the Company agreed to make certain changes to its business practices and to pay a total settlement amount of \$34.0 million. The Settlement remains subject to preliminary and final court approval and will become effective following any appeals process, if applicable. These lawsuits and the Settlement, together with similar lawsuits against other businesses in our industry and related settlements, have prompted discussion of regulatory changes to rules established by local or state real estate boards or MLSs. The resolution of the antitrust litigation or other regulatory changes have required and may continue to require changes to our or our brokers’ business models, including changes in agent and broker compensation. This could potentially reduce the fees we receive from our affiliated real estate professionals, which, in turn, could adversely affect our financial condition and results of operations.

In addition to U.S. regulatory activity, our operations are subject to international antitrust and anti-corruption laws, including the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and other comparable laws in other countries where we operate. We remain committed to compliance with these regulations and to maintaining transparent and competitive practices across our business operations.

Worker Classification

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

Cybersecurity and Data Privacy Regulations

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

For additional information with respect to related risks facing our business, see Item “1A - Risk Factors” in this Annual Report, in particular under the caption “Cybersecurity incidents could disrupt our business operations, result in the loss of critical and confidential information, adversely impact our reputation and harm our business.”

TCPA

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

Environmental Regulation

The Company operates in a cloud-based model which gives us an insignificant physical geographical footprint. Despite this, we are impacted by environmental regulations, particularly those focusing on emissions associated with data centers and cloud-based operations. However, sustainable investing and environmental, social, and governance practices continue to be the focus of increased regulatory scrutiny across jurisdictions. For example, in the U.S., the U.S. Securities and Exchange Commission ("SEC") adopted climate disclosure rules in March 2024 to require public issuers to include enhanced disclosure regarding corporate climate-related information in their periodic reports and registration statements; however, the SEC stayed the effectiveness of such rules in April 2024 due to litigation initiated immediately following the SEC's adoption of such rules. If implemented, such rules would require disclosure of information about climate-related risks that are reasonably likely to have a material impact on an issuer's business or results of operations, as well as certain climate-related financial statement metrics.

In addition, we expect state laws and regulations regarding these topics to continue to evolve and impose new and additional requirements. In 2024, California amended its 2023 climate accountability package, including the Climate Corporate Data Accountability Act and Climate-Related Financial Risk Act, to clarify the scope of emissions reporting and extend certain compliance deadlines. These laws mandate annual reporting of greenhouse gas emissions and biennial disclosure of climate-related financial risks and mitigation measures beginning in 2026. The amendments also emphasized reporting of Scope 3 emissions (as defined in the amendments) for entities exceeding specified thresholds, creating additional administrative requirements for many businesses, including the Company.

Globally, the European Union's Corporate Sustainability Due Diligence Directive (CSDDD), finalized in 2024, imposes due diligence obligations on companies operating within the EU or with significant business ties to EU markets. These obligations require companies to identify, prevent, and mitigate adverse environmental and human rights impacts throughout their supply chains. While CSDDD primarily affects industries with extensive supply chains, its implications may indirectly influence our operations as we collaborate with EU-based clients and vendors. The International Sustainability Standards Board (the "ISSB") and applicable sustainability disclosure standards impact how national regulators and governance bodies approach these and related topics. In 2024, the ISSB released guidance on integrating climate-related financial disclosures into existing financial reporting frameworks, promoting consistency across jurisdictions and aligning global reporting practices. These changes could increase pressure for voluntary alignment with ISSB standards, particularly from investors and stakeholders advocating for greater transparency. While the direct impact on the Company's business remains moderated by our lack of brick-and-mortar locations, our reliance on cloud-based operations and vendor relationships may increase expectations for emissions reporting and adherence to sustainability frameworks.

Other Regulation

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

Sustainability Initiatives

As a company committed to innovation and disrupting the traditional industry model, eXp integrates sustainability best practices throughout the organization. Our approach emphasizes leveraging advanced collaboration technologies and fostering a cloud-based business model to minimize environmental impact and promote community well-being.

In 2022, the Company conducted a materiality assessment with GlobeScan to identify key sustainability topics influencing our business success, which informed the establishment of the Sustainability Committee of our Board in 2023. This committee collaborates with management to drive strategic actions across three pillars: (1) empowering people development, (2) building inclusive communities, and (3) advancing climate-positive solutions.



**EMPOWERING
PEOPLE
DEVELOPMENT**

We are committed to fostering personal and professional growth for both agents and employees by offering robust training, health and well-being, and talent attraction and retention programs. During 2024, eXp University provided agents and employees access to live training sessions, on-demand courses, and certifications tailored to their career needs. Programs like Fast Start, Fast Cap, Agent Accelerator, New Agent Bootcamp, and Mentorship Program provide structured development pathways for new and seasoned agents alike, while initiatives such as Masterminds, Big Agent Meetings, and Office Hours in FrameVR.io foster

collaboration, innovation, and networking in our virtual environment. Additionally, podcasts like Friday Focus and Mindset and Motivation Monday deliver ongoing insights to inspire and support our community.

To attract and retain top agent and broker talent, eXp offers unique opportunities like the Revenue Share Program, the ICON Agent Program, and Company equity programs, enabling agents to build wealth while contributing to the Company's growth. Employees and agents benefit from recognition programs, networking opportunities, and our award-winning workplace culture.

By aligning our development and well-being initiatives with the needs of our community, the Company strives to provide agents and employees with the tools, resources, and support needed to succeed in an inclusive, flexible, and innovative environment.

We are committed to fostering a culture that values inclusivity and equity. By embracing diverse perspectives, encouraging community engagement, and promoting fair and respectful treatment for all, we strive to create an environment where everyone can contribute and thrive.

Our targeted programs and initiatives provide equitable opportunities that reflect the Company's dedication to fostering personal and professional growth. These efforts also demonstrate our commitment to making a meaningful impact in the communities we serve, ensuring that our workforce and agents succeed in an environment that values well-being and collaboration. In 2024, we continued to build on these values through initiatives such as:



- **ONE eXp:** This program connects agents across diverse backgrounds, fostering a culture of belonging by providing resources, events, and leadership opportunities that celebrate varying perspectives and empower participants to succeed.
- **Women's Impact Network:** This employee and agent initiative supports gender balance in the workplace by promoting professional growth, mentorship, and leadership development.
- **Fair Housing Training:** We provided education for agents and employees on fair housing standards, reinforcing our commitment to serving clients and communities with fairness and integrity.
- **ICON Community Points:** This agent initiative incentivizes meaningful community contributions through service projects, highlighting our dedication to positive social impact.



We are committed to sustainable company operations and expansion. Our virtual-first operations, supported by the FrameVR.io platform, eliminate the need for physical office spaces, significantly reducing emissions from commuting and lowering operational waste. This model reflects our commitment to reducing environmental impact while enabling seamless collaboration across our global workforce.

During 2024, the Climate Action Network engaged employees and agents through eXp University's Sustainability Trainings and agent-led Eco-Symposiums, which are available on our YouTube channel. The Eco-Symposiums feature experts discussing topics like regenerative real estate, solar solutions, and green real estate careers, inspiring real estate professionals to adopt sustainable practices in the industry. We also invested in additional resources to inventory emissions and ensure compliance with evolving sustainability regulations. By leveraging technology, expanding educational initiatives, and aligning with global sustainability frameworks, we aim to build a sustainable long-term business model.

Human Capital

Our employees, including our brokers and our independent contractor real estate agents, represent the human capital investments imperative to our operations. As of December 31, 2024, the Company had approximately 2,001 full-time equivalent employees and 82,980 real estate agents. Our employees are not members of any labor union, and we have never experienced business interruptions due to labor disputes. We also utilize part-time and temporary employees and consultants when necessary; in a limited number of our foreign markets, we rely on the use of indirect employment structures where personnel providing certain services to the foreign entities are employed by a contractor of the Company and are not employed by the Company.

Management: Our operations are overseen directly by management. Our management oversees all responsibilities in the areas of corporate administration, business development and technological research and development. We continue to expand our current management to retain skilled employees with experience relevant to our business. We believe our management's relationships with agents, brokers, technology providers and customers provide the foundation with which we expect to grow our business in the future. We believe the skill set of our management team is a primary asset in the development of our brands and trademarks.

Talent and Culture: Our business is driven by nine core values of community, sustainability, integrity, service, collaboration, innovation, transparency, agility and fun. At eXp, these core values are manifested throughout everything we do and support the Company's overall vision and shape our culture. We believe that our ongoing success is attributable to our outstanding agents, brokers, and employees who work across the U.S. and internationally in the cloud environment to drive and support our agent-centric business model and core values.

Attracting and retaining top agents, teams of agents, and independent brokerages is central to our growth strategy as well as providing agents with the tools to help them grow their business and increase their productivity. These individuals and groups are the lifeblood of the Company's innovative business model, bringing entrepreneurial energy and local expertise that fuel our expansion and strengthen our value proposition to clients. Their success is our success, and we are committed to providing them with the tools, technology, and support needed to thrive.

Attracting and retaining employee talent is a high priority for us, and we look to hire passionate and driven individuals who want to be a part of our mission to continue to grow the brokerage and our related suite of services. We also value transparency and are committed to an open and accountable workplace where employees are empowered to raise issues. Within the Company, we utilize employee NPS ("eNPS") to measure employee satisfaction and engagement. The Company provides multiple channels to speak up, ask for guidance and report concerns, eXp has been named one of the Best Places to Work on Glassdoor in the big-sized company category for each of the years 2019 through 2024. In 2021, 2022, and 2023, we were named as one of the Top 100 Companies to Watch for Remote Jobs by FlexJobs. In 2024, eXp was rated #7 on Glassdoor Best Places to Work.

Health & Safety: Our employees and agents span the U.S. and international locations, with our employees operating in a fully remote environment. To support their health, safety, and overall well-being, the Company offers a comprehensive range of resources and benefits designed to promote physical, mental, and emotional wellness. We also prioritize the physical and psychological safety of our employees and agents by cultivating a culture of respect, support, and empowerment.

In 2024, we provided self-defense training for real estate agents and brokers at our annual fall convention and enhanced employee access to wellness programs such as Vitality, Noom, and Calm. Employees enrolled in our medical plan also benefit from mental health coverage and access to the Live and Work Well Portal, as well as substance use disorder helplines, fertility benefits, and virtual care options through UHC Virtual Visits. Additional agent and employee support includes (i) an agent TELUS Health's Personal Support Line and (ii) an employee TELUS Health's Employee Assistance Program, which programs were set up by eXp to provide agents and employees with emotional support, disaster preparedness resources, and practical guidance during challenging times. In 2024, the Company implemented Meta Workplace's Safety Center to communicate with employees identified by the Company's Human Resources department as potentially vulnerable to a known crisis, sending optional check-in requests via email, push notifications, and Workplace Chat, whereby employees can respond with "Safe" or "Need Help". Employees self-identifying as needing help are contacted via telephone, and all interactions logged in HR's maintained Disaster Response CRM in Coda.

Furthermore, through our affiliated 501(c)(3) non-profit, eXtend-a-Hand, we delivered essential financial aid to those affected by consecutive hurricanes, helping agents and employees recover. The Company also negotiated unique discounts for agents enrolling in Clearwater Benefits, reaffirming our commitment to accessible and affordable healthcare solutions.

By prioritizing health and safety, we aim to foster a supportive environment for our employees and agents, empowering them to thrive.

Independent Agent and Broker Support: We provide entrepreneurial business opportunities and a competitive compensation structure to our agents and brokers. Additionally, our agents and brokers have a unique choice to attain a greater vested interest in eXp through the acceptance of equity awards in shares of eXp common stock as part of their compensation offerings. These programs and our agent support platforms — including training, back-office support and communications — allow agents and brokers to successfully operate their own businesses that are aligned with our strategies and goals, creating synergies across our distribution network. We believe it is critical to our success that agent voices are heard at every level of the Company, including management, whose mission is supported by our Agent Advisory Council and our Board of Directors, which includes a rotating agent director seat. Refer to our Agent Advisory Council section of our website at <https://expworldholdings.com/who-we-are/>. Information contained on our website is not incorporated by reference into this Annual Report.

Available Information

The Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended (the "Exchange Act"), are filed with the SEC. Such reports and information for the previous 12 months are available free of charge through our website at www.expworldholdings.com/investors/sec-filings/. Additionally, the SEC maintains an internet website that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. The public can obtain any documents that we file with the SEC at www.sec.gov.

Our Company also uses the following channels as a means of disclosing information about the Company on a broad, non-exclusionary basis, including information about our brokerage, upcoming investor and industry conferences, our planned financial and other announcements and other matters and for complying with our disclosure obligations under Regulation FD:

eXp investors website (www.expworldholdings.com/investors/)
eXp Realty LinkedIn page (<https://www.linkedin.com/company/exp-realty/>)
eXp Realty Facebook Page (<https://www.facebook.com/eXpRealty>)
eXp Realty Instagram Page (<https://www.instagram.com/eXpRealty>)
eXp International LinkedIn Page (<https://www.linkedin.com/company/exp-realty-international/>)
eXp International Facebook Page (<https://www.facebook.com/expintl/>)
eXp International Instagram Page (<https://www.instagram.com/exp.intl/>)
eXp World Holdings LinkedIn page (<https://www.linkedin.com/company/expworldholdings/>)
eXp World Holdings Facebook Page (<https://www.facebook.com/eXpWorldHoldings>)
eXp World Holdings Instagram Page (<https://www.instagram.com/eXpWorldHoldings>)

Please note that this list may be updated from time to time. The contents of any website referred to in this Annual Report are not incorporated into this Annual Report or in any other report or document we file with the SEC and any references to our websites are intended to be inactive textual references only.

Item 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the following factors, which could materially affect our business, financial condition or results of operations in future periods. The risks described below are not the only risks facing our Company. Additional risks not currently known to us or that we currently deem to be immaterial may materially adversely affect our business, financial condition or results of operations in future periods. You should carefully consider the risk factors described below, together with all of the other information in this Annual Report, including our consolidated financial statements and notes thereto and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of this Annual Report. Certain statements in this Annual Report are forward-looking statements. See the section of this Annual Report titled "Forward-Looking Statements."

Risk Factor Summary

This risk factor summary contains a high-level summary of certain of the principal factors, events and uncertainties that make an investment in our securities risky, including risks related to our industries, risks related to our general business and operations, risks related to our real estate business, risks related to legal and regulatory matters and risks related to our shares of common stock. The following summary is not complete and should be read together with the more detailed discussion of these and the other factors, events, and uncertainties set forth below before making an investment decision regarding our securities. The principal factors, events, and uncertainties that make an investment in our securities risky include the following:

Risks Related to Our Industry

- Our profitability is tied to the strength of the residential real estate market, which is subject to a number of general business and macroeconomic conditions beyond our control.
- Monetary policies of the U.S. federal government and its agencies may have a material adverse impact on our operations.
- Home inventory levels may result in excessive or insufficient supply, which could negatively impact home sale transaction growth.
- Material decreases in the average brokerage commission rate, due to conditions beyond our control, could materially adversely affect our financial results.
- The introduction and integration of emerging technologies into the real estate industry and any delay or inability to successfully integrate such technologies into our business or the businesses of our real estate professionals could result in competitive harm.
- Our operating results are subject to seasonality and vary significantly among quarters during each calendar year, making meaningful comparisons of successive quarters difficult.
- General changes in consumer attitudes and behaviors could negatively impact home sale transaction volume and our business model.
- Home sale transaction volume can be impacted by natural disasters and other climate-related interruptions.

Risks Related to our General Business and Operations

- We may be unable to attract and retain qualified personnel and agents.
- Our business, financial condition and reputation may be substantially harmed by security breaches, interruptions, delays and failures in our systems and operations.
- Loss of our current executive officers or other key management could significantly harm our business.
- We may not be able to utilize a portion of our net operating loss or research tax credit carryforwards, which may adversely affect our profitability.
- We could be subject to changes in tax laws and regulations that may have a material adverse effect in our business.
- We may be unable to effectively and efficiently manage growth in our business.
- We may not realize the anticipated benefits from and may have to pay substantial costs related to, any acquisitions, mergers, joint ventures, or investments that we undertake.
- Our international operations are subject to risks not generally experienced by our U.S. operations.
- Failure to protect intellectual property rights could adversely affect our business.
- We are actively, and intend to continue, developing new products and services complementary to our brokerage business and our failure to accurately predict their demand or growth could have an adverse effect on our business.

Risks Related to our Real Estate Business

- We may not achieve a positive agent growth rate or maintain current agent count, which would adversely affect our revenue growth and results of operations.
- The real estate market may be severely impacted by industry changes as the result of certain class action lawsuits, settlements, or government investigations.
- Negligence or willful misconduct of independent real estate professionals affiliated with our Company owned brokerages could materially and adversely affect our reputation and subject us to liability.
- Changes in laws, regulations, or industry standards may result in increased agent attrition and adversely affect our ability to attract and retain agents.
- Inflation and relatively high interest rates have and may continue to contribute to declining real estate transaction volumes, which have and may continue to materially impact operating results, profits and cash flows.
- Any reduction in the Company's portion of the commission revenue from property sales transactions could harm our financial performance.
- If we fail to grow in the various local markets that we serve or are unsuccessful in identifying and pursuing new business opportunities, our long-term prospects and profitability will be harmed.

Risks Related to Legal and Regulatory Matters

- Adverse outcomes in litigation and regulatory actions against us and other companies and agents in our industry could adversely impact our business and financial results.
- We face significant risk to our brand and revenue if we fail to maintain compliance with the law and regulations of federal, state, county and foreign governmental authorities, or private associations and governing boards.
- We offer our independent agents the opportunity to earn additional commissions through our revenue sharing plan, which pays under a multi-tiered compensation structure similar in some respects to network marketing. Network marketing is subject to intense government scrutiny and regulation and changes in the law, or the interpretation and enforcement of the law, might adversely affect our business.
- We may suffer significant financial harm and loss of reputation if we do not comply, cannot comply, or are alleged to have not complied with applicable laws, rules and regulations concerning our classification and compensation practices for the agents in our owned-and-operated brokerage.
- We are and may, in the future, be blocked from or limited in providing our agent compensation plans in certain jurisdictions and may be required to modify our business model in those jurisdictions as a result.

- If we fail to protect the privacy and personal information of our customers, agents or employees, we may be subject to legal claims, government action and damage to our reputation.
- Entering new business arrangements, joint ventures, or business lines may expose us to additional regulatory and compliance risks that could materially and adversely affect our business and financial condition.

Risks Related to our Stock

- Our Chairman and Chief Executive Officer and a significant stockholder own a significant percentage of our stock and have agreed to act as a group on any matter submitted to a vote of our stockholders. As a result, the trading price for our shares may be depressed and they can significantly influence actions that may be adverse to the interests of our other stockholders.
- Because we can issue additional shares of common stock and because we issue stock under equity incentive plan, our stockholders may experience dilution in the future.
- Our share repurchase program could impact the trading price of our stock, reduce liquidity, and may not enhance stockholder value.
- The stock price of our common stock has been and likely will continue to be volatile and may decline in value regardless of our performance.
- Because there is no guarantee that we will continue to pay cash dividends on our shares of common stock in the future, our stockholders may not be able to receive a return on their shares unless they sell them.
- Delaware law and our organizational documents may impede or discourage a takeover, which could deprive our investors of the opportunity to receive a premium for their shares.

Risks Related to Our Industries

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

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

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

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

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

Home inventory levels have been meaningfully declining or increasing in certain markets and price points in recent years. In both instances, homeowners are more likely to retain their homes for longer periods of time, resulting in a negative impact on home sale volume growth. Insufficient home inventory levels can cause a reduction in housing affordability, which can result in potential homebuyers deferring entry or reentry into the residential real estate market. Alternatively, excessive home inventory levels can contribute to a reduction in home values, which can result in some potential home sellers deferring entry into the residential real estate market. These inventory trends are caused by many pressures outside of our control, including slow or accelerated new housing construction, macroeconomic conditions including rising interest rates and inflation, real estate industry models that purchase homes for long-term rental or corporate use, and other market conditions and behavioral trends discussed herein. The U.S. home inventory levels have been low throughout 2023 and 2022, with a moderate rebound in 2024. Continuing or increasing constraints on home inventory levels may adversely impact the volume of home sale transactions closed by our brokers and agents and, as such, could have a material adverse effect on our business and profitability.

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

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

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

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

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

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

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

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

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

The real estate market is significantly influenced by changes in consumer attitudes and behaviors, including those related to homeownership and the role of real estate agents in home sale transactions. Certain real estate markets have experienced or may experience a decline in homeownership due to evolving social behaviors, such as declining marriage and birth rates, as well as increased preferences for renting over purchasing homes. These shifting preferences could reduce demand for home purchases, leading to a corresponding decrease in home sale transaction volume.

In addition, emerging trends in consumer sales models may adversely affect our business. For example, direct-buyer companies (also known as iBuyers) purchase homes from sellers at below-market rates in exchange for speed and convenience, then resell those homes at market prices. Similarly, discount brokerages and flat-fee models reduce the role of agents by offering sellers low commissions or providing rebates to buyers. As these alternative models gain traction, they may disrupt the traditional agent-driven real estate transaction process, creating competitive pressures that could impact our brokers and agents.

Moreover, private sales of residential properties facilitated through the internet have proliferated as technological advancements and access to online platforms increase. Although, as of 2023, the NAR estimated that nearly nine in ten home sellers worked with a real estate agent, any significant shift toward private sales and away from agent-facilitated transactions could materially reduce the volume of sales closed by our agents. A decrease in agent-driven sales could have a material adverse effect on our business, prospects, and results of operations.

Ultimately, changing consumer attitudes toward homeownership, coupled with the adoption of alternative real estate sales models and the increasing volume of private sales, could materially and adversely affect our transaction volume, revenue, and profitability.

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

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

Risks Related to our General Business and Operations

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

To execute our business strategy, we must attract and retain highly qualified personnel and agents. In particular, we compete with many other real estate brokerages for qualified brokers who manage our operations in each state and independent real estate agents who serve as the backbone of our revenue-generating activities. The ability to recruit and retain a strong network of skilled agents is critical to sustaining our competitive position, market share, and overall business performance. Increased competition from other brokerages, particularly those offering alternative compensation models, additional technology tools, or different support services, may adversely affect our ability to attract and retain top-producing agents.

We must also compete with technology companies for developers with high levels of experience in designing, developing and managing cloud-based software, as well as for skilled service and operations professionals and we may not be successful in attracting and retaining the highly skilled professionals and agents we need. In addition, in making employment or affiliation decisions, candidates and agents often consider the value of the stock options or other equity incentives they are to receive in connection with their employment or affiliation. If the price of our stock declines or experiences significant volatility, our ability to attract or retain key employees and agents may be adversely affected.

Additionally, in order to realize the potential benefits of acquisitions, we may need to retain employees from the acquired businesses or hire additional personnel to fully capitalize on the opportunities that such acquisitions may offer and we may not be successful in retaining or attracting such individuals following an acquisition. From time to time in the past, we have experienced, and we expect to continue to experience in the future, difficulty in hiring and retaining highly skilled employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel have greater resources than we do.

If we fail to attract and retain new personnel or agents or fail to retain and motivate our current personnel and agents, our growth prospects and financial performance could be severely harmed.

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

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

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

Cybersecurity threats and incidents directed at us could range from uncoordinated individual attempts to gain unauthorized access to information technology systems to sophisticated and targeted measures aimed at disrupting business or gathering personal data of clients, agents, or customers. Additionally, bad actors are increasingly using AI technology to launch more automated, targeted, and coordinated attacks, including deep-fake impersonations and other techniques that could facilitate wire fraud or other fraudulent activities. In the ordinary course of our business, we and our agents and brokers collect and store sensitive data, including proprietary business information and personal information about our clients.

Our business and particularly our cloud-based platform, is reliant on the uninterrupted functioning of our information technology systems. The secure processing, maintenance and transmission of information are critical to our operations, especially the processing and closing of real estate transactions, which are increasingly targeted by wire fraud schemes. Although we employ measures designed to prevent, detect, address and mitigate these threats (including access controls, data encryption, vulnerability assessments and maintenance of backup and protective systems), cybersecurity incidents, depending on their nature and scope, could potentially result in the misappropriation, destruction, corruption, or unavailability of critical data and confidential or proprietary information (our own or that of third parties, including potentially sensitive personal information of our clients, agents, and customers) and the disruption of business operations.

Any such compromises to our security could cause harm to our reputation, which could cause clients, agents and customers to lose trust and confidence in us or could cause agents and brokers to unaffiliate with us. In addition, we may incur significant costs for remediation that may include liability for stolen assets or information, repair of system damage and compensation to clients, agents, customers and business partners. We may also be subject to legal claims, government investigations and additional state and federal statutory requirements.

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

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

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

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

As of December 31, 2024, we had federal, state and foreign net operating losses carryforwards due to prior years' losses. Certain pre-fiscal 2018 state net operating losses will carry forward for a limited number of years. Federal, as well as, some state and foreign net operating losses generated in and after fiscal 2018 do not expire and can be carried forward indefinitely. We also have recorded federal research tax credits for the years 2019 to 2024 which will carry forward for 20 years and are expected to be fully utilized before expiration. A nominal portion of our net operating loss may expire, increasing future income tax liabilities which may adversely affect our profitability.

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

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

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

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

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

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

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

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

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

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

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

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

- difficulties in integrating and managing the operations and technologies of the companies we acquire, including higher than expected integration costs and longer integration periods;
- diversion of our management's attention from normal daily operations of our business;
- our inability to maintain the customers, key employees, key business relationships and reputations of the businesses we acquire;
- our inability to generate sufficient revenue or business efficiencies from acquisitions or joint ventures to offset our increased expenses associated with acquisitions or joint ventures;
- our responsibility for the liabilities of the businesses we acquire or gain ownership in through joint ventures, including, without limitation, liabilities arising out of their failure to maintain effective data security, data integrity, disaster recovery and privacy controls prior to the acquisition, their infringement or alleged infringement of third-party intellectual property, contract or data access rights prior to the acquisition, or failure to comply with regulatory standards applicable to new business lines;
- difficulties in complying with new markets or regulatory standards to which we were not previously subject;
- delays in our ability to implement internal standards, controls, procedures and policies in the businesses we acquire or gain ownership in through joint ventures and increased risk that our internal controls will be ineffective;
- operations in a nascent state may depend directly on utilization by eXp Realty agents and brokers and new and existing customers;
- adverse effects of acquisition and joint venture activity on the key performance indicators we use to monitor our performance as a business; and
- inability to fully realize intangible assets recognized through acquisitions or joint ventures and related non-cash impairment charges that may result if we are required to revalue such intangible assets.

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

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

We have operations in Canada, the U.K., Australia, South Africa, India, Mexico, Portugal, France, Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama, Germany, the Dominican Republic, Greece, New Zealand, Chile, Poland, and Dubai and expect to expand into Türkiye, Peru and Egypt, currently expected to be launched in 2025. Our international operations are subject to risks not generally experienced by our U.S. operations. The risks involved in our international operations and relationships that could result in losses against which we are not insured and, therefore, affect our profitability include:

- fluctuations in foreign currency exchange rates, foreign exchange controls, and limitations on the repatriation of funds;
- exposure to local economic conditions and local laws and regulations;

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

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

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

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

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

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

Risks Related to our Real Estate Business

We may not achieve a positive agent growth rate or maintain current agent count, which would adversely affect our revenue growth and results of operations.

During the year ended December 31, 2024, our agent and broker base declined to 82,980 agents and brokers, or by (5)%, from 87,515 agents and brokers as of December 31, 2023. Because we derive revenue from real estate transactions in which our brokers and agents receive commissions, the amount and rate of growth of our revenue typically correlate to the amount and rate of growth of our agent and broker base, respectively. The rate of growth of our agent and broker base cannot be predicted and is

subject to many factors outside of our control, including actions taken by our competitors and macroeconomic factors affecting the real estate industry in general. We cannot provide assurances that we will be able to maintain or increase our agent count or that our agent and broker base won't continue to decline in future periods. A material decline in our agent count would have a material adverse effect on revenue growth and could adversely affect our business, results of operations, financial condition and cash flows.

The real estate market may be severely impacted by industry changes as the result of certain class action lawsuits, settlements, or government investigations.

The real estate industry faces significant pressure from private lawsuits and investigations by the U.S. Department of Justice (the "DOJ") into antitrust issues.

In April 2019, the NAR and certain brokerages and franchisors (including Realogy Holdings Corp., HomeServices of America, Inc. RE/MAX, and Keller Williams Realty, Inc.) were named as defendants in a class action complaint alleging a conspiracy to violate federal antitrust laws by, among other things, requiring residential property sellers in Missouri to pay inflated commission fees to buyer brokers (the "NAR Class Action"). On October 31, 2023, a jury found NAR and various of its co-defendants liable and awarded plaintiffs nearly \$1.8 billion in damages (all defendants have since settled, which remain subject to ongoing appeals processes). Class action suits raising similar claims are already pending in this and other jurisdictions and the outcome of the NAR Class Action may result in additional such actions being filed. The Company was named as one of several defendants in similar class action suits but entered into a settlement agreement on December 9, 2024 to resolve all U.S. nationwide claims. See *Note 14 – Commitments and Contingencies* to the consolidated financial statements.

Defending against class action litigation is costly, may divert time and money away from our operations, and imposes a significant burden on management and employees. Also, the results of any such litigation or investigation cannot be predicted with certainty, and any negative outcome could result in payments of substantial monetary damages or fines, and/or undesirable changes to our operations or business practices, and accordingly, our business, financial condition, or results of operations could be materially and adversely affected.

On March 15, 2024, NAR entered a settlement agreement to resolve on a class wide basis the claims against NAR in the NAR Class Action. In addition to a monetary payment of \$418 million, NAR agreed to change certain business practices, including changes to cooperative compensation and buyer agreements. The NAR settlement agreement: (1) prohibits NAR and REALTOR® MLSs from requiring that listing brokers or sellers make offers of compensation to buyer brokers or other buyer representatives; (2) prohibits NAR, REALTOR® MLSs and MLS participants from making an offer of compensation on the MLS; and (3) requires all REALTOR® MLS participants to enter into a written buyer agreement specifying compensation before taking a buyer on tour. The NAR settlement received preliminary court approval on April 23, 2024.

These revised NAR rules and practices have caused and may require additional changes to our business model, including changes to agent and broker compensation and how we meet home buyers. Without mandated commission sharing, for example, we may see the introduction of hourly or a la carte services. Or, if buyers now compensate brokers, they may be more likely to contact listing agents directly, which could drive down dual agent broker commissions. Home lending rules and norms do not currently allow buyers to include buyer's agent compensation in the balance of a home loan, which may impair the ability of homebuyers to pay their agent fees when purchasing a home. The amended rules and regulations also require us to get a buyer agreement signed before we take a home buyer on a first tour. This requirement may dissuade buyers from hiring the Company, thereby reducing the fees we receive from our agents. These and other shifts in the model for agent and broker compensation could significantly change the brokerage landscape overall and may adversely affect our financial condition and results of operations.

In addition to the NAR Class Action and various similar private actions already pending, beginning in 2018, the DOJ began investigating NAR for violations of the federal antitrust laws. The DOJ and NAR appeared to reach a resolution in November 2020, resulting in the filing of a Complaint and Proposed Consent Judgment pursuant to which NAR agreed to adopt certain rule changes, such as increased disclosure of commission offers. The DOJ has since sought to continue its investigation of NAR, and on April 5, 2024, a federal appeals court decided that the DOJ could reopen its investigation. It is uncertain what effect, if any, the resumption of the DOJ's investigation could have on the larger real estate industry, including any further settlement that may result therefrom.

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

Our Company-owned brokerage operations rely on the performance of independent real estate professionals. If these independent professionals provide poor-quality services, engage in unlawful, negligent or willful misconduct, or otherwise fail to meet the high standards expected by our clients and stakeholders, our image and reputation could be materially and adversely affected. To

mitigate these risks, we have executed contractual agreements with our real estate professionals that mandate compliance with applicable laws and adherence to our established policies and procedures, and stipulate potential liabilities for agents in the event of contractual breaches. However, no mitigation efforts can eliminate all risk. If independent real estate professionals engage in misconduct or violate the law, we could face litigation or regulatory actions. If such claims are adversely determined, the resulting damages, fines, or other penalties could materially and adversely affect us, our operations, and our financial condition. Additionally, negative publicity from such incidents could impair our ability to attract and retain agents or clients, further compounding these risks.

During 2023 and 2024, certain lawsuits were initiated against the Company and certain of its real estate agents including allegations of sexual harassment and other misconduct. Such claims, regardless of merit, underscore the potential reputational and financial risks that misconduct by independent professionals can pose to brokerage operations. Although these professionals are independent contractors and not employees of the Company, their actions can result in litigation, regulatory scrutiny, or reputational harm for the Company and brokerage entities with which they are affiliated.

Changes in laws, regulations, or industry standards, including recent changes resulting from the NAR settlement and the Settlement (as defined below), may result in increased agent attrition and adversely affect our ability to attract and retain agents.

Our success depends significantly on our ability to attract, retain, and engage real estate agents. Recent industry changes, including, but not limited to, revisions to NAR policies and standards, changes to buyer-broker compensation practices and changes to the Company's business practices resulting from the Settlement, may alter the economics of the real estate profession or increase the compliance burden for agents. Such changes could lead to higher rates of agent attrition from the industry and our brokerage, particularly among part-time agents or those with lower transaction volumes, who may find the profession less viable.

Additionally, broader industry or regulatory shifts could affect agent compensation structures, licensing requirements, or the competitive dynamics of the real estate market, further complicating our ability to recruit and retain agents. If a significant number of agents leave the real estate industry or fail to renew their licenses, our ability to maintain or grow our agent base and market presence could be negatively impacted, which could materially and adversely affect our financial condition, results of operations, and future growth prospects.

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

Inflation and relatively high interest rates in recent years have generally impacted real estate transaction volumes in the U.S., Canada and other international markets. In 2024 and 2023, the Company has experienced declining transaction volume, which has had an impact on operating results. If we are not able to organically grow our market share, to offset declining transactions, our operating results, profits and cash flow may be materially impacted. The Company believes that it continues to be well positioned for growth in the current economic climate, due to our strong base of agent support, and the superior agent value proposition enabled by our efficient operating model, with lower fixed costs and no brick-and-mortar locations, but we cannot provide assurances that our operating results or cash flows will not be materially impacted by macroeconomic factors such as inflation and interest rates.

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

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

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

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

market and in generating business among local consumers. Our ability to grow in the local markets that we serve will depend on our ability to compete with these local brokerages.

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

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

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

Risks Related to Legal and Regulatory Matters

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

We are subject to risk of and are from time to time involved in, or may in the future be subject to, claims, suits, government investigations and proceedings arising from our business, including, but not limited to, actions with respect to securities, intellectual property, privacy, information security, data protection or law enforcement matters, tax matters, labor and employment, including claims challenging the classification of our agents and brokers as independent contractors and compliance with wage and hour regulations, and claims alleging violations of RESPA or state consumer fraud statutes and commercial arrangements. We are also subject to risk related to stockholder derivative actions, standard brokerage disputes like the failure to disclose hidden defects in a property such as mold, vicarious liability based upon conduct of individuals or entities outside of our control, including our agents, brokers, third-party service or product providers and purported class action lawsuits. Such litigation and other proceedings may include, but are not limited to, the currently pending antitrust litigation as disclosed in *Note 14 – Commitments and Contingencies* to the consolidated financial statements included elsewhere within this Annual Report. A substantial unsatisfied judgment against us or one of our subsidiaries could result in bankruptcy, which would materially and adversely affect our business and operating results.

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

From time to time, we may become involved in lawsuits and legal proceedings which arise in the ordinary course of business. Except as set forth in *Note 14 – Commitments and Contingencies* to the consolidated financial statements included elsewhere within this Annual Report, we are not involved in any material pending legal proceedings and there are no known proceedings in which any of our directors, officers or affiliates is an adverse party or has a material interest adverse to our interest.

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

Adverse outcomes in legal and regulatory actions against other companies, brokers, and agents in the residential and commercial real estate industry may adversely impact the financial condition of the Company and our real estate brokers and agents when

those matters relate to business practices shared by the Company, our real estate brokers and agents, or our industry at large. Such matters may include, without limitation, RESPA, TCPA and state consumer protection law, antitrust and anticompetition, and worker classification claims. Additionally, if plaintiffs or regulatory bodies are successful in such actions, this may increase the likelihood that similar claims are made against the Company and/or our real estate brokers and agents which claims could result in significant liability and be adverse to our financial results if we or our brokers and agents are unable to distinguish or defend our business practices.

As an example, in the matter of *Burnett v. National Association of Realtors* (U.S. District Court for the Western District of Missouri), a federal jury found NAR and certain other brokerage defendants liable for \$1.8 billion in damages; all defendants have since settled, subject to ongoing appeals processes, which include both monetary and non-monetary settlement terms. During 2024, the Company, along with other brokerage and non-brokerage defendants, have been named as defendants in putative class action lawsuits alleging similar fact patterns and antitrust violations. On December 9, 2024, the Company and certain of its subsidiaries entered into a Settlement Agreement (the "Settlement") with plaintiffs in the U.S. antitrust lawsuit *1925 Hooper LLC, et al. v. The National Association of Realtors et al.*, Case No. 1:23-cv-05392- SEG (United States District Court for the Northern District of Georgia, Atlanta Division), which was filed on November 22, 2023 against the Company and other US brokerage defendants (the "Hooper Action"). The Settlement resolves all claims set forth in the Hooper Action, as well as all similar claims on a nationwide basis against the Company (collectively, the "Claims") and releases the Company, its subsidiaries and affiliates, and their independent contractor real estate agents in the United States from the Claims. By the terms of the Settlement, the Company agreed to make certain changes to its business practices and to pay a total settlement amount of \$34.0 million. The Settlement remains subject to preliminary and final court approval and will become effective following an appeals process, if applicable. Both the NAR and the Company's settlement terms may materially impact business practices within the industry which could adversely impact the Company's business, results of operations, and financial condition.

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

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

In general, the laws, rules and regulations that apply to our business practices include, without limitation, the RESPA, the federal Fair Housing Act, the Dodd-Frank Act, the Exchange Act and federal advertising and other laws, as well as comparable state statutes; rules of trade organizations such as NAR, local MLSs and state and local Association of Realtors; licensing requirements and related obligations that could arise from our business practices relating to the provision of services other than real estate brokerage services, including without limitation, our mortgage lending services; privacy regulations relating to our use of personal information collected from the registered users of our websites; laws relating to the use and publication of information through the internet; and state real estate brokerage and mortgage lending licensing requirements, as well as statutory due diligence, disclosure, record keeping and standard-of-care obligations relating to these licenses. Recent regulatory scrutiny regarding the classification of real estate agents as independent contractors, particularly at the state level, could lead to increased compliance costs, potential reclassification, or penalties, which could materially impact our company-owned brokerage operations.

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

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

Maintaining legal compliance is challenging and increases our costs due to resources required to continually monitor business practices for compliance with applicable laws, rules and regulations and to monitor changes in the applicable laws themselves. For example, the potential reclassification of agents under wage and hour laws could result in additional liabilities for minimum wage, overtime pay, and penalties for prior periods, creating significant operational disruptions.

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

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

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

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

We offer our independent agents the opportunity to earn additional commissions through our revenue sharing plan, which pays under a multi-tiered compensation structure similar in some respects to network marketing. Network marketing is subject to intense government scrutiny and regulation and changes in the law, or the interpretation and enforcement of the law, might adversely affect our business.

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

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

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

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

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

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

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

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

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

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

Hundreds of thousands of consumers, independent contractors and employees have shared personal information with us during the normal course of our business processing real estate transactions. This includes, but is not limited to, Social Security numbers, annual income amounts and sources, consumer names, addresses, telephone and cell phone numbers and email addresses. To run our business, it is essential for us to store and transmit this sensitive information in our systems and networks. At the same time, we are subject to numerous laws, regulations and other requirements that require businesses like ours to protect the security of personal information, notify customers and other individuals about our privacy practices and limit the use, disclosure, or transfer of personal data across country borders. Regulators in the U.S. and abroad continue to enact comprehensive new laws or legislative reforms imposing significant privacy and cybersecurity restrictions. The result is that we are subject to increased regulatory scrutiny, additional contractual requirements from corporate customers and heightened compliance costs. These ongoing changes to privacy and cybersecurity laws also may make it more difficult for us to operate our business and may have a material adverse effect on our operations. For example, the European Union's GDPR conferred new and significant privacy rights on individuals (including employees and independent agents) and materially increased penalties for violations. In the U.S., California enacted the California Consumer Privacy Act — which imposes comprehensive requirements on organizations that collect and disclose personal information about California residents.

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

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

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

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

In addition, concern among potential homebuyers or sellers about our privacy practices could result in regulatory investigations, especially in the European Union as related to the GDPR. Additionally, concern among potential homebuyers or sellers could keep

them from using our services or require us to incur significant expense to alter our business practices or educate them about how we use personal information.

Entering into new business arrangements, joint ventures, or business lines may expose us to additional regulatory and compliance risks that could materially and adversely affect our business and financial condition.

Our strategy includes pursuing new business initiatives, entering into joint ventures, and expanding into complementary business lines. These efforts often require us to navigate complex and evolving regulatory environments that may differ significantly from those governing our core operations. If we are unable to timely and effectively address these regulatory and compliance requirements, or if risks arise beyond our reasonable ability to mitigate, our business and financial condition may be materially and adversely affected.

For example, SUCCESS Lending, our joint venture mortgage business launched in 2021, operates in the highly regulated mortgage lending industry, which involves stringent licensing requirements, state and federal oversight, and compliance with consumer protection laws. Similarly, SUCCESS Space, our franchising initiative also launched in 2021, involves compliance with franchising regulations, zoning laws, and other local, state, and federal requirements applicable to its operations. Both initiatives face inherent risks, including but not limited to, operational challenges, legal and regulatory scrutiny, and unforeseen compliance costs.

These new business lines also require significant investments in infrastructure, personnel, and systems to ensure compliance. Failure to meet these obligations could result in legal or regulatory penalties, reputational damage, or the inability to scale these operations as planned. Moreover, the financial success of these ventures is uncertain given their limited operating histories, making it difficult to predict their long-term contribution to our overall financial performance.

While we aim to mitigate these risks through robust compliance frameworks and strategic partnerships, no mitigation effort can fully eliminate all risk. Unanticipated challenges in these or other future ventures could materially and adversely affect our operations, reputation, and financial condition.

Risks Related to Our Stock

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

On February 19, 2025, Glenn Sanford and Penny Sanford filed an amended Schedule 13D with the Securities and Exchange Commission, which disclosed that they beneficially owned approximately 44.77% of our outstanding common stock as of December 31, 2024 and that they had agreed to vote their shares as a group with respect to the election of directors and any other matter on which our shares of common stock are entitled to vote. This significant concentration of share ownership may adversely affect the trading price for our common stock because investors may perceive disadvantages in owning stock in a company with a stockholder group holding a significant number of our shares. The group can significantly influence all matters requiring approval by our stockholders, including the election and removal of directors and any proposed merger, consolidation or sale of all or substantially all of our assets. In addition, due to his significant ownership stake and his service as our Chief Executive Officer and Chairman of our Board of Directors, Mr. Sanford significantly influences the management of our business and affairs. This concentration of ownership and influence could have the effect of delaying, deferring, or preventing a change in control, or impeding a merger or consolidation, takeover or other business combination that could be favorable to our other stockholders.

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

We are authorized to issue up to 900,000,000 shares of common stock, of which 195,028,207 shares were issued and 154,133,385 shares were outstanding as of December 31, 2024. Additionally, the Company maintains an active 2024 Equity Incentive Plan from which employees, agents, brokers and certain service providers of the Company and its affiliates can receive awards of the Company's common stock. Previously, the Company maintained a 2015 Equity Incentive Plan. The Company ceased issuing shares under the 2015 Equity Incentive Plan when it began issuing shares under the 2024 Equity Incentive Plan in September 2024. Our Board of Directors has the authority to cause us to issue additional shares of common stock without consent of any of our stockholders, subject to applicable Nasdaq listing rules. Consequently, current stockholders may experience more dilution in their ownership of our common stock in the future.

Our share repurchase program could impact the trading price of our stock, reduce liquidity, and may not enhance stockholder value.

Our share repurchase program does not obligate us to repurchase any shares of our common stock, and the timing, amount, and manner of any repurchases are subject to various factors. These factors include, but are not limited to, market conditions, business conditions, statutory and contractual restrictions, the trading price of our common stock, and the availability of alternative

investment opportunities. Repurchases of our common stock may impact the market price of our stock, potentially causing it to be higher than it would be absent the program, and could also increase stock price volatility.

The existence of a share repurchase program may reduce market liquidity for our stock, which could adversely affect investors who wish to buy or sell our shares. Additionally, the use of our cash or other resources to repurchase shares could diminish our cash reserves, which may impact our ability to finance growth initiatives, pursue strategic opportunities, discharge liabilities, or respond to other operational needs.

There can be no assurance that our share repurchase program will enhance stockholder value. For example, the market price of our common stock may decline below the prices at which we repurchased shares, and fluctuations in the stock price could reduce the overall effectiveness of the program. If we do not manage our repurchase program effectively, it could have a material adverse effect on our financial condition, liquidity, or ability to meet our strategic objectives.

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

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

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

In addition, the stock markets have experienced periods of high price and volume fluctuations that have affected and continue to affect the market prices of the equity securities of many companies, including technology companies and real estate brokerages. Such price fluctuations can be unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business and harm our business.

Because there is no guarantee that we will continue to pay cash dividends on our shares of common stock in the future, our stockholders may not be able to receive a return on their shares unless they sell them.

On August 4, 2021, the Company's Board of Directors declared and subsequently paid its first cash dividend. Since then, the Company has declared and paid quarterly dividends through the fiscal year ended December 31, 2024. However, there is no assurance that future dividends will be declared or paid, and if dividends are paid, there is no assurance as to the amount or frequency of any such dividends. The declaration, payment, and amount of any future dividends will be made at the discretion of

the Board of Directors and will depend upon, among other things, the Company's results of operations, cash flows, financial condition, operating and capital requirements, and other factors deemed relevant by the Board of Directors.

If we cease to pay dividends or reduce the amount of dividends paid, stockholders seeking a return on their investment may need to sell their shares to realize such a return. Fluctuations in our stock price and market conditions may affect the ability of stockholders to realize a return, making it uncertain whether they will achieve their investment goals.

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

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

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

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

Item 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

Item 1C. CYBERSECURITY

We recognize the critical importance of creating a multifaceted defense-in-depth cybersecurity ecosystem to protect the confidentiality, integrity, and availability of Company systems and data.

Managing Material Risk

The Company's approach to risk management is tailored to its reporting segments. FrameVR.io, which was moved to the North American Realty segment during the first quarter of 2025, independently identifies, assesses, and manages its material risk from cybersecurity threats, and North American Realty, International Realty, and, recently, Other Affiliated Services, operate under a joint risk framework due to the similarities in cybersecurity risk they face. While educational resources about cybersecurity risks are shared amongst Information Technology ("IT") staff across segments, segment-specific IT staff are empowered to evaluate and address cybersecurity risks within their reporting segment in alignment with the Company's overall business objectives and operational needs. Where required, IT staff in each reporting segment may communicate with their counterparts in different reporting segments or with executive management of the Company to ensure compliance with cybersecurity incident and data breach reporting requirements under applicable law. Staff across all segments are required to complete company facilitated cybersecurity training at least annually.

Engage Third Parties on Risk Management

Understanding the complexity and evolving nature of cybersecurity threats, each reporting segment may engage with a range of external experts, including cybersecurity assessors and consultants, to assess, identify, and manage material risks posed by cybersecurity threats, as determined by each reporting segment. Each reporting segment may enable external technologies and specialists, as deemed necessary by the reporting segment, to test, alert, and report on the Company's various computing ecosystems. These external assets allow the reporting segment leaders to leverage cybersecurity tools applicable to their segment's risks, ensuring our cybersecurity strategies and processes continue to align with business objectives and operational needs. Segment personnel that engage such third-parties collaborate with these third-parties to review and discuss vulnerabilities and threats, consult on security enhancements for better risk identification, and audit risk management systems.

Oversee Third-Party Risk

The Company recognizes that third-party service providers may introduce cybersecurity risks related to access to certain systems and data. The Company's cybersecurity processes include documentation of certain third-party service providers' security postures, with risk-related information recorded in TrustArc or similar internal tracking tools. Where applicable, these processes involve requesting third-party audit reports. Certain third-party relationships, including individual AI licenses and vendors onboarded through non-IT channels, may not be documented or reviewed as part of the Company's cybersecurity processes.

Where applicable, the Company maintains written contractual provisions requiring third-party service providers to report security incidents. Any information obtained through such reporting may be reviewed and recorded by security personnel. The Company does not routinely provide feedback to third parties on identified risks but may document available security information to facilitate internal awareness.

Risk of Cybersecurity Threats

To date, the Company has not identified a cybersecurity threat in any reporting segment, including as a result of any previous cybersecurity incidents, that has or is reasonably likely to have a current or future material effect on our business strategy, financial condition, results of operations, liquidity, capital expenditures, or capital resources. For more information regarding risks from cybersecurity threats, see "Item 1A - Risk Factors" in this Annual Report, in particular under the caption "Cybersecurity incidents could disrupt our business operations, result in the loss of critical and confidential information, adversely impact our reputation and harm our business."

Cybersecurity Governance

The Company's Board of Directors (the "Board") is aware of the critical nature of managing risks associated with cybersecurity threats and meets regularly to discuss managing risk from cybersecurity threats, among other risks facing the Company. The Board has established oversight mechanisms to manage risks associated with cybersecurity threats.

Board of Directors Oversight

The Board's Nominating and Corporate Governance Committee is central to the Board's oversight of cybersecurity risks and bears the primary responsibility for cybersecurity risk oversight. When required, additional information is provided from the IT management from North American Realty and additional staff for each reporting segment for further insight and analysis. The Company is continually monitoring its cybersecurity oversight, strategy and governance for improvement and refinement.

Management's Role Managing Risk

The Company's Chief Technology Officer ("CTO") oversees cybersecurity risks for North American Realty, International Realty, and, as of recently, Other Affiliated Services; provided, however, that cybersecurity risk management for FrameVR.io, which was moved to the North American Realty segment during the first quarter of 2025, is overseen by the Vice President of FrameVR.io, in consultation with the CTO as requested. The CTO provides comprehensive briefings to the Nominating and Corporate Governance Committee on a quarterly basis covering a broad range of topics, including, without limitation:

- Current cybersecurity landscape and emerging threats;
- Status of ongoing cybersecurity initiatives and strategies within his purview;
- Incident reports and learnings from any cybersecurity events; and
- Compliance with regulatory requirements and industry standards.

The CTO receives updates on any significant developments in the cybersecurity domain from North American (excluding FrameVR.io), International Realty, and, recently, Other Affiliated Services which the CTO then reports to the Nominating and Corporate Governance Committee, ensuring the Board's oversight is proactive and responsive. Personnel from FrameVR.io are empowered to report cybersecurity risk to their respective leaders who may then report to the Nominating and Corporate Governance Committee directly or funnel such reporting to the CEO.

Risk Management Personnel

Primary oversight and responsibility for managing the Company's cybersecurity risks resides with the CEO. With over 25 years of experience in technology leadership, entrepreneurship, and real estate innovation, his expertise lies in leveraging technology to transform traditional industries, including pioneering the first fully cloud-based real estate brokerage model.

The CEO's career began in the technology sector, where he founded eShippers.com, an eCommerce and logistics platform that integrated online storefronts with a national fulfillment network. This experience in developing scalable, technology-driven solutions laid the groundwork for his later success in building the Company. His vision for integrating advanced IT systems into real estate has driven eXp Realty's growth to over 82,000 agents across 24 countries. He holds a degree in Economics and Computer Science from the University of Oklahoma, which supports his ability to align technology initiatives with strategic business goals.

Under the CEO's leadership, the Company continues to innovate through immersive virtual environments, advanced data systems, and scalable global operations, ensuring its position as a leader in real estate technology.

Accompanying the CEO with the development of the security ecosystem is key personnel at each reporting segment, including:

- North American Realty and International Realty's Chief Innovation Officer. The person in this role has over 20 years of experience as a technologist, startup founder, and technology executive with expertise in software development, product management, and real estate technology innovation. He holds a Bachelor of Arts from the College of Charleston and has led transformative technology initiatives, including two successful PropTech startup exits.
- North American Realty and International Realty's Chief Technology Officer. The person in this role has over 20 years of experience leading global technology teams, delivering innovative software solutions, and driving business transformation. He is experienced in building and delivering secure, scalable technology solutions, with a focus on software reliability, data integrity, and secure system architecture. He is also actively expanding his expertise in cybersecurity, focusing on cloud security, threat mitigation, and risk management to strengthen enterprise system protection. He holds a Master of Science in Computer Science and a Bachelor of Engineering in Mechanical Engineering. He also completed a postgraduate degree in AI and machine learning from the University of Texas at Austin.
- North American Realty and International Realty's Senior Director of Information Security. The person currently in this role has over 25 years of experience managing enterprise level cyber security programs in various industries in addition to having a Bachelor of Science in Information Technology Management and is a Certified Information Security Manager (CISM), along with ITIL and ISO certifications.
- North American Realty and International Realty's Senior Director of Data Privacy & GRC. The person in this role has over 15 years of experience in data privacy, governance, and compliance, with expertise in managing enterprise-wide privacy programs and mitigating regulatory risks. She holds a Master of Public Administration and a Bachelor of Science in Political Science, both from Kennesaw State University, and is a Certified Information Privacy Manager (CIPM) and Certified Data Privacy Solutions Engineer.
- Vice President, FrameVR.io. The person currently in this role has Master in Education Technology and a decade working at the intersection of collaboration and spatial computing as a developer and technical product manager. They also have general experience working with information security and privacy frameworks such as SOC-2, GDPR, and COPPA. The Vice President of FrameVR.io reports to the CIO.

Monitoring Cybersecurity Incidents

Daily security assessments, alert monitoring, and the management of cybersecurity threats are the responsibility of each reporting segment and each reporting segment deploys an approach that is tailored to their risk environment within the Company and its overall business objectives. Notwithstanding the foregoing, Frame, FrameVR.io is independently responsible for its assessments, alert monitoring, and management of cybersecurity threats. When appropriate, each reporting segment escalates information to the CEO of the Company or CTO to ensure awareness of relevant cybersecurity risks across the reporting segments and to enable required incident management procedures applicable to each reporting segment. The reporting segments and FrameVR.io provide information and analysis to aid in the remediation of cybersecurity incidents.

Reporting to Board of Directors

The CTO, together with reporting segment and FrameVR.io key personnel listed above and with input from the CEO, inform the Nominating and Corporate Governance Committee of relevant material aspects related to cybersecurity risks and threats. This ensures the highest levels of oversight are aware and updated about the cybersecurity posture and potential risks facing the

Company. Furthermore, cybersecurity incidents, strategic risk management decisions, and materiality analysis are escalated to the Board, ensuring that they have comprehensive oversight and can provide guidance on critical cybersecurity issues.

Item 2. PROPERTIES

Our principal corporate office is located at 2219 Rimland Drive, Suite 301, Bellingham, Washington and is leased office space. We also lease small office spaces in a number of regions in which we operate, in order to comply with regulatory and licensing requirements within those jurisdictions and, in certain instances, to provide office space to our managing brokers and drop-in space for our agents. In some of these instances, the managing brokers are financially responsible for a significant portion of the rental expense associated with a leased office space. We generally do not provide office space for the agents other than for drop-in service. We do not own any real property. We believe that our leased facilities are adequate to meet current needs and that additional facilities will be available for lease to meet future needs.

Item 3. LEGAL PROCEEDINGS

The information set forth under “Contingencies” under *Note 14 – Commitments and Contingencies* to the consolidated financial statements included in Part II, Item 8, Financial Statements and Supplementary Data, of this Annual Report is incorporated herein by reference.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

The common stock of eXp is traded on the Nasdaq Global Market under the trading symbol "EXPI".

Trading in our common stock quoted on the Nasdaq Global Market is characterized by wide fluctuations in trading prices due to many factors, some of which may have little to do with our Company's operations or business prospects. We cannot assure investors that there will be a market for our common stock in the future.

Holders of Record

As of February 10, 2025, we had approximately 116,122 stockholders of record who hold shares of the Company's common stock. This does not include persons whose stock is in nominee or "street name" accounts through brokers.

Dividends

During 2024, the Company's Board of Directors declared the following dividends on its common stock:

<u>Declaration Date</u>	<u>Record Date</u>	<u>Payable Date</u>	<u>Per Share</u>
February 14, 2024	March 8, 2024	March 29, 2024	\$0.050
April 24, 2024	May 13, 2024	May 27, 2024	\$0.050
July 26, 2024	August 14, 2024	August 30, 2024	\$0.050
November 4, 2024	November 18, 2024	December 2, 2024	\$0.050

Payment of cash dividends is at the discretion of the Company's Board of Directors in accordance with applicable law after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs and plans for growth. Under Delaware law, we can only pay dividends either out of surplus or out of the current or the immediately preceding year's earnings. Therefore, no assurance is given that we will pay any future dividends to our common stockholders, or as to the amount of any such dividends.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

We may repurchase shares of our common stock from time to time at prevailing market prices, depending on market conditions, through open market, privately negotiated transactions, or through a 10b5-1 plan. No date has been established for the completion of the share repurchase program and we are not obligated to repurchase any shares; however, the Board has limited the Company's historical and ongoing repurchase program to \$1.0 billion in the aggregate, inclusive of associated fees. Subject to applicable corporate securities laws, repurchases may be made at such times and in such amounts as management deems appropriate or in accordance with the terms of the 10b5-1 plan. Repurchases under the program can be discontinued at any time the Board of Directors feels additional repurchases are not warranted. Any shares repurchased under the program are returned to the status of authorized but unissued shares of common stock until retired.

Refer to *Note 10 – Stockholders' Equity* to the consolidated financial statements included elsewhere within this Annual Report for more details regarding our stock repurchase program.

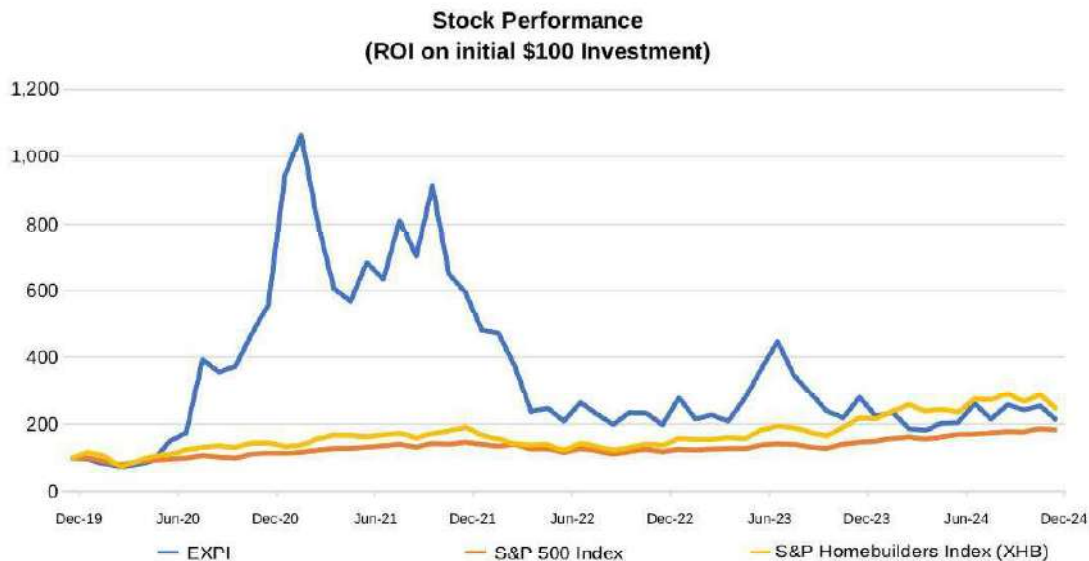
The following table provides information about repurchases of our common stock during the quarter ended December 31, 2024:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs ⁽¹⁾	Approximate dollar value of shares that may yet be purchased under the plans or programs
10/1/2024-10/31/2024	630,215	\$ 13.14	630,215	\$ 305,706,069
11/1/2024-11/30/2024	600,792	13.81	600,792	297,424,144
12/1/2024-12/31/2024	655,913	12.69	655,913	289,144,088
Total	1,886,920	\$ 13.21	1,886,920	

(1) In December 2018, the Company's Board of Directors approved a stock repurchase program authorizing the Company to purchase its common stock, which has been amended from time to time. Most recently, in June 2023, the Board approved an increase to the total amount of its buyback program from \$500.0 million to \$1.0 billion. The stock repurchase program is more fully disclosed in Note 10 – Stockholders' Equity to the consolidated financial statements included elsewhere in this Annual Report.

Company Stock Performance

The following graph compares the performance of our common stock to the Standard & Poor's ("S&P") 500 Index, the S&P Homebuilders Select Industry Index and the S&P Internet Select Industry Index by assuming \$100 was invested in each investment option as of December 31, 2019. The S&P 500 Index is a capitalization-weighted index of domestic equities of the largest companies traded on the NYSE and Nasdaq. The S&P Homebuilders Select Industry Index is a diversified group of holdings representing home building, building products, home furnishings and home appliances. The S&P Internet Select Industry Index is comprised of U.S. equities of internet and direct marketing retail, internet services and infrastructure and interactive media and services companies.



Year	2019	2020	2021	2022	2023	2024
EXPI	\$ 100.00	\$ 557.00	\$ 596.00	\$ 198.00	\$ 280.00	\$ 211.00
S&P 500 Index	100.00	116.00	148.00	119.00	148.00	182.00
S&P Homebuilders Index (XHB)	100.00	146.00	192.00	137.00	220.00	244.00

Item 6. [RESERVED]

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to inform the reader about material information relevant to an assessment of the financial condition and results of operations of eXp World Holdings, Inc. and its subsidiaries for the three-year period ended December 31, 2024. The following discussion should be read together with our consolidated financial statements and related notes included elsewhere within this Annual Report. This discussion contains forward-looking statements that constitute our estimates, plans and beliefs. Our actual results could differ materially from those anticipated in these forward-looking statements. See "Forward-Looking Statements" and "Item 1A. – Risk Factors" included elsewhere within this Annual Report for a discussion of certain risks, uncertainties and assumptions associated with these statements.

This MD&A is divided into the following sections:

- Overview
- Market Conditions and Industry Trends
- Segments
- Key Business Metrics
- Recent Business Developments
- Results of Operations
- Business Segment Disclosures
- Liquidity and Capital Resources
- Critical Accounting Policies and Estimates
- Non-U.S. GAAP Financial Measures

All dollar amounts are in USD thousands except share amounts and per share data and as otherwise noted.

OVERVIEW

eXp is a diversified portfolio of service-based businesses whose operations benefit substantially from utilizing our enabling technology platform. The Chief Operating Decision Maker ("CODM") manages the business and allocates resources as three separate operating segments: North American Realty; International Realty; and Other Affiliated Services. See additional information in *Note 11 – Segment Information* to the consolidated financial statements included elsewhere in this Annual Report.

While we do not consider acquisitions a critical element of our ongoing business, we seek opportunities to expand and enhance our portfolio of solutions.

Prior to 2024, eXp managed and reported its operations in four operating business segments which included, in addition to the current business segments, a Virbela segment covering eXp's historical application-based Virbela business, which was considered discontinued operations beginning in the first quarter of 2024. The Company completed the disposition of Virbela during the fourth quarter of 2024. All prior period financial statements and segment information have been reclassified to conform to the current reporting structure in this Annual Report. See *Note 4 – Discontinued Operations* to the consolidated financial statements included elsewhere in this Annual Report for additional information regarding the discontinuation of Virbela.

Strategy and Company-Wide Initiatives

Our strategy is to grow organically in the North American and certain international markets by increasing our independent agent and broker network. We continue to attract productive real estate agents and broker professionals that contribute to our growth; we are also committed to providing agents with the tools to help them grow their business and increase their productivity. Through our technology platform, we strive to achieve customer-focused efficiencies that allow us to increase market share and attain strong returns as we scale our business within the markets in which we operate. By building partnerships and strategically deploying capital, we seek to grow the business and enter attractive vertical and adjacent markets.

Agent Net Promoter Score

In 2024, we continued to focus on achieving operational excellence and understanding and enhancing the experience of both our agents and employees, which we monitor using agent Net Promoter Score ("aNPS"). NPS is a widely recognized metric for assessing satisfaction and loyalty. NPS is calculated on a scale ranging from -100 to 100, with scores above 50 considered

excellent. Within the Company, we utilize aNPS to evaluate agent satisfaction. In 2024, the Company achieved an aNPS of 76 for the year and 77 in the fourth quarter, reflecting strong agent alignment with our mission and values.

The NPS process is an important vehicle for delivering our core values of transparency. While we strive for high satisfaction, it is equally important to investigate a low or unfavorable trend of NPS. As NPS scores are often leading indicators to agents and employees' future actions, we can learn quickly what may be a 'pain point' or program that is not meeting its desired objective. We then take that information and translate it into action with an effort to remediate the specific root cause(s) driving the lower score.

During 2024, we remained focused on empowering our agents, increasing their productivity, and maintaining strong engagement through these and other agent-centric initiatives. Other agent-centric initiatives include our improved agent eXpert Care Desk, which was expanded globally with multi-language capabilities, enhanced agent mentor/mentee offerings and improved performance tracking and management.

Additionally, in response to industry changes in response to US antitrust lawsuits, the Company led the industry by introducing new listing agreements and buyer representation forms for its agents and the industry. These programs and efforts underscore our commitment to fostering agent success by lowering barriers, increasing earning opportunities, and creating a collaborative, growth-oriented environment. By continually evolving to meet the needs of our agents and employees, the Company remains well-positioned to continue to drive growth.

Revenue Share Plan

A key component of our capital deployment strategy is our Sustainable Revenue Share Plan (the "Revenue Share Plan"), whereby we pay real estate professionals affiliated with the Company a portion of eXp Realty's commission for their contribution to Company growth. We launched the Revenue Share Plan when the Company was in its infancy as a competitive differentiator that has since disrupted the residential real estate brokerage model. Participants in the Revenue Share Plan are eligible to receive additional income from the Company's closed real estate transactions based on the participant's number of frontline qualifying active ("FLQA") agents and their downline agents. An FLQA agent is an agent or broker whom a participant ("sponsor") has personally attracted to the Company and who has met specific real estate transaction volume requirements. Revenue share is paid to the sponsor from the commission earned by the Company on transactions closed by the sponsor's FLQAs and their downline agents. Additionally, all sponsors must adhere to eXp's policies and procedures and may not, among other things: (i) take actions that result in criminal liability; (ii) engage in activities constituting harassment; or (iii) interfere with, coerce, or otherwise unethically convince a prospective or current agent's choice of sponsorship declaration.

The supplementary income distributed to the sponsor under the Revenue Share Plan is exclusively derived from the Company's portion of the transaction commission. Revenue Share supplemental income is not earned on transactions for which the Company does not receive a commission (e.g., when an FLQA has reached the maximum brokerage contribution threshold (i.e., has "capped") and earns 100% of commission on its closed transactions). The Revenue Share Plan does not impact or reduce the commission earned by the FLQA on the transaction. The Company's costs incurred under the Revenue Share Plan are included as commissions and other agent-related costs in the consolidated statements of comprehensive income.

The Revenue Share Plan is integral to our growth strategy, fostering a collaborative brokerage that aligns with our core values of sustainability and collaborative success. Regular evaluations are conducted to ensure the plan's continued alignment with the Company's overarching objectives and for regulatory compliance.

We believed our Revenue Share Plan was crucial in attracting and retaining agents and teams, especially during a period marked by ongoing market contraction, due to lower transaction volumes and higher mortgage rates, and increased agent attrition from the industry. To further counter these challenges in 2024, we instituted a series of significant enhancements to certain new agent revenue programs, including the ICON Incentive Program and the Revenue Share Capping Incentive Program. Further, in 2024, we introduced REVenue Share 2.0, which simplified the earnings calculations and provided the agents with the ability to receive their revenue share payment instantly, for a small fee. These programs were designed to enhance agent earning potential and allow more instant access to earnings.

Agent Stock Ownership

In addition to utilizing aNPS and building programs based on our agents' feedback, the Company fosters a culture of agent stock ownership through its Agent Growth Incentive Program ("AGIP") and Agent Equity Program ("AEP"). Both stock programs align agents' and brokers' success with the Company's performance. Under AGIP, agents and brokers can earn awards of the Company's common stock by achieving production and agent attraction benchmarks, reinforcing their stake in the Company's growth and success. The AEP further strengthens this ownership culture by allowing agents and brokers in participating jurisdictions to elect to receive 5% of their commission in Company common stock at a discounted market price. This program not only incentivizes participation but also underscores our commitment to attracting and retaining independent agents and brokers who are invested in the Company's long-term success.

Together, these programs are integral to our operational strategy, creating a community of stockholder-agents whose interests are aligned with the Company's performance. While these initiatives contribute significantly to our commission structure and operating results, they are key to building a scalable, collaborative model that drives sustainable growth.

Additional information for our AGIP and AEP programs are more fully disclosed in *Note 10 – Stockholders' Equity* to the consolidated financial statements included elsewhere in this Annual Report.

Operational Excellence

In addition to agent-focused efforts, we realized substantial cost savings from initiatives implemented in 2023 and continued to optimize our operating costs to align with revenue trends in 2024. Such initiatives included changing the annual in-person shareholders' meeting to a virtual meeting, continuing to streamline our support organization, moving to a more decentralized, self-empowered frontline staff framework, deploying a seasonal flex offshore resource program for improved supply and demand alignment, and expanding our eXpert care level 1 support desk to include multi-language capabilities and beginning to leverage AI for mentor pairing, document reviews, and staff assistants. Finally, we have migrated to our proprietary web-based metaverse (Frame VR.io) virtual workspace for both staff and agents with over 2 million visits in 2024.

MARKET CONDITIONS AND INDUSTRY TRENDS

Our business is dependent on the volume of home sales transactions and prices, which can vary based on economic conditions within the markets for which we operate. Changes in these conditions can have a positive or negative impact on our business. Key economic factors influencing housing markets include economic growth, inflation, interest rates, unemployment, consumer confidence, mortgage availability, and the balance of supply and demand.

In periods of economic growth, rising consumer confidence and lower interest rates, demand typically increases resulting in higher home sales transactions and home sales prices. Conversely, in periods of economic recession, declining consumer confidence and higher interest rates, demand typically decreases, resulting in lower home sales transactions and home sale prices. Additionally, regulations imposed by local, state and federal government agencies and geopolitical instability can also negatively impact the housing markets in which we operate.

In 2024, the U.S. residential existing home sales market decreased 0.7% from 2023, according to preliminary data from the National Association of Realtors ("NAR"). NAR reported that the preliminary pending home sales index decreased 5.0% in December 2024 compared to December 2023 and decreased 2.7% for the full-year ended December 31, 2024, compared to the full-year of 2023. The pending home sales index measures housing contract activity and is based on signed real estate contracts for existing single-family homes and condos.

The Company believes that it remains well positioned for growth in the current economic climate. Despite the challenges of the current housing market, we have a strong base of agent support, which should drive organic market share growth, retention and productivity. Additionally, our efficient operating model, driven by our cloud-based platform and lack of brick-and-mortar locations, allows us to adapt swiftly to market changes while maintaining lower fixed costs.

We are confident in our ability to leverage our low-cost, high-engagement model. This approach affords agents and brokers increased income and ownership opportunities while offering a scalable and resilient solution to independent brokerage owners seeking to succeed amid economic fluctuations.

National Housing Inventory

In 2024, the continued relatively higher mortgage rates and higher home prices have caused inventory levels, as measured in months of supply, to rise. According to NAR, preliminary inventory of existing homes for sale in the U.S. was 1.2 million or 3.3 months at December 31, 2024, compared to 990,000 or 3.1 months at December 31, 2023.

According to preliminary data from the United States Census Bureau, new construction housing starts decreased by 4.4% in 2024, compared to 2023 and new construction housing completions decreased 0.8% in 2024 on a seasonally adjusted annual rate compared to 2023.

Mortgage Rates

Persistently high mortgage rates continue to negatively impact the demand for homebuying. Based on Freddie Mac data, the average rate for a 30-year, conventional fixed-rate mortgage was 6.85% in December 2024 compared to 6.61% in December 2023.

Housing Affordability Index

According to preliminary data from NAR, the composite housing affordability index decreased to 99.0 for November 2024 from 100.5 for December 2023. As home prices and interest rates have increased, the housing affordability index has become unfavorable. When the index is above 100, it indicates that a family earning the median income has sufficient income to purchase

a median-priced home, assuming a 20 percent down payment and ability to qualify for a mortgage. The unfavorable housing affordability index is due to increased mortgage rate conditions and higher average home prices driven by inventory levels.

Existing Home Sales Transactions and Prices

According to preliminary data from NAR, existing home sale transactions for the year ended December 2024 decreased 0.7% to 4.06 million compared to 4.09 million for the year ended December 2023.

According to preliminary data from NAR, nationwide existing home sales average price for December 2024 was \$404,400, up 6% from \$381,400 in December 2023. For full-year 2024 (preliminary) the nationwide existing home sales average price was \$407,500, up 4.7% from \$389,300 for full-year 2023.

SEGMENTS

The Company has three operating and reportable segments as follows: North American Realty, International Realty and Other Affiliated Services. We report corporate expenses, as further detailed below, as "Corporate expenses and other." All segments follow the same basis of presentation and accounting policies. See Note 2 - Summary of Significant Accounting Policies to the consolidated financial statements included elsewhere in this Annual Report for additional information about the Company's significant accounting policies.

Corporate expenses include costs incurred to operate eXp World Holdings, Inc., including expenses incurred in connection with strategic resources provided to the agents, as well as certain other centrally managed expenses that are not allocated to the operating segments, including administrative, brokerage operations and legal functions.

The CODM uses Adjusted Segment EBITDA as a key metric to evaluate the operating and financial performance of a segment, identify trends affecting the segments, develop projections and make strategic business decisions and allocate resources.

The following discussion focuses on the operating performance of the Company for the years ended December 31, 2024, 2023, and 2022 and the financial condition of the Company as of December 31, 2024 and 2023.

KEY BUSINESS METRICS

Management uses our results of operations, financial condition, cash flows and key business metrics related to our business and industry to evaluate our performance and make strategic decisions.

The following table outlines the key business metrics that we periodically review to track the Company's performance:

	Year Ended December 31,		
	2024	2023	2022
Performance:			
Agent NPS	76	73	71
Agent count	82,980	87,515	86,203
Real estate sales transactions	434,165	422,772	460,150
Real estate sales volume	\$ 185,170,695	\$ 169,202,948	\$ 187,252,204
Other real estate transactions	84,524	71,636	51,709
Real estate per transaction cost	\$ 559	\$ 573	\$ 581
Revenues	\$ 4,567,672	\$ 4,273,821	\$ 4,589,676
Operating (loss) profit	(\$ 18,994)	\$ 522	\$ 16,357
Adjusted EBITDA ⁽¹⁾	\$ 75,483	\$ 65,328	\$ 71,498

⁽¹⁾ Adjusted EBITDA is not a measurement of our financial performance under U.S. GAAP and should not be considered as an alternative to net income, operating income, or any other measures derived in accordance with U.S. GAAP. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net (loss) income, and a discussion of why we believe Adjusted EBITDA is useful to investors, see "Non-U.S. GAAP Financial Measures".

Agent Net Promoter Score (aNPS)

aNPS is a scale-based measure of customer satisfaction and an aNPS above 50 is considered excellent, aNPS plays a crucial role in attracting and retaining agents and teams, especially during a period marked by ongoing market contraction, due to lower transaction volumes and higher mortgage rates, and increased agent attrition from the industry.

The Company's aNPS improved to 76 in 2024 compared to 73 in 2023. Despite the challenging market conditions, aNPS improved due to significant investments in brokerage operations and enhancements to agent revenue programs, including ICON Incentive Program, the Revenue Share Capping Incentive Program, and REVENUE Share 2.0.

Agent Count

One of our key strengths is continuing to attract and retain productive real estate agent and broker professionals that contribute to our growth. We are also committed to providing agents with the tools to help them grow their business and increase their productivity. The rate of growth of our agent and broker base is difficult to predict and is subject to many factors outside of our control, including actions taken by our competitors and macroeconomic factors affecting the real estate industry in general including interest rates, declining transaction volume in the U.S., and industry practice changes.

The number of agents declined (5.2)% in 2024, compared to 2023, as we continue to off board less productive agents. However, we have attracted and retained productive agents in the United States and Canada through the execution of our growth strategies and the end-to-end suite of services we offer our agents.

Real Estate Sales Transactions and Sales Volume

Real estate sales transactions are based on the side (buyer or seller) of each real estate transaction and are recorded when our agents and brokers represent buyers or sellers in the purchase or sale, respectively, of a home. The number of real estate transactions is a key driver of our revenue and profitability. Transaction volume represents the total sales value for all transactions and is influenced by several market factors, including, but not limited to, the pricing and quality of our services and market conditions that affect home sales, such as macroeconomic factors, economic growth, local inventory levels, mortgage interest rates, and seasonality.

Real estate sales transactions increased 2.7% in 2024, compared to 2023, primarily driven by increased sales volume in Canada and in our international markets. Real estate sales volume increased 9.4% in 2024, compared to 2023 driven by increased sales prices, and to a lesser extent, increased transactions.

Other real estate transactions

Other real estate transactions are recorded for leases, rentals and referrals that are undertaken by our agents and brokers.

Other real estate transactions increased 18% in 2024, compared to 2023. The increase in other real estate transactions was primarily driven by higher mortgage rates and affordability challenges shifting demand toward rentals, strategic expansion of our referral network and leasing services, enhanced agent productivity through training and technology improvements.

Real estate per transaction cost

Real estate per transaction cost is measured as selling, general and administrative, sales and marketing and technology and development expenses in North American Realty and International Realty segments, divided by total transactions (real estate sales transactions and other real estate transactions).

Real estate per transaction cost decreased (2.6)% in 2024, compared to 2023, primarily due to lower costs attributable to cost containment initiatives, partially offset by legal expenses related to the antitrust lawsuits.

Revenues

Revenues represent the commission revenue earned by the Company for closed brokerage real estate transactions.

Revenues increased 6.9% in 2024, compared to 2023, primarily driven by increased home sale prices, and higher sales transactions.

Revenues decreased (6.9)% in 2023, compared to 2022. Revenues decreased in 2023 primarily because of lower volume of real estate brokerage commissions, which is attributable to a decrease of overall real estate transactions and lower home sales prices in our markets, partially offset by growth in our agent base, compared to 2022.

Operating (Loss) Profit

The operating (loss) profit decreased (\$19.5) million in 2024, compared to 2023. Operating (loss) profit in 2024 includes \$34.0 million related to litigation contingency accrual and \$4.9 million of impairment expense. Operating profit, excluding the litigation contingency accrual and the impairment expense in 2024 improved substantially due to increased revenue, net of agent commissions and other agent-related costs and lower operating costs, partially offset by legal expenses related to the antitrust lawsuits.

Our operating profit decreased (\$15.8) million in 2023, compared to 2022 due to a decrease in revenues partially offset by a decrease in operating expenses.

Adjusted EBITDA

Management reviews Adjusted EBITDA, which is a non-U.S. GAAP financial measure, to understand and evaluate our core operating performance.

Adjusted EBITDA increased \$10.2 million in 2024, compared to 2023. The improvement in Adjusted EBITDA reflects increased revenues, partially offset by legal expenses related to antitrust lawsuits and higher operating costs.

Adjusted EBITDA decreased (\$6.2) million in 2023, compared to 2022, which reflects lower revenues, partially offset by lower operating costs.

RECENT BUSINESS DEVELOPMENTS

North American Realty Initiatives

The Company continues to focus on growth in the United States and Canada by attracting and retaining top-producing agents while providing growth opportunities and support for agents at all stages of their careers. During 2024, the Company introduced various agent-focused initiatives and incentive programs designed to enhance agent earning potential and to attract culturally aligned agents, teams and independent brokerages to the Company. These programs include the ICON Incentive Program, the Revenue Share Capping Incentive Program, and REVenue Share 2.0, which offer unique financial incentives by lowering barriers to entry, facilitating seamless transitions to eXp, and rewarding agents for contributing to growth.

Additionally, the Company launched new ancillary programs and services to support the development and success of its agents, brokers, and clients. These initiatives include eXp Elevate Coaching, Global Agent Referral Platform, eXp Commercial Groups, new on-demand eXp University courses including the Fast Cap Training Program and Fast Start Series, and affiliate relationships with Sisu and Canva. In 2024, the Company acquired the assets of LUXVT to enhance our eXp Luxury agent program, which experienced continued growth throughout the year.

International Realty Initiatives

We have operations in the U.K., Australia, France, India, Mexico, Portugal, South Africa, Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama, Germany, the Dominican Republic, Greece, New Zealand, Chile, Poland and Dubai. During 2024, the Company announced plans to expand into Türkiye, Peru and Egypt, currently expected to be launched in 2025. The Company continues to pursue growth opportunities and increase market share in the countries where operations began in recent years. The Company has focused on increasing productivity throughout our international entities. Our operations in the U.K, South Africa, and France in particular are experiencing meaningful agent and transaction growth. During 2024, we launched the Global Agent Referral Program, which is designed to simplify and accelerate the real estate referral process and is part of our expansive set of innovative tools to empower our agents worldwide to effortlessly connect and collaborate, contributing to a robust and interconnected global marketplace.

Other Affiliated Services

In 2024, the Company strategically realigned its affiliated services to better meet the evolving needs of agents, brokers, and customers. In response to the increasing demand for mobile and web-accessible platforms, the Company fully transitioned to FrameVR.io, our web-based immersive 3D platform that facilitates seamless virtual collaboration without the need for extensive hardware or software installations. FrameVR.io enhances accessibility and user experience, aligning with our commitment to innovation. After December 31, 2024, the Company's CODM began managing the FrameVR.io business as part of the North American Realty segment. As a result, in the first quarter of 2025, the Company reclassified FrameVR.io from the Other Affiliated Services segment to the North American Realty segment to align with this change in management approach.

SUCCESS® Enterprises LLC ("SUCCESS") continued to empower personal and professional development through its diverse multi-media properties, including SUCCESS® magazine, SUCCESS.com, newsletters, podcasts, and the SUCCESS® speakers bureau. The print magazine industry has experienced significant disruptions over the last several years, driven by technological advancements, evolving consumer preferences and economic pressures. In September 2024, we launched SUCCESS+™, an all-inclusive subscription model powered by AI-driven coaching and DISC assessments, offering personalized learning experiences to our community. The organization continues to invest in robust sales and marketing initiatives, with a focus on expanding membership, subscribers, and clients across diverse industries and global sectors.

RESULTS OF OPERATIONS

Year ended December 31, 2024 vs. Year ended December 31, 2023

	Year Ended December 31, 2024	Year Ended December 31, 2023	Change 2024 vs. 2023	
			\$	%
Statement of Operations Data:				
Revenues	\$ 4,567,672	\$ 4,273,821	\$ 293,851	7%
Operating expenses				
Commissions and other agent-related costs	4,225,277	3,953,897	271,380	7%
General and administrative expenses	252,369	247,799	4,570	2%
Technology and development expenses	58,182	59,547	(1,365)	(2)%
Sales and marketing expenses	11,908	12,056	(148)	(1)%
Impairment expense	4,930	-	4,930	-%
Litigation contingency	34,000	-	34,000	-%
Total operating expenses	4,586,666	4,273,299	313,367	7%
Operating (loss) income	(18,994)	522	(19,516)	(3,739)%
Other (income) expense				
Total other (income) expense, net	(4,445)	(4,383)	(62)	(1)%
Equity in losses of unconsolidated affiliates	1,168	1,388	(220)	(16)%
Total other (income) expense, net	(3,277)	(2,995)	(282)	(9)%
(Loss) income before income tax expense	(15,717)	3,517	(19,234)	(547)%
Income tax (benefit) expense	1,071	(16)	1,087	(6,794)%
Net (loss) income from continuing operations	(16,788)	3,533	(20,321)	(575)%
Adjusted EBITDA ⁽¹⁾	\$ 75,483	\$ 65,328	\$ 10,155	16%

(1) Adjusted EBITDA is not a measurement of our financial performance under U.S. GAAP and should not be considered as an alternative to net income, operating income, or any other measures derived in accordance with U.S. GAAP. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income, and why we believe Adjusted EBITDA is useful to investors see "Non-U.S. GAAP Financial Measures".

	December 31, 2024	December 31, 2023	Change 2024 vs. 2023	
			\$	%
Revenues	\$ 4,567,672	\$ 4,273,821	\$ 293,851	7%

Total revenues increased 7% due to higher home sales prices and an increase in real estate transactions in 2024, driven by improved agent productivity and increased international production in previously launched markets.

	December 31, 2024	December 31, 2023	Change 2024 vs. 2023	
			\$	%
Commissions and other agent-related costs	\$ 4,225,277	\$ 3,953,897	\$ 271,380	7%

Commissions and other agent-related costs increased 7% primarily because of the increase in real estate transactions and increased home sales prices. Commissions and other agent-related costs include sales commissions, revenue share and stock-based compensation paid to our agents.

	December 31, 2024	December 31, 2023	Change 2024 vs. 2023	
			\$	%
General and administrative expenses	\$ 252,369	\$ 247,799	\$ 4,570	2%

General and administrative expenses increased 2% due to increased employee-related expenses and increased legal expenses related to the antitrust lawsuits, partially offset by lower costs related to the shareholders summit in 2024, because it was conducted virtually, and lower eXpcon costs. General and administrative expenses include costs related to wages, employee stock compensation, and other general overhead expenses.

	December 31, 2024	December 31, 2023	Change 2024 vs. 2023	
			\$	%
Technology and development expenses	\$ 58,182	\$ 59,547	(\$ 1,365)	(2)%

Technology and development expenses decreased (2)%, primarily due to higher capitalized technology investments. These expenses include employee-related costs and other expenses related to the maintenance and development of the technology used by both our agents and our employees.

	December 31, 2024	December 31, 2023	Change 2024 vs. 2023	
			\$	%
Sales and marketing expenses	\$ 11,908	\$ 12,056	(\$ 148)	(1)%

Sales and marketing expenses decreased (1)% in 2024 compared to 2023 due to decreased advertising in the U.S. and Canada residential real estate market.

	December 31, 2024	December 31, 2023	Change 2024 vs. 2023	
			\$	%
Total other (income) expense, net	(\$ 3,277)	(\$ 2,995)	(\$ 282)	(9)%

Other (income) expense, net increased 9% primarily due to increased interest income when compared to 2023. Other (income) expense, net includes interest income earned on cash and cash equivalents, and (earnings) losses related to equity investments.

	December 31, 2024	December 31, 2023	Change 2024 vs. 2023	
			\$	%
Income tax (benefit) expense	\$ 1,071	(\$ 16)	\$ 1,087	(6,794)%

The Company's provision for income tax (benefit) expense from continuing operations decreased \$1.1 million from the year ended December 31, 2023. The decrease in income tax (benefit) expense was primarily attributable to the decrease in excess benefit from stock-based compensation in the current year.

Refer to Critical Accounting Policies and Estimates within the MD&A and *Note 13 - Income Taxes* to the consolidated financial statements included elsewhere in this Annual Report for further information.

Year ended December 31, 2023 vs. Year ended December 31, 2022

	Year Ended December 31, 2023	Year Ended December 31, 2022	Change 2023 vs. 2022	
			\$	%
Statement of Operations Data:				
Revenues	\$ 4,273,821	\$ 4,589,676	(\$ 315,855)	(7)%
Operating expenses				
Commissions and other agent-related costs	3,953,897	4,228,503	(274,606)	(6)%
General and administrative expenses	247,799	275,445	(27,646)	(10)%
Technology and development expenses	59,547	54,199	5,348	10%
Sales and marketing expenses	12,056	15,172	(3,116)	(21)%
Total operating expenses	4,273,299	4,573,319	(300,020)	(7)%
Operating (loss) income	522	16,357	(15,835)	(97)%
Other (income) expense				
Total other (income) expense, net	(4,383)	(803)	(3,580)	(446)%
Equity in losses of unconsolidated affiliates	1,388	1,624	(236)	(15)%
Total other (income) expense, net	(2,995)	821	(3,816)	(465)%
(Loss) income before income tax expense	3,517	15,536	(12,019)	(77)%
Income tax (benefit) expense	(16)	(8,199)	8,183	100%
Net (loss) income from continuing operations	3,533	23,735	(20,202)	(85)%
Adjusted EBITDA (1)	\$ 65,328	\$ 71,498	(\$ 6,170)	(9)%

(1) Adjusted EBITDA is not a measurement of our financial performance under U.S. GAAP and should not be considered as an alternative to net income, operating income, or any other measures derived in accordance with U.S. GAAP. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income, and why we believe Adjusted EBITDA is useful to investors see "Non-U.S. GAAP Financial Measures".

	December 31, 2023	December 31, 2022	Change 2023 vs. 2022	
			\$	%
Revenues	\$ 4,273,821	\$ 4,589,676	(\$ 315,855)	(7)%

Total revenues decreased 7%, primarily because of the lower volume of real estate brokerage commissions, which is attributable to a decrease of overall real estate transactions and lower home sales prices in our markets, partially offset by growth in our agent base, compared to 2022.

	December 31, 2023	December 31, 2022	Change 2023 vs. 2022	
			\$	%
Commissions and other agent-related costs	\$ 3,953,897	\$ 4,228,503	(\$ 274,606)	(6)%

Commissions and other agent-related costs decreased 6% primarily because of a decrease in overall real estate transactions and lower home sales prices, partially offset by growth in our agent base and an increase in agent-related stock-based compensation.

	December 31, 2023	December 31, 2022	Change 2023 vs. 2022	
			\$	%
General and administrative expenses	\$ 247,799	\$ 275,445	(\$ 27,646)	(10)%

General and administrative expenses decreased 10% due to lower reported stock compensation expense, partially offset by increased employees, increased contract labor wages and compensation and increases in seminars and conferences expenses.

	December 31, 2023	December 31, 2022	Change 2023 vs. 2022	
			\$	%
Technology and development expenses	\$ 59,547	\$ 54,199	\$ 5,348	10%

Technology and development expenses increased 10%, primarily due to increased investment in technology.

	December 31, 2023	December 31, 2022	Change 2023 vs. 2022	
			\$	%
Sales and marketing expenses	\$ 12,056	\$ 15,172	(\$ 3,116)	(21)%

Sales and marketing expenses decreased (21)% due to decreased advertising in the U.S. and Canada residential real estate market.

	December 31, 2023	December 31, 2022	Change 2023 vs. 2022	
			\$	%
Total other (income) expense, net	(\$ 2,995)	\$ 821	(\$ 3,816)	(465)%

Other (income) expense, net increased primarily due to increased interest income when compared to 2022.

	December 31, 2023	December 31, 2022	Change 2023 vs. 2022	
			\$	%
Income tax (benefit) expense	(\$ 16)	(\$ 8,199)	\$ 8,183	100%

The Company's provision for income tax (benefit) expense from continuing operations decreased \$8.2 million from the year ended December 31, 2022. The decrease in income tax benefit was primarily attributable to the decrease in excess benefit from stock-based compensation in 2023 and higher non-deductible executive compensation expenses.

Refer to Critical Accounting Policies and Estimates within the MD&A and *Note 13 - Income Taxes* to the consolidated financial statements included elsewhere in this Annual Report for further information.

BUSINESS SEGMENT DISCLOSURES

See *Note 11 – Segment Information* to the consolidated financial statements included elsewhere in this Annual Report for additional information regarding our business segments. The following table reflects the results of each of our reportable segments during the years ended December 31, 2024 and 2023:

	Year Ended December 31, 2024	Year Ended December 31, 2023	Change 2024 vs. 2023	
			\$	%
Statement of Operations Data:				
Revenues				
North American Realty	\$ 4,478,293	\$ 4,220,063	\$ 258,230	6%
International Realty	88,146	53,931	34,215	63%
Other Affiliated Services	6,105	4,802	1,303	27%
Segment eliminations	(4,872)	(4,975)	103	2%
Total Consolidated Revenues	\$ 4,567,672	\$ 4,273,821	\$ 293,851	7%
Adjusted Segment EBITDA⁽¹⁾				
North American Realty	99,253	91,101	\$ 8,152	9%
International Realty	(9,481)	(13,657)	4,176	31%
Other Affiliated Services	(4,876)	(3,795)	(1,081)	(28)%
Total Adjusted Segment EBITDA	84,896	73,649	11,247	15%
Corporate expenses and other	(9,413)	(8,321)	(1,092)	(13)%
Total Reported Adjusted EBITDA⁽¹⁾	\$ 75,483	\$ 65,328	\$ 10,155	16%

⁽¹⁾ Adjusted Segment EBITDA is not a measurement of our financial performance under U.S. GAAP and should not be considered as an alternative to net income, operating income, or any other measures derived in accordance with U.S. GAAP. For a definition of Adjusted Segment EBITDA and a reconciliation of Adjusted Segment EBITDA to net income, and a discussion of why we believe Adjusted Segment EBITDA is useful to investors, see "Non-U.S. GAAP Financial Measures". Management evaluates the operating results of each of its reportable segments based upon revenue and Adjusted Segment EBITDA. Adjusted Segment EBITDA is defined by us as net income before depreciation and amortization, stock-based compensation expense, interest expense, net, income taxes, impairment expense and other items that are not core to the operating activities of the Company. The Company's presentation of Adjusted Segment EBITDA may not be comparable to similar measures used by other companies.

North American Realty revenue increased 6% in 2024 compared to 2023 primarily due to an increase in average selling price in the U.S. and in overall real estate transactions in Canada, and improved agent productivity, partially offset by reductions in our agent base. Adjusted Segment EBITDA increased 9% primarily due to an increase in gross profit related to the increase in real estate transactions and increased home selling prices.

International Realty revenue increased 63% in 2024 compared to 2023 primarily due to increased real estate transactions driven by increased productivity in previously launched markets. Adjusted Segment EBITDA improved in 2024 compared to 2023 due to gross profit improvements related to increase in revenue.

Other Affiliated Services revenue increased 27% due to an increase in FrameVR.io technology revenue, partially offset by a decrease in coaching revenue. Adjusted Segment EBITDA decreased by (28)% primarily due to an increase in personnel costs.

Corporate expenses and other contain the costs incurred to operate the corporate parent of eXp Realty. Corporate expenses increased 13% in 2024 compared to 2023.

LIQUIDITY AND CAPITAL RESOURCES

This section generally discusses items pertaining to and comparisons of financial results between 2024 and 2023. Discussions of 2022 items and comparisons between 2023 and 2022 liquidity and capital resources can be found in "Management's Discussion and Analysis Liquidity and Capital Resources" in Part II, Item 7 of the Company's annual report on Form 10-K for the fiscal year ended December 31, 2023 (the "2023 MD&A"). The 2023 MD&A is incorporated by reference herein from Part II, Item 7 of our annual report on Form 10-K filed on February 22, 2024 (Commission File No. 001-38493).

Our primary sources of liquidity are our cash and cash equivalents on hand and cash flows generated from our business operations. Our ability to generate sufficient cash flow from operations or to access certain capital markets, including banks, is necessary to fund our operations and capital expenditures, repurchase our common stock and meet obligations as they become due. At present, our cash and cash equivalents balances and cash flows from operations have remained positive, as we focused on cost savings initiatives and operational excellence despite the challenging market conditions of 2024.

Currently, our primary use of cash on hand is to sustain and grow our business operations, including, but not limited to, commission and revenue share payments to agents and brokers and cash outflows for operating expenses. During 2024, we utilized our cash on hand to support our agent productivity, growth initiatives and investment in technology, and to a lesser extent, for repurchases of our common stock and quarterly cash dividends. There can be no assurance that future cash dividends will be declared by the Board of Directors or that the stock repurchase program will be sustained or proceed at historical levels.

For information regarding the Company's expected cash requirement related to settlement costs, see *Note 14 – Commitments and Contingencies* to the consolidated financial statements included elsewhere in this Annual Report.

We believe that our existing balances of cash and cash equivalents and cash flows expected to be generated from our operations will be sufficient to satisfy our normal operating requirements for at least the next 12 months. Our future capital requirements will depend on many factors, including the outcome of pending antitrust litigation settlement, our level of investment in technology, our rate of growth into new markets and cash used to pay quarterly cash dividends and repurchase shares of the Company's common stock. Our capital requirements may be affected by factors which we cannot control such as the changes in the residential real estate market, interest rates and other monetary and fiscal policy changes to the manner in which we currently operate. In order to support and achieve our future growth plans, we may need or seek advantageously to obtain additional funding through equity or debt financing. We believe that our current operating structure will facilitate sufficient cash flows from operations to satisfy our expected long-term liquidity requirements beyond the next 12 months.

We currently do not hold any bank debt, nor have we issued any debt instruments through public offerings or private placements. As of December 31, 2024, our cash and cash equivalents totaled \$113.6 million. Cash equivalents are comprised of financial instruments with an original maturity of 90 days or less from the date of purchase, primarily money market funds. We currently do not hold any other marketable securities.

Net Working Capital

Net working capital is calculated as the Company's total current assets less its total current liabilities. The following table presents our net working capital for the periods presented:

	December 31, 2024	December 31, 2023
Current assets	\$ 267,972	\$ 266,475
Current liabilities	(185,853)	(141,660)
Net working capital	<u>\$ 82,119</u>	<u>\$ 124,815</u>

As of December 31, 2024, net working capital decreased (\$42.7) million, or (34)%, compared to the prior year, primarily due a decrease in cash and cash equivalents of (\$12.3) million and an increase in the litigation contingency accrual of \$34 million related to the antitrust lawsuits, partially offset by an increase in accounts receivable of \$2.3 million and a decrease in accrued expenses of (\$0.8) million.

Cash Flows

The following table presents our cash flows for the periods presented:

	Year Ended December 31,	
	2024	2023
Net cash provided by operating activities	\$ 191,514	\$ 209,131
Net cash used in investment activities	(19,470)	(13,503)
Net cash used in financing activities	(170,377)	(184,089)
Effect of changes in exchange rates on cash, cash equivalents and restricted cash	(2,972)	(38)
Net change in cash, cash equivalents and restricted cash	(\$ 1,305)	\$ 11,501

For the year ended December 31, 2024, cash provided by operating activities decreased (8)% compared to the same period in 2023, primarily due to lower agent equity program participation in 2024, partially offset by an increase in gross profit net of agent commission and related expenses.

For the year ended December 31, 2024, cash used in our investing activities increased 44% compared to the same period in 2023, primarily due to an increase in cash spend of (\$6.2) million in acquisitions, and an increase in purchases of property, plant, and equipment, partially offset by a decrease in investments unconsolidated subsidiaries.

For the year ended December 31, 2024, cash used in financing activities decreased by (7)%, compared to the same period in 2023, primarily related to lower repurchases of our common stock of (\$19.4) million compared to 2023, partially offset by decreased proceeds from stock option exercises \$3.0 million and an increase in dividend payments of \$1.6 million compared to 2023.

Outlook

As we continue to scale our Company by investing in people, technology and processes, we believe we are well positioned to grow productive agents and revenues in the U.S., Canada and selectively international markets.

These statements involve risks, uncertainties, assumptions and other factors that are difficult to predict and that could cause actual results to vary materially from those expressed in them. Factors include, among others, (i) changes in demand for the Company's services and changes in consumer behavior; (ii) macroeconomic conditions beyond our control; (iii) the Company's ability to effectively maintain its infrastructure to support its operations and initiatives; (iv) the impact of governmental regulations related to the Company's operations; (v) the outcome of ongoing antitrust litigation; and (vi) other factors, as described in this Annual Report in Part II, Item 1A, "Risk Factors."

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in accordance with U.S. GAAP requires us to make certain judgments and assumptions, based on information available as of the reporting date of the financial statements, in determining accounting estimates used in the preparation of the statements. Our significant accounting policies are described in *Note 2 – Summary of Significant Accounting Policies* to the consolidated financial statements included elsewhere in this Annual Report.

Accounting estimates are considered critical if the estimate requires us to use judgments and/or make assumptions about matters that were uncertain at the time the accounting estimate was made and if different accounting estimates could have been used in the reporting period or changes in the accounting estimates are likely to occur that would have a material impact on our financial condition, results of operations or cash flows.

Stock-based compensation

Our stock-based compensation is comprised of AGIP, AEP, stock option awards and restricted stock units. The Company accounts for stock-based compensation granted to employees and non-employees using a fair value method. Stock-based compensation awards are measured at the grant date fair value and the stock-based compensation cost is recognized over the requisite service period of the awards, usually the vesting period, on a straight-line basis, net of forfeitures. The Company reduces recorded stock-based compensation for forfeitures when they occur.

Recognition of compensation cost for an award with a performance condition is based on the probable outcome of that performance condition being met. The Company estimates the share-based liability based on estimated performance probabilities using our most recent estimates on probable achievement of the performance measures established under our AGIP. These estimates are calculated based on the agent's historical performance for each award type. Also, the requisite service period at the grant date of performance awards is estimated based on the probability of the period of time it will take an agent to meet the performance metric. The value of the stock award is amortized over this period and recognized as stock-based compensation expense starting on the grant date.

If factors change causing different assumptions to be made in future periods, estimated compensation expense may differ significantly from that recorded in the current period. See *Note 10 – Stockholders' Equity* to the consolidated financial statements

included elsewhere in this Annual Report, for more information regarding the assumptions used in estimating the fair value of our awards.

Revenue recognition

The Company generates substantially all of its revenue from North American Realty and International Realty and generates a de minimis portion of its revenues from other affiliated professional services.

North American Realty and International Realty

The Company serves as a licensed broker in the areas in which it operates for the purpose of processing real estate transactions. The Company is contractually obligated to provide services for the fulfillment of transfers of real estate between buyers and sellers. The Company provides these services itself and controls the services necessary to legally represent the transfer of real estate. Correspondingly, the Company is defined as the principal. The Company, as principal, satisfies its obligation upon the closing of a real estate transaction. As principal and upon satisfaction of our obligation, the Company recognizes revenue in the gross amount of consideration to which we expect to be entitled.

Revenue is derived from assisting homebuyers and sellers in listing, marketing, selling and finding real estate. Commissions earned on real estate transactions are recognized at the completion of a real estate transaction once we have satisfied our performance obligation. Agent-related fees are currently recorded as a reduction to commissions and other agent-related costs.

At each reporting period, we estimate and accrue revenue for closed transactions for which we are entitled to but have not yet received the closing documents due to timing of when a transaction settles. The accrual for estimated revenue was immaterial for the years ended December 31, 2024 and 2023.

Business combinations

The Company accounts for business combinations using the acquisition method of accounting, under which the consideration for the acquisition is allocated to the assets acquired and liabilities assumed. The Company recognizes identifiable assets acquired and liabilities assumed at the fair values as of the acquisition date. Acquisition-related costs, such as due diligence, legal and accounting fees, are expensed as incurred and not considered in determining the fair value of the acquired assets.

Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions, estimates and market factors. These assumptions and estimates include projected revenues and income growth rates, terminal growth rates, competitive and consumer trends, market-based discount rates and other market factors. Significant assumptions used in determining the allocation of fair value include the following valuation techniques: the cost approach, the income approach and the market approach, which are determined based on cash flow projections and related discount rates, industry indices, market prices regarding replacement cost and comparable market transactions.

At the acquisition date, the Company recognizes the identifiable acquired assets, liabilities assumed and contingent liabilities (identifiable net assets) of the acquired company on the basis of fair value. Recognized assets and liabilities assumed may be adjusted during a maximum of one year from the acquisition date (the "measurement period"), depending on new information obtained about the facts and circumstances in existence at the acquisition date.

If current expectations of future growth rates are not met or market factors outside of our control change significantly, then our goodwill or intangible assets may become impaired. Additionally, as goodwill and intangible assets associated with recently acquired businesses are recorded on the balance sheet at their estimated acquisition date fair values, those amounts are more susceptible to impairment risk if business operating results or macroeconomic conditions deteriorate.

Income taxes

We recognize deferred tax assets and liabilities based on the differences between the financial statement carrying amounts and the tax basis of assets and liabilities. A valuation allowance against deferred tax assets would be established if, based on the weight of available evidence, it is more likely than not (a likelihood of more than 50%) that some or all of the deferred tax assets are not expected to be realized. Our assumptions, judgments, and estimates relative to the value of our deferred tax assets take into account predictions of the amount and category of future taxable income. As of December 31, 2024, based on our assessment of the realizability of the net deferred tax assets, we reached the conclusion that some of our net deferred tax assets will most likely not be fully realized and therefore a valuation allowance of \$0.02 million was recorded.

Although management believes that the judgment and estimates involved are reasonable and that the necessary provisions related to income taxes have been recorded, changes in circumstances or unexpected events could adversely affect our financial position, results of operations, and cash flows.

See Note 13 – Income Taxes to the consolidated financial statements included elsewhere in this Annual Report for further information related to our income tax positions.

Litigation

We recognize expenses for legal claims when payments associated with the claims become probable and can be reasonably estimated. Actual costs of resolving legal claims could have a material adverse impact on our results of operations and cash flow. While the currently pending derivative litigation presents various reasonably possible outcomes, the financial impact(s) of such litigation is not presently estimable. Separately, the currently pending US and Canadian antitrust litigation presents various reasonably possible outcomes; however, we have accrued \$34.0 million as of December 31, 2024, to reflect the terms of the US Hooper Settlement, as the loss is deemed probable and reasonably estimable under ASC 450. For the Canadian antitrust litigation, no accrual has been made as a loss is not probable, and a reasonable estimate cannot yet be determined. See Note 14 – Commitments and Contingencies to the consolidated financial statements included elsewhere in this Annual Report for further information related to our litigation.

NON-U.S. GAAP FINANCIAL MEASURES

To supplement our consolidated financial statements, which are prepared and presented in accordance with U.S. GAAP, we use Adjusted EBITDA and Adjusted Segment EBITDA, non-U.S. GAAP financial measures, to understand and evaluate our core operating performance. These non-GAAP financial measure, which may be different than similarly titled measures used by other companies, is presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP.

We define the non-U.S. GAAP financial measure of Consolidated Adjusted EBITDA to mean net income, excluding other income (expense), income tax benefit (expense), depreciation, amortization, impairment charges, stock-based compensation expense and stock option expense. Adjusted Segment EBITDA is defined as operating profit plus depreciation and amortization and stock-based compensation expenses, impairment expense and litigation contingency expense. We believe that Consolidated Adjusted EBITDA and Adjusted Segment EBITDA provides useful information about our financial performance, enhances the overall understanding of our past performance and future prospects and allows for greater transparency with respect to a key metric used by our management for financial and operational decision-making. We believe that Adjusted Segment EBITDA helps identify underlying trends in our business that otherwise could be masked by the effect of the expenses that we exclude in Adjusted Segment EBITDA. In particular, we believe the exclusion of stock and stock option expenses provides a useful supplemental measure in evaluating the performance of our underlying operations and provides better transparency into our results of operations.

We are presenting the non-U.S. GAAP measures of Adjusted EBITDA and Adjusted Segment EBITDA to assist investors in seeing our financial performance through the eyes of management and because we believe these measures provide additional tools for investors to use in comparing our core financial performance over multiple periods with other companies in our industry.

Adjusted EBITDA should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with U.S. GAAP. There are a number of limitations related to the use of Adjusted EBITDA and Adjusted Segment EBITDA compared to net income, the closest comparable U.S. GAAP measure. Some of these limitations are:

- Adjusted EBITDA and Adjusted Segment EBITDA exclude stock-based compensation expense related to our agent growth incentive program and stock option expense, which have been and will continue to be for the foreseeable future, significant recurring expenses in our business and an important part of our compensation strategy; and
- Adjusted EBITDA and Adjusted Segment EBITDA exclude certain recurring, non-cash charges such as depreciation of fixed assets, amortization of intangible assets and impairment charges related to these long-lived assets and, although these are non-cash charges, the assets being depreciated, amortized, or impaired may have to be replaced in the future.

The following tables present a reconciliation of Adjusted EBITDA, the most comparable U.S. GAAP financial measure, for each of the periods presented:

	Year Ended December 31,		
	2024	2023	2022
Net (loss) income from continuing operations	(\$ 16,788)	\$ 3,533	\$ 23,735
Total other (income) expense, net	(3,277)	(2,995)	821
Income tax (benefit) expense	1,071	(16)	(8,199)
Depreciation and amortization	10,289	10,892	9,838
Impairment expense	4,930	-	-
Litigation contingency	34,000	-	-
Stock compensation expense ⁽¹⁾	37,285	43,178	30,861
Stock option expense	7,973	10,736	14,442
Adjusted EBITDA	\$ 75,483	\$ 65,328	\$ 71,498

(1) This includes agent growth incentive stock compensation expense and stock compensation expense related to business acquisitions.

The primary driver for the increase in Adjusted EBITDA was increased revenues, partially offset by increased commissions and other agent-related expenses and slightly higher general and administrative expenses.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

Foreign Currency Risk

The majority of our net sales, expenses and capital purchases were transacted in U.S. dollars. However, exposure with respect to foreign exchange rate fluctuation existed due to our operations in Canada, the U.K., Australia, South Africa, India, Mexico, Portugal, France, Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama, Germany, The Dominican Republic, Greece, New Zealand, Chile, Poland, and Dubai albeit each individually and in the aggregate to a small extent. As of December 31, 2024, our largest international operations were in Canada. Based on fiscal 2024 performance, a hypothetical appreciation or decline in the value of the Canadian dollar in relation to the U.S. dollar of 10% would have an immaterial impact on operating income. The individual impacts to the operating income of hypothetical currency fluctuations in the Canadian dollar have been calculated in isolation from any potential responses to address such exchange rate changes in our other foreign markets. Our exposures to foreign currency risk related to our other operations in our other international locations were immaterial and have been excluded from this analysis.

Our investments in the net assets of our international operations were also subject to currency risk. As of December 31, 2024, the impacts of translations of foreign-denominated net assets of our international operations were immaterial to the Company's consolidated financial statements. The translation impacts related to the net assets of our international operations are recorded within accumulated other comprehensive income. Historically, we have not hedged this exposure, although we may elect to do so in future periods.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of eXp World Holdings, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of eXp World Holdings, Inc. and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of comprehensive (loss) income, stockholders' equity, and cash flows, for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 20, 2025, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Commissions and Other Agent-Related Costs – Sustainable Revenue Share Plan expenses – Refer to Note 2 to the financial statements

Critical Audit Matter Description

The Company has a revenue sharing plan where agents and brokers may receive a commission from real estate transactions consummated by agents and brokers they have attracted to the Company. Agents and brokers are eligible for revenue share based on the number of Front-Line Qualifying Active (FLQA) agents they have attracted to the Company. An FLQA agent is an agent or broker that an agent or broker has personally attracted to the Company who has met specific sales transaction volume requirements. These additional commissions are earned on a multitiered basis by FLQA agents and brokers for real estate transactions within their downstream brokerage network and are included within commissions and other agent-related costs.

We identified the revenue sharing plan as a critical audit matter because the plan has a complex multi-tiered compensation structure involving highly automated system calculations to determine the commissions paid to agents and brokers. This

required an increased extent of audit effort to audit and evaluate the accuracy of commissions paid under the revenue share plan.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures performed related to the testing of the accuracy of expenses under the revenue sharing plan included the following, among others:

- We tested the effectiveness of controls over the revenue share expenses, including management's controls over the calculation of commission under the revenue sharing plan.
- With the assistance of our IT specialists, we:
 - Identified the significant system used to process revenue share transactions and tested the general IT controls over the system, including testing of user access controls, change management controls, and IT operations controls.
 - Performed testing of automated controls for the system calculation of revenue share and the system determination of number of FLQA agents.
- We selected samples of commissions paid to agents and brokers under the revenue sharing plan and recalculated the commissions amount based on the terms of the respective independent contractor agreements.
- For the samples selected:
 - We tested the mathematical accuracy of the recorded commission by recalculating the revenue share allocation in accordance with the independent contractor agreements and traced the underlying transactions to third party documents.
 - We tested the accuracy of the FLQA count for agents and brokers by reading independent contractor agreements and obtaining evidence of agents and brokers reaching the required sales transaction volume.

/s/ Deloitte & Touche LLP

San Francisco, California
February 20, 2025

We have served as the Company's auditor since 2019.

EXP WORLD HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share amounts)

	Year Ended December 31,	
	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 113,607	\$ 125,873
Restricted cash	54,981	44,020
Accounts receivable, net of allowance for credit losses of \$1,589 and \$2,204, respectively	87,692	85,343
Prepays and other assets	11,692	9,275
Current assets of discontinued operations	-	1,964
TOTAL CURRENT ASSETS	267,972	266,475
Property, plant, and equipment, net	11,615	12,967
Other noncurrent assets	11,679	7,410
Intangible assets, net	6,456	7,012
Deferred tax assets	75,774	69,253
Goodwill	17,226	16,982
Noncurrent assets of discontinued operations	-	5,569
TOTAL ASSETS	\$ 390,722	\$ 385,668
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 10,478	\$ 8,788
Customer deposits	55,660	44,550
Accrued expenses	85,661	86,483
Litigation contingency	34,000	-
Accrued expenses and other liabilities	54	30
Current liabilities of discontinued operations	-	1,809
TOTAL CURRENT LIABILITIES	185,853	141,660
TOTAL LIABILITIES	185,853	141,660
EQUITY		
Common Stock, \$0.00001 par value 900,000,000 shares authorized; 195,028,207 issued and 154,133,385 outstanding at December 31, 2024; 183,606,708 issued and 154,669,037 outstanding at December 31, 2023	2	2
Additional paid-in capital	962,758	804,833
Treasury stock, at cost: 40,894,822 and 28,937,671 shares held, respectively	(686,680)	(545,559)
Accumulated deficit	(68,135)	(16,769)
Accumulated other comprehensive (loss) income	(3,076)	332
Total eXp World Holdings, Inc. stockholders' equity	204,869	242,839
Equity attributable to noncontrolling interest	-	1,169
TOTAL EQUITY	204,869	244,008
TOTAL LIABILITIES AND EQUITY	\$ 390,722	\$ 385,668

The accompanying notes are an integral part of these consolidated financial statements.

EXP WORLD HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(In thousands, except share amounts and per share data)

	Year Ended December 31,		
	2024	2023	2022
Revenues	\$ 4,567,672	\$ 4,273,821	\$ 4,589,676
Operating expenses			
Commissions and other agent-related costs	4,225,277	3,953,897	4,228,503
General and administrative expenses	252,369	247,799	275,445
Technology and development expenses	58,182	59,547	54,199
Sales and marketing expenses	11,908	12,056	15,172
Impairment expense	4,930	-	-
Litigation contingency	34,000	-	-
Total operating expenses	4,586,666	4,273,299	4,573,319
Operating (loss) income	(18,994)	522	16,357
Other (income) expense			
Other (income) expense, net	(4,445)	(4,383)	(803)
Equity in losses of unconsolidated affiliates	1,168	1,388	1,624
Total other (income) expense, net	(3,277)	(2,995)	821
(Loss) income before income tax expense	(15,717)	3,517	15,536
Income tax (benefit) expense	1,071	(16)	(8,199)
Net (loss) income from continuing operations	(16,788)	3,533	23,735
Net (loss) income from discontinued operations	(4,479)	(12,506)	(8,311)
Net (loss) income attributable to noncontrolling interest	-	-	18
Net (loss) income attributable to eXp World Holdings, Inc.	(\$ 21,267)	(\$ 8,973)	\$ 15,442
Earnings (loss) per share			
Basic, net (loss) income from continuing operations	(\$ 0.11)	\$ 0.02	\$ 0.16
Basic, net (loss) income from discontinued operations	(0.03)	(0.08)	(0.06)
Basic, net (loss) income	(\$ 0.14)	(\$ 0.06)	\$ 0.10
Diluted, net (loss) income from continuing operations	(\$ 0.11)	\$ 0.02	\$ 0.15
Diluted, net (loss) income from discontinued operations	(0.03)	(0.08)	(0.05)
Diluted, net (loss) income	(\$ 0.14)	(\$ 0.06)	\$ 0.10
Weighted average shares outstanding			
Basic	153,684,907	153,232,129	151,036,110
Diluted	153,684,907	156,773,528	156,220,165
Comprehensive (loss) income:			
Net (loss) income	(\$ 21,267)	(\$ 8,973)	\$ 15,424
Comprehensive (loss) income attributable to noncontrolling interests	-	-	18
Net (loss) income attributable to eXp World Holdings, Inc.	(21,267)	(8,973)	15,442
Other comprehensive income (loss):			
Foreign currency translation gain (loss), net of tax	(3,408)	96	48
Comprehensive (loss) income attributable to eXp World Holdings, Inc.	(\$ 24,675)	(\$ 8,877)	\$ 15,490

The accompanying notes are an integral part of these consolidated financial statements.

EXP WORLD HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)

	Year Ended December 31,		
	2024	2023	2022
Common stock:			
Balance, beginning of period	\$ 2	\$ 2	\$ 1
Agent equity stock compensation	-	-	1
Balance, end of period	2	2	2
Treasury stock:			
Balance, beginning of period	(545,559)	(385,010)	(210,009)
Repurchases of common stock	(141,121)	(160,549)	(179,473)
Issuance of treasury stock, for acquisition	-	-	4,472
Balance, end of period	(686,680)	(545,559)	(385,010)
Additional paid-in capital:			
Balance, beginning of period	804,833	611,872	401,479
Shares issued for stock options exercised	2,012	4,980	612
Agent growth incentive stock compensation	36,675	41,995	31,235
Agent equity stock compensation	111,278	135,226	164,104
Stock option compensation	7,960	10,760	14,442
Balance, end of period	962,758	804,833	611,872
Accumulated (deficit) earnings:			
Balance, beginning of period	(16,769)	20,723	30,510
Net (loss) income attributable to eXp World Holdings, Inc.	(21,267)	(8,973)	15,442
Dividends declared and paid	(30,099)	(28,519)	(25,229)
Balance, end of period	(68,135)	(16,769)	20,723
Accumulated other comprehensive income (loss):			
Balance, beginning of period	332	236	188
Foreign currency translation gain (loss)	(3,408)	96	48
Balance, end of period	(3,076)	332	236
Noncontrolling interest:			
Balance, beginning of period	1,169	1,169	1,364
Net loss	-	-	(18)
Transactions with noncontrolling interests	(1,169)	-	(177)
Balance, end of period	-	1,169	1,169
Total equity	\$ 204,869	\$ 244,008	\$ 248,992

The accompanying notes are an integral part of these consolidated financial statements.

EXP WORLD HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2024	2023	2022
OPERATING ACTIVITIES			
Net income (loss)	(\$ 21,267)	(\$ 8,973)	\$ 15,424
Reconciliation of net income (loss) to net cash provided by operating activities:			
Depreciation expense	7,835	8,352	7,934
Amortization expense - intangible assets	2,454	2,540	1,904
Impairment expense	4,930	9,203	-
Loss on disposition of business	266	472	361
Allowance for credit losses on receivables/bad debt on receivables	(615)	(1,711)	1,816
Equity in loss of unconsolidated affiliates	1,168	1,388	1,624
Agent growth incentive stock compensation expense	37,265	43,178	30,861
Stock option compensation	7,975	10,736	14,442
Agent equity stock compensation expense	111,278	135,226	164,104
Deferred income taxes, net	(6,521)	(2,666)	(15,848)
Changes in operating assets and liabilities:			
Accounts receivable	(1,704)	3,474	44,935
Prepays and other assets	3,041	(1,263)	1,652
Customer deposits	11,110	6,761	(30,998)
Accounts payable	1,690	(1,491)	2,432
Accrued expenses	(1,445)	8,424	(32,239)
Long term payable	-	(4,677)	1,983
Litigation contingency	34,000	-	-
Other operating activities	54	158	148
NET CASH PROVIDED BY OPERATING ACTIVITIES	191,514	209,131	210,535
INVESTING ACTIVITIES			
Purchases of property, plant, and equipment	(6,483)	(5,363)	(12,051)
Acquisition of business, net of cash acquired	(6,150)	-	(9,910)
Proceeds from sale of business	-	330	-
Investments in unconsolidated affiliates	(5,447)	(5,876)	(500)
Capitalized software development costs in intangible assets	(1,390)	(2,594)	-
NET CASH USED IN INVESTING ACTIVITIES	(19,470)	(13,503)	(22,461)
FINANCING ACTIVITIES			
Repurchase of common stock	(141,121)	(160,550)	(179,473)
Proceeds from exercise of options	2,012	4,980	612
Transactions with noncontrolling interests	(1,169)	-	(424)
Dividends declared and paid	(30,099)	(28,519)	(25,229)
NET CASH USED IN FINANCING ACTIVITIES	(170,377)	(184,089)	(204,514)
Effect of changes in exchange rates on cash, cash equivalents and restricted cash	(2,972)	(38)	(87)
Net change in cash, cash equivalents and restricted cash	(1,305)	11,501	(16,527)
Cash, cash equivalents and restricted cash, beginning balance	169,893	159,383	175,910
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, ENDING BALANCE	\$ 168,588	\$ 170,884	\$ 159,383
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:			
Cash paid for income taxes	2,694	2,731	3,406
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Termination of lease obligation - operating lease	-	859	-
Issuance of treasury stock, for acquisition	-	-	4,554
Contingent consideration for disposition of business	-	1,209	-
Property, plant and equipment increase due to transfer of right-of-use lease asset	-	1,100	-
Property, plant and equipment purchases in accounts payable	-	63	63

The accompanying notes are an integral part of these consolidated financial statements.

eXp World Holdings, Inc.
Notes to Consolidated Financial Statements
(Amounts in thousands, except share and per share amounts, unless otherwise noted)

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

eXp World Holdings, Inc. (collectively with its subsidiaries, the “Company” or “eXp”) was incorporated in the State of Delaware on July 30, 2008. eXp owns and operates a diversified portfolio of service-based businesses whose operations benefit substantially from utilizing our enabling technology platform. Specifically, we operate a cloud-based real estate brokerage in North America and other international locations, and related affiliated services that support the development and success of agents, entrepreneurs and businesses by leveraging innovative technologies and integrated services. Our North American and international real estate brokerage is now one of the largest real estate brokerage companies, operating throughout the United States, all of the Canadian provinces, the U.K., Australia, South Africa, India, Mexico, Portugal, France, Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama, Germany, the Dominican Republic, Greece, New Zealand, Chile, Poland and Dubai.

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) and are expressed in U.S. dollars. The Company’s fiscal year end is December 31.

In the first quarter of 2024, the Company determined that there was a significant change to the Virbela business model. As our customers evolve post-COVID, including a return-to-work-offices, and in light of ongoing internal and external demand for web-accessible platforms and AI solutions, we experienced a decline in demand for our application-based platform, Virbela, the technology is being replaced with Virbela FrameVR.io technology that will be primarily utilized internally within the Company. As a result of this change, the Company determined that Virbela qualified for reporting as discontinued operations. In accordance with ASC 205 – *Presentation of Financial Statements*, any remaining assets and liabilities of Virbela will be presented within discontinued operations in the Company’s consolidated balance sheet and Virbela’s results of operations have been included in discontinued operations in the Company’s consolidated statements of comprehensive (loss) income. During the fourth quarter of 2024, the Company completed the disposition of Virbela, the balance sheet was transferred to the purchaser of Virbela, and a loss of \$266 was recognized.

Prior to 2024, Virbela represented an operating and reporting segment under ASC 280. Beginning in the first quarter of 2024, the remaining operations of Virbela will not meet the operating or reporting segment criteria, therefore, any operating results related to FrameVR.io technologies will be included in the Other Affiliated Services segment. Prior year financial statements and segment information have been reclassified to reflect Virbela as discontinued operations.

The Company evaluated the impact of discontinued operations on the consolidated statements of cash flows and determined that the changes were not material. Accordingly, the prior-period cash flow statements have not been restated. The cash flows of discontinued operations are included within the respective categories of operating, investing, and financing activities in the consolidated statements of cash flows. The cash balances as of December 31, 2023 and December 31, 2022 include the cash held by the discontinued operations.

We report operating results through three reportable segments: North American Realty, International Realty and Other Affiliated Services, as further discussed in *Note 11 – Segment Information* to the consolidated financial statements included elsewhere in this Annual Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The accompanying consolidated financial statements include the accounts of eXp World Holdings, Inc., its wholly-owned subsidiaries and entities in which we have a variable interest of which we are the primary beneficiary. If the Company has a variable interest in an entity but it is not the primary beneficiary of the entity or does not exercise control over the operations and has less than 50% ownership, it will use the equity or cost method of accounting for investments. Entities in which the Company has less than a 20% investment and where the Company does not exercise significant influence are accounted for under the cost method. Intercompany transactions and balances are eliminated upon consolidation.

Variable interest entities (“VIEs”)

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

Joint ventures

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

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to allowance for credit losses, legal contingencies, income taxes, revenue recognition, stock-based compensation, goodwill and deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

Reclassifications

When necessary, the Company will reclassify certain amounts in prior period financial statements to conform to the current period's presentation. The Company has reclassified Virbela operations as discontinued operations, and prior year financial statements and segment information have been reclassified to conform with current year presentation. To more clearly present technology and development expenses, the Company elected to present all technology and development expenses as a separate line item on the consolidated statements of comprehensive (loss) income. In 2023 and 2022, the Company presented technology and development expenses within general and administrative expenses and sales and marketing expenses. These amounts have been reclassified, in conformity with the current year's presentation of technology and development expenses on the consolidated statements of comprehensive (loss) income. These reclassifications had no effect on the reported results of operations.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, money market instruments and all other highly liquid investments purchased with an original or remaining maturity of three months or less at the date of acquisition.

Restricted cash

Restricted cash consists of cash held in escrow by the Company's brokers and agents on behalf of real estate buyers. The Company recognizes a corresponding customer deposit liability until the funds are released. Once the cash is transferred from escrow, the Company reduces the respective customers' deposit liability.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheet that sum to the total of the same amounts shown on the statement of cash flows.

	December 31, 2024	December 31, 2023
Cash and cash equivalents	\$ 113,607	\$ 125,873
Restricted cash	54,981	44,020
Cash in discontinued operations	-	991
Total cash, cash equivalents, and restricted cash	\$ 168,588	\$ 170,884

Fair value measurements

The fair value of a financial instrument is the amount that could be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets are marked to bid prices, and financial liabilities are marked to offer prices. Fair value measurements do not include transaction costs. The fair value hierarchy prioritizes the quality and reliability of the information used to determine fair values. Categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is defined into the following three categories:

Input Level	Definitions
Level 1	Inputs are quoted market prices in active markets for identical assets or liabilities (these are observable market inputs).
Level 2	Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability (includes quoted market prices for similar assets or identical or similar assets in markets in which there are few transactions, prices that are not current or prices that vary substantially).
Level 3	Inputs are unobservable inputs that reflect the entity's own assumptions in pricing the asset or liability (used when little or no market data is available).

The Company holds funds in a money market account. The Company values its money market funds at fair value on a recurring basis.

Accounts receivable and allowance for expected credit losses

The Company is exposed to credit losses primarily through trade and other financing receivables arising from revenue transactions. The Company uses the aging schedule method to estimate current expected credit losses ("CECL") based on days of delinquency, including information about past events and current economic conditions. The Company's accounts receivable is separated into three categories to evaluate an allowance under the CECL impairment model. The three categories include agent non-commission based fees, agent short-term advances and commissions receivable for real estate property settlements.

The Company increases the allowance for expected credit losses when the Company determines all or a portion of a receivable is uncollectable. The Company recognizes recoveries as a decrease to the allowance for expected credit losses.

As of December 31, 2024 and 2023, receivables from real estate property settlements totaled \$82,300 and \$81,004, respectively, of which the Company recognized expected credit losses of \$34 as of December 31, 2024 and no credit losses as of December 31, 2023. As of December 31, 2024 and 2023 agent non-commission based fees receivable and short-term advances totaled \$6,980 and \$7,268, respectively of which the Company recognized expected credit losses of \$1,555 and \$2,204, respectively.

Foreign currency translation

The Company's functional and reporting currency is the United States dollar, and the functional currency of the Company's foreign subsidiaries is the local currency of their country of domicile. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange in effect at the date of the transaction. Average monthly rates are used to translate revenues and expenses. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the consolidated statements of comprehensive (loss) income, in other (income) expense, net. The Company does not employ a hedging strategy to manage the impact of foreign currency fluctuations.

Fixed assets

Fixed assets are stated at historical cost and are depreciated on the straight-line method over the estimated useful lives. Useful lives are:

- Computer hardware and software: 3 to 5 years
- Furniture, fixtures and equipment: 5 to 7 years

Maintenance and repairs are expensed as incurred. Expenditures that substantially increase an asset's useful life or improve an asset's functionality are capitalized.

The Company capitalizes the costs associated with developing its internal-use cloud-based residential real-estate transaction system. Capitalized costs are primarily related to costs incurred in relation to internally created software during the application development stage including costs for upgrades and enhancements that result in additional functionality.

Leases

Leases are agreements, or terms within agreements, that convey the right to control the use of and receive substantially all of the economic benefit from an identified asset for a period of time in exchange for consideration. The Company currently only possesses leases for short-term office space and other low-value assets.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and which do not contain a purchase option. Lease payments on short-term leases and low-value leases are recognized as expenses on a straight-line basis over the lease term.

Software development costs

The Company capitalizes software development costs related to products to be sold, leased, or marketed to external users and internal-use software.

Business combinations

The Company accounts for business combinations using the acquisition method of accounting, under which the consideration for the acquisition is allocated to the assets acquired and liabilities assumed. The Company recognizes identifiable assets acquired and liabilities assumed at the acquisition date fair values as determined by management as of the acquisition date. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions, estimates and market factors. These assumptions and estimates include projected revenues and income growth rates, terminal growth rates, competitive and consumer trends, market-based discount rates and other market factors. If current expectations of future growth rates are not met or market factors outside of the Company's control change significantly, then goodwill or intangible assets may become impaired.

Acquisition-related costs, such as due diligence, legal and accounting fees, are expensed as incurred and not considered in determining the fair value of the acquired assets.

Impairment of long-lived assets

The Company periodically evaluates the carrying value of long-lived assets to be held and used when events and circumstances warrant such a review. The carrying value of a long-lived asset is considered impaired when the anticipated undiscounted cash flow from such asset is less than its carrying value. When assets are considered impaired, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the long-lived asset. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved.

Stock-based compensation

Our stock-based compensation is comprised of employee equity incentives, agent growth incentive programs, agent equity program, stock option awards and restricted stock units. Stock-based compensation is more fully disclosed in *Note 10 – Stockholders' Equity*. The Company accounts for stock-based compensation granted to employees and non-employees using a fair value method. Stock-based compensation awards are measured at the grant date fair value and are recognized over the requisite service period of the awards, usually the vesting period, on a straight-line basis, net of forfeitures. The Company reduces stock-based compensation for forfeitures when they occur.

Recognition of compensation cost for an award with a performance condition is based on the probable outcome of that performance condition being met.

Revenue recognition

The Company generates substantially all of its revenue from North American Realty and International Realty segments and generates a de minimis portion of its revenues from software subscription and professional services. The Company does not have contracts with customers that provide variable consideration.

North American Realty and International Realty

The Company serves as a licensed broker in the areas in which it operates for the purpose of processing residential real estate transactions. The Company is contractually obligated to provide services for the fulfillment of transfers of residential real estate between buyers and sellers. The Company provides these services itself and controls the services necessary to legally transfer residential real estate. Correspondingly, the Company is defined as the principal. The Company, as principal, satisfies its obligation upon the closing of a residential real estate transaction. As principal and upon satisfaction of the performance obligation, the Company recognizes revenue in the gross amount of consideration to which the Company expects to be entitled. The Company estimates and accrues revenue to which it is entitled to for closed transactions but has yet to receive all the necessary closing documents.

Revenue is derived from assisting homebuyers and sellers in listing, marketing, selling and finding residential real estate. Commissions earned on real estate transactions are recognized at the completion of a residential real estate transaction once the Company has satisfied the performance obligation. Agent-related fees charged by the Company are recorded as a reduction to commissions and other agent-related costs.

Software Subscription and Professional Services

Subscription revenue is derived from fees from customers to access the Company's virtual reality software platform. The terms of subscriptions do not provide customers the right to take possession of the software. Subscription revenue is generally recognized ratably over the contract term.

Professional services revenue is derived from implementation and consulting services. Professional services revenue is typically recognized over time as the services are rendered, using an efforts-expended (labor hours) input method.

Disaggregated revenue

The Company primarily operates as a real estate brokerage firm and discloses disaggregated revenue from services to customers across its three reportable segments to provide additional insight into the future recognition of revenue and cash flows. The vast majority of the Company's revenue is derived from providing real estate brokerage services, to purchasers and sellers of homes in the U.S., Canada and internationally. See *Note 11 – Segment Information* for details regarding segment and geographic information.

Management provides disaggregation of revenue from its services to customers to provide additional insight into the future recognition of revenue and cash flows.

Sustainable Revenue Share Plan expenses

The Company has a revenue sharing plan where its agents and brokers can receive additional commission income from real estate transactions consummated by agents and brokers they have attracted to the Company. Agents and brokers are eligible for revenue share based on the number of FLQA agents they have attracted to the Company. An FLQA agent is an agent or broker that an agent has personally attracted to the Company who has met specific real estate transaction volume requirements. These additional commissions are earned on a multitiered basis by FLQA agents and brokers for real estate transactions within their downstream brokerage network. The supplementary income distributed to the sponsor under the Revenue Share Plan is exclusively derived from the Company's portion of the transaction commission. The Company's costs incurred under the Revenue Share Plan are included as commissions and other agent-related costs in the consolidated statements of comprehensive (loss) income.

Advertising and marketing costs

Advertising and marketing costs are generally expensed in the period incurred. Advertising and marketing expenses are included in the sales and marketing expense line item on the accompanying consolidated statements of comprehensive (loss) income. For the years ended December 31, 2024, 2023 and 2022, the Company incurred advertising and marketing expenses of \$11,908, \$12,056 and \$15,172, respectively.

Income taxes

The Company records income taxes using the asset and liability method. Under this method, deferred income tax assets and liabilities are recorded based on the estimated future tax effects of differences between the financial statement and income tax basis of existing assets and liabilities. These differences are measured using the enacted statutory tax rates that are expected to apply to taxable income for the years in which differences are expected to reverse. The Company recognizes the effect on deferred income taxes of a change in tax rates in income in the period that includes the enactment date.

The Company recognizes deferred tax assets to the extent that it believes that these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If the Company determines that it would be able to realize its deferred tax assets in the future in excess of their net recorded amount, the Company would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

The Company records uncertain tax positions on the basis of a two-step process whereby: (i) it determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (ii) for those tax positions that meet the more-likely-than-not recognition threshold, it recognizes the largest amount of tax benefit that is more than 50% likely to be realized upon ultimate settlement with the related tax authority.

Comprehensive (loss) income

The Company's only components of comprehensive (loss) income are net (loss) income and foreign currency translation adjustments.

Earnings per share

Basic earnings (loss) per share is computed by dividing the net (loss) income for the period by the weighted average number of shares of common stock outstanding during the period. Diluted earnings (loss) per share is computed by dividing net (loss) income for the period by the weighted average number of shares of common stock outstanding plus, if potentially dilutive common shares outstanding during the period. The Company has paid dividends in 2024, 2023 and 2022. The Company does not have participating shares outstanding.

Accounting pronouncements

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting standards that have been issued that might have a material impact on its financial position and results of operations.

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2024-03 – Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosure (Subtopic 220-40). ASU 2024-03 requires disclosure in the notes to the financial statements, specified information about certain costs and expenses. The amendment requires that at each interim and annual reporting period an entity: 1) Disclose the amounts of (a) purchases of inventory, (b) employee compensation, (c) depreciation, (d) intangible asset amortization and (e) depreciation, depletion, and amortization recognized as part of oil-and-gas producing activities. 2) Include certain amounts that are already required to be disclosed under current generally accepted accounting principles (GAAP) in the same disclosure as the other disaggregation requirements. 3) Disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively. 4) Disclose the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses. This amendment is effective for all public business entities for annual periods beginning after December 31, 2026, and interim reporting periods beginning after December 15, 2027. The Company is currently evaluating the effect ASU 2024-03 will have on its disclosures.

3. ACQUISITIONS

The Company did not complete any material acquisitions during the years ended December 31, 2024 and 2023.

On July 1, 2022, the Company acquired Zoocasa Realty Inc. in a stock purchase transaction. The total consideration paid was \$17,155 including net cash of \$9,910 (net of cash acquired of \$2,772), stock issued from treasury of \$4,554 and a working capital adjustment. The Zoocasa acquisition has been accounted for using the acquisition method of accounting.

4. DISCONTINUED OPERATIONS

In accordance with ASC 205-20, the results of the Virbela business are presented as discontinued operations in the consolidated statements of comprehensive income and, as such, have been excluded from continuing operations. Further, the Company reclassified the assets and liabilities of the Virbela segment as assets and liabilities of discontinued operations in the consolidated balance sheets. In the fourth quarter of 2024, the Company completed the disposition of Virbela. The following tables present the information for Virbela's operations for the year ended December 31, 2024 and 2023, and the balance sheet information as of December 31, 2024 and December 31, 2023 (in thousands).

ASSETS AND LIABILITIES OF DISCONTINUED OPERATIONS

	December 31, 2024	December 31, 2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ -	\$ 991
Accounts receivable, net of allowance for credit losses of \$189 and \$99, respectively	-	626
Prepays and other assets	-	347
TOTAL CURRENT ASSETS OF DISCONTINUED OPERATIONS	-	1,964
Property, plant, and equipment, net	-	11
Intangible assets, net	-	3,469
Deferred tax assets	-	2,089
TOTAL ASSETS OF DISCONTINUED OPERATIONS	\$ -	\$ 7,533
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ -	\$ 110
Accrued expenses	-	1,699
TOTAL CURRENT LIABILITIES OF DISCONTINUED OPERATIONS	-	1,809
TOTAL LIABILITIES OF DISCONTINUED OPERATIONS	\$ -	\$ 1,809

INCOME STATEMENT OF DISCONTINUED OPERATIONS

	Year Ended December 31,		
	2024	2023	2022
Revenues	\$ 652	\$ 7,284	\$ 8,485
Operating expenses			
Cost of revenue	3,083	3,156	2,759
General and administrative expenses	3,139	10,804	15,101
Technology and development expenses	322	1,003	1,408
Sales and marketing expenses	(2)	100	166
Impairment expense	-	9,203	-
Total operating expenses	6,542	24,266	19,434
Operating (loss)	(5,890)	(16,982)	(10,949)
Other income			
Other income, net	(278)	(31)	(1)
Total other income, net	(278)	(31)	(1)
(Loss) before income tax expense	(5,612)	(16,951)	(10,948)
Income tax benefit (expense)	1,133	4,445	2,637
Net (loss) income from discontinued operations	(\$ 4,479)	(\$ 12,506)	(\$ 8,311)

5. FAIR VALUE MEASUREMENT

The Company holds funds in a money market account, which are considered Level 1 assets. The Company values its money market funds at fair value on a recurring basis.

As of December 31, 2024 and 2023, the fair value of the Company's money market funds was \$38,344 and \$46,268, respectively.

There have been no transfers between Level 1, Level 2 and Level 3 in the periods presented. The Company did not have any Level 2 or Level 3 financial assets or liabilities in the periods presented.

6. PREPAIDS AND OTHER ASSETS

Prepays and other assets consisted of the following:

	December 31, 2024	December 31, 2023
Prepaid expenses	\$ 7,817	\$ 5,504
Prepaid insurance	2,686	2,471
Other assets (includes inventory)	1,189	1,300
Total prepaid expenses	\$ 11,692	\$ 9,275

7. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net consisted of the following:

	December 31, 2024	December 31, 2023
Computer hardware and software	\$ 44,079	\$ 37,433
Furniture, fixture, and equipment	2,205	2,254
Total depreciable property and equipment	46,284	39,687
Less: accumulated depreciation	(35,262)	(27,733)
Depreciable property, net	11,022	11,954
Assets under development	593	1,013
Property, plant, and equipment, net	\$ 11,615	\$ 12,967

For the years ended December 31, 2024, 2023 and 2022, depreciation expense was \$7,835, \$8,352 and \$7,934, respectively.

8. GOODWILL AND INTANGIBLE ASSETS

Changes in the carrying amount of goodwill were:

	December 31, 2024	December 31, 2023
Goodwill	\$ 16,982	\$ 27,212
Acquisitions	3,737	-
Impairments	(2,386)	(8,248)
Disposition	-	(2,310)
Currency translation impact	(1,107)	328
Total goodwill	<u>\$ 17,226</u>	<u>\$ 16,982</u>

During the fourth quarter of 2024, as part of the Company's annual goodwill impairment assessment, the Company determined that the goodwill associated with SUCCESS was impaired, as a result of the changing market conditions surrounding print media. During the fourth quarter of 2023, as part of the Company's annual goodwill impairment assessment, the Company determined that the goodwill associated with Virbela (included in discontinued operations), was impaired. The Company recognized goodwill impairment charges of \$2,386 and \$8,248 for the years ended December 31, 2024 and 2023, respectively.

The Company has a risk of future impairment to the extent that individual reporting unit performance does not meet projections. Additionally, if current assumptions and estimates, including projected revenues and income growth rates, terminal growth rates, competitive and consumer trends, market-based discount rates and other market factors, are not met, or if valuation factors outside of the Company's control change unfavorably, the estimated fair value of goodwill could be adversely affected, leading to a potential impairment in the future.

Definite-lived intangible assets were as follows:

	December 31, 2024			
	Gross Amount	Accumulated Amortization	Impairment	Net Carrying Amount
Trade name	\$ 2,042	(\$ 943)	\$ -	\$ 1,099
Existing technology	5,349	(2,564)	-	2,785
Non-competition agreements	461	(272)	-	189
Customer relationships	2,560	(503)	(549)	1,508
Licensing agreement	210	(210)	-	-
Intellectual property	3,448	(578)	(1,995)	875
Total intangible assets	<u>\$ 14,070</u>	<u>(\$ 5,070)</u>	<u>(\$ 2,544)</u>	<u>\$ 6,456</u>

	December 31, 2023			
	Gross Amount	Accumulated Amortization	Impairment	Net Carrying Amount
Trade name	\$ 2,672	(\$ 1,030)	\$ -	\$ 1,642
Existing technology	3,263	(1,122)	-	2,141
Non-competition agreements	468	(125)	-	343
Customer relationships	1,285	(652)	-	633
Licensing agreement	210	(210)	-	-
Intellectual property	2,836	(583)	-	2,253
Total intangible assets	<u>\$ 10,734</u>	<u>(\$ 3,722)</u>	<u>\$ -</u>	<u>\$ 7,012</u>

For the years ended December 31, 2024, 2023 and 2022, amortization expense for definite-lived intangible assets was \$2,454, \$2,540, and \$1,904, respectively.

As part of the Company's annual assessment, the Company also reviews the useful lives of its amortizable intangible assets and determines if there should be any change to the amortization period. In 2024, for amortizable intangible assets related to SUCCESS, the Company determined that customer relationships and content (included in Intellectual Property) should have been fully amortized as of December 31, 2024. This assessment was based on the decline in the estimated fair value for each of those assets. As a result, the Company recognized an impairment loss related to the net book value of the customer lists of \$549 and content of \$1,995. In 2023, for the amortizable assets related to the Virbela segment, the Company determined that the trade name and the customer relationships that were recognized as part of the acquisition, should be fully amortized as of December 31, 2023. As a result, the Company recognized an impairment loss (included in discontinued operations) related to the net book value of the trade name of \$585 and customer relationships \$370.

9. ACCRUED EXPENSES

Accrued expenses consisted of the following:

	December 31, 2024	December 31, 2023
Commissions payable	\$ 58,984	\$ 59,134
Payroll payable	7,619	8,061
Taxes payable	3,999	1,207
Stock liability awards	5,045	4,999
Other accrued expenses	10,014	13,082
	<u>\$ 85,661</u>	<u>\$ 86,483</u>

10. STOCKHOLDERS' EQUITY

Common Stock – As of December 31, 2024, our restated certificate of incorporation authorized us to issue 900,000,000 shares of common stock with a par value of \$0.00001 per share.

The following table represents a reconciliation of the Company's issued common stock shares for the periods presented:

	Year Ended December 31,		
	2024	2023	2022
Common stock:			
Balance, beginning of period	183,606,708	171,656,030	155,516,284
Shares issued for stock options exercised	380,919	832,993	2,105,237
Agent growth incentive stock compensation	1,787,280	2,219,881	2,571,569
Agent equity stock compensation	9,253,300	8,897,804	11,462,940
Balance, end of period	<u>195,028,207</u>	<u>183,606,708</u>	<u>171,656,030</u>

The Company's stockholder approved equity programs described below are administered under the 2024 Equity Incentive Plan, beginning in September 2024. Prior to that time, the equity programs were administered under the 2015 Equity Incentive Plan which has since terminated. The purpose of the equity plan is to retain the services of valued employees, directors, officers, agents and consultants and to incentivize such persons to make contributions to the Company and motivate excellent performance.

The Company declared and paid dividends of \$0.05 quarterly in 2024, \$0.045 in each of the first and second quarters of 2023, \$0.05 in each of the third and fourth quarters of 2023, \$0.040 in each of the first and second quarters of 2022 and \$0.045 in each of the third and fourth quarters of 2022. Dividends are declared at the discretion of the Board of Directors and are based on various factors, including the Company's financial condition, results of operations, capital requirements, and market conditions. The total cash dividends paid during each of these years were funded from available cash and were recorded as reductions to retained earnings.

Agent Equity Program ("AEP")

The Company provides agents and brokers the opportunity to elect to receive 5% of commissions earned from each completed residential real estate transaction in the form of common stock of the Company at a discount recognized by the Company. If agents and brokers elect to receive portions of their commissions in common stock, they are entitled to receive the equivalent number of shares of common stock, based on the fixed monetary value of the commission payable.

For the years ended December 31, 2024, 2023 and 2022, the Company issued 9,253,300, 8,897,804 and 11,462,940 shares of common stock, respectively, to agents and brokers for \$111,278, \$135,226 and \$164,104, respectively, net of discount, attributable to the AEP.

Agent Growth Incentive Program ("AGIP")

The Company administers AGIP whereby agents and brokers become eligible to receive awards of the Company's common stock through agent attraction and performance benchmarks. The incentive program encourages greater performance and awards agents with common stock based on achievement of performance milestones. Awards typically vest after performance benchmarks are reached and three years of subsequent service is provided to the Company. Share-based performance awards are based on a fixed-dollar amount of shares performance metrics are achieved. As such, the awards are classified as liabilities until the number of share awards becomes fixed once the performance metric is achieved.

For the years ended December 31, 2024, 2023 and 2022, the Company's stock compensation attributable to the AGIP was \$37,265, \$43,178 and \$30,861, respectively. The total amount of stock compensation attributable to liability classified awards was \$2,251, \$3,832 and \$2,056 for the years ended December 31, 2024, 2023 and 2022, respectively.

The following table illustrates changes in the Company's stock compensation liability, included in accrued liabilities for the periods presented:

	Amount
Stock grant liability balance at December 31, 2022	\$ 3,885
Stock grant liability increase year to date	3,832
Stock grants reclassified from liability to equity year to date	(2,717)
Balance, December 31, 2023	\$ 5,000
Stock grant liability increase year to date	2,251
Stock grants reclassified from liability to equity year to date	(2,206)
Balance, December 31, 2024	\$ 5,045

As of December 31, 2024, the Company had 7,959,572 unvested common stock awards and unrecognized compensation costs totaling \$59,519 attributable to stock awards where the performance metric has been achieved and the number of shares awarded are fixed. The cost is expected to be recognized over a weighted average period of 2.01 years.

The following table illustrates the Company's stock activity for the Agent Growth Incentive Program for stock awards where the performance metric has been achieved for the following periods:

	Shares	Weighted Average Grant Date Fair Value
Balance, December 31, 2022	5,698,997	\$ 17.68
Granted	4,642,035	15.04
Vested and issued	(2,219,881)	11.73
Forfeited	(1,245,862)	17.35
Balance, December 31, 2023	6,875,289	\$ 17.80
Granted	4,588,562	12.22
Vested and issued	(1,787,280)	22.99
Forfeited	(1,720,193)	15.93
Balance, December 31, 2024	7,956,378	\$13.80

Stock Option Awards

Stock options are granted to directors, officers, certain employees and consultants with an exercise price equal to the fair market value of common stock on the grant date and the stock options expire 10 years from the date of grant. These options generally have time-based restrictions with equal and periodically graded vesting over a three-year period.

The fair value of the options issued is calculated using a Black-Scholes-Merton option-pricing model with the following assumptions:

	2024	2023	2022
Expected term	5 years	5 - 6 years	5 - 6 years
Expected volatility	73.51% - 74.29%	73.64% - 76.78%	72.84% - 76.49%
Risk-free interest rate	3.48% - 4.61%	3.28% - 4.86%	1.49% - 4.10%
Dividend yield	1.39% - 1.99%	0.72% - 1.64%	0.53% - 1.48%

The following table illustrates the Company's stock option activity for the following periods:

	Options	Weighted Average Exercise Price	Intrinsic Value	Weighted Average Remaining Contractual Term (Years)
Balance December 31, 2022	5,774,522	\$ 13.56	\$ 2.21	7.63
Granted	2,468,299	14.81	-	8.46
Exercised	(832,993)	5.90	14.97	—
Forfeited	(1,198,706)	17.77	2.27	—
Expired	(12,578)	35.54	0.29	—
Balance at December 31, 2023	6,198,544	\$ 14.23	\$ 3.62	7.29
Granted	1,012,111	11.74	-	9.19
Exercised	(380,919)	5.29	5.79	—
Forfeited	(959,539)	18.84	0.05	—
Expired	(300,052)	23.60	0.04	—
Balance at December 31, 2024	5,570,145	\$ 13.09	\$ 1.17	6.97
Exercisable at December 31, 2024	3,380,785	\$ 12.51	\$ 1.83	5.86
Vested at December 31, 2024	3,380,785	\$ 12.51	\$ 1.83	5.86

	Options	Weighted Average Exercise Price
Range of stock option exercise prices at December 31, 2024:		
\$0.01 - \$10.00 (average remaining life - 5.08 years)	2,215,601	\$ 8.74
\$10.01 - \$30.00 (average remaining life - 8.35 years)	3,112,541	\$ 14.23
\$30.01 - \$60.00 (average remaining life - 6.39 years)	242,003	\$ 38.37

The grant date fair value of options to purchase common stock is recorded as stock-based compensation over the vesting period. As of December 31, 2024, unrecognized compensation cost associated with the Company's outstanding stock options was \$14,259, which is expected to be recognized over a weighted-average period of approximately 1.18 years.

Other Awards

In addition to the core programs described above, the Company may grant other equity-based or ad hoc awards as needed to attract and retain employees, agents, or team leaders. These awards are generally granted with time-based or performance-based vesting conditions, and the terms are determined based on the specific objectives of the grant.

To date, participation and grants of this variety have been limited.

Restricted Stock Units

Beginning in 2024, the Company granted restricted stock units ("RSUs") to officers and certain employees and may grant them to directors and consultants in the future. Each RSU represents the right to receive one share of the Company's common stock upon vesting, subject to time-based and/or performance-based restrictions. RSUs typically vest over a three-year period with equal and periodically graded vesting or cliff vesting, as applicable. RSUs do not have an exercise price, and no payment is required by the grantee to receive the shares upon vesting.

The fair value of the RSUs granted is determined based on the closing market price of the Company's common stock on the grant date. The total fair value of RSUs is recognized as stock-based compensation expense over the vesting period, with adjustments for estimated forfeitures.

For the year ended December 31, 2024, the Company granted 115,574 RSU's with a weighted average grant date fair value of \$13.00. As of December 31, 2024, the total unrecognized stock-based compensation expense associated with RSUs was \$1,222 which is expected to be recognized over a weighted-average period of approximately 2.27 years.

Stock Repurchase Program

In December 2018, the Company's Board of Directors (the "Board") approved a stock repurchase program authorizing the Company to purchase up to \$25.0 million of its common stock, which was later amended in November 2019 increasing the authorized repurchase amount to \$75.0 million. In December 2020, the Board approved another amendment to the repurchase

plan, increasing the total amount authorized to be purchased from \$75.0 million to \$400.0 million. In May 2022, the Board approved an increase to the total amount of its buyback program from \$400.0 million to \$500.0 million. In June 2023, the Board approved an increase to the total amount of its buyback program from \$500.0 million to \$1.0 billion. Purchases under the repurchase program may be made in the open market or through a 10b5-1 plan and are expected to comply with Rule 10b-18 under the Exchange Act, as amended. The timing and number of shares repurchased depends upon market conditions. The repurchase program does not require the Company to acquire a specific number of shares. The cost of the shares that are repurchased is funded from cash and cash equivalents on hand.

10b5-1 Repurchase Plan

The Company maintains an internal stock repurchase program with program changes subject to Board consent. From time to time, the Company adopts written trading plans pursuant to Rule 10b5-1 of the Exchange Act to conduct repurchases on the open market.

On January 10, 2022, the Company and Stephens Inc. entered into a form of Issuer Repurchase Plan ("Issuer Repurchase Plan") which authorized Stephens to repurchase up to \$10.0 million of its common stock per month. On May 3, 2022, the Board approved a form of first amendment to the Issuer Repurchase Plan to increase monthly repurchases from \$10.0 million of its common stock per month up to \$20.0 million, which amendment was signed May 6, 2022. On September 27, 2022, the Board approved and the Company entered into, a form of second amendment to the Issuer Repurchase Plan, to decrease the monthly repurchases from \$20.0 million of its common stock per month to \$13.3 million, in anticipation of volume decreases in connection with the contraction in the real estate market. On December 27, 2022, the Board approved and the Company entered into, a form of third amendment to the Issuer Repurchase Plan, to decrease the monthly repurchases from \$13.3 million of its common stock per month to \$10.0 million, in connection with ongoing contractions in the real estate market.

On May 10, 2023, the Board approved and, on May 11, 2023, the Company entered into, a form of fourth amendment to the Issuer Repurchase Plan, to increase the monthly repurchase amounts during 2023 due to actual and projected changes in the Company's cash and cash equivalents; specifically, to permit purchases of up to: (i) \$17.0 million during May 2023, (ii) \$22.0 million during June 2023, (iii) \$18.67 million during any calendar month commencing July 1, 2023 through and including September 30, 2023, and (iv) \$12.0 million during any calendar month commencing October 1, 2023 through and including December 31, 2023. On June 26, 2023, the Board approved, and the Company entered into, a form of fifth amendment to the Issuer Repurchase Plan to increase the maximum aggregate buyback from \$500.0 million to \$1.0 billion in accordance with the repurchase program limit. On November 17, 2023, the Board approved, and the Company entered into, a form of sixth amendment to the Issuer Repurchase Plan to reduce the monthly repurchase from (i) \$12.0 million to \$8.0 million during November 2023, (ii) from \$12.0 million to \$6.0 million during any calendar month commencing December 1, 2023 through and including June 30, 2024.

On March 5, 2024, the Board approved, and, on March 6, 2024, the Company entered into, a form of seventh amendment to the Issuer Repurchase Plan to increase the monthly repurchase from (i) \$6.0 million to \$20.0 million during any calendar month commencing March 1, 2024 through and including April 30, 2024, and (ii) from \$6.0 million to \$15.0 million during any calendar month commencing May 1, 2024 through and including December 31, 2024. On June 19, 2024, the Board approved, and the Company entered into, a form of eighth amendment to the Issuer Repurchase Plan to decrease the monthly repurchase from (i) \$15.0 million to \$11.7 million during any calendar month commencing July 1, 2024 through and including September 30, 2024, and (ii) from \$15.0 million to \$8.3 million during any calendar month commencing October 1, 2024 through and including December 31, 2024. On December 5, 2024, the Board approved, and the Company entered into, a form of ninth amendment to the Issuer Repurchase Plan to establish the monthly repurchase maximum as (i) \$1.5 million during the calendar months commencing January 1, 2025 and ending February 28, 2025, (ii) \$2.0 million during the calendar month commencing March 1, 2025 and ending March 31, 2025, (iii) \$10.0 million during the calendar months commencing April 1, 2025 and ending June 30, 2025, (iv) \$15.0 million during the calendar months commencing July 1, 2025 and ending October 31, 2025, and (v) \$10.0 million during the calendar months commencing November 1, 2025 and ending December 31, 2025.

For accounting purposes, common stock repurchased under the stock repurchase programs is recorded based upon the settlement date of the applicable trade. Such repurchased shares are held in treasury and are presented using the cost method. These shares are considered issued but not outstanding. The following table shows the changes in treasury stock shares for the periods presented:

	Year Ended December 31,		
	2024	2023	2022
Treasury stock:			
Balance, beginning of period	28,937,671	18,816,791	6,751,692
Repurchases of common stock	11,957,151	10,110,152	12,408,430
Forfeiture to treasury stock for acquisition	-	10,728	-
Issuance of treasury stock for acquisition	-	-	(343,331)
Balance, end of period	40,894,822	28,937,671	18,816,791

11. SEGMENT INFORMATION

Segment information aligns with how the Chief Operating Decision Maker (“CODM”), Glenn Sanford, Chief Executive Officer of eXp World Holdings, Inc., manages the business and allocates resources as three operating segments. The Company determines an operating segment if a component (i) engages in business activities from which it earns revenues and incurs expenses, (ii) has discrete financial information and is (iii) regularly reviewed by the CODM. Once operating segments are identified, the Company performs a quantitative analysis of the current and historic revenues and profitability for each operating segment, together with a qualitative assessment to determine if operating segments have similar operating characteristics. We have three operating segments and three reportable segments.

The CODM uses revenues and Adjusted Segment EBITDA as key metrics to evaluate the operating and financial performance of a segment, identify trends affecting the segments, develop projections and make strategic business decisions. The CODM also regularly reviews commissions and other agent-related costs to assess segment performance. Commissions and other agent-related costs include sales commissions, revenue share and stock-based compensation paid to our agents. Adjusted Segment EBITDA for the reportable segments is defined as net income before depreciation and amortization, interest expense, income taxes, and other items that are not core to the operating activities of the Company. The Company’s three reportable segments as follows:

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

Historically, the Company has reported results for four reportable segments. In the first quarter of 2024, the Company determined that the Virbela segment qualified for reporting as discontinued operations. In prior years, Virbela represented an operating and reporting segment under ASC 280. Prior years segment information has been reclassified to remove Virbela from the segment disclosure, in accordance with discontinued operations treatment.

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

All segments follow the same basis of presentation and accounting policies as those described in *Footnote 2 – Summary of Significant Accounting Policies*. The following table provides information about the Company’s reportable segments and a reconciliation of the total segment Revenues to consolidated Revenues and Adjusted Segment EBITDA to the consolidated operating profit (in thousands). Financial information for the comparable prior periods presented have been revised to conform with the current year presentation.

	Revenues		
	Year Ended December 31,		
	2024	2023	2022
North American Realty	\$ 4,478,293	\$ 4,220,063	\$ 4,552,939
International Realty	88,146	53,931	35,924
Other Affiliated Services	6,105	4,802	5,084
Revenues reconciliation:			
Segment eliminations	(4,872)	(4,975)	(4,271)
Consolidated revenues	<u>\$ 4,567,672</u>	<u>\$ 4,273,821</u>	<u>\$ 4,589,676</u>

	Commissions and other agent-related costs		
	Year Ended December 31,		
	2024	2023	2022
North American Realty	\$ 4,153,113	\$ 3,910,851	\$ 4,200,134
International Realty	71,657	43,103	27,597
Other Affiliated Services	2,742	2,448	2,973
Commissions reconciliation:			
Segment eliminations	(2,235)	(2,505)	(2,201)
Consolidated commissions and other agent-related costs	<u>\$ 4,225,277</u>	<u>\$ 3,953,897</u>	<u>\$ 4,228,503</u>

	Adjusted EBITDA		
	Year Ended December 31,		
	2024	2023	2022
North American Realty	\$ 99,253	\$ 91,101	\$ 103,255
International Realty	(9,481)	(13,657)	(13,708)
Other Affiliated Services	(4,876)	(3,795)	(2,600)
Corporate expenses and other	(9,413)	(8,321)	(15,449)
Consolidated Adjusted EBITDA	<u>\$ 75,483</u>	<u>\$ 65,328</u>	<u>\$ 71,498</u>

(Loss) income before income tax expense reconciliation:			
Depreciation and amortization expense	10,289	10,892	9,838
Impairment expense	4,930	-	-
Litigation contingency	34,000	-	-
Stock compensation expense	37,285	43,178	30,861
Stock option expense	7,973	10,736	14,442
Other (income) expense, net	(3,277)	(2,995)	821
Consolidated (loss) income before income tax expense	<u>(\$ 15,717)</u>	<u>\$ 3,517</u>	<u>\$ 15,536</u>

	Goodwill	
	December 31, 2024	December 31, 2023
	North American Realty	\$ 17,226
International Realty	-	-
Other Affiliated Services	-	2,387
Segment and consolidated total	<u>17,226</u>	<u>16,982</u>

Geographical information

For the years ended December 31, 2024, 2023 and 2022 approximately 11%, 9% and 9%, respectively, of the Company's total revenue was generated outside of the U.S. Long-lived assets held outside of the U.S. were 17% and 14% as of December 31, 2024 and 2023, respectively.

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

12. EARNINGS PER SHARE

Basic earnings per share is computed based on the Company's net income divided by the basic weighted-average shares outstanding during the period. Dilutive earnings per share is computed consistently with the basic computation while giving effect to all dilutive potential common shares and common share equivalents that were outstanding during the period. The Company uses the treasury stock method to reflect the potential dilutive effect of unvested stock awards and unexercised options.

The following table sets forth the calculation of basic and diluted earnings per share attributable to common stock during the periods presented:

	Year Ended December 31,		
	2024	2023	2022
Numerator:			
Net (loss) income from continuing operations	(\$ 16,788)	\$ 3,533	\$ 23,735
Net (loss) income from discontinued operations	(\$ 4,479)	(\$ 12,506)	(\$ 8,311)
Denominator:			
Weighted average shares - basic	153,684,907	153,232,129	151,036,110
Dilutive effect of common stock equivalents	-	3,541,399	5,184,055
Weighted average shares - diluted	153,684,907	156,773,528	156,220,165
Earnings per share:			
Net (loss) income from continuing operations per share - basic	(\$ 0.11)	\$ 0.02	\$ 0.16
Net (loss) income from discontinued operations per share - basic	(\$ 0.03)	(\$ 0.08)	(\$ 0.06)
Net (loss) income from continuing operations per share - diluted	(\$ 0.11)	\$ 0.02	\$ 0.15
Net (loss) income from discontinued operations per share - diluted	(\$ 0.03)	(\$ 0.08)	(\$ 0.05)

For the years ended December 31, 2024, 2023 and 2022, total outstanding shares of common stock excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive were 3,698,061, 820,376 and 1,000,421, respectively.

13. INCOME TAXES

The following table provides the components of income (loss) before provision for income taxes from continuing operations by domestic and foreign subsidiaries:

	Year Ended December 31,		
	2024	2023	2022
Domestic	(\$ 24,479)	\$ 431	\$ 11,977
Foreign	8,762	3,086	3,559
Total	(\$ 15,717)	\$ 3,517	\$ 15,536

The components of the income tax (benefit) expense from continuing operations are as follows:

	Year Ended December 31,		
	2024	2023	2022
Current:			
Federal	\$ 408	\$ 301	\$ -
State	1,211	795	734
Foreign	3,060	1,789	2,312
Total current income tax provision	<u>4,679</u>	<u>2,885</u>	<u>3,046</u>
Deferred			
Federal	(2,277)	(1,137)	(9,147)
State	(573)	(903)	(1,331)
Foreign	(758)	(861)	(767)
Total deferred income tax benefit	<u>(3,608)</u>	<u>(2,901)</u>	<u>(11,245)</u>
Total income tax (benefit) expense from continuing operations	<u>\$ 1,071</u>	<u>(\$ 16)</u>	<u>(\$ 8,199)</u>

The reconciliation of the provision for income tax (benefit) expense from continuing operations at the United States federal statutory rate compared to the Company's income tax (benefit) expense as reported is as follows:

	Year Ended December 31,		
	2024	2023	2022
Statutory tax rate	21.00%	21.00%	21.00%
State taxes	4.24%	11.99%	6.58%
Permanent differences	(0.07)%	(3.97)%	(0.19)%
Research & development credit	17.71%	(59.12)%	(14.66)%
Unrecognized tax benefit	(4.43)%	14.78%	3.66%
Stock-based compensation	(46.24)%	(94.40)%	(78.38)%
Sec. 162m compensation limitation	2.04%	81.09%	14.13%
Foreign tax rate differential	(2.53)%	3.89%	(0.49)%
Valuation allowance	(1.01)%	-	-
Prior year true up items	(2.00)%	22.64%	(2.62)%
Other net	4.48%	1.63%	(1.80)%
Total	<u>(6.81)%</u>	<u>(0.47)%</u>	<u>(52.77)%</u>

The company has restated prior year amounts to remove amounts from discontinued operations.

Deferred tax assets and liabilities from continuing operations consist of the following for the periods presented:

	December 31, 2024	December 31, 2023
Deferred tax assets:		
Net operating loss carryforward	\$ 26,110	\$ 34,028
Research and experimental costs	19,331	14,694
Stock-based compensation	14,685	15,872
Accruals and reserves	11,252	2,916
Research and development credit	4,973	4,632
Goodwill and intangible assets	1,887	-
Total gross deferred tax assets	<u>78,238</u>	<u>72,142</u>
Less: Valuation allowance	(158)	-
Deferred tax assets, net of valuation allowance	<u>78,080</u>	<u>72,142</u>
Deferred tax liabilities:		
Property, plant and equipment	(2,659)	(2,778)
Other	353	(111)
Total gross deferred tax liabilities	<u>(2,306)</u>	<u>(2,889)</u>
Net deferred tax assets	<u>\$ 75,774</u>	<u>\$ 69,253</u>

The Company accounts for deferred taxes under ASC Topic 740 – Income Taxes (“ASC 740”), which requires a reduction of the carrying amount of deferred tax assets by a valuation allowance if, based on available evidence, it is more likely than not that such assets will not be realized. Accordingly, the need to establish valuation allowances for deferred tax assets is assessed periodically based on the ASC 740 more-likely-than-not realization threshold criterion. This assessment considers matters such as future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. The evaluation of the recoverability of the deferred tax assets requires that the Company weigh all positive and negative evidence to reach a conclusion that it is more likely than not that all or some portion of the deferred tax assets will not be

realized. The weight given to the evidence is commensurate with the extent to which it can be objectively verified. As of December 31, 2024, based on its assessment of the realizability of its net deferred tax assets, we reached the conclusion that our US federal, and foreign net deferred tax assets more-likely-than-not will be fully realized, however certain US State deferred tax assets will likely not be fully realized. A valuation allowance of \$0.2 million was recorded in the current year to reflect the portion of net deferred tax assets that are likely to not be fully realized.

As of December 31, 2024, the Company had federal, state and foreign net operating losses of approximately \$92.2 million, \$66.3 million and \$12.7 million, respectively. The full amount of \$92.2 million of federal net operating loss can be carried forward indefinitely and can offset 80% of future taxable income. Certain state net operating losses will carry forward for a limited number of years and, if not utilized, may begin to expire in 2024. Certain foreign net operating losses will carry forward for a limited number of years and, if not utilized, will begin to expire in 2028. The Company conducted an IRC Section 382 analysis with respect to its net operating loss carryforward and determined there was an immaterial limitation.

Undistributed earnings of the Company's foreign subsidiaries are considered to be indefinitely reinvested and accordingly, no provision for applicable income taxes has been provided thereon. Upon distribution of those earnings, the Company would be subject to withholding taxes payable to various foreign countries. As of December 31, 2024 the undistributed earnings of the Company's foreign subsidiaries could result in withholding taxes of approximately \$1.2 million, if repatriated.

As of December 31, 2024, the Company had federal and California Research and Development credit carryforwards of approximately \$7.0 million and \$0.6 million, respectively. The federal credit can be carried forward 20 years and will begin to expire in 2039. The California credit can be carried forward indefinitely.

The Company maintains liabilities for uncertain tax positions. These liabilities involve considerable judgment and estimation and are continuously monitored by management based on the best information available, including changes in tax regulations, the outcome of relevant court cases, and other information. A reconciliation of the beginning and ending amount of gross unrecognized benefits is as follows:

	Year Ended December 31,		
	2024	2023	2022
Unrecognized tax benefits - beginning of year	\$ 1,904	\$ 1,309	\$ 530
Gross increase for tax positions of prior years	(39)	63	199
Gross increase for tax positions of current year	708	532	580
Unrecognized tax benefits - end of year	\$ 2,573	\$ 1,904	\$ 1,309

The unrecognized tax benefits relate to federal and California research and development credits generated from 2019 through 2024. The total amount of unrecognized tax benefits that would affect the Company's effective tax rate, if recognized, is \$2,573 and \$1,904 at December 31, 2024 and 2023, respectively. The Company's policy is to recognize interest and penalties related to income tax matters in income tax expense. As of December 31, 2024 and 2023, the Company did not accrue interest or penalties related to uncertain tax positions. The Company does not expect any of the uncertain tax positions to reverse during the next 12 months.

There are no federal or state tax examinations in progress. Because the Company has net operating loss carryforwards, there are open statutes of limitations in which federal taxing authorities may examine the Company's tax returns for all years from December 31, 2012 through the current period. US State taxing authorities may examine the Company's tax returns for all years from December 31, 2014 through the current period and foreign tax authorities may examine the Company's tax returns for all years from December 31, 2019 through the current period.

The Company is subject to a wide variety of tax laws and regulations across the jurisdictions where it operates. Regulatory developments from the U.S. or international tax reform legislation could result in an impact to the Company's effective tax rate. The Company continues to monitor the Base Erosion and Profit Shifting (BEPS) Integrated Framework provided by the Organization for Economic Co-operation and Development (OECD) including the legislative adoption of Pillar I and II by countries, and all other tax regulatory changes, to evaluate the potential impact on future periods. The adoption of Pillar Two rules did not have a significant impact on the Company's consolidated financial statements in 2024.

14. COMMITMENTS AND CONTINGENCIES

Contingencies

From time to time, the Company is subject to potential liability under laws and government regulations and various claims and legal actions that may be asserted against us that could have a material adverse effect on the business, reputation, results of operations or financial condition. Such litigation may include, but is not limited to, actions or claims relating to sensitive data,

including proprietary business information and intellectual property and that of clients and personally identifiable information of employees and contractors, cyber-attacks, data breaches and non-compliance with contractual or other legal obligations.

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

Antitrust Litigation

The Company and its affiliated brokerage entities were among several defendants in eight U.S. and one Canadian putative class action lawsuits alleging that the Company participated in a system that resulted in sellers of residential property paying inflated buyer broker commissions in violation of U.S. federal and state antitrust laws and federal Canadian antitrust laws, as applicable, and one U.S. putative class action lawsuit alleging that the Company participated in a system that resulted in buyers of residential property paying inflated home prices as a result of sellers paying inflated buyer broker commissions in violation of federal and Illinois antitrust laws (collectively, the "antitrust litigation"). On December 9, 2024, the Company and certain of its subsidiaries entered into a Settlement Agreement (the "Settlement") with plaintiffs in the U.S. antitrust lawsuit *1925 Hooper LLC, et al. v. The National Association of Realtors et. al.*, Case No. 1:23-cv-05392- SEG (United States District Court for the Northern District of Georgia, Atlanta Division), which was filed on November 22, 2023 against the Company and other US brokerage defendants (the "Hooper Action"). The Settlement resolve all claims set forth in the Hooper Action, and similar claims on a nationwide basis against the Company (collectively, the "Claims") and releases the Company, its subsidiaries and affiliates, and their independent contractor real estate agents in the United States from the Claims. By the terms of the Settlement, the Company agreed to make certain changes to its business practices and to pay a total settlement amount of \$34,000 (the "Settlement Amount") into a qualified settlement escrow fund (the "Settlement Fund"). The Settlement Amount is expected to be deposited into the Settlement Fund in installments, of which 50% of the settlement (or \$17,000) will be deposited into the Settlement Fund within thirty business days after preliminary court approval of the Settlement and the final 50% (for \$17,000) being deposited on or before the one-year anniversary of initial settlement payment. The Company intends to use available cash to pay the Settlement Amount. Management has determined that a \$34.0 million loss is probable and have included a \$34.0 million litigation contingency accrual recorded for the year ended December 31, 2024. While management has determined that loss in excess of the accrual is reasonably possible, it is currently unable to reasonably estimate the possible additional loss or range of possible additional loss because, among other reasons, (i) the settlement is subject to court approval and appeals processes, (ii) further developments in the legal proceedings, including but not limited to motions, or rulings, could impact the Company's exposure, or (iii) potential changes in law or precedent could affect the final determination of liability.

The Settlement remains subject to preliminary and final court approval and will become effective following any appeals process, if applicable. The Settlement and any actions taken to carry out the Settlement are not an admission or concession of liability, or of the validity of any claim, defense, or point of fact or law on the part of any party. The Company continues to deny the material allegations of the complaints in the antitrust litigation. The Company entered into the Settlement after considering the risks and costs of continuing the litigation.

The Company continues to vigorously defend against the claims in Canadian antitrust lawsuit *Kevin McFall v. Canadian Real Estate Association, et al.*, Case No. T-119-24-ID 1 (Federal Court of Canada), filed on January 18, 2024. Management is currently unable to reasonably estimate the possible loss or range of possible loss for the Canadian antitrust litigation because, among other reasons, (i) the proceeding is in preliminary stages, (ii) specific damage amounts have not been sought, (iii) damages sought are, in our opinion, unsupported and/or exaggerated, (iv) there are significant factual issues to be resolved; or (v) there are novel legal issues or unsettled legal theories presented. For the Canadian antitrust litigation, we have not recorded any accruals as of December 31, 2024. While the Company does not expect such litigation to have a material adverse effect on our business, results of operations, cash flows or financial condition, due to the complexities inherent in such litigation, including the uncertainty of legal processes and potential developments in the cases, the ultimate liability may differ.

Derivative Litigation

Certain current and former directors and officers of the Company were named as defendants, and the Company was named as a nominal defendant, in a derivative lawsuit in the Court of Chancery of the State of Delaware, first filed on September 25, 2024, entitled *Los Angeles City Employees' Retirement System, on behalf of eXp World Holdings, Inc. v. Glenn Sanford, et. al.* (C.A. No. 2024-0998-KSJM). The lawsuit alleges that certain current and former directors and officers breached fiduciary duties related to the Company's response to reports of alleged sexual misconduct involving independent contractor real estate agents affiliated

with the Company's subsidiaries and that certain defendants had improper compensation arrangements allowing them to profit from the Company's revenue share program in connection therewith. The complaint seeks a court declaration of fiduciary duty breaches, disgorgement of profits, damages with interest, injunctive relief for improved oversight of sexual misconduct allegations, and reimbursement of plaintiffs' costs, including expert and attorney fees. Although the Company does not anticipate that the outcome of such litigation will have a material adverse effect on its business, results of operations, cash flows, or financial condition, the inherent complexities and uncertainties of legal proceedings may result in a liability that differs from current expectations. Management is currently unable to reasonably estimate the possible loss or range of possible loss for this matter because, among other reasons, (i) the proceeding is in preliminary stages, (ii) specific damage amounts have not been sought, (iii) there are significant factual issues to be resolved; or (iv) there are novel legal issues or unsettled legal theories presented.

Capital Maintenance Agreements

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

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

15. DEFINED CONTRIBUTION SAVINGS PLAN

The Company offers a defined contribution savings plan to provide eligible employees with a retirement benefit that permits eligible employees the opportunity to actively participate in the process of building a personal retirement fund. The Company sponsors the defined contribution savings plan. The Company matches a portion of contributions made by participating employees. For the years ended December 31, 2024, 2023 and 2022, the Company's costs for contributions to this plan were \$4,569, \$4,763, and \$4,720, respectively.

16. SUBSEQUENT EVENTS

Quarterly Cash Dividend

On February 14, 2025, our Board of Directors approved a cash dividend of \$0.05 per common share expected to be paid on March 19, 2025 to stockholders of record on March 4, 2025. The ex-dividend date is expected to be on or around March 3, 2025. The dividend will be paid in cash.

Segment change

Subsequent to December 31, 2024, the Company's CODM began managing the FrameVR.io business as part of the North American Realty segment. As a result, in the first quarter of 2025, the Company reclassified FrameVR.io from the Other Affiliated Services segment to the North American Realty segment to align with this change in management approach.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

Item 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of our Chief Executive Officer and Principal Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act as of December 31, 2024. The term "disclosure controls and procedures" means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Based on the evaluation, the Company's management has concluded that our disclosure controls and procedures are effective as of December 31, 2024 to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Our management, including our Chief Executive Officer and Principal Financial Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2024. In making its evaluation, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control—Integrated Framework (2013)*. Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2024. Deloitte and Touche LLP, our independent registered public accounting firm, has issued an attestation report on the effectiveness of our internal control over financial reporting, which is included below.

Changes in Internal Control Over Financial Reporting

There were no material changes in our internal control over financial reporting that occurred during the year ended December 31, 2024 that have materially affected, or are reasonably believed to be likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including the Principal Executive Officer, the Principal Financial Officer and the Principal Accounting Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of eXp World Holdings, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of eXp World Holdings, Inc. and subsidiaries (the "Company") as of December 31, 2024, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2024, of the Company and our report dated February 20, 2025, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

San Francisco, California

February 20, 2025

Item 9B. OTHER INFORMATION

Insider Trading Arrangements

During the quarter ended December 31, 2024, no directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as each term is defined in Item 408 of Regulation S-K.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The Company has a written Code of Business Conduct and Ethics that applies to that applies to all Company personnel, including directors, officers, employees, and other covered persons. Our Code of Business Conduct and Ethics is available in the governance subsection of our website, www.expworldholdings.com and is available in print upon written request to the Corporate Secretary, eXp World Holdings, Inc., 2219 Rimland Drive, Suite 301, Bellingham, WA 98226. In the event that we make changes in, or provide waivers from, the provisions of the Code of Business Conduct and Ethics that the SEC requires us to disclose, we will disclose these events in the corporate governance section of our website. Information contained on our website is not incorporated by reference into this Annual Report.

The Company has an insider trading policy governing the purchase, sale and other dispositions of the Company's securities that applies to all Company personnel, including directors, officers, employees, and other covered persons. The Company also follows procedures for the repurchase of its securities. The Company believes that its insider trading policy and repurchase procedures are reasonably designed to promote compliance with insider trading laws, rules and regulations, and listing standards applicable to the Company. A copy of the Company's insider trading policy is filed as Exhibit 19.1 to this Form 10-K.

The other information required by this Item will be included in the Company's definitive proxy statement to be filed with the SEC within 120 days after December 31, 2024, in connection with the solicitation of proxies for the Company's 2025 annual meeting of stockholders (the "2025 Proxy Statement") and is incorporated herein by reference.

Item 11. EXECUTIVE COMPENSATION

The information required by this Item will be included in the 2025 Proxy Statement and is incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item will be included in the 2025 Proxy Statement and is incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item will be included in the 2025 Proxy Statement and is incorporated herein by reference.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item will be included in the 2025 Proxy Statement and is incorporated herein by reference.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements. See Consolidated Financial Statements in Part II, Item 8.

(a)(2) Financial Statements Schedule. All other schedules have been omitted because they are inapplicable, not required or because the information is presented in the Consolidated Financial Statements or notes thereto.

(a)(3) Exhibits. The exhibits listed in the Exhibit Index immediately below are filed as part of this Annual Report or are incorporated herein by reference.

EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
3.1	Restated Certificate of Incorporation, effective February 21, 2023	10-K	3.1	2/28/2023
3.2	Restated Bylaws, effective January 13, 2022	10-K	3.2	2/28/2023
4.1*	Description of Securities	NA	NA	NA
10.1	Issuer Repurchase Plan, dated January 10, 2022, by and between eXp World Holdings, Inc. and Stephens Inc. ("Stock Repurchase Plan")	8-K	10.3	5/4/2022
10.2	First Amendment to eXp World Holdings, Inc. Stock Repurchase Plan	8-K	10.4	5/4/2022
10.3	Second Amendment to eXp World Holdings, Inc. Stock Repurchase Plan	8-K	10.5	9/29/2022
10.4	Third Amendment to eXp World Holdings, Inc. Stock Repurchase Plan	8-K	10.10	12/27/2022
10.5	Fourth Amendment to eXp World Holdings, Inc. Stock Repurchase Plan	8-K	10.1	5/12/2023
10.6	Fifth Amendment to eXp World Holdings, Inc. Stock Repurchase Plan	8-K	10.1	6/26/2023
10.7	Sixth Amendment to eXp World Holdings, Inc. Stock Repurchase Plan	8-K	10.1	11/17/2023
10.8	Seventh Amendment to eXp World Holdings, Inc. Stock Repurchase Plan	8-K	10.1	3/8/2024
10.9	Eighth Amendment to eXp World Holdings, Inc. Stock Repurchase Plan	8-K	10.1	6/20/2024
10.10	Ninth Amendment to eXp World Holdings, Inc. Stock Repurchase Plan	8-K	10.1	12/05/2024
10.11	U.S. Form of eXp Realty, LLC Independent Contractor Agreement	NA	NA	NA
10.12	U.S. Form of eXp Realty, LLC Policies & Procedures	NA	NA	NA
10.13†	U.S. Form of 2024 Agent Equity Program Participation Election Form	NA	NA	NA
10.14*	Separation and Release of Claims Agreement, dated March 20, 2024, by and between eXp Realty, LLC and Shoeb Ansan	10-Q	10.2	5/1/2024
10.15*	Offer Letter, dated as of March 12, 2019, by and between eXp Realty, LLC and James (Jim) Bramble	NA	NA	NA
10.16*	Offer Letter, dated as of March 6, 2020, by and between eXp Realty, LLC and Jian (Kent) Cheng	NA	NA	NA
10.17*	Offer Letter, dated as of May 21, 2022, by and between eXp Realty, LLC and Leonardo (Leo) Pareja	NA	NA	NA
10.18*	Settlement Agreement, dated December 9, 2024, by and among eXp World Holdings, Inc. and its subsidiaries, eXp Realty, LLC, eXp Realty of California, Inc., eXp Realty of Southern California, Inc., eXp Realty of Greater Los Angeles, Inc., and eXp Realty of	8-K	10.1	1/8/2025

Exhibit Number	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
	Northern California, Inc. and Plaintiffs 1925 Hooper LLC, Robert J. Arko and Andrew M. Moore			
14.1*	Code of Business Conduct and Ethics	10-K	14.1	2/22/2024
19.1*	Insider Trading Policy	NA	NA	NA
21.1*	Subsidiaries of the Registrant	NA	NA	NA
23.1	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm***	NA	NA	NA
24.1*	Power of Attorney (included on signature page hereto)	NA	NA	NA
31.1*	Certification of the Chief Executive pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	NA	NA	NA
31.2*	Certification of the Chief Accounting Officer (Principal Financial Officer) pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	NA	NA	NA
32.1**	Certification of the Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	NA	NA	NA
32.2**	Certification of the Chief Accounting Officer (Principal Financial Officer) pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	NA	NA	NA
97	Policy Relating to Recovery of Erroneously Awarded Compensation	10-K	97	2/22/2024
101.INS*	Inline XBRL Instance Document	NA	NA	NA
101.SCH*	Inline XBRL Taxonomy Extension Schema Document	NA	NA	NA
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document	NA	NA	NA
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document	NA	NA	NA
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document	NA	NA	NA
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document	NA	NA	NA
104*	Cover Page Interactive Data File (embedded within the inline XBRL document)	NA	NA	NA

*Filed herewith

**Furnished herewith and not "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

† Management contract or compensatory plan or arrangement

Item 16. Form 10-K Summary

None

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

eXp World Holdings, Inc.
(Registrant)

Date: February 20, 2025

/s/ Glenn Sanford
Glenn Sanford
Chief Executive Officer (Principal Executive Officer)

Date: February 20, 2025

/s/ Kent Cheng
Kent Cheng
Chief Accounting Officer (Principal Financial Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Glenn Sanford and Kent Cheng, severally, his or her attorneys-in-fact, each with the power of substitution, for him or her in any and all capacities, to sign any amendments to this Annual Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Name</u>	<u>Title</u>	<u>Date</u>
<u>/s/ GLENN SANFORD</u> Glenn Sanford	Chief Executive Officer and Chairman of the Board (Principal Executive Officer)	February 20, 2025
<u>/s/ KENT CHENG</u> Kent Cheng	Chief Accounting Officer (Principal Financial Officer)	February 20, 2025
<u>/s/ JAMES BRAMBLE</u> James Bramble	Chief Legal Counsel and Corporate Secretary	February 20, 2025
<u>/s/ RANDALL MILES</u> Randall Miles	Director	February 20, 2025
<u>/s/ DAN CAHIR</u> Dan Cahir	Director	February 20, 2025
<u>/s/ MONICA WEAKLEY</u> Monica Weakley	Director	February 20, 2025
<u>/s/ PEGGIE PELOSI</u> Peggie Pelosi	Director	February 20, 2025
<u>/s/ FRED REICHHELD</u> Fred Reichheld	Director	February 20, 2025

**DESCRIPTION OF THE REGISTRANT'S CAPITAL STOCK REGISTERED
PURSUANT TO SECTION 12 OF THE EXCHANGE ACT OF 1934**

As of December 31, 2024, eXp World Holdings, Inc. (the "Company", "we", and "our") has one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The following summary of capital stock is based on and qualified by the Company's current Certificate of Incorporation (as amended and/or restated from time-to-time, the "Certificate of Incorporation"), current Bylaws (as amended and/or restated from time-to-time, the "Bylaws"), and applicable Delaware law. For a complete description of the terms and provisions of the Company's capital stock, refer to the Certificate of Incorporation and the Bylaws, both of which are filed as exhibits to this Annual Report on Form 10-K.

Description of Common Stock

Authorized Capital Stock

The Company's Certificate of Incorporation authorizes the issuance of 900,000,000 shares of common stock, \$0.00001 par value per share ("Common Stock").

Fully Paid and Nonassessable

All of the outstanding shares of the Company's Common Stock are fully paid and nonassessable.

Voting Rights

The holders of Common Stock are entitled to one vote per share on each matter submitted to a vote of shareholders, including the election of directors.

Dividend Rights

The holders of shares of Common Stock shall be entitled to receive such dividends and other distributions (payable in cash, property, or capital stock of the Corporation) when, as, and if declared thereon by the Company's Board of Directors from time to time out of any assets or funds of the Corporation legally available therefor, and shall share equally on a per share basis in such dividends and distributions.

Liquidation Rights

In the event of any voluntary or involuntary liquidation, dissolution, or winding-up of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation, the holders of shares of Common Stock shall be entitled to receive all the remaining assets of the Corporation available for distribution to its stockholders, ratably in proportion to the number of shares of Common Stock held by them.

Options and Other Equity Awards

Pursuant to applicable Delaware law, we are authorized to issue shares of Common Stock and options, rights, warrants and appreciation rights relating to Common Stock for the consideration and on the terms and conditions established by the Company's Board of Directors in its sole discretion.

Other Rights and Preferences

Our Common Stock has no preemptive or other subscription rights, and there are no conversion or redemption rights with respect to such shares of Common Stock.

Anti-Takeover Provisions of the Certificate of Incorporation, Bylaws and Delaware Law

Certain provisions in our Certificate of Incorporation and Bylaws, as well as applicable Delaware law, may have the effect of deferring, delaying or discouraging hostile takeovers or changes in control or management of our Company. Among other things:

- applicable Delaware law provides that stockholders are not entitled to the right to cumulate votes in the election of directors unless our Certificate of Incorporation provides otherwise. Our Certificate of Incorporation does not provide for cumulative voting;
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- our Certificate of Incorporation provides that special meetings of the stockholders may be called only by a resolution adopted by the affirmative vote of a majority of the total number of authorized directors. Our Certificate of Incorporation prohibits the conduct of any business at a special meeting other than as specified in the notice for such meeting. In addition, any stockholder who wishes to bring business before an annual meeting or nominate a director must comply with the requirements set forth in our Bylaws;
- our Bylaws and Certificate of Incorporation provide that any vacancy on the Company's Board of Directors may be filled by a person selected by the affirmative vote of a majority of the remaining directors then in office, whether or not less than a quorum, or by a sole remaining director;
- our Certificate of Incorporation requires the affirmative vote of the holders of at least fifty-one percent (51%) of the voting power of the outstanding Common Stock to (i) adopt, amend, or repeal the Bylaws; or (ii) amend or repeal, or adopt any provision of the Certificate of Incorporation inconsistent with Articles IV, V, XI and XII of the Certificate of Incorporation.
- our Certificate of Incorporation provides that the holders of Common Stock may take action by written consent of the stockholders not having less than the minimum number of votes necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present, so long as Glenn Sanford and Penny Sanford are the beneficial owners, in the aggregate, of at least a majority in voting power of all shares entitled to vote in the election of directors. As of December 31, 2024, Glenn Sanford and Penny Sanford do not beneficially own a majority in voting power and so the stockholders cannot take action by written consent.

Transfer Agent

The transfer agent and registrar for our Common Stock is Broadridge Financial Solutions, Inc.

Listing

The Company's Common Stock is listed on The Nasdaq Stock Market LLC under the trading symbol "EXPI."



Independent Contractor Agreement

THIS INDEPENDENT CONTRACTOR AGREEMENT (this “ICA”) is made and entered into by and between the undersigned real estate licensee (“Agent”), and the applicable eXp entity¹ licensed as a real estate brokerage company in Agent’s state(s) of licensure (“eXp”). This ICA shall become effective (the “Effective Date”), as follows: (1) when electronically signed by the last of the Parties to electronically sign this ICA (if this ICA is to be Agent’s original Independent Contractor Agreement with eXp), or (2) as provided in Section 14, below (if this ICA is to be a revision to a former version of Agent’s Independent Contractor Agreement with eXp). eXp and Agent may be referred to hereinafter individually as a “Party,” and collectively as the “Parties.”

BACKGROUND

- A. Agent is a real estate licensee in their state(s) of licensure.
- B. eXp is a cloud-based real estate brokerage company doing business in Agent’s state(s) of licensure.
- C. The Parties mutually desire for Agent to become affiliated with eXp as a real estate licensee in Agent’s state(s) of licensure, all in accordance with the terms and conditions set forth in this ICA.

AGREEMENT

NOW THEREFORE, in consideration for the above recitals, and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the Parties agree as follows:

1. **Real Estate Brokerage Services.** During the Term (defined below), Agent will perform real estate brokerage services (“Services”) on behalf of eXp for the benefit of eXp’s clients. Such Services will include those services customarily performed by real estate brokerage licensees in Agent’s state(s) of licensure, as well as such other activities as set forth in eXp’s Policies (defined below) or as requested or required by eXp.

2. **Independent Contractor Relationship.**

- a. **Not an Employee.** This ICA shall establish an independent contractor relationship between Agent, as the service provider, and eXp, as the service recipient. Agent’s role under this ICA shall be that of a “qualified real estate agent,” as that term is defined in Section 3508 of the Internal Revenue Code, and Agent shall have that title as granted to them by the license that Agent holds (e.g., salesperson, associate broker, broker, qualifying broker, principal broker, etc.). Nothing within this ICA shall be construed to create a joint venture, partnership, employer-employee relationship, or other relationship between the Parties. Agent will not be treated as an eXp employee for any purposes under this ICA. Agent is not entitled to any of the benefits that eXp may make available to its employees, including, without limitation, group health or life insurance, retirement benefits, or any other fringe benefits. Agent is solely responsible for, and eXp is not responsible for, withholding and paying any income, payroll, Social Security, and other federal, state, and local taxes, and making any insurance contributions (including unemployment and disability), and obtaining workers’ compensation insurance on Agent’s own behalf. Agent is free to devote such portion of Agent’s time, energy, effort, and skill, as Agent sees fit, to establish and grow Agent’s real estate brokerage business. Agent is not required to keep definite office hours, attend sales meetings, or adhere to sales quotas. Agent does not have mandatory duties except those specifically set out in this ICA, and in other documents incorporated by reference into this ICA. Agent agrees not to, and Agent irrevocably waives any and all rights to, claim or assert, or to support any third-party claim or assertion of, the existence of an employer/employee relationship as between eXp and Agent.

- b. **Agent Expenses.** Unless expressly provided to the contrary in this ICA, or in eXp’s Policies, Agent is responsible for bearing all costs related to being a real estate licensee. Such costs include, without limitation, each of the following: REALTOR® dues; multiple listing service (“MLS”) dues; cell phone expenses; business card expenses; sign expenses; sign-post expenses; advertising expenses; personal branding expenses; continuing education expenses; licensing expenses; printing, copying, and faxing expenses; digital camera, computer(s), and related hardware or software expenses; printer/scanner/fax equipment expenses; high-speed internet expenses; automobile expenses; auto insurance fees; individual errors and omissions insurance premiums and deductibles, where such insurance is required by applicable law; any other personal or business insurance coverage premiums and deductibles for coverage that Agent deems prudent or necessary in the operation of Agent’s business; local, state, federal and municipal taxes of any kind; and any

¹ eXp Realty, LLC (in all states except those that follow); eXp Realty of California, Inc. (in California); eXp Realty of Northern California, Inc. (in northern California); eXp Realty of Greater Los Angeles, Inc. (in central California); eXp Realty of Southern California, Inc. (in southern California); eXp Realty North, LLC (in N. Dakota, Minnesota, and portions of New York, except as further qualified); eXp Realty of Connecticut, LLC (in Connecticut, and Brooklyn, New York); eXp Realty Associates, LLC (in Brooklyn, mid-town, and downtown, New York City), and eXp Realty of Charlotte Metro NC, LLC, eXp Realty of Northwest NC, LLC, eXp Realty of Northeast NC, LLC, eXp Realty of Piedmont NC, LLC, eXp Realty of Southeast NC, LLC, and eXp Realty of Triangle NC, LLC (in North Carolina).



and all government, regulatory, or agency licensure, compliance fees and expenses.

c. **Workers' Compensation Insurance Coverage.** Agent is responsible for obtaining workers' compensation insurance for themselves (if required by law), and for Agent's employees (if any), in such amounts as Agent deems appropriate, but in no event less than minimum coverage amounts required by applicable law. Agent shall name eXp Realty, LLC, and its subsidiaries, successors, and assigns (collectively, the "eXp Additional Insureds") as additional insureds on any such workers' compensation insurance policy. Agent shall also obtain a "waiver of subrogation" endorsement from the workers' compensation insurer in favor of the eXp Additional Insureds. Agent shall, upon written request, provide evidence of the above referenced insurance coverage for any policy of workers' compensation insurance that Agent obtains on their own behalf.

3. **Agency Relationships.** All real estate brokerage relationships established for any real estate transactions, regardless of agency status, exist solely as between eXp and the client (or customer), and not as between Agent and the client (or customer). Agent provides real estate services to the client (or customer) on eXp's behalf; all listings taken by Agent in connection with eXp's business are and remain the separate and exclusive property of eXp, and not of Agent. During the Term of this ICA, Agent shall diligently carry out Agent's duties on behalf of eXp with all reasonable skill, care, and diligence as expected of a licensed real estate professional in Agent's state(s) of licensure.

4. **Compensation; eXp Fees.** Agent shall be compensated according to the below referenced compensation split, and in that manner as more fully described in the eXp Realty U.S. Policies and Procedures (the "eXp P&Ps") (See: www.exprealty.com/policies). In addition, eXp provides opportunities to eligible eXp real estate licensees to obtain shares of eXp World Holdings, Inc. common stock (Nasdaq: EXPI) through (i) the Agent Equity Program, in which eXp real estate licensees must opt-in in order to participate and agree to the terms and conditions of that program, and (ii) the Agent Growth Incentive Program, which is available to all eXp real estate licensees and no opt-in step is required, both of which are administered under the respective EXPI equity incentive plan set forth in Agent's election form or stock agreement, as applicable. If interested, Agent should visit the eXp Agent Shareholder Hub at <https://exprealty.com/agentstock> for details and participation information. Agent shall pay to eXp those fees, in those amounts, as described under the eXp P&Ps ("eXp Fees"); except as otherwise provided in the eXp P&Ps, eXp Fees shall be paid in accordance with Agent's preferred payment method then on file with eXp, whether that is in the form of a draw against Agent's checking account as then on file with eXp, or charging Agent's debit or credit card as then on file with eXp. Agent shall be automatically enrolled in eXp's Sustainable Revenue Share Plan, which shall be governed by those terms set forth in the eXp P&Ps.

a. **Compensation Split.** Agent shall be entitled to compensation on purchase transactions, sales transactions, rental/lease transactions, broker price opinions ("BPOs"), and referrals (each, a "Transaction," collectively, "Transactions") as follows: income retained by eXp after referrals, but prior to compensation split ("Gross Compensation Income"), shall be split at the rate of 80% to Agent ("Contractor Dollar") and 20% to eXp ("Company Dollar") on all Transactions closed by the Agent. Should any Transaction be subject to any state or local taxes, the 80%/20% compensation split will be calculated after the tax is deducted.

b. **Onboard Date; Anniversary Date.** Agent's onboard date ("Onboard Date") shall be the later of, (a) Agent's "Join Date" (the date eXp verifies Agent's email address and Agent becomes active in Enterprise), or (b) the date on which Agent's real estate license is transferred to eXp. Agent's anniversary date ("Anniversary Date") shall be the first day of the calendar month following Agent's Onboard Date with eXp. So, for example, if Agent's Onboard Date is January 18, 2022, then Agent's Anniversary Date will be February 1, 2022.

c. **Company Dollar Cap; Capping Period; Cap Reset Date; and Anniversary Year.** Agent's "Capping Period" is a consecutive twelve (12) calendar month period during which time the amount of Company Dollar collected on Agent's Transactions is accrued towards the Company Dollar Cap. The term "Company Dollar Cap" means that once the amount of Company Dollar received from Agent's closed Transactions reaches \$16,000 (the \$16,000 amount being commonly referred to as a "Full Cap") within Agent's Capping Period, eXp will no longer collect the Company Dollar portion of the compensation split and the Agent will thereafter be considered to be in a "Capped Status" until the expiration of the then-current Capping Period. The "Cap Reset Date" is the date upon which each new Capping Period begins and the amount of Company Dollar paid by Agent that has accrued towards the Company Dollar Cap will reset to zero. The Cap Reset Date for Agent will be the same as Agent's Anniversary Date, except as otherwise expressly agreed to the contrary by separate written addendum to this ICA. Agent's anniversary year ("Anniversary Year") shall begin on Agent's Anniversary Date with eXp and end on the day immediately preceding the next Anniversary Date. So, for example, if Agent's Onboard Date is January 18, 2022, then Agent's Anniversary Date would be February 1, 2022 and Agent's Anniversary Year will run from February 1, 2022 through January 31, 2023, and continue for the same period each year thereafter. Except as otherwise expressly agreed to the contrary, an Agent's Capping Period will directly overlap with Agent's Anniversary Year.

5. **Term.** This ICA shall remain valid until one of the Parties terminates the ICA, pursuant to Section 6, below.



6. **Termination.** Either Party may terminate this ICA, for any reason or no reason. The date this ICA shall be deemed terminated (the "Offboard Date") shall be as follows: (i) the date that eXp's notice of termination is delivered (when eXp is the terminating party); (ii) the date that Agent provides a notice of termination to eXp (when Agent is the terminating party); or (iii) the date eXp is made or otherwise becomes aware that Agent has terminated their relationship with eXp (when Agent fails to notify eXp of their termination). From and after the Offboard Date, Agent shall refrain from using any and all eXp sales materials or similar items that bear the name, logos, registered trademarks, or inscription of eXp, in any manner whatsoever.

a. **Continued Billing When Agent Terminates.** NOTWITHSTANDING THE FOREGOING, AND IN RECOGNITION OF THE INHERENT COMPLEXITY ARISING FROM EXP'S SERVICING TENS OF THOUSANDS OF REAL ESTATE AGENTS ACROSS THE WORLD, AND THE CORRESPONDING, SOPHISTICATED BILLING SYSTEMS THAT HAVE BEEN ESTABLISHED TO SERVICE THOSE REAL ESTATE AGENTS, AGENT ACKNOWLEDGES AND IRREVOCABLY AGREES THAT WHEN AGENT IS THE TERMINATING PARTY, IF AGENT DOES NOT PROVIDE THE APPROPRIATE ADVANCE NOTICE OF TERMINATION TO EXP, AS OUTLINED IN THIS SECTION 6, AGENT BILLING MAY, AND LIKELY WILL, CONTINUE FOR A LIMITED PERIOD OF TIME FOLLOWING AGENT'S OFFBOARD DATE.

[Agent's Signature Here]

b. **To Stop Continued-Billing.** To ensure that continued billing stops as close to Agent's Offboard Date as possible (when Agent is the terminating Party), Agent should provide eXp with not less than thirty (30) days' advance written notice of Agent's intent to terminate, which notice shall be deemed delivered to, and received by, eXp upon Agent's completion and submission of the eXp Agent Offboard Notice online form (the "Offboard Notice"), available at www.exprealty.com/offboardnotice and in the eXp P&Ps. Upon Agent's electronic submission of his or her Offboard Notice, Agent will receive an automated email response representing eXp's acknowledgment of receipt of Agent's Offboard Notice. This automated email acknowledgment ("Offboard Acknowledgment") will be delivered to that email address supplied by Agent on Agent's Offboard Notice. Agent is strongly encouraged to retain his or her Offboard Acknowledgment in the event there is ever a dispute over whether or when Agent's Offboard Notice was submitted to eXp.

c. **Agent Payment Obligations After Termination.** In the event of termination of this ICA, all prepaid fees and prepaid dues are non-refundable to Agent; all billable items invoiced to Agent prior to Agent's Offboard Date shall remain due and payable by Agent, and eXp may bill Agent for such items as provided under this ICA.

7. **eXp's Policies and Procedures.** In addition to the terms of this ICA, Agent shall abide by all policies and procedures established by eXp, including, without limitation, (a) the eXp P&Ps, (b) eXp's state-specific policies and procedures in effect in those state(s) of Agent's licensure (the "State P&Ps"), (c) any additional eXp policies and procedures wherever situated, whether or not referenced or hyperlinked in the eXp P&Ps or any State P&Ps (the "Additional P&Ps"), and (d) any and all revisions to any of the foregoing. The eXp P&Ps, State P&Ps, Additional P&Ps, together with any and all revisions thereto shall hereinafter collectively be referred to as "eXp's Policies." Given that eXp's Policies constitute a part of this ICA, any revisions to eXp's Policies shall be made in accordance with Section 14, below. **EACH OF EXP'S POLICIES COMPRISE AN INTEGRAL AND MATERIAL PART OF THIS ICA, AND EACH ARE EXPRESSLY INCORPORATED BY THIS REFERENCE INTO THE ICA IN THEIR ENTIRETY, VERBATIM AND AT LENGTH, AND EACH CONSTITUTE A PART OF THIS ICA AS THOUGH FULLY SET FORTH HEREIN.**

[Agent's Signature Here]

8. **Agent's Representations and Warranties to eXp.** Agent represents and warrants to eXp that the statements contained in this Section 8 are or will be true and correct as of the Onboard Date (not to be confused with the Effective Date), and shall remain true and correct during the Term:

a. Agent is duly licensed as a real estate licensee in the following state(s), having the following license number(s):

PRIMARY STATE	LICENSE NUMBER
NON-PRIMARY STATE(S) <i>(if applicable)</i>	LICENSE NUMBER(S)



(If Agent is licensed and affiliated with eXp in more than one state, no additional ICA is required. In such event, one eXp authorized representative from each state in which Agent is licensed is to sign this ICA on behalf of eXp.)

- b. Agent has and shall maintain in effect all licenses, permissions, authorizations, consents, and permits, at Agent's own expense, required to lawfully carry out Agent's obligations under this ICA;
- c. Agent possesses the requisite skill, experience, and qualifications to perform the Services;
- d. Agent is not restricted by, or subject to, any agreement (such as, but not limited to, a non-compete agreement or a non-solicitation agreement), order, or restriction that would in any way prevent, prohibit, or impair Agent's ability to perform his or her duties under this ICA; Agent acknowledges that if Agent was or is subject to any contract, including a franchise agreement, any non-compete agreement or non-solicitation agreement, or covenant from a previous brokerage, that Agent has not and will not violate that contract, covenant or agreement or put eXp at risk of liability by violating it;
- e. Agent has the legal power, right, and authority to bind himself or herself to the terms and conditions set forth in this ICA, and to perform all Services provided under this ICA;
- f. Agent is in compliance with, and shall continue to comply with, (i) eXp's Policies; (ii) all applicable laws, rules, and regulations when providing the Services; and (iii) all rules of conduct as established by each applicable state's department of real estate (or such analogous agency having a different name) ("Department of Real Estate"), MLS rules of that multiple listing service to which Agent belongs, and the National Association of REALTORS[®] Code of Ethics and any additional rules or code of ethics adopted by a state or local Association of REALTORS[®] to which Agent belongs;
- g. Agent is either, (1) not the subject of any civil or criminal proceeding, any civil judgment or criminal conviction, or any disciplinary action or administrative or private party ruling against Agent; OR, (2) the subject of any of the foregoing but has disclosed all material facts and provided all supporting documentation to Agent's Designated Managing Broker or Managing Broker(s);
- h. Agent has access to, and knows how to access, each of eXp's Policies (See: www.exp Realty.com/policies); Agent has reviewed each of eXp's Policies; Agent has had the opportunity to ask eXp questions concerning eXp's Policies; and Agent understands and agrees to abide by eXp's Policies and any/all revisions thereto;
- i. Agent has had the opportunity to seek the advice of their own legal counsel concerning this ICA and eXp's Policies prior to entering into this ICA;
- j. Agent understands that eXp and Agent's Designated Managing Broker and Managing Broker(s) will each rely on the accuracy, completeness, and competence of Agent's Services, as performed under this ICA, in fulfilling eXp's contractual commitments to the public; and
- k. Agent accepts that termination of this ICA, by either Party, could result in a significant financial loss to Agent.

[Agent's Signature Here]

9. **Agent's Additional Covenants to eXp.**

a. **Licensed Activities.** Agent will not perform any licensed real estate brokerage activities on behalf of eXp unless, (i) Agent's real estate license is affiliated with (*i.e.*, "hung with") eXp in the state(s) where Agent intends to perform such licensed activities; and (ii) Agent's real estate license in that state is active and in good standing at the time that Agent performs such licensed activities.

b. **Notification; Cooperation.** If Agent receives notice of any actual, anticipated, or threatened Civil or Administrative Action (defined below), or mediations or demand letters, concerning or involving Agent, either directly or indirectly, Agent shall immediately notify Agent's Designated Managing Broker and Managing Broker(s). Moreover, in such instances, Agent agrees to fully cooperate, in good faith, and assist eXp, Agent's Designated Managing Broker and Managing Broker, eXp's Legal Operations Department, and/or eXp's comprehensive errors and omissions insurance carrier ("Carrier") in defending against such matters until they are resolved by providing documents, testimony and any other items or information that may be needed by or on behalf of eXp. Agent's breach of this provision shall constitute a material breach of this ICA. The term "Civil or Administrative Action" as used in this ICA means lawsuits (including any appeals), small claims actions, chancery actions, equitable actions, arbitration actions, or administrative complaints (such as before a Department of Real Estate, Attorney General's Office, Department of Housing and Urban Development, Consumer Protection Financial Bureau, MLS, or any REALTOR[®] association).



c. **Enterprise.** Agent will enter Agent's personal contact information (including mailing address, email address, and telephone number), and Agent's emergency contact's information (including name, relationship to Agent, mailing address, email address, and telephone number) into the eXp Enterprise system ("**Enterprise**"). Agent is solely responsible for keeping all such information current in Enterprise throughout the Term. eXp will rely upon the information provided by Agent, in Enterprise, as being true, correct, and complete. Any failure by Agent to provide or maintain the most current information in Enterprise shall not affect the validity of any notice from eXp to Agent; Agent's failure to provide or maintain the most current information in Enterprise shall not serve as a defense by Agent to any notice delivered by eXp in accordance with **Section 11**, below. Agent, following his/her Onboard Date, may access the eXp Enterprise system sign-in page at www.expenterprise.com; if Agent is unable to log-in to eXp Enterprise, Agent may contact support@exprealty.com for assistance.

d. **Text Messaging.** eXp may send text messages via the use of automated technology, including the use of artificial intelligence systems, to any telephone numbers Agent enters into Enterprise for the purpose of, (i) fulfilling eXp's reasonable supervision and control responsibilities, as required by applicable law; (ii) communicating with Agent in matters concerning Agent's affiliation with eXp (such activities include, without limitation, real estate licensing matters, transaction file matters, and matters pertaining to eXp Fees); and (iii) routing client leads to Agent in connection with any eXp lead generation programs in which Agent participates. By entering into this ICA, Agent consents to receiving such text messages from eXp for each of the specified purposes, and Agent agrees that Agent will be responsible for paying any applicable message and data rates for such text messages.

[Agent's Signature Here]

e. **Sharing of Personal Information.** eXp uses personal information collected about Agent in order to support Agent's continued affiliation with eXp. Such use includes sharing Agent's personal information (such as, for example only, and without limitation, Agent's name, address, email address, phone number, geographic location, and state(s) of licensure) with third-party companies, as more fully provided in the eXp World Holdings, Inc. Privacy Policy and Data Processing Agreement ("**Privacy Policy**") (See: www.expworldholdings.com/privacy-policy). By entering into this ICA, Agent consents to eXp's sharing of Agent's contact information in the manner described, and Agent agrees to be bound by and adhere to the Privacy Policy, in its entirety, and as may be amended from time to time.

[Agent's Signature Here]

f. **Affiliate with a Competitor.** During the Term, Agent shall not be affiliated with a competitor to eXp, as more fully set forth in eXp's P&Ps.

g. **Cyber/Media Liability Insurance.** Cyber risk is a serious threat to Agent's business and the consequences of data breaches and wire fraud can be financially disastrous to Agent and/or to any parties to a transaction in which Agent is involved. Wrongful acts in Agent's use of media are also a risk to Agent's business when Agent fails to adhere to eXp's policy guidelines prohibiting the use of unlicensed media, or when media is otherwise used in a manner that infringes the rights of others. eXp shall not be required to maintain cyber liability insurance and/or media liability insurance that extends to, or covers, any loss or damage, (i) related to any security/data breach or wire/financial fraud that may result in connection with any licensed activity of Agent, or (ii) sustained by any parties to a real estate transaction handled by Agent. Agent is strongly encouraged to obtain cyber liability insurance covering his or her own real estate business.

h. **Automobile Insurance.** eXp does not maintain commercial automobile insurance coverage that extends coverage to Agent or any other independent contractor of eXp. For the duration of this ICA, Agent shall maintain automobile insurance coverage with minimum liability limits of \$100,000 per occurrence, \$300,000 aggregate, and a minimum limit of \$100,000 in property damage coverage. If available from Agent's insurer, Agent shall obtain an additional-insured endorsement to his or her insurance policy and cause his or her insurer to name the eXp Additional Insureds as additional insureds under such policy. The extension of such insurance coverage to the eXp Additional Insureds shall be primary and noncontributory (with respect to losses suffered by eXp). In no event shall the limits of such insurance be considered as limiting the liability of Agent under this ICA and in no event shall the above insurance limits be any indication that such insurance limits are adequate insurance coverage for Agent. Agent shall provide proof of such insurance to eXp upon request.

10. Errors and Omissions Coverage; Legal Representation Provided; eXp's Settlement Authority.

a. **Errors and Omissions Coverage.** eXp carries comprehensive errors and omissions ("**E&O**") insurance coverage in each state in which eXp conducts business. This coverage provides varying degrees of protection against claims solely arising out of eXp's and its real estate agents' performance of Professional Services (as that term is defined in the applicable E&O policy ("**E&O Policy**"). However, even though eXp's E&O insurance coverage may typically cover such claims, Agent agrees to defend, indemnify and hold Indemnitees (defined below) harmless against any and all claims, as more fully set forth in **Section 11**, below. In addition, there may be



certain states whose regulatory regimes, and/or in which the terms of exp's E&O Policy, require an additional state-specific addendum to be executed between exp and Agent as a condition for there being a possibility of any coverage under the E&O Policy.

b. Legal Expense Reimbursement: Offset. exp reserves the right to seek reimbursement from Agent (the "Legal Expense Reimbursement") in any matter that causes exp to incur legal fees and/or costs, regardless of whether or not the matter is covered under one or more of exp's insurance policies. exp, with the assistance of exp's Carrier, shall make all determinations as to, 1) the likelihood of coverage under exp's insurance policies in connection with any actual or potential claim against exp and/or Agent, and 2) whether a conflict of interest exists between exp and Agent in relation to any actual or potential claim against exp and/or Agent. Agent's obligation to reimburse exp for the Legal Expense Reimbursement is a distinct obligation from Agent's indemnification obligations under Section 11, below; Agent's reimbursement of the Legal Expense Reimbursement, as set forth in this Section 10.b, does not offset, satisfy, release, or otherwise abate Agent's indemnification, defense, and hold harmless obligations under Section 11, below. Even where Agent does not believe the claim or cause of action has merit and/or does not believe any money should be expended in the defense, resolution, or satisfaction of the matter, Agent agrees in advance, by signing this ICA, that he or she will reimburse exp for the Legal Expense Reimbursement within thirty (30) days of receipt of a request for reimbursement from exp. Agent may elect to have all or any portion of the Legal Expense Reimbursement withheld from any compensation and/or revenue share payments due Agent in lieu of making payment directly to exp. However, if Agent does not reimburse exp directly within the 30-day period then exp may exercise its rights of reimbursement and offset as set forth under Section 15, below.

c. Legal Representation Provided. Except as otherwise provided in this ICA, exp will provide legal counsel to Agent, at no additional cost to Agent, for the purpose of providing Agent with legal representation in defense of claim(s) filed by a third party against Agent arising from or relating to Agent's performance of the Services, so long as each of the following four conditions are and remain met: (i) exp's legal counsel (whether through its Legal Operations Department or, if applicable, through exp's outside counsel) determines that a conflict of interest does not exist between exp and Agent concerning the subject matter of the lawsuit; (ii) exp maintains E&O insurance coverage applicable to the subject matter of the Civil or Administrative Action, and each claim asserted therein; (iii) exp's claim for such E&O insurance coverage is and remains approved by exp's Carrier, without any reservation of rights by exp's Carrier; and (iv) this ICA remains in effect and has not been terminated by either Party under Section 6, above. If any of the foregoing conditions are not met, or are no longer met, Agent will be required to retain their own legal counsel at Agent's sole cost and expense, unless a written agreement is entered into between exp (through its Legal Operations Department) and Agent providing for, among other things, exp's reimbursement of Agent's attorneys' fees. exp will not provide legal counsel to Agent for small claims lawsuits, Department of Real Estate complaints, or MLS or REALTOR® association complaints or arbitrations; notwithstanding the foregoing, exp reserves all rights to make limited exceptions on a case-by-case basis in its sole and absolute discretion. exp reserves all rights to refrain from providing legal counsel to Agent in any circumstances, all as determined by exp in its sole and absolute discretion.

d. exp's Settlement Authority. In any actual, anticipated, or threatened Civil or Administrative Action, mediations, or demand, concerning either exp and/or Agent, exp shall have the sole discretion and final authority to make decisions concerning whether there is to be a settlement, and if so, the terms thereof. This authority shall exist in all situations except any Civil or Administrative Action, mediations, or demands where claims have been asserted against Agent, but not exp, and where said claims are outside of the scope of the relationship established under this ICA as between Agent and exp. exp may, as a term of settlement or in furtherance of payment agreed to in settlement or otherwise incurred by exp in connection with any settlement-related activities, exercise its payment, reimbursement, and offset rights as set forth under Section 15, below, to be made whole for amounts paid or advanced by exp. Agent's refusal to abide by a decision by exp to settle any actual, anticipated, or threatened Civil or Administrative Action, mediations, or demand, or Agent's refusal to cooperate with exp in furtherance of the same (and pursuant to Section 9.b, above), may be deemed by exp to be a material breach of this ICA.

11. Indemnification.

a. Indemnification by Agent. Agent irrevocably agrees to indemnify, defend, and hold harmless exp, exp World Holdings, Inc. ("EXPI"), each of EXPI's subsidiaries, and it's or their respective shareholders, directors, officers, managers, members, employees, agents, representatives, and affiliates (collectively, "Indemnitees"), jointly, severally, and in any combination, for, from and against any and all actual, anticipated, or threatened Civil or Administrative Actions, demands, costs, claims, losses, liabilities, injury, penalties, fees (including document production fees), expenses, damage awards, judgments, settlement amounts, and other damages (including but not limited to court costs, investigation costs, expert witness fees, reasonable attorneys' fees, and other defense costs) (collectively, "Losses"), without any monetary limitation or cap, arising from or relating in any way to any of the following, or any allegation of any of the following: (i) Agent's performance of the Services; (ii) Agent's performance of Professional Services (as that term is defined in exp's E&O Policy); (iii) Agent's breach of this ICA; (iv) Agent's noncompliance with exp's Policies; (v) any of Agent's representations or warranties under this ICA being less than true, correct, and complete; (vi) any of the four conditions set forth in Section 10.c, above, not being or no longer being met; (vii) exercise of exp's settlement authority as set forth in Section 10.d, above; (viii) the refutation of, or any attempt to refute, any of Agent's waivers within this ICA or in exp's Policies; (ix) any Team Agreement (as such term



is defined in the eXp P&Ps) to which Agent is or was a party; (x) Agent's filing of a Civil or Administrative Action against another real estate licensee affiliated with eXp or any of its subsidiaries (regardless of whether prior written notice is provided to Agent's Managing Broker); (xi) Agent's filing of a Civil or Administrative Action against eXp, EXPI, any of EXPI's subsidiaries, and/or any of its or their respective employees (regardless of whether prior written notice is provided to any of them); (xii) Agent's refusal to abide by eXp's decision concerning settlement of a legal matter; (xiii) Agent's refusal to cooperate with eXp in settlement of any legal matter; (xiv) Agent's infringement of any intellectual property rights of any third party; (xv) Agent's exercise of internet electronic commerce; (xvi) Agent's failure to comply with any laws (including, without limitation, and for example only, the Telephone Consumer Protection Act (TCPA), the Telemarketing Sales Rules (TSR), the California Consumer Privacy Act (CCPA), the Personal Information Protection and Electronic Documents Act (PIPEDA), and both the UK and EEA General Data Protection Regulation (GDPR), and any of their respective implementing rulings and regulations, as applicable); (xvii) Agent's failure to pay any taxes or tariffs; and (xviii) Agent's use of technology, regardless of whether it was independently obtained by Agent, or provided or offered by or through eXp or any of its affiliated vendors, that is intended to or results in a phone call, text message, or other similar communication sent to any other party. Under no circumstance shall Agent control the defense in any actual, anticipated, or threatened Civil or Administrative Actions; such right of control shall at all times be and remain with Indemnitees, regardless of whether, or to what extent, Indemnitees enforce the financial aspects of Agent's defense obligations. For avoidance of doubt, the term "control the defense" includes, without limitation, actions such as selecting counsel, developing legal strategy, negotiating settlements, and entering settlement agreements.

b. **Insurance Remedies.** eXp may tender a claim for insurance coverage to its Carrier and simultaneously or successively seek indemnification from Agent for the same matter, as determined in eXp's sole and absolute discretion. See Section 16, below, for further details concerning eXp's cumulative remedies.

c. **Agent's Defense Obligations.** Agent's defense obligations under this Section 11, shall be subordinate to any defense provided to any Indemnitees under any applicable eXp policy of insurance of.

12. **Notice.** Except as expressly provided to the contrary under this ICA, all notices under this ICA (each, a "notice", and with the correlative meaning "notify") shall be in writing and shall be deemed delivered only if sent via email to the applicable Party's email address, as set forth below, in which case notice shall be deemed delivered upon electronically confirmed receipt provided that email notices that are not released before 5:00 p.m. (in the recipient's time zone) shall be deemed delivered upon the commencement of the following day. A notice is effective only upon delivery to the receiving Party.

If to Agent: (As specified by Agent in Enterprise)

If to eXp: legal@exprealty.net

13. **Limitation of eXp Liability.** EXCEPT AS IT PERTAINS TO ANY FEES, COMPENSATION, REVENUE SHARING, AND/OR OTHER COMPENSATION OWED BY EXP TO AGENT UNDER THIS ICA OR ANY OF EXP'S POLICIES (SUBJECT TO OFFSET AND DEDUCTION AS PROVIDED ELSEWHERE IN THIS ICA OR IN ANY OF EXP'S POLICIES), EXP'S AGGREGATE LIABILITY TO AGENT UNDER THIS ICA SHALL NOT EXCEED THE AMOUNT OF COMPANY DOLLAR THAT AGENT HAS PAID DURING THAT TWELVE (12) CONSECUTIVE MONTH PERIOD IMMEDIATELY PRECEDING THE FIRST EVENT GIVING RISE TO ANY LIABILITY, BUT IN NO EVENT EXCEEDING \$16,000. IN NO EVENT SHALL EXP BE LIABLE TO AGENT UNDER ANY CIRCUMSTANCES FOR ANY CONSEQUENTIAL, SPECIAL, INCIDENTAL, PUNITIVE, OR INDIRECT DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFIT, REVENUE, BUSINESS OPPORTUNITY OR BUSINESS ADVANTAGE), WHETHER BASED UPON A CIVIL OR ADMINISTRATIVE ACTION IN TORT, CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY, CONTRIBUTION, INDEMNITY, OR ANY OTHER LEGAL THEORY OR CAUSE OF ACTION, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

14. **Revisions.** If this ICA is to be a revision to a former version of Agent's Independent Contractor Agreement that was signed (or otherwise acknowledged in writing), by Agent, then this ICA shall become effective, as provided below.

a. **Revisions By Passing of Time.** In states where permitted, this ICA (inclusive of eXp's Policies) may be revised by the passing of time, only as follows: (i) eXp will generate and deliver any proposed revision of material significance (a "Proposed Revision") to Agent, via email only, to Agent's email address as then reflected in Enterprise; (ii) Agent will have seven (7) calendar days following delivery of eXp's Proposed Revision to object to eXp's Proposed Revision (the "Revision Objection Period") by directing such objections to compliance@exprealty.net; (iii) if Agent does not object to the Proposed Revision during the Revision Objection Period, then Agent is deemed to have accepted the Proposed Revision, and such Proposed Revision shall become binding immediately and automatically upon the passing of the Revision Objection Period; (iv) if Agent objects during the Revision Objection Period then eXp reserves the right, in its sole discretion, to terminate this ICA. Agent agrees to timely review any Proposed Revision prior to expiration of the Revision Objection Period. It is Agent's responsibility to remain informed of and in compliance with his or her responsibilities and obligations under the most current version of this ICA (inclusive of eXp's Policies).

b. **Revisions By Written Consent.** In those states where revisions by the passing of time are prohibited, then no



materially significant revision to, or materially significant modification of, this ICA (inclusive of eXp's Policies) will be binding on the Parties unless in writing and signed by the Parties. If Agent objects to a Proposed Revision and refuses to sign the revision, then eXp reserves the right, in its sole discretion, to terminate this ICA.

c. **Meaning of "Material Significance"**. The terms "material significance" and "materially significant," as used in Section 14, above, mean anything that, (i) increases Agent's obligations and/or burdens, or (ii) reduces the rights and/or benefits to be received by Agent under the terms of this ICA.

15. **eXp Right to Payment; Agent's Payment Methods.**

a. **eXp Right To Payment.** eXp has the irrevocable right to seek payment or reimbursement, as applicable, from Agent in connection with Agent's eXp Fees under Section 4 of this ICA, Agent's Legal Expense Reimbursement obligations under Section 10 of this ICA, settlement obligations under Section 10 of this ICA, and Losses under Section 11 of this ICA, in addition to each of those items expressly referenced elsewhere in this ICA, in any addenda to this ICA, and/or within eXp's Policies, plus all accruing late fees and interest charges (if any) (collectively, "Amounts Owed To eXp"). Payment or reimbursement of Amounts Owed To eXp may be obtained by eXp, through any (or any combination) of the following methods: (i) offset against any fees, compensation, revenue share earnings, or other compensation, or any combination thereof, owed by eXp to Agent; and (ii) using Agent's payment methods then on file with eXp. Amounts of \$500 or less that are owed by Agent to eXp at any time (whether during or following the termination of Agent's ICA) will automatically be charged to or debited from Agent's payment method(s) then on file with eXp, with no advance notice to be provided to Agent.

b. **Agent's Payment Methods.** Agent's initial payment methods for fees, billings, compensation reimbursements, charge-backs, fees agreed to be paid by Agent on behalf of others, etcetera, are as provided in the Credit Card and Checking Account (ACH) Authorization Form (the "Authorization Form"). Following Agent's Onboard Date and for the remainder of the Term, Agent shall be solely responsible for ensuring that his or her payment methods remain current in eXp's system, whether such payment methods are updated through Agent's subsequent use of the Authorization Form, or through Agent's use of eXp's electronic payment portal (accessible by Agent through Enterprise). Agent hereby authorizes eXp to use Agent's then-current payment methods for payment of all sums to be paid by Agent to eXp under this ICA (inclusive of the eXp P&Ps).

16. **Cumulative Remedies.** The rights or remedies of eXp as provided in this ICA, in any of eXp's Policies, and as otherwise available at law or in equity, shall be cumulative and concurrent, and are not exclusive, and such rights or remedies may be pursued singularly, successively, or together against Agent at eXp's sole and absolute discretion. Agent agrees that eXp may not have any adequate remedies at law, and understands and agrees that eXp reserves all rights to seek any and all available equitable remedies, in addition to or instead of any and all available legal remedies. The failure to exercise any such right or remedy shall in no event be construed as a waiver or release of said rights or remedies or of the rights to exercise them at any later time. eXp shall have no obligation to exercise one right or remedy before exercising any other right or remedy.

17. **Sponsor.** Agent was most influenced to join eXp by _____ (*insert name*) who is situated in _____ (*city*), _____ (*state*) ("Sponsor") and selects this individual to be Agent's eXp sponsor. Agent is aware that Sponsor has no binding authority on behalf of eXp as it pertains to establishing or modifying the terms of any relationship between Agent and eXp, and this ICA overrides any and all verbal or written representations made by Sponsor to the contrary. Upon execution of this ICA, Agent's selection of Sponsor as Agent's eXp sponsor shall be permanent and may not be changed (except as otherwise expressly provided in the eXp P&Ps). Agent may obtain more information about the important meaning of sponsorship by viewing the eXp Sponsorship video available at www.exprealty.com/sponsorship.

a. **Sponsor Selection in Revenue Share Plan.** Selecting a sponsor is an important decision and should be based on who has been most influential in Agent's decision to join eXp. Sponsor selection is part of this ICA.

b. **Sponsor Requirement.** A sponsor's sole requirement to qualify as a sponsor is selection by the joining agent (in this case, Agent) as having been the most influential person in the joining agent's decision to join eXp. Sponsors are encouraged to support joining agents throughout the joining process and beyond, but are not required by eXp to do so. If Agent's Sponsor has made representations or promises above and beyond referring a joining agent to eXp, it is the sole responsibility of Agent to confirm Sponsor's ability and intent to deliver all additional support promised. eXp is not responsible for enforcing agreements between agents made outside of this ICA.

c. **Continuation of Original Sponsor.** If this ICA is terminated in accordance with Section 6, above, and if Agent rejoins eXp within one hundred eighty (180) days following Agent's Offboard Date (the "Original Sponsor Window"), then Sponsor (identified above) will continue to serve as Agent's sponsor when Agent rejoins eXp. However, and except as may otherwise be provided



in the eXp P&Ps, if Agent rejoins eXp following the Original Sponsor Window, then Agent may select a new sponsor when rejoining exp.

d. eXp as the Sponsor. If there is no individual who most influenced Agent to join eXp, or Agent prefers not to select a sponsor for any reason, then eXp will be and be deemed as Agent's Sponsor, and eXp will hold that position going forward.

e. **THE FOREGOING SPONSOR SELECTION BY AGENT IS A SIGNIFICANT DECISION WHICH IS IRREVOCABLE. AGENT IS ENCOURAGED TO PAUSE TO CAREFULLY CONSIDER WHO IS THE MOST INFLUENTIAL IN AGENT'S DECISION TO JOIN EXP. CHANGES IN SPONSORSHIP WILL NOT BE MADE. IF THERE ARE ANY UNANSWERED QUESTIONS ABOUT SPONSORSHIP, AGENT SHOULD STOP NOW AND RETURN TO THE ICA ONCE THE SELECTION OF SPONSORSHIP IS FULLY CONSIDERED AND UNDERSTOOD.**

[Agent's Signature Here]

18. **Binding Arbitration; Jury and Class Action Waiver.**

a. Any dispute, controversy, or claim arising out of or related to this ICA or any breach or termination of this ICA, including but not limited to performance of the Services, and any alleged violation of any federal, state, or local statute, regulation, common law, or public policy, whether sounding in contract, tort, or statute, shall be submitted to and decided by binding arbitration. Arbitration shall be administered by JAMS and held either virtually or in King County, Washington before a single arbitrator, in accordance with the JAMS rules, regulations, and requirements. Any arbitral award determination shall be final and binding upon the Parties. Judgment on the arbitrator's award may be entered in any court of competent jurisdiction. However, eXp may, at its election, choose to bring any claim or cause of action against Agent, by counterclaim, cross claim, third-party complaint, or otherwise, in a pre-existing civil action where it would otherwise be appropriate to assert such a claim, in lieu of commencing arbitration as described herein. Additionally, in the event eXp seeks injunctive relief that binding arbitration would not have the authority to award, eXp may assert such claims through an appropriate civil action.

b. Arbitration shall proceed only on an individual basis. The Parties waive all rights to have their disputes heard or decided by a jury or in a court trial and the right to pursue any class or collective claims against each other in court, arbitration, or any other proceeding. Each Party shall only submit their own individual claims against the other and will not seek to represent the interests of any other person. The arbitrator shall have no jurisdiction or authority to compel any class or collective claim, or to consolidate different arbitration proceedings with or join any other party to an arbitration between the Parties. The arbitrator, not any court, shall have exclusive authority to resolve any dispute relating to the enforceability or formation of this ICA and the arbitrability of any dispute between the Parties, except for any dispute relating to the enforceability or scope of the class and collective action waiver, which shall be determined by a court of competent jurisdiction.

c. Agent understands the meaning and effect of the waivers being made in Section 18.b, immediately above, and Agent has been provided with reasonable time and an opportunity to consult with his or her own legal counsel regarding the same; Agent agrees to be bound by the mandatory binding arbitration and dispute resolution provisions set forth in the eXp P&Ps.

[Agent's Signature Here]

19. **Non-Solicitation and Non-Disparagement.** Agent agrees to abide by eXp's Non-Solicitation and Non-Disparagement Policy, as set forth within eXp's Code of Conduct under the eXp P&Ps.

20. **Survival.** Any rights and obligations under this ICA, and in any of eXp's Policies, which by their nature extend beyond the termination of this ICA will survive the termination of this ICA. Without limiting the generality of the foregoing, the following Sections shall survive termination of this ICA: 2.a, 3, 6.a, 6.c, 9.b, 9.e, 10-13, 15, 16, and 18 - 21.

21. **Miscellaneous.** This ICA shall be governed in accordance with the substantive and procedural laws of that state in which Agent is licensed as a real estate licensee (and, if Agent is licensed as a real estate licensee in more than one state, the governing law shall be of that state of Agent's licensure in which the ICA is intended to be enforced), and to the extent controlling, to the federal laws of the United States of America, without giving effect to any choice or conflict of law rule. This ICA (inclusive of any appurtenant addenda), together with eXp's Policies, embodies the complete agreement and understanding among eXp and Agent with respect to the subject matter of this ICA, and supersedes any prior written or verbal understandings, agreements, or representations by or among the Parties which may have related to the subject matter of this ICA in any way. **To the extent there may be any conflict between the terms of this ICA and the terms in any of eXp's Policies, the more restrictive terms (in eXp's favor) shall be controlling.** No failure to exercise, and no delay in exercising, on the part of any Party, any right or any power hereunder shall operate as a waiver thereof. This ICA may be



executed in any number of identical counterparts, each of which is considered an original, but together are one agreement. This ICA is to be executed by electronic signature only, and shall have the same force and effect as if signed by original signature. Section headings in this ICA are included for convenience of reference only and shall not constitute a part of this ICA for any other purpose. This ICA and the rights of the Parties hereunder shall be governed by and construed in accordance with the laws of Agent's primary state (as such term is used in [Section 8.a](#), above). In the event that any provision of this ICA is determined to be unenforceable, such provision shall be deemed severed from all other provisions hereof and the remaining provisions of this ICA shall remain in full force and effect; the severed provision shall not be deemed severed from this ICA in any other jurisdiction. It is the desire and intent of the Parties that this ICA be enforced to the fullest extent permitted by law. If any provision in this ICA requires interpretation, the resolution of such ambiguity shall not be held against the drafter. Except as provided elsewhere in this ICA (inclusive of eXp's Policies), Agent shall not sell, assign, or transfer any of Agent's rights, interests, duties, or obligations under this ICA to any third party without eXp's prior written consent, which may be withheld, delayed, or conditioned in eXp's sole and absolute discretion. This ICA shall be binding upon and inure to the benefit of the respective heirs, successors, and permitted assigns of the Parties. Subject to [Section 13](#), above, in the event of any dispute between eXp and Agent under this ICA, the prevailing Party shall be entitled to recover its reasonable legal fees and costs; the "prevailing party" will be that Party who may be fairly said by the trier of fact to have prevailed on the major disputed issues.

IN WITNESS WHEREOF, and by their electronic signatures, below, the Parties hereto evidence their agreement to enter into and be bound by the terms of this ICA effective as of the Effective Date.

Agent:

eXp (Primary State):

Signature

Signature

Agent Name

Name, Title

(To be completed only if Agent is to be licensed and affiliated with eXp in more than one state.)

eXp (non-Primary State):

eXp (non-Primary State):

Signature

Signature

Name, Title

Name, Title



POLICIES AND PROCEDURES

eXp Realty (hereafter, “eXp,” “we,” “our,” and such analogous terminology) reserves the right to make updates to the policies and procedures set forth within these eXp Realty (USA) Policies and Procedures (“eXp P&Ps” or “eXp’s P&Ps”). When and if updates are made, they will be communicated through Workplace, eXp News weekly newsletter, and/or the weekly company meeting.

By signing an Independent Contractor Agreement (“ICA”) with eXp, each independent contractor real estate licensee with eXp (singularly an “Agent”; and collectively, “Agents”) is agreeing to adhere to and abide by these eXp P&Ps, with such eXp P&Ps being incorporated by reference into Agent’s ICA verbatim and at length, and constituting a part of Agent’s ICA as though fully set forth therein. A glossary of terms defined in these eXp P&Ps is located at the back of these eXp P&Ps; defined terms that are used but not otherwise defined in these eXp P&Ps shall be as defined in the ICA.

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I. CORE VALUES

At eXp, our core values are more than just motivational posters on virtual walls; they support our vision and shape our culture. Our global community is powered by agents, partners, and staff who work collaboratively to transform the real estate experience. These eXp P&Ps, our code of conduct, and the way we carry out our daily operations, including the enforcement of these policies, are based on these nine core values.

Core Values

<p>Community Be a good neighbor to create a sustainable legacy.</p>	<p>Service Make a positive change in our company and local community.</p>	<p>Sustainability Be a good financial steward of the environment, organizations and our families.</p>
<p>Collaboration We are all on the same field.</p>	<p>Transparency Get things out from behind the curtain.</p>	<p>Integrity Do the right thing.</p>
<p>Innovation The best way to predict the future, is to invent it.</p>	<p>Agile Force chaos and change to survive and grow.</p>	<p>Fun Don't take yourself too seriously.</p>

II. POLICY

It is the policy of eXp to participate in a real estate activity only when it is legal, honest, fair and beneficial to us and others. In pursuit of compensation for ourselves, we will never ignore the benefit of our community. Therefore, we will conduct our business in a manner to follow all the laws and rules of our profession. We pledge to exercise the highest standard of ethics, honesty, fairness and professionalism in all our real estate activities.

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III. PROCEDURES

Every Agent is expected to adhere to and abide by these eXp P&Ps. Failure to adhere to the eXp P&Ps could result in legal and regulatory liability for the Agent and eXp. Therefore, the Agent agrees that if they depart from the eXp P&Ps, they will defend, indemnify and hold eXp, and its principals and affiliates harmless against any and all claims, complaints or actions that may arise from such a departure. In addition, failure to comply with this Policy is grounds for the immediate release of an Agent's license and removal from eXp.

These eXp P&Ps provide detailed guidelines for eXp's brokerage policies and procedures; however, there may be some circumstances or issues that are not addressed. In those instances, decisions and actions taken will reflect our core values.

As provided above, these eXp P&Ps are incorporated into the ICA that each Agent entered into as part of the process of associating with eXp. Failure to comply with these eXp P&Ps may be grounds for immediate termination and dismissal from eXp. Additionally, an Agent's right to be compensated for their work, activities on behalf of eXp, revenue share and stock may be adversely affected by any failure on Agent's part to carry out, adhere to, and otherwise support and fulfill the provisions of these eXp P&Ps.

IV. STATE POLICIES AND PROCEDURES

These eXp P&Ps are designed to address nationwide brokerage policies and procedures applicable to all Agents in all states in which eXp does business. It is impractical to address the peculiarities of state and local requirements in the body of these eXp P&Ps, particularly the responsibilities of Agents to principals and the public. While it is each Agent's obligation to be fully familiar with and fully comply with state and local law pertaining to the provision of real estate brokerage services, eXp offers additional state policies and procedures where necessary, to address many, but not all, state and local requirements. Any State P&Ps, if applicable, will be a critical part of these eXp P&Ps and, to the extent it is inconsistent with these eXp P&Ps, the applicable State P&Ps supersedes these eXp P&Ps.

V. CODE OF CONDUCT

All Agents shall conduct their business in alignment with eXp's core values, the National Association of REALTORS® Code of Ethics, and in accordance with applicable federal and state laws. Agents should conduct themselves in an appropriate business-like manner in all activities and relations with fellow Agents, clients, potential customers and eXp staff.

All Agents shall strive at all times to perform in a manner that will increase the goodwill, reputation and business of eXp, and Agents shall do nothing which would serve to disturb, discredit or devalue eXp or eXp's goodwill, reputation and/or business.

Any Agent whose conduct, actions or performance violates or conflicts with eXp's P&Ps, eXp's core values, or any other eXp policy, may be released from eXp immediately and without warning.

It is the commitment of eXp to ensure the brokerage is free from negative, aggressive and inappropriate behaviors, and that the environment is aimed at providing an atmosphere upholding our core values. All Agents and employees of eXp have the right to be treated with dignity and respect. All complaints of negative and inappropriate behaviors will be taken seriously and followed through to resolution. Agents or employees of eXp who file complaints will not be victimized for “whistle-blowing” or reporting others for their inappropriate behavior. Agents may file complaints by emailing compliance@exprealty.net.

Agents who are members of the National Association of REALTORS® are required to maintain their mandatory ethics training. Failure to complete the course will result in suspension or termination of Realtor® membership and removal from eXp.

Agents are expected to become familiar with and adhere to the National Association of REALTORS® Pathways to Professionalism found on their website at <https://www.nar.realtor/code-of-ethics-and-arbitration-manual/pathways-to-professionalism>.

Agents shall not disparage the conduct, reputation, or character of another Agent, of any eXp employee or member of management, or of eXp itself (including eXp’s products, services, and business model). Agents shall not disparage competing brokerages or their agents. Agents shall not solicit, recruit, employ, induce, or entice (either for themselves or another), directly or indirectly through a third party, any eXp partners, affiliates, salespersons, real estate agents, and/or employees to leave eXp during the Term of an Agent’s ICA, and for a period of two (2) years following termination of an Agent’s ICA. This paragraph shall be referred to as eXp’s Non-Solicitation and Non-Disparagement Policy.

Agents shall not take any action that creates, or has the possibility of creating, any civil and/or criminal liability for eXp and/or other eXp Agents.

Violations of this Code of Conduct are grounds for immediate termination of Agent’s ICA.

VI. DUTIES AS AN AGENT

A. Fiduciary

1. The Agent and all licensed assistants shall abide by their fiduciary responsibilities when acting as an Agent for a client. The Agent owes the client the fiduciary duties of obedience, loyalty, disclosure, confidentiality, accounting, reasonable skill and care. Agents shall also deal fairly with all parties to a transaction.
2. The agency relationship with any party with whom an Agent is working on behalf of eXp or an Agent must have their license affiliated with eXp and have established in writing on a form acceptable to the state Designated Managing Broker or applicable Managing Broker(s) (individually, and collectively, hereinafter referred to as “**State Broker**”) before an offer on a property is written, or a listing is taken. The failure to establish and disclose the type of relationship one has by the time of contract is unacceptable. The contract is to serve only as confirmation of an election made by the buyer/lessee or seller/lessor in a separate written agreement before the contract is written.

B. Cooperation and Compensation

1. As a matter of policy, eXp does not offer cooperation or compensation to sub-agents.
2. eXp does not share listing compensation with a buyer's broker. eXp will assist any seller-directed compensation for a buyer's broker at a seller's written direction.
3. eXp does not require sellers to offer compensation to a buyer's broker. If a seller chooses to offer compensation, the compensation offered by a seller to a buyer's broker is not required to be a "blanket or unilateral offer of compensation". The seller may determine when the offer of compensation is made, at time of listing, at time of showing, or negotiated in the purchase contract.
4. An Agent exclusively representing a buyer shall not, under any circumstances, contact a seller directly without first obtaining the express consent by the listing broker and State Broker. The exception to this policy being for sale by owner properties.
5. eXp Agents representing a buyer in a Transaction shall have a Buyer-Broker Agreement. Compensation to buyer's broker shall be established *via* this agreement.
6. eXp Agents shall not advertise or otherwise represent their services as being "free" unless they will not receive any compensation from any source for those services.
7. eXp Agents may not filter or restrict listings to a buyer based on the existence or amount of any offer of compensation offered to a buyer's broker. eXp Agents shall make available properties as requested by a buyer and not refuse to show based on offers of compensation to a buyer's broker.
8. eXp Agents shall disclose to a buyer any offer of compensation made to a buyer's broker.

C. Good Standing

Each Agent has a duty to remain in Good Standing at eXp. To be considered in "**Good Standing**," an Agent must:

1. be current on all financial obligations and not have any unpaid fees, charges, repayments, or any other amounts owed by the Agent to eXp;
2. have and maintain an active and current status for:
 - a) all required licenses;
 - b) local, state, and national REALTOR® Association/Board memberships, where applicable; and
 - c) any other subscriptions that are required to conduct real estate business in the Agent's state(s);
3. not be deemed in breach of any term, covenant, condition, obligation (including monies owed) or duty set forth in the ICA and these eXp P&Ps, as determined by eXp in its reasonable discretion; and
4. not be involved in any legal claims, disputes, or administrative hearings.

eXp reserves the right to withhold earnings from, and assign another Agent to close out, any pending transactions concerning any Agent that is not in Good Standing.

In order to remain eligible to collect revenue share under eXp's Revenue Share Plan, an Agent must be and remain in Good Standing; any failure to remain in Good Standing may result in a loss of pending revenue share earnings. See section titled, "Qualifications to Receive Revenue Share," for more information.

D. Agreements, Compliance Forms, Insurance Forms

Each Agent will submit all documents necessary for eXp to keep themselves in compliance with all applicable local, state, and federal laws, as well as with eXp's P&Ps. eXp will share all materials with an Agent that eXp maintains in its records relating to that Agent's agency and independent contractor relationship with eXp.

eXp reserves the right to assess penalties (financial and otherwise) against an Agent, in accordance with each Agent's ICA and eXp's P&Ps, if that Agent fails or refuses to provide completed documentation as required by eXp or by any applicable local, state, or federal law, in order to achieve and maintain compliance with such laws.

E. License Renewal and State Department of Licensing Rules

Agents shall maintain an active real estate license with the applicable state department or agency that is charged with administering the issuance of any real estate licenses in that state ("**State Department of Licensing**"). It is the Agent's sole responsibility to fulfill all continuing education requirements and file their renewal promptly and be aware of their licensing status with the State Department of Licensing. eXp may, at its sole option, sever the Agent's license with eXp if the Agent's license is not renewed on time. Failure to renew can have severe financial impacts on the Agent. Compensation is subject to forfeiture for any unlicensed real estate activities after expiration/revocation of an Agent's license.

Agents shall adhere to all state and federal licensing rules and regulations. It shall be the Agent's responsibility to be knowledgeable about the rules set forth by their State Department of Licensing. Should a complaint be filed against an Agent, the Agent must immediately notify eXp via their State Broker for assistance in responding promptly to the complaint and cooperate fully with the State Department of Licensing.

F. Non-Disclosure Of Trade Secrets

Each Agent recognizes and acknowledges that much of the information that will be furnished to him/her concerning eXp's clients, customers, listings, holdings, investments, transactions, eXp-generated leads, and other confidential matters constitutes valuable, special, and unique assets and are trade secrets of eXp. Accordingly, Agents shall not, during or after their affiliation with eXp, disclose any such information or any part thereof, to any person, firm, corporation, association, or other entity for any reason or purpose whatsoever without the express written consent of eXp.

G. Real Estate Transactions

All real estate transactions must be taken in eXp's name (and not in an Agent's name or in the name of any other real estate brokerage company), and processed and closed through eXp. This means that any listings (whether sale or rental) must be listed, advertised, processed, and closed through eXp; and any buyer/tenant-representation services must be performed through eXp.

Each Agent shall ensure that all fees or other compensation earned by the Agent, and for which the Agent must be an active licensed real estate professional in order to receive such compensation in

connection with the sale, lease, or rental of real estate, and any interest therein or service in relation thereto, are made payable to eXp.

In order to receive compensation, Agents acting on behalf of buyers shall have a written agreement prior to touring a home (e.g., a "touring agreement" or Buyer-Broker Agreement). Where state law is more restrictive, refer to State P&Ps.

H. Transaction Files

1. Forms

Agents shall use the most current forms provided by eXp Realty or that are customary to the MLS or REALTOR® Board where the Agent is a member. eXp does not condone or endorse the unauthorized use of any copyright-protected forms developed by any MLS or REALTOR® Board. Under no circumstance may Agents use any copyright-protected forms developed by any MLS or REALTOR® Board unless such Agents belong to the MLS or REALTOR® Board that created the copyright-protected forms. Agents, and not eXp, will be solely responsible for all costs and expenses arising from their unauthorized use of any copyright-protected forms. Agents must use any applicable regulatory documents required by federal and state agencies.

Agents may not create and use their own forms unless the forms intended to be used are first approved, in writing, by both their State Broker and Regional Director. Many eXp forms will be found within the transaction management system currently used.

Agents are aware and understand that all dual agency transactions must contain a fully executed consent for dual/limited representation form, completed prior to purchase/sale contract execution, in order to preserve the right to errors and omissions insurance coverage on the file. Agents are aware that if they fail to obtain such written consent, the file may be excluded from coverage and such Agent shall be responsible for the full amount of the damages, attorneys' fees, and costs incurred by and/or recovered against eXp.

2. Executed Real Estate Documents

The State Broker has a supervisory responsibility by law and must comply with the State Licensing Department's rules. All purchase and sale agreements, listings, buyer-broker agreements, referrals and any other transactional documents must be uploaded into the transaction management system within two business days of execution to allow time for review and approval by the applicable State Broker team. Please refer to the transaction checklists provided in each state.

Transaction files should include all documents related to the transaction and any and all correspondence, notes, email communications, text messages, etc., regardless of whether the Transaction closed or not. Agents are encouraged to make copies of their files. eXp reserves the right to maintain digital files in storage for the statutory period as required by the state licensing departments. Unauthorized removal of any file from the transaction management system may lead to termination.

Once a customer or client has signed a document, they are entitled to and shall, therefore, receive a copy of the document upon its execution. Agents are required to either provide an electronic

copy, via email, or deliver a physical copy of the document(s) to them.

Agents shall transact ALL real estate brokerage business through one of the eXp World Holdings, Inc. family of real estate brokerage companies. Transactions that are processed outside of the foregoing may be grounds for immediate termination.

3. Earnest Money

Earnest money shall be handled as described in State P&Ps. The Agent will be subject to immediate termination if it has been determined that there has been any improper handling of earnest money.

All files must contain an accounting for disbursement of funds including earnest money and final settlement statements.

4. Late or Incomplete Paperwork Submissions

Signed documents of any variety, listing files, and files pertaining to completed transactions must each be uploaded within eXp's transaction management system within the sooner of the following: (a) forty-eight (48) hours after their execution or in the case of a completed transaction, the respective closing date (as applicable), or (b) the maximum time period permitted by the Agent's applicable state's real estate licensing laws. Listing files and files pertaining to completed transactions must include all required paperwork pertaining to the listing or transaction, as applicable; missing paperwork is not acceptable. Failure to adhere to these requirements is a violation of eXp policy and may subject the Agent to escalating repercussions, all as determined by the State Broker and/or Brokerage Operations leadership, in their sole discretion. Such repercussions include, without limitation, any of the following or combination thereof:

- a) Loss of split check (if allowed in the Agent's state) for stated times;
- b) If the Agent fails to adhere to these requirements three (3) or more times within a rolling, consecutive 6-month period, the Agent will be required to use an eXp-approved Transaction Coordinator ("TC") to assist Agent with organizing and uploading the Agent's next three (3) Agent listing files and/or files pertaining to completed transactions, all at the Agent's sole cost and expense. Thereafter, the Agent is free to continue or discontinue using the same or different eXp-approved TC, as the Agent determines; if use is continued, such use will be at the Agent's sole cost and expense.
- c) Required training on eXp's transaction management system, and policies and procedures pertaining to state contracts; and
- d) Offboarding the Agent from eXp.

Any fines assessed to the State Broker, or to eXp, pertaining to an Agent's failure to follow these document and file submission policies shall be reimbursed by that Agent. The costs of undertaking any investigation by the State Broker for an Agent's non-compliance with these document and file submission policies may be passed on to that Agent, all at eXp's sole discretion.

I. Agent-Owned Real Properties

1. Generally

One of the great benefits of having a real estate license is the advantage of building personal wealth through the sale and purchase of real estate. However, these transactions place both eXp as well as the Agent-Owner (defined below) at a greater risk of litigation due to the nature of rehabbed and flipped property transactions. In addition, the mere fact that a seller or buyer is a licensed real estate professional and REALTOR® means they are held to a higher standard and subject to higher incidences of legal claims and litigation. Therefore, these policies are intended to protect both the Agent-Owner, eXp, and all of our Agents and shareholders.

- a) **"Agent-Owned"** means ownership is held or controlled by an Agent, whether through an Agent's own name, a spouse's name, a business entity, a trust, or that is otherwise owned and/or controlled by Agent and/or Agent's spouse (also referred to as an **"Agent-Owner"**)
- b) Unless prior written approval is granted by Brokerage Operations leadership, Agents shall not enter into a contract to sell or flip a property until the Agent holds legal title (as opposed to mere equitable title) to the subject property.
- c) A single Agent may not represent both sides of a sales transaction if the Agent or a family member of the Agent is a principal or party to the transaction.
- d) Under NO circumstances can an Agent represent the buyer in a Personal Transaction (as defined below); additionally, an Agent cannot act as an intermediary in a Personal Transaction.
- e) Agents shall never act as a principal in a transaction without the full written consent of all parties.
- f) The buyer must sign an agency representation disclosure.
- g) Both the buyer and Agent shall execute the Disclosure of Personal Interest of eXp Realty Agent Addendum to Residential Purchase Contract with each Agent-Owned property.
- h) The parties must use standard forms and sales contracts and all forms must be state approved with full and accurate signatures & dates.
- i) Agent's name, Agent and/or Agent's spouse's business entity or trust name, or Agent's spouse's name must be on the title or lease agreement (as applicable) for the Transaction to be considered.
- j) All seller disclosures must be made regarding any property defects or material information, must be completed on a seller's disclosure notice, and must have all necessary signatures, dates & initials.
- k) For all transactions where the property is Agent-Owned, eXp strongly encourages that the Agent-Owner ensures a home inspection is delivered to the buyer.
 - (1) The buyer must have a home inspection done by a licensed property inspector (if licensing is a requirement in the state in which the property is located) or submit a written waiver of such.
 - (2) If buyer waives the right to a property inspection, the buyer must provide written notice of that waiver by completing and signing the Buyer Acknowledgement and Waiver of Inspections.
 - (3) A copy of the property inspection, along with all addenda and/or amendments must be included in the file.

- l) For all transactions where the property is Agent-Owned, the Agent-Owner is strongly encouraged to ensure the property is covered by a standard home warranty from a company of the buyer's choice.
 - (1) The buyer must be made aware that they may purchase a residential service contract (home warranty) for the property via the Disclosure of Personal Interest of eXp Agent Addendum to Residential Purchase Contract.
- m) Ownership must be disclosed in all marketing materials, MLS, advertising, and stated in the special provisions, or its equivalent, section of the contract regardless of what percentage of ownership interest in the property is held by the Agent.
- n) Agents are required to turn in a copy of the full closing disclosure and copies of any/all compensation checks received for the transaction.
- o) Any work completed on the property that requires a permit or is a major repair (i.e., repairs that are not of a casual nature, or otherwise require permits) shall be done by a licensed, bonded, and insured contractor. In jurisdictions where a contractor license is not required, the individual performing the repair(s) must be an experienced and qualified tradesperson.

2. Personal Transactions

A "Personal Transaction" is any transaction concerning a property that is Agent-Owned or leased by an Agent.

Agents may exempt three (3) Personal Transactions per Anniversary Year, whether involving the Agent's ownership interests or leasehold interests. (Please communicate with your State Broker should you have questions.)

Personal Transactions will carry a Personal Transaction Fee ("**Personal Transaction Fee**") taken as a charge against the Contractor Dollar, as follows:

- a) Personal Transactions involving a purchase or sale will carry a \$250 Personal Transaction Fee, in addition to the Transaction Review Fee and Risk Management Fee. For Agents who have reached a Capped Status and who are paying a reduced Capped Status Transaction Fee, the Personal Transaction Fee shall be collected at the reduced rate of \$75 per Personal Transaction for the remainder of that Agent's Capping Period.
- b) Personal Transactions involving a lease will carry a \$75 Personal Transaction Fee, and either, (i) no Transaction Review Fee or Risk Management Fee (if the Gross Compensation Income is \$1,000 or less), or (ii) a Transaction Review Fee and Risk Management Fee (if the Gross Compensation Income is greater than \$1,000). **Personal Transactions involving a lease do not count towards the three (3) exempt Personal Transactions per Anniversary Year.

Personal Transaction compensation is not included in revenue share calculations where no Company Dollar is generated from the completion of the Personal Transactions.

When an Agent in the eXp Mentor Program is purchasing a personal property, a Buyer-Broker Agreement is required for the amount of compensation being collected. Minimum compensation must be minimum Company Dollar for a Personal Transaction.

For eXp Agents in the eXp Mentor Program, please see the relevant eXp Mentor Program Addendum to Independent Contractor Agreement for rules and fees involved in a Personal Transaction.

J. Commercial Property

Prior to transacting in or contemplating a commercial transaction, Agents must have authorization from their State Broker. Agents may not act outside their area of expertise.

Agents must be aware that eXp's errors & omissions insurance policy limits are generally not sufficient to conduct many commercial real estate activities.

For purposes of these eXp P&Ps, "**Residential Property**" shall be defined as any real property that is zoned to accommodate a residential dwelling having not less than one (1) and not greater than four (4) dwelling units, whether such real property is vacant land or improved real property; and "**Commercial Property**" shall be defined as any real property that is not Residential Property.

K. Unauthorized Activities

1. Generally

- a) No business will be conducted in eXp's name that does not pertain directly to the duties of a real estate licensee as directed by federal, state and local laws/regulations as well as eXp's Policies, referenced herein.
- b) Agents shall not open any brick-and-mortar offices in eXp's name or bind eXp to any agreements without the written consent of their State Broker.
- c) Except as otherwise provided in the last sentence to this paragraph, Agents shall not conduct property management services through eXp. The term "**property management services**" means engaging in any activities concerning an actual or prospective tenant on behalf of a client, whether or not such activities are coupled with any property preservation services (as that term is defined herein) (e.g., collecting rents, performing inspections, setting up repairs and maintenance, running a background check, making or assisting with tenant selection, etc.). However, Agents may list rental properties on behalf of landlord-clients, and Agents may assist tenant-clients in locating suitable properties in which to rent.
- d) Agents shall not operate limited function referral offices through eXp. The term "**limited function referral offices**" means those offices that are solely engaged in referring clients or customers to non-eXp real estate brokerage companies. Agents desiring to perform limited function referral offices should both (i) refer to their State P&Ps, and (ii) contact their State Broker for more information.
- e) Agents shall not sell or list to sell business opportunities or engage in business brokerage activities. For avoidance of doubt, this prohibition does not apply to brokering interests of cooperative corporations (co-ops).
- f) Agents shall not conduct a final walk-through inspection on behalf of a client.
- g) Agents shall not perform work or do repairs on properties where the Agent is representing a buyer or seller.
- h) A single Agent shall not represent both sides of a sales transaction if the Agent or a family member of the Agent is a principal or party to the transaction. Failure to follow this policy

can result in loss of errors and omissions coverage and each Agent shall be responsible for any legal costs and may be subject to removal from eXp, as provided in their ICA.

- i) Agents shall not represent both sides of a transaction without full written consent from all parties executed prior to contract. Failure to follow this policy can result in loss of errors and omissions coverage. Agents shall be responsible for all legal costs and may be subject to removal from eXp, as more fully provided in Agent's ICA.
- j) Agents shall not engage in the act of wholesaling properties, in which they, or a family member, have a financial interest without first obtaining written approval from both the State Broker and Brokerage Operations leadership. No real estate compensation arising from a wholesaling transaction in which either the Agent and/or the Agent's family member is a principal, shall be credited, reduced, or otherwise waived unless the transaction file is complete; and if the file is complete, any such crediting, reduction, or waiver must be approved in writing, and in advance, by Agent's State Broker. In this instance, real estate wholesaling occurs when the Agent contracts with a home seller to purchase their property, markets the home to potential buyers and then sells and assigns the purchase contract to another buyer before the purchase transaction closes. The Agent makes a profit, which is the difference between the contracted price with the seller and the amount paid by the buyer. For avoidance of doubt, real estate wholesaling does not occur (for purposes of this paragraph) when there is a deed transfer as between the original seller and first buyer, on the one hand, and a second deed transfer as between the first buyer and subsequent buyer, on the other hand, even if the two deed transfers occur on the same day, whether or not through simultaneous closings. Agents should consult with their State Broker team or Regional Director (formerly known as their, "Centers of Excellence Director" or "COE Director") for more information.
- k) Agents may only work with an unrepresented party with proper disclosure, and the Agent must represent a party in the transaction (i.e., helping a buyer client purchase from a for sale by owner, helping an unrepresented buyer purchase their listing where they represent the seller). MLS-only listings are not allowed.
- l) Agents shall not act outside of their area of expertise, either in knowledge base or geographic area. At the option of the State Broker, another Agent may be assigned to work with the Agent or to personally assist the Agent in such a transaction. If compensation to the Agent is affected, the State Broker shall negotiate a reasonable compensation agreement on that transaction.
- m) As a general rule, Agents shall not contract for any services or bind eXp in any way without written consent of eXp. However, Agents may enter into client-specific or transaction-specific agreements (on eXp's behalf), (1) that affect only themselves (as opposed to any other eXp Agents), and (2) which a reasonably prudent real estate licensee would customarily enter into in the normal and regular course of rendering those real estate brokerage services offered by eXp (including, without limitation, listing agreements, client-specific or transaction-specific referral agreements, and buyer-broker agreements).
- n) For avoidance of doubt, Agents do not have authority and are not permitted to enter into any agreements (on eXp's behalf) that may affect any Agents other than themselves or eXp, including by way of example only, and without limitation, master referral agreements, lead generation agreements, master service agreements, office lease agreements, non-disclosure or confidentiality agreements, or any other type of business-to-business vendor agreement. If Agents are unsure whether they have the authority to enter into an agreement

on eXp's behalf, they should refrain from entering into that agreement and confer with their State Broker.

- o) Agents shall not render legal, appraisal or tax advice to any person on behalf of the Agent, the State Broker or eXp. Under no circumstances is an Agent to deny, or in any way discourage, a client from seeking the advice of an attorney of client's choice. Rather, such activity should be encouraged.
- p) Agents shall not agree to act as an "attorney in fact" under a power of attorney on behalf of a client or customer of eXp without first obtaining written approval from the applicable State Broker.
- q) Agents whose clients are operating as an attorney in fact under a power of attorney must confer with their State Broker prior to accepting such client. For avoidance of doubt, eXp cannot confirm the validity or enforceability of any powers of attorney.
- r) Agents shall not recommend third party services with whom the Agent has a familial relationship in any transactions the Agent is directly involved in or has a financial interest in unless the Agent discloses their familial and/or financial interest (if any) in writing to the client, and also provides at least one additional referral, preferably more, at the same time.
- s) Agents shall not, directly or indirectly (such as through a company an Agent owns or controls), perform or complete any repairs on a property for a client, that is or is intended to become the subject of a transaction in which the Agent is involved, regardless of whether the Agent is a licensed contractor.
- t) Agents shall not enroll or participate in auction websites without State Broker approval.

2. Competitor Affiliation is Prohibited

An Agent shall not be affiliated with a competing real estate brokerage company. This means that an Agent (including an Agent's spouse or partner, if applicable) shall not alone or in association with others, whether individually or through any legal entity (such as a corporation, limited liability company, joint venture, etc.) do any of the following:

- a) own, manage, operate, or control;
- b) be employed by, or engaged as an independent contractor with;
- c) serve as an officer, director, consultant, or agent to;
- d) capitalize or lend money to; or
- e) grant the use of his or her name to

any residential or commercial real estate brokerage firm other than those within the eXp family of real estate brokerage companies. Notwithstanding the foregoing, an Agent may own, as a passive investor, the issued and outstanding stock of a publicly held company that competes with any real estate brokerage company within the eXp family of real estate brokerage companies.

3. Limited Representation is Prohibited

Except as otherwise provided below, no Agent shall enter into any representation relationship with a seller, buyer, landlord, or tenant that limits the services to be provided to that person ("**Limited Representation**"), nor shall any Agent participate in any transaction that does not result in a fiduciary relationship between an Agent and the seller, buyer, landlord, or renter.

However, an Agent may engage in any of the following Limited Representation relationships provided that, (1) each such relationship is disclosed in writing and signed by the client or

customer, and such disclosure clearly establishes the Agent's duties to the client or customer (including the limitations of the Agent's relationship with the client or customer), (2) any such relationship is not prohibited by applicable law or regulations, and (3) any such relationship is not prohibited by State P&Ps:

- a) a "limited dual agency" relationship;
- b) a "transactional" relationship (i.e., a nonagency relationship where an Agent does not represent a buyer or seller, or landlord and renter, in the transaction, treating both as customers); and
- c) a "facilitator" relationship (i.e., a relationship where an Agent assists a buyer and seller, or landlord and renter, in reaching agreement in a real estate transaction but has no fiduciary duties to either party).

If an Agent is unclear with the above, the Agent should contact their State Broker before engaging in any of these relationships.

In any listing engagement (including where there is Limited Representation), no Agents shall encourage or place in any "MLS listing remarks," directions that a buyer's or renter's agent (or potential buyers or renters themselves) contact the seller or landlord, directly, for any reason.

VII. ANCILLARY AND AFFILIATED SERVICES

A. Property Preservation Services

Agents may only engage in property preservation services when working on behalf of clients that are asset managers or institutional clients (whether or not associated with eXp's REO/Relocation division). Agents may not engage in property preservation services for clients that are not asset managers or institutional clients. The term "**property preservation services**" means tending to and managing only the physical aspects of any real property on behalf of a client (e.g., scheduling, coordinating, and/or setting up any repairs or maintenance concerning a client's real property). For avoidance of doubt, "property preservation services" are distinct from "property management services" (defined herein). For example, and without limitation, an Agent may schedule plumbing repairs on behalf of a bank that owns an REO property, but an Agent may not schedule plumbing repairs for a mere, individual property owner that owns a property.

B. Mortgage Loan Origination

1. Generally

Except as may otherwise be prohibited by law, an Agent may perform mortgage activities in any Transaction in which they have a personal or financial interest.

2. Dual Capacity

If an Agent is authorized by applicable law to perform both real estate brokerage activities and mortgage loan origination activities, the Agent may perform both sets of activities in the same transaction provided that the Agent has properly disclosed their "dual capacity" (as both real estate agent and mortgage loan originator) to his or her client.

3. **Familial Relationship - Conditionally Acceptable**

An Agent may not refer the services of a mortgage loan originator, that has a familial relationship to the Agent, on any transactions in which the Agent is performing real estate brokerage activities, unless each of the following conditions are met: (1) the buyer/borrower is being represented through the Agent and is not an opposite party in the purchase transaction; (2) such familial relationship is disclosed to the buyer/borrower, in writing, in advance of making the referral (an email from the Agent to the buyer/borrower is acceptable; see below example); (3) if the disclosure is made through email, then a copy of the email is uploaded to the transaction file in eXp's transaction management system; if the disclosure is made in any other written form, it must be signed and then uploaded to the transaction file in eXp's transaction management system; and (4) the Agent must provide the name and contact information for at least one additional mortgage loan originator at the time the referral is made to buyer/borrower.

Example: Agent sends the following email to the buyer/borrower:

"Dear [Buyer/Borrower],

Here are a couple of loan originators for your consideration:

1. Sally Smith of Smith Mortgage: (732) 123-4567
2. Jenny Jones of Jones Home Loans: (732) 321-7654
*Jenny is my spouse; you can pick any loan originator you choose and your options are not limited to the two individuals or companies listed in this email."

C. Title And Escrow Companies

*** (This section of these eXp P&Ps is applicable when an Agent has an ownership interest in a title and escrow company or is a member of any team whose team member owns a title and escrow company.) ***

1. **Step 1: Produce an Affiliated Business Arrangement (ABA) Disclosure Form**

Agents that own an interest in a title and escrow company must use their own ABA disclosure form in all purchase and sale Transactions that they participate in on behalf of eXp; this is to be used in addition to eXp's own ABA disclosure form. Agents will have their own ABA disclosure form prepared. The proposed ABA disclosure form must name eXp (and the Agent) in the "From" line at the top of the form; the form must also contain language referencing eXp, substantially similar to the following:

"eXp Realty, LLC, together with its subsidiaries and affiliates (collectively, "eXp"), **does not** have any relationship with Happy Harry's Title and Escrow Company, Happy Harry's Holdings, LLC, or Happy Harry's Agency (collectively, the "Harry Companies"), nor will eXp receive any benefit, financial or otherwise, from any referral to any of the Harry Companies given by Agent."

**References to the Harry Companies are for exemplary purposes only; Agent to use only those company names applicable to Agent.*

(Agents are responsible for updating their ABA disclosure form from time to time so that it always remains in conformance with applicable law and any changes in factual circumstances. Each update to an Agent's ABA disclosure form must be accompanied by an additional legal opinion letter, as more fully discussed, below.)

2. Step 2: RESPA Attorney

Agent consults with an attorney of their choosing that is knowledgeable in the Real Estate Settlement Procedures Act ("RESPA"), for the purpose of having that attorney review the Agent's proposed ABA disclosure form (and any updates to that form) at the Agent's sole cost and expense. The attorney will also be responsible for confirming the truth and accuracy of any entities and entity-relationships referenced in the proposed (or updated) ABA disclosure form. If the Agent's attorney determines that the proposed (or updated) ABA disclosure form does not conform with RESPA or is less than true and correct, then the Agent or attorney will revise it so that it conforms to RESPA and is true and correct.

3. Step 3: Legal Opinion Letter

After the Agent's attorney has determined that the proposed (or updated) ABA disclosure form conforms with RESPA, makes true and correct representations, and contains the recommended language that is needed for eXp, the Agent's attorney proceeds to draft a legal opinion letter, for the benefit of Agent and eXp and upon which each may rely, that among other things, (1) provides that the attorney is conversant in RESPA, (2) affirms that the proposed (or updated) ABA disclosure form conforms with RESPA, (3) substantiates how/why it conforms with RESPA, and (4) affirms that the relationships spelled out in the ABA disclosure form are true and correct. (Agent must have a new legal opinion letter produced each time Agent's ABA disclosure form is updated.)

4. Step 4: Delivery to eXp

The Agent provides eXp with a copy of both the proposed (or updated) ABA disclosure form and the Agent's attorney's legal opinion letter. The proposed (or updated) ABA disclosure form and legal opinion letter are to be routed to eXp's Legal Operations Department for its review.

5. Step 5(a): Authorization for Proposed ABA Disclosure form

If eXp receives Agent's proposed ABA disclosure form and the accompanying legal opinion letter and its Legal Operations Department approves of each of them, then eXp will present Agent with a copy of its Title & Escrow eXp Addendum ("T&E Addendum") for Agent's signature. Thereafter, Agent will have eXp's authorization to use, and shall use, Agent's proposed ABA disclosure form in connection with each Transaction that they and any of their team members engage in.

6. Step 5(b): Authorization for Updated ABA Disclosure form

If eXp receives Agent's updated ABA disclosure form and the accompanying legal opinion letter and its Legal Operations Department approves of each of them, then eXp will formalize its approval, in writing, and thereafter, Agent will have eXp's authorization to use, and shall use, Agent's updated ABA disclosure form in connection with each Transaction that they and any of their team members engage in.

7. Step 6: Use

Once the proposed (or updated) ABA disclosure form and Agent's attorney's legal opinion letter have been approved by eXp, Agent shall use, and shall cause each member of any team to which Agent belongs (if applicable) to use, Agent's proposed (or updated) ABA disclosure form in all Transactions that they participate in on behalf of eXp.

Note: Agent may not own a title and escrow company and also serve as a real estate licensee on behalf of eXp unless/until all the above referenced steps are completed.

D. Home Warranty Companies

*** (This section of these eXp P&Ps is applicable when an Agent wants to work with and be compensated by a home warranty company.) ***

1. Free to Contract with Home Warranty Company

eXp will not prohibit an Agent from contracting directly with a home warranty company on their own, individual behalf (and not on behalf of eXp), for purposes of rendering a "compensable service" (as such term is used in Title 24 of the Code of Federal Regulations Section 3500.14 (Prohibition against kickbacks and unearned fees)) to that home warranty company. For avoidance of doubt, a compensable service is not conditioned on the referral of business to that home warranty company; rather, it is services actually performed by an Agent. Any such contract as between a home warranty company and an Agent is not to reference eXp in any way.

2. No Review of Contract

eXp will not review or render any opinion on the sufficiency of any contract to be entered into between a home warranty company and an Agent as it relates to the Agent's performance of a "compensable service" for that home warranty company.

3. No Referral Fees

No Agent may receive compensation (*i.e.*, a referral fee) from a home warranty company if the basis for such compensation is the making of a referral of a prospective customer to a home warranty company.

4. Free to Receive Payment for Compensable Services

eXp will not prohibit an Agent from receiving compensation directly from a home warranty company as a result of the Agent's rendering of a compensable service for that home warranty company. eXp will not be a payment intermediary, *i.e.*, we will not receive payment from a home warranty company and then forward that payment along to an Agent.

5. No Amendment to ABA Disclosure Form

eXp will not amend its ABA Disclosure Form, or produce or authorize the production of any new eXp ABA Disclosure Form, to include references to any home warranty company with whom an Agent may be individually contracted.

VIII. AGENT FEES

A. Standard Fees

Agent fees include each of those listed below (note - unused portions of any monthly fees previously paid will not be credited/prorated). For avoidance of doubt, an Agent shall not be assessed, more than once per Transaction, any Agent fees that are generated on a Transaction-by-Transaction basis (such as Transaction Review Fees, Risk Management Fees, and Capped Status Transaction Fees).

- **Sign-Up Fee:** \$149*. This sum includes an Agent's first month Cloud Brokerage Fee. (*NYC REBNY Agents shall pay a Sign-Up Fee of \$199.)
- **Cloud Brokerage Fee:** \$85* per month, includes access to all platforms. (*NYC REBNY Agents shall pay a Cloud Brokerage Fee of \$165 per month.)
- **Washington Workers Compensation Insurance:** Agents whose primary state of licensure is Washington shall pay the workers portion of the Washington Workers' Compensation Insurance premium as stated on each annual Rate Notice issued by the Washington State Department of Labor & Industries prior to the start of each calendar year.
- **Transaction Review Fee:** \$25 per Transaction. All Transactions (as defined in the ICA) will include a Transaction Review Fee taken as a charge against the Contractor Dollar (defined below) and shall be deducted from all Transactions, excluding all referrals, Broker Price Opinions ("BPOs"), and leasing/rental commissions under \$1,000 Gross Compensation Income to eXp.
- **Risk Management Fee:** \$60 per Transaction. All Transactions will include a Risk Management Fee taken as a charge against the Contractor Dollar Amount and shall be deducted from all closings, excluding all referrals, BPOs, and leasing/rental compensation under \$1,000 Gross Compensation Income to eXp. The annual per eXp Agent cap on payment of Risk Management Fees for non-commercial Transactions is \$750. Commercial Transactions do not have a Risk Management Fee cap.
- **Capped Status Transaction Fee:** Once an Agent has reached their annual Company Dollar Cap amount and is in a "**Capped Status**", then that Agent shall pay a "Tier 1" Capped Status Transaction Fee, per Transaction. The Tier 1 Capped Status Transaction Fee shall be in an amount that is *the lesser of* the following: (a) 20% of GCI, or (b) \$250, per Transaction. The Capped Status Transaction Fee shall be collected until \$5,000 has been collected (per Capping Period), at which point Agent shall pay a "Tier 2" Capped Status Transaction Fee, per Transaction. The Tier 2 Capped Status Transaction Fee shall be in the amount of \$75 per Transaction for the remainder of that Agent's Capping Period. For avoidance of doubt, the terms "Tier 1" and "Tier 2," as used in connection with the Capped Status Transaction Fee, are entirely unrelated to the terms "Tier 1" and "Tier 2," as used in connection with the Revenue Share Plan.

This Capped Status Transaction Fee applies to each side of a Transaction closed by an Agent in a Capped Status, unless the Agent is in a "One eXp Agent, Two Transaction Sides" transaction (defined below), in which case the Agent is charged one Capped Status Transaction Fee per Transaction, not per Transaction side. The term "**One eXp Agent, Two Transaction Sides**" means a dual agency transaction in which one natural person represents a buyer and seller in the same transaction.

For avoidance of doubt, if an Agent in a Capped Status is representing a seller, and another Agent in a Capped Status is representing a buyer, in the same Transaction, then the Agent that is representing the seller shall pay their 20% of GCI or \$250 (if they have not already paid \$5,000 in Capped Status Transaction Fees for that Capping Period), or \$75 (if they have already paid \$5,000 in Capped Status Transaction Fees for that Capping Period), and the Agent that is representing the buyer shall pay their 20% of GCI, \$250, or \$75 (as the case may be), for that Transaction.

Revenue share will not be paid out on Transactions completed by Agents in a Capped Status. Capped Status Transaction Fees will be in addition to all other deductions and fees. The Minimum Company Dollar Rule (defined below) and the Capped Status Transaction Fee are separate from each other; when one applies, the other does not. The Minimum Company Dollar Rule applies when an Agent is not in a Capped Status, and the Capped Status Transaction Fee applies when an Agent is in a Capped Status.

In situations where more than one Agent together represent either (or both) Transaction side(s) in any single Transaction, and because the Capped Status Transaction Fee is "per Transaction side" and not "per Agent," then the Capped Status Transaction Fees are always split between Agents on the same Transaction side in an amount equal to the proportionate percentage of the compensation each Agent earns, as reflected in the applicable Disbursement Agreement.

Example 1 (Two eXp Agents, One Transaction Side):

If:

- Agent A and Agent B are both in a Capped Status; and
- Agent A has paid \$1,000 and Agent B \$2,500 in Capped Status Transaction Fees during their respective then-current Capping Periods; and
- Agent A and Agent B both represented the buyer in a sales Transaction; and
- GCI is \$10,000
- Agent A received 60% of the compensation and Agent B received 40% of the compensation.

Then:

- The applicable Capped Status Transaction Fee for both Agent A and Agent B would be \$250, because \$250 is less than the amount that equals 20% of GCI (that is, \$10,000 GCI x 20% = \$2,000); and
- Agent A would pay \$150 (60% of the \$250) of the Capped Status Transaction Fee and Agent B would pay \$100 (40% of the \$250) of the Capped Status Transaction Fee.

Example 2 (Two eXp Agents, One Transaction Side):

If:

- Same facts as Example 1, except that Agent A has paid \$5,000 in Capped Status Transaction Fees during his/her then-current Capping Period

Then:

- The \$250 Capped Status Transaction Fee would then be reduced to \$75 for Agent A because Agent A has paid a total of \$5,000 in Capped Status Transaction Fees; and
- Agent A would pay \$45 (60% of the \$75) of the Capped Status Transaction Fee and Agent B would pay \$100 (40% of the \$250) of the Capped Status Transaction Fee

In the example above, each Agent will pay the percentage of their respective Capped Status Transaction Fee amount, if any, if the Agents have different applicable Capped Status Transaction Fee amounts.

Example 3 (One eXp Agent, Two Transaction Sides):

If:

- Agent A has not paid \$5,000 in Capped Status Transaction Fees during his/her then-current Capping Period and has a Transaction in which they represent both sides.

Then:

- One \$250 Capped Status Transaction Fee will be split and then applied to each side (\$125 per side).

B. Minimum Company Dollar Rule

Subject to the below-referenced exemptions, eXp is to receive a minimum amount of Company Dollar on each closed purchase Transaction, and on each closed sale Transaction, involving an Agent who is not in a Capped Status. This is known as the "**Minimum Company Dollar Rule.**" The Minimum Company Dollar Rule shall be applied as follows:

- When the final, gross sales price of the subject property is *greater than or equal to* \$83,333, then the amount of Company Dollar to be received by eXp shall be the *greater* of, (a) \$500, or (b) an amount that is equal to twenty percent (20%) of the GCI.
- When the final, gross sales price of the subject property is *less than* \$83,333, then the amount of Company Dollar to be received by eXp shall be the *lesser* of, (a) \$500 or (b) an amount that is equal to twenty percent (20%) of the GCI.

Each Agent has an obligation to act in good faith in his or her dealings with eXp. Therefore, and except as it pertains to exempted Personal Transactions, no Agent shall credit, reduce, or otherwise waive his or her rights to receive a real estate compensation in amounts greater than thirty percent (30%) of the GCI, on any Transaction that is subject to the Minimum Company Dollar Rule, without first receiving their State Broker's written approval. For avoidance of doubt, eXp does not mandate the amount of fees or percentages that an Agent charges clients.

NOTE: The Minimum Company Dollar Rule applies to all purchase or sale Transactions, except as otherwise set forth in these P&Ps. The Minimum Company Dollar Rule and the Capped Status Transaction Fee are separate from each other; when one applies, the other does not. The Minimum Company Dollar Rule applies when an Agent is not in a Capped Status, and the Capped Status Transaction Fee applies when an Agent is in a Capped Status. For avoidance of doubt, the Minimum Company Dollar Rule does not reduce or eliminate an Agent's obligation to pay any other applicable per Transaction fee; an Agent's obligation to pay all such fees remain in full force and effect.

1. Exemptions from the Minimum Company Dollar Rule:

The following Transaction types are exempt from the Minimum Company Dollar Rule and will be paid out according to the Agent's regular payment plan per the terms of the Agent's ICA and in these eXp P&Ps:

- a) 3 Personal Transactions per Anniversary Year;
- b) REO/HUD Listings;
- c) Short Sales;
- d) Rental Transactions;
- e) Referral Transactions;
- f) BPO Transactions; and
- g) Such other Transactions as may be determined by eXp in its sole and absolute discretion on a case-by-case basis.

C. Late Fees

All amounts charged to the Agent from eXp for recurring payments, monthly Cloud Brokerage Fees, and/or paid for programs opted in, and any other fees charged or back-charged for reimbursement per written agreements and policies are due within 10 days from the date of billing.

Any billing that remains unpaid more than 30 days past due shall be assessed a late fee in an amount that is the *lesser of*: (a) \$25 or (b) the maximum amount allowed under state law. For avoidance of doubt, no unpaid invoice shall be assessed more than one late fee.

If an Agent's account reaches 90 days past due/delinquent, eXp may terminate this Agreement pursuant to the Termination clause in the ICA and any/all pending commission payments and/or revenue share payments shall be forfeited to the company.

Each Agent shall pay eXp, in full, any past due fees and other amounts owing from that Agent upon demand, and any unpaid balances shall be subject to collections and/or formal legal proceedings. Additionally, if an Agent has elected to participate in the 2015 Agent Equity Program, the Agent's participation will be temporarily suspended until eXp has been paid in full.

D. eXp Right to Payment

eXp has the irrevocable right to seek payment or reimbursement, as applicable, from each Agent, in connection with the Reimbursable Amounts. Payment or reimbursement of Reimbursable Amounts may be obtained by eXp, through any (or any combination) of the following methods: (i) offset against

any fees, revenue sharing, other compensation, or any combination thereof, owed by eXp to an Agent; and (ii) using an Agent's preferred payment method then on file with eXp.

E. Agent Fees Non-Refundable

All of the above referenced fees are non-refundable. Sales tax laws and regulations for each state determine whether a fee is subject to sales tax. If applicable, sales tax is applied as a separate line item on the Agent's statement. eXp reserves the right to adjust this fee schedule. For the avoidance of doubt, nothing in this section shall preclude eXp from having the ability to make any adjustments or corrections; any such adjustments or corrections shall not constitute a refund to Agent.

IX. ACCOUNTING AND COMPENSATION

A. I.R.S. Form 1099

Agents will receive I.R.S. Form 1099 on or before January 31 of the calendar year following their earnings in compliance with requirements published by the Internal Revenue Service. Total earnings reported to Agents will include Agent compensation earned, revenue share earned, and stock issuances (ICON Agent Awards, stock awards, etc.). All information reported to the Internal Revenue Service is reported on a cash basis, thus all compensation reported is based on the calendar year in which the Agent was paid. For example, if a home closed for a client on December 30, but eXp did not receive final paperwork until January 2, and the Agent was paid on January 3, that transaction will be included on the next year's I.R.S. Form 1099. Please consult a tax advisor for proper reporting of taxable income and deductions. Upon visiting MyEXP (<https://my.exprealty.com/login>) or submitting an email request to 1099@exprealty.com, Agents can receive an I.R.S. Form 1099 Report with the breakdown of earnings and fees paid within the period. (Note: A breakdown of earnings and fees will be available, whether or not eXp prepares and releases an I.R.S. Form 1099. Also note: If an Agent operates through a legal entity, that Agent and that Agent's legal entity might not receive an I.R.S. Form 1099, if one is not required by law.) Agents that are licensed in more than one state will be paid in accordance with the real estate licensing laws and rules of the most restrictive state in which that Agent is licensed. On each I.R.S. Form 1099 prepared and released by eXp, eXp will identify, as "RECIPIENT" (see picture, below), that natural person or legal entity that received the payment, from eXp, this is being reported.

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<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0116 Form 1099-NEC (Rev. January 2024) For calendar year _____		Nonemployee Compensation
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.				
PAYER'S TIN	RECIPIENT'S TIN	1 Nonemployee compensation \$ _____		Copy 1 For State Tax Department
RECIPIENT'S name		2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale. <input type="checkbox"/>		
Street address (including apt. no.)		3 _____		
City or town, state or province, country, and ZIP or foreign postal code		4 Federal income tax withheld \$ _____		
Account number (see instructions)		5 State tax withheld \$ _____	6 State/Payer's state no. _____	7 State income \$ _____
Form 1099-NEC (Rev. 1-2024)		www.irs.gov/Form1099NEC		Department of the Treasury - Internal Revenue Service

B. Compensation; Other Fees From Clients

A payment recipient's name (whether a natural person or legal entity) must match across the State Department of Licensing records, the W-9 that is on file with eXp, and the applicable U.S. Federal Income Tax Return. eXp reserves all rights to withhold the payment of any compensation if a payment recipient's name does not match across all three platforms.

If the Agent elects to be paid as a PC or PLLC, LLC or Agent corporation/company name, as allowed by state and federal law, the Agent must amend his/her W-9 to reflect the proper name and tax identification number of the entity and advise eXp of the same. Agents shall not be paid in the name of a PC or PLLC, LLC or Agent corporation/company name without complying with all State Department of Licensing rules and regulations as well as federal and state law. For the avoidance of doubt, if Agent elects to get paid under a PC or PLLC, LLC or Agent corporation/company, the entity must be both, (1) duly licensed, active, and in good standing with the State Department of Licensing, and (2) validly formed, existing, and in good standing with applicable state office or agency that administers the formation and maintenance of legal entities (such as a state's Office of Secretary of State, Corporation Commissions, or such analogous office or agency).

An Agent cannot transact real estate brokerage business, for payment, in a state in which an Agent is not licensed.

All compensation, including but not limited to, retainers (that is, all fees, deposits, or other monies requested from a consumer that are to be used to retain the professional real estate services of an Agent), rental compensation, administrative fees, document storage fees, broker price opinions, and any additional fees charged to the consumer by the Agent (such as, for example, any Administrative Transaction Fee), shall be made payable to eXp and shall be subject to any applicable splits. At no time shall the Agent accept client payments made payable to themselves directly. All compensation and Agent-collected fees are subject to applicable Company Dollar and Contractor Dollar splits. (Note:

Retainer fees shall be non-refundable, where permitted by law. Agents will consult with their State Broker before collecting any retainer).

Any agreement to share compensation between Agents within eXp shall be done so in writing. All agreements shall be uploaded and stored in eXp's transaction management system. In the absence of a signed written agreement between Agents, eXp shall pay the entire Agent share of the compensation to the Agent(s) whose name(s) appear on the transactional document between the principals (to be divided equally between those Agents if more than one and not otherwise specified). Except for team disputes, eXp will make the final determination regarding compensation disputes between Agents licensed with eXp. All referrals between Agent and any other eXp-related agent must be documented on that eXp-approved Referral Agreement for use in the originating brokerage jurisdiction. For example, if an eXp Agent in Utah were to refer a client to an agent in Italy that is affiliated with eXp Italia S.r.l. (that is eXp's affiliate operating in Italy), then that referral relationship must be memorialized in the form of Referral Agreement as used and approved by eXp in Utah. Conversely, if an agent affiliated with eXp Italia S.r.l. were to refer a client to an eXp Agent in Utah, then that referral relationship must be memorialized in the form of Referral Agreement as used and approved by eXp Italia S.r.l.

An Agent may only receive payment related to a transaction if any one or more of the following apply: (1) they are designated on the transaction paperwork as the Agent representing a party to the transaction; or (2) they have a written referral document in eXp's transaction management system; or (3) they have the appropriate team documents on file with eXp indicating, with specificity, when and in what amounts compensation to the Agent is to be made; or (4) with the prior express written consent of an attorney within eXp's Legal Operations Department or a Designated Managing Broker ("DMB") (or higher) in eXp's Brokerage Operations Department. This prohibition applies regardless of whether an Agent seeks to modify a general agreement concerning all transactions, an agreement concerning transactions within a specific category, or an agreement concerning a specific property. This prohibition extends to changes in compensation an Agent would otherwise receive even for theoretical transactions that are not yet under contract.

Any sales incentive, gift, and/or bonus received shall be paid to eXp. eXp treats bonuses, gifts and incentives as any other compensation and will pay the Agent based on the Agent's current split.

C. Compensation Advances

Compensation advance are not offered by eXp directly but may be obtained in accordance with the following procedures. All compensation advances must be approved in writing by the State Broker in advance.

1. Prior to signing any compensation advance agreement, the Agent must have the listing file (with an accepted purchase and sale contract) or the transaction file uploaded in eXp's transaction management system, and it must have passed eXp's approval process.
2. An Agent may only receive up to 70% of the net compensation due to the Agent as a compensation advance, or an amount less than \$20,000, and up to \$6,000 on active listing advances. (Note: Compensation advance companies outside of eXp Solutions may offer different amounts). Exceptions to this general rule may be made on a case by case basis in extenuating circumstances, as determined by eXp in its sole and absolute discretion.
3. Agents may receive multiple compensation advances but the aggregate of all compensation

advances that an Agent may have outstanding at any one time shall not exceed \$20,000.

4. A \$100 service charge ("**Service Charge**") will be added to: 1) any advances made from a compensation advance company that is outside of eXp Solutions; and 2) and UCC liens presented to eXp from a compensation advance company seeking payment of any unpaid compensation advance(s).

D. Actions for Unpaid Compensation or Procuring Cause Claims

A decision to proceed with legal action, mediation or arbitration against a party owing compensation to eXp will be made solely at the discretion of eXp. eXp shall not have any monetary obligations to the Agent or any other party, resulting from brokerage fees and/or compensation that is uncollected. Agents may obtain independent counsel as desired to pursue and/or defend their position during mediation or arbitration. eXp shall not supply counsel to pursue these items.

Should the Agent be named in a mediation or arbitration as the respondent, eXp reserves the right to require that the total amount of the disputed compensation is held by eXp until the mediation or arbitration results are received. Should eXp and the Agent not prevail, the Agent shall pay all compensation amounts immediately to eXp.

An Agent does not have the authority to reduce, defer or replace any portion of eXp's splits or fees without the written consent of the State Broker, or eXp.

E. Referral Payments and Relocation Companies

Referrals shall only be paid to licensed Agents in conjunction with all Department of Licensing rules and regulations. However, as it pertains to any international referrals concerning jurisdictions that do not require licensing, such referrals will be facilitated in accordance with that jurisdiction's laws, rules, and regulations.

All referrals between an Agent and any other non-eXp agent or brokerage must be in writing and uploaded into eXp's transaction management system.

All third-party referrals are subject to eXp split and eXp cap rules.

Outbound referral fees are taken off the top of a transaction and directed to the referral/relocation companies.

F. Perceived Compensation Discrepancies

Agents shall have ninety (90) days following original disbursement of a compensation to notify eXp's Transaction Processing Team (via email only to compensationdispute@exprealty.net) of any perceived compensation discrepancy resulting in a **payment shortage to the Agent**. eXp will evaluate the Agent's notification and if eXp agrees that there has been a payment discrepancy at the Agent's expense, eXp will correct such a discrepancy. However, if the Agent fails to timely notify eXp's Transaction Processing Team of any such perceived compensation discrepancy within the time and manner specified, then the subject compensation payment amount will be deemed correct and final by eXp, and that amount, whatever it may be, will be used and relied upon by eXp for all purposes under

the Agent's ICA. For the avoidance of doubt, nothing in eXp's P&Ps shall preclude eXp from reopening any matters or revisiting any files, at any time, in instances where there may have been any compensation discrepancy resulting in a **payment shortage to eXp** (e.g., an overpayment to an Agent); eXp reserves all rights to seek immediate reimbursement from an Agent for such amounts in such instances.

X. MARKETING AND ADVERTISING

As a representative of eXp, Agents are expected to adhere to the highest standards of conduct and professionalism. This extends to all marketing and advertising activities including social media, digital, print and other forms of content used to communicate with potential clients and prospective Agents.

A. Compliance with Laws, Guidelines, and Regulations

1. Agents are prohibited from posting inaccurate or misleading information in all of their content whether intended for clients or prospective Agents; Agents' marketing, advertising and communication must be completely factual.
2. All marketing, advertising, and communication, whether for property listings, Agent Attraction, or general purposes, must adhere to all federal, state, and local laws and regulations (e.g., any REALTOR® Code of Ethics, fair housing, antitrust, license, copyright, etc.), including, when using any tools or communications provided by or on behalf of eXp. This includes broad-based mandates like the Telephone Consumer Protection Act ("**TCPA**"), including "do not call list" guidelines, the Telemarketing Sales Rules ("**TSR**"), the CAN-SPAM Act, Federal Trade Commission ("**FTC**") rules, Securities and Exchange Commission ("**SEC**") regulations, NAR antitrust practice changes (see https://www.nar_realtor/the-facts/nar-settlement-faqs), and state and national tortious interference laws, and their implementing rules and regulations (collectively, "**Solicitation Laws**"). For avoidance of doubt, eXp cannot and does not make any representations to Agents concerning the lawfulness of the content and/or manner of transmission of any communication or communication tools provided to Agents that may be provided or offered by eXp or any of eXp's affiliated partners, any eXp provided lead generation vendors, or in or through any training classes or materials provided by or through any other Agent or eXp employee. Agents must consult their own legal counsel before using any eXp tools and/or communication.
3. Agents are solely responsible for the content of any and all communications and the means of communication (phone, fax, text, etc.) with any third parties, including customers, potential customers, leads or other individuals or entities, and Agents are solely responsible for complying with any laws, and payment of taxes and tariffs applicable in any way to an Agent's real estate practice and marketing or any other service offerings contemplated in an Agent's real estate practice. AGENT IS EXPRESSLY PROHIBITED FROM ENGAGING IN ANY COMMUNICATIONS VIOLATIVE OF THE SOLICITATION LAWS OR ANY SIMILAR FEDERAL, STATE, OR LOCAL LAW, RULE, OR REGULATION AS AN AGENT OF EXP, AND DOES NOT HAVE EXPRESS, IMPLIED, OR APPARENT AUTHORITY TO MAKE SUCH COMMUNICATIONS. If eXp becomes aware that it has received compensation from any transactions in which an Agent engaged in violative calls, eXp will return any such compensation and such a return shall be intended to constitute full rejection (as opposed to ratification) of such conduct.

4. Agents are responsible for ensuring that all advertisements are HUD and RESPA compliant. Furthermore, Agents must adhere to the standards of the REALTOR® Code of Ethics and the rules of Boards or MLSs.
5. Agents may not use the name, likeness, or reference to or of any other Agents in their own marketing materials without first obtaining the referenced-Agent's prior written consent.
6. In regards to communicating offers of compensation, such offers shall be at a seller's written direction and made in compliance with eXp State P&P's.

B. eXp Brand Guidelines

1. Use of eXp logo and name are considered advertising and must be approved in advance. Please send your Agent-created content to your State Broker through their designated email address.
2. Agents must read and comply with the eXp Brand Guidelines, which can be found at join.exprealty.com/brand, for brand and logo usage.
3. eXp provides Agents with access to a vast library of pre-produced and pre-approved marketing and advertising content through the eXp Marketing Center which can be found at www.expmarketingcenter.com. Agents are encouraged to utilize this tool to the furthest extent possible. All content in eXp Marketing Center has been reviewed and approved by eXp's Marketing, Agent Compliance, and Legal teams. **Note:** *Any content used by Agents from eXp Marketing Center must also be reviewed and approved by the State Broker prior to publication to ensure compliance with state guidelines (see more about **Review and Approval** below).*
4. Agents must properly brand their content to avoid leading viewers to believe that their website, social media profile, presentation, or other marketing content is official eXp marketing collateral. Agents must prominently identify themselves and provide their contact information on all content. Specific to websites, Agent's name and/or team name, as well as eXp's logo should be visible above the fold.
5. Use of the letters or trademark "eXp" or "eXp Realty" in DBA, entity names, domain names, social media handles, channel names, and other social media is prohibited (e.g., @exprealtyjohn, @exprealtytx, etc.).
6. Agents may use a combination of their name or team name along with the phrase "eXp Realty" to name pages on Facebook and other similar platforms (e.g., The John Doe Team – eXp Realty).
7. The use of the letters "eXp" or the name "eXp" in social media profiles or page names to claim a geographic area or specific location is prohibited (e.g., eXp of Bellingham, eXp Washington, etc.).

C. Intellectual Property Rights

eXp respects the valid intellectual property of others, and we fully expect our employees and Agents to do the same, in the same way we expect others to respect our intellectual property. Agents shall not infringe the intellectual property rights of others in the course of providing real estate agent services, including (a) avoiding the use of any trademarks that would in any way be confusingly similar to the senior trademarks of others, and (b) avoiding the use of any unlicensed images or other media of others.

1. Permission to Use eXp Trademarks

- a) In order to keep the eXp brand strong and enforceable, eXp is required to control its use and maintain consistency and quality associated with its use. As an Agent of eXp, in the course of promotion of real estate services, Agents may only use eXp trademarks (e.g., eXp, eXp Realty, and/or the logos associated therewith), in a manner consistent with the eXp Brand Guidelines, which can be found at join.exprealty.com/brand.
- b) Moreover, Agents should not do anything that would damage or dilute the goodwill associated with eXp trademarks. To the extent eXp determines that an Agent's use of an eXp trademark is, in any way, harmful to eXp, or its trademarks, the Agent will modify his/her use immediately after notice from eXp to conform to eXp's standards.
- c) eXp may revoke any permission to display eXp trademarks if an Agent does not comply with the policies in this document.

2. eXp Trademark Usage

- a) Agents may only use eXp trademarks to promote their activities as Agents with eXp and not for any other purpose. Prohibited uses include using eXp trademarks to promote Agent-hosted events without obtaining permission from eXp.
- b) Agents may not use any eXp trademarks or branding content to sell products or services online or elsewhere, such as accessories, or apparel, etc., or to promote the products or services of others, unless eXp grants a written license to do so.
- c) Agents should use the eXp Realty logo, together with their team name and/or team logo, in their advertising and communication content to avoid confusion with official eXp created advertising and communication.
- d) Agents must not use the trademark eXp, eXp Realty, EXP, or variations thereof, or any other eXp trademark, in any website domain, email address (other than provided by eXp), social media handle, or social media page.
- e) Agents may not use any eXp Commercial related trademark for any purposes unless they are also affiliated with eXp Commercial and subject to an eXp Commercial-specific Independent Contractor Agreement. Use of eXp Commercial-related trademarks shall be subject to those terms and conditions set forth within eXp Commercial U.S. Policies and Procedures, which, for the avoidance of doubt, is distinct and separate from the policies set forth within these eXp P&Ps.
- f) Agents must never register, or attempt to register, with any agency, any trademarks, business names, or legal entity names, that include the trademarks eXp, eXp Realty, EXP, or variations thereof, or any other eXp trademark, whether as a stand-alone trademark/name, or in combination with another trademark/name.

3. Unlicensed Content and Trademarks

- a) Agents must never use unlicensed images or other unlicensed media (e.g., photos, including photos of properties, videos, music, etc.) in promoting any real estate advertisements/listings or any real estate services. Violations of this policy may result

legal costs to Agent, sanctions and potentially termination.

- b) Other than original media created by Agent, all media (including images, photos of properties, videos, music, etc...) used by the Agent must be acquired from a vetted and/or reputable source (e.g., reputable stock image licensor, or a licensor that Agent has verified to be a reputable provider of the media with authority to grant the rights or license required for Agent's purposes).
- c) Agents are prohibited from using trademarks or names in promoting their real estate services that are confusingly similar to the trademarks of others. Agents shall not infringe the trademark rights of others in promoting their real estate services.

D. Review and Approval

All content used by Agents for marketing and advertising must be reviewed and approved prior to publication by the applicable State Broker, and by Regulatory Relations (where applicable). Agents can submit custom-created content for review and approval by following the Review and Approval Process set out below.

E. Review and Approval Process

1. Agents shall perform a self-review of their custom-created content and make updates consistent with the eXp Brand Guidelines, which can be found at join.exp Realty.com/brand.
2. Custom-created content must be submitted for review and approval via email to the applicable State Broker team.
3. The applicable State Broker team will receive the request and initiate the review process.
4. As soon as necessary reviews and approvals are completed (within two (2) business days for most submissions), the State Broker will notify the Agent of required changes or approval for publication.
5. With final approval, Agents can freely use their custom content in their marketing and advertising efforts.

F. Property-Related Advertising

All property-related advertising including yard signs, flyers, door hangers, digital ads (web, social media, etc.) may not be published or placed until eXp has the executed listing agreement.

1. Yard Signs
 - a) Signs must comply with all local, state and federal requirements.
 - b) Signs used must be signs designed by or expressly approved by eXp. This includes sign riders, directional signs, sold signs, and other signs as needed to support the listing. Approval can be obtained through the review process outlined above.
 - c) Most MLSs prohibit putting up a "For Sale" sign before entering the listing in the MLS. A listing must be reported when it is taken and when it is sold within certain limitations. Agents must follow the MLS rules and comply. Any fine that results due to a violation of this policy will be paid by the Agent and not the State Broker or eXp.
2. Flyers, Door Hangers, etc.

- a) Printed content must comply with all local, state and federal requirements.
- b) Review and approval of flyers, door hangers, etc. can be obtained through the review process outlined above.
- 3. Online Advertisements and Content
 - a) Agents may post property-related content to their own websites, blogs, and social media profiles and pages provided.
 - b) Agents may use paid or boosted advertisements through social media, search engines, or other online platforms for the purchase or sale of client property.
 - c) Online advertising and content marketing must be approved by the State Broker or eXp prior to posting.

G. MLS Advertising

Agents are prohibited from advertising offers of compensation in a multiple listing service (“MLS”) as directed in their State P&P’s. Agents are also prohibited from using MLS data or data feeds to directly or indirectly establish or maintain a platform containing offers of compensation from multiple brokers or other buyer representatives.

H. General Advertising

1. In Any Medium

Under no circumstances may an Agent hold themselves out to the public, or advertise in any medium (including, without limitation, in their email signature block, or when engaging in recruiting efforts), that they are an “owner agent” of eXp, even if the Agent owns one or more shares of stock in eXp World Holdings, Inc. For avoidance of doubt, the foregoing prohibition is entirely unrelated to, and distinct from, an Agent’s obligation to disclose and/or advertise that they are an “agent owner” of any real property that they maintain as a listing.

2. Business Cards

Unless the Agent has the express permission (through the official review process) on a design different from those provided by eXp, the Agent will use an eXp-approved design. Template designs are available to Agents in eXp Marketing Center.

All Agent business cards will have the following identifying information on the cards:

- a) Brokerage name.
- b) Agent name as it appears on state licensing documents.
- c) Agent title.
 - (1) Title may include any of the following where allowed:
 - (a) REALTOR®
 - (b) Real Estate Professional
 - (c) Buyer’s Agent
 - (d) Listing Agent
 - (2) Title may also list a professional designation as recognized by the National Association of REALTORS®.
 - (a) CRS, ABR, SRS, RSPS, etc.
 - (3) Agents cannot use a title that would reasonably lead someone to believe that the

Agent is an employee of eXp or representing themselves as an employee of eXp (e.g., Recruiter, Recruiting Manager, Vice President of Agent Attraction, Growth Leader) or any other such term or title that may cause confusion as to the Agent's position with eXp.

- (4) Additional items which may be included on the front of business cards:
 - (a) eXp provided alias email address
 - (b) Agent's direct phone number
 - (c) eXp website or Agent's careers site
 - (d) Social media accounts such as LinkedIn, Facebook and/or Twitter
 - (e) Personal business website or blog
- d) Business cards must adhere to all applicable state-specific requirements such as real estate license number(s), MLS number(s), font size, etc.

3. Social Media

- a) Agents must learn and abide by the terms of service of any social networks or online advertising platforms.
- b) Shareable social media content can be found at www.expmarketingcenter.com and on eXp's respective social media channels, including those that are linked at www.expworldholdings.com/social.
- c) Agents may not use social media to compete with eXp or engage in conduct that could create a conflict of interest.
- d) Social media content that is discourteous, aggressive, defamatory, discriminatory, sexually explicit, offensive, or in any other way damaging to viewers is prohibited.
 - (1) Attacks or harassment against protected classes based on race, religion, age, gender, familial status, sexual orientation, disability, national origin, veteran status, and/or genetic information are not allowed.
 - (2) Agents are to avoid arguments and aggressive language on social media that could leave a negative view of eXp and/or impact the Agent's business.
 - (3) Agents shall demonstrate respect to other eXp Agents, staff, clients, and potential clients and Agents, by not using social media to make defamatory or negative comments about eXp or other persons affiliated with eXp (e.g., staff, customers, vendors, contractors, service providers, etc.).
 - (4) Agents are responsible for their social media channels and content. Any violation of these policies can lead to sanctions, up to termination.
- e) Agents must identify themselves clearly and avoid deceptive titles that would reasonably lead the public to believe the Agent is an employee of eXp (e.g., Director of Agent Attraction at eXp, CEO of Revenue Share at eXp, etc.)
 - (1) Agents must identify themselves as Agents, sales representatives, brokers, etc. with eXp Realty, and in accordance with state guidelines.
 - (2) If an Agent is using a title within their team structure, they should clearly state their position in the team, the team's name, and include that the team is with "eXp Realty" (e.g., John Doe, Team Lead – Team Excellence, with eXp Realty).
 - (3) Agents are prohibited from claiming they own or have rights to exclusively represent eXp for any given geographical territories via social media, websites, job ads, etc. (e.g., "John Doe – eXp Bellingham, Washington").
 - (4) Agents must adhere to state-specific rules and guidelines for profile and page

names, as well as all other content on social media networks.

- f) Social media pages, profiles or handles that contain eXp branding and content may contain Agent team names if the Agent's team name has been appropriately registered with eXp and the state department of real estate where required.
- g) Shared statistics about eXp (Agent count, rankings, etc.) should be cited and verified with eXp before posting.
- h) Paid advertisements for Agent Attraction are not allowed through social media platforms or search engines. See the Agent Attraction section for more information.
- i) See something, say something. If an Agent sees something on social media that requires an official eXp response or violates the policies and procedures or ICA, they are encouraged to contact compliance@exprealty.net. The team will respond within two business days.

4. Websites

- a) Websites containing eXp brand or logo must have prominent above-the-fold co-branding for the Agent/Agent team and eXp. Users should be able to reasonably differentiate between Agent-created sites and official eXp sites.
- b) Domain names used for real estate or relating to eXp's business may not use the trademark "eXp" or the letters "exp" in the domain name (e.g., expbellingham.com, expwashington.com, realestateeXperts.com, etc.).
- c) Agents are responsible for ensuring articles, blogs, downloadable files, and all online content are accurate and not misleading.
- d) If content (blog post, article, etc.) is hosted on a site other than the Agent's, approval should be obtained through the Review and Approval process mentioned above.
 - (1) Upon publication and distribution, Agents should monitor channels daily for the first week, then weekly thereafter for any false or defamatory comments.
 - (2) Comments that are false or misleading should be removed or addressed through proper communication channels.
- e) Revenue share calculators and similar tools or applications are not allowed and should not be made available or published on Agent-Owned websites, or elsewhere.

I. Promotional Discount Advertisements

From time to time an Agent may decide to offer and advertise promotional discounts in order to generate additional listings for themselves. Any Agent that elects to offer and advertise such promotional discounts must ensure that such advertisements clearly and conspicuously state that the promotional discount is being offered exclusively by the Agent, and not by eXp, and approved as outlined above.

J. Co-Marketing and Co-Listing Arrangements

eXp does not prohibit Agents from engaging in co-marketing arrangements and/or co-listing arrangements, as between eXp, on the one hand, and a non-eXp brokerage firm, on the other hand, provided that any such arrangements conform with, and are not violative of, all applicable law, rules, and regulations. If Agents are interested in engaging in any such arrangements, they must first consult with their State Broker.

K. Employment Ads and Job Postings

Agents may not create employment ads or job postings for the sole purpose of attracting prospective Agents to grow their Revenue Share Group within eXp's Revenue Share Plan. Advertisements for open positions may only be used to recruit prospective Agents to join a registered team in a salaried or shared compensation position or to hire individuals for paid support positions.

All employment ads or job postings must adhere to local laws and regulations, eXp policies, and National Association of REALTORS® advertising guidelines. The use of job websites, online classifieds, employment-related search engines, and paid advertisements for the purpose of posting a job or creating an employment ad is limited to the following criteria:

1. Only teams (defined as one lead Agent or team leader and at least one or more licensed Agents working as a team member with a Team Agreement, as defined in the Teams section below) that have registered with and been approved by their state commission, State Broker, and by eXp's Agent Transitions team may advertise for available Agent positions on their team. These are positions for Agents who will join a registered team (not to be confused with Revenue Share Group) participating in a predetermined compensation split.
2. Any employment ad or job posting that results in direct affiliation with eXp (i.e., an Agent joining your team who also signs an ICA with eXp) must be reviewed and approved by the State Broker and by eXp's Agent Compliance team prior to publication. The job description must also include the following disclaimer: *"[TEAM NAME] is a team of licensees independently contracted with eXp. The position in this ad is not a listing for direct employment. The earning potential, perks, benefits, and access to systems listed within this description are contingent upon the applicant signing an Independent Contractor Agreement with eXp."*
3. Employment ads or job postings for support staff (scheduling coordinator, valuation specialist, transaction coordinator, etc.) must also be reviewed and approved by the Agent Compliance team via compliance@exprealty.net. Independent Contractors not affiliated with a team may also post jobs and employment ads to build their support staff.
4. An independent Agent who wishes to form a registered team may use job sites, online classifieds, or employment-related search engines to advertise for their first salaried position or Agent team member. The Agent should submit their intention to form a team and their advertisement to their State Broker and to eXp's Agent Compliance team for review and approval prior to posting and indicate that it is an advertisement for the initial team member.
5. Agents shall not advertise under false pretenses and/or offer what appear to be positions of employment with eXp, eXp World Holdings, Inc., or any of its subsidiaries and/or advertise content which is otherwise misleading. Employment ads should include Agent team name and indication of affiliation with eXp (e.g., John Doe Real Estate Team – by, with, or of, eXp).
6. Job listings must not contain eXp branding, official images, logos, or other intellectual property with the exception of an eXp logo. Employment advertisements must not contain links to official eXp job listings or websites.
7. Income as an eXp Agent through compensation or revenue share is not guaranteed and is based on productivity. Unless the position for which the Agent is hiring has a set base hourly rate or salary amount, then the amount listed in the wages or salary section of the employment ad must say "commission-based" or an equivalent. If platform rules do not allow a non-specific

amount, Agents must select the lowest wage or salary amount allowed and provide information about earning potential within the body of the description. Job postings must follow platform guidelines for independent contractor, non-employee (1099) positions if there is no base wage or salary offer.

L. Media Relations

eXp has furnished Agents with the “Media Relations Guidelines and Best Practices” resource that they should read and understand before engaging with the media. This resource can be found at exprealty.com/publicrelations. Any additional questions or requests related to media relations should be sent to pressreleases@exprealty.com.

All press releases mentioning eXp must be pre-approved prior to distribution and include the following language: “[insert name] is an independent contractor of eXp and this is not an official press release of eXp, its parent company eXp World Holdings, Inc., or any related subsidiary.” Once approved via the above email address, the press release cannot be modified without additional approval for the modifications.

Please refer all media requests to talk about eXp, services, products, data, stock price, market expansion, etc. to pressreleases@exprealty.com.

Media requests about the Agent’s opinion on the local market are acceptable. Agents should refrain from speaking directly about eXp or speculating on the stock price of eXp World Holdings, Inc. We discourage Agents from discussing national industry issues or local/national competitors.

M. Content License And Model Release Provided By An Agent

Unless otherwise expressly agreed upon in writing between eXp and Agent, to the extent an Agent provides to eXp or any of its affiliates or licensees (not to be confused with real estate licensees) (collectively, “**eXp Licensees**”), any photographs, images or content of any type created or otherwise owned by the Agent (collectively, “**Agent Content**”) including, without limitation, by uploading such Agent Content via any online network operated by an eXp Licensee, Agent retains ownership to such Agent Content but Agent hereby grants eXp Licensees a royalty-free, irrevocable, world-wide, perpetual, non-exclusive license to publicly display, distribute, reproduce and create derivative works of the Agent Content, in whole or in part, in any media, including on any eXp Licensee website, for any purpose, including advertising and promotion of eXp Licensee services and/or products.

1. Agent warrants and represents that Agent Content provided by Agent to eXp Licensees does not violate the intellectual property of others. eXp Licensees will not be required to pay any additional consideration or seek any additional approval in connection with using the Agent Content provided by Agent, and eXp Licensees retain exclusive and sole discretion as to whether to use such Agent Content or reject or remove such Agent Content from any online systems operated by any eXp Licensees.
2. Moreover, to the extent Agent provides to any eXp Licensees, or otherwise consents to allow eXp Licensees to receive and/or record any photographs and/or verbal statements of the Agent as a model, Agent hereby provides eXp Licensees with the irrevocable right to use Agent’s name (or any fictional name), likeness, picture, portrait, photograph, video, and voice in all forms and in all media and in all manner, without any restriction as to changes or

alterations (including but not limited to composite or distorted representations or derivative works made in any medium) for advertising, trade, promotion, exhibition, or any other lawful purposes, and Agent waives any right to inspect or approve such photograph(s) or finished version(s) incorporating such photograph(s), including any written materials or other content that may be created and appear in connection therewith. Agent acknowledges and agrees that eXp may record any instances occurring within eXp World, and that all Agent avatars and/or voices are subject to recordation and subsequent use by eXp. For example, if you attend any eXp in-person events (as an Agent), and photographs are taken, those photographs may be used by eXp for any purposes; that is, eXp is free to use them in advertising, on social media sites, etc. The preceding is but one example, and is not intended to limit the license being granted to eXp.

3. Agent hereby waives all moral rights as to such photographs and releases and shall hold harmless eXp Licensees, and their assigns, licensees, successors in interest, agents, employees and representatives from any liability by virtue of any blurring, distortion, alteration, or use in composite form whether intentional or otherwise, that may occur or be produced in the taking of the photographs, or in any processing thereof.

XI. REALTOR® ASSOCIATION AND MULTIPLE LISTING SERVICE BOARDS OF DIRECTORS

A. Associations of REALTORS®

eXp is a member of local Associations of REALTORS® where appropriate for access to MLS, access to standardize forms, and for other localized member benefits. Agents may not join a Board of Directors of any local Associations of REALTORS® without eXp first becoming a member.

B. Multiple Listing Services

Agent access to their local/regional MLS is always via the broker participant; Agents cannot join an MLS without the broker first becoming a participant of the service.

When serving on the Board of Directors of an MLS, eXp Agents and regional brokers will bear in mind that because we are a brokerage, not a franchise model, access to the MLS is conditional upon eXp's approval. As a result, policy and business decisions regarding MLS on the national, state and local levels will conform precisely to stated eXp policies and positions and to any NAR antitrust practice changes. In the absence of a stated position, elected volunteers usually cannot go wrong by choosing consumer-friendly policies that enhance data collaboration, consolidation and the freedom of the broker to use MLS data in ways conforming to generally accepted practices on the internet.

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XII. EXP'S REVENUE SHARE PLAN

A. Overview

eXp's Revenue Share Plan (the "Revenue Share Plan") provides a financial incentive to Agents who help grow sales within the eXp World Holdings Inc. family of real estate brokerage companies. The plan is funded through eXp's collection of Company Dollar from Qualifying Transactions.

One-half of the Company Dollar earned and received is used for eXp's operating expenses and other management purposes (this is known as "Retained Company Dollar"), while the remaining half is placed in the "Revenue Share Pool." Each brokerage within eXp World Holdings, Inc. has its own Revenue Share Pool, determined on a per-country basis.

eXp calculates the Revenue Share Plan across all seven Tiers, monthly. If the total amount calculated to be paid out in a given month is less than the full amount in the Revenue Share Pool (known as the, "Calculated Company Dollar"), the difference (the "Adjustment Bonus" or "Adjustment Amount") is added to the payout. In this way, eXp ensures that all money within the Revenue Share Pool is fully paid each month. eXp reserves the right to apply the Adjustment Bonus to any Tier or combination of Tiers in its sole discretion.

B. Revenue Share Explained

Revenue Share 2.0

TIER	eXpansion Share Percentage	FLOA Count Needed	eXponential Share							Top % of Revenue Share Pool on Transactions in Each Tier Group
			0 - 4	0 - 4	0 - 4	5 - 9	10 - 14	15 - 29	30+	
TIER 1	///		17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%
TIER 2	1.0%		///	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	20.0%
TIER 3	0.5%		///	///	12.0%	12.0%	12.0%	12.0%	12.0%	12.5%
TIER 4	0.5%		///	///	///	7.0%	7.0%	7.0%	7.0%	7.5%
TIER 5	0.5%		///	///	///	///	4.5%	4.5%	4.5%	5.0%
TIER 6	2.5%		///	///	///	///	///	10.0%	10.0%	12.5%
TIER 7	2.5%		///	///	///	///	///	///	22.5%	25.0%

As an Agent sponsors productive agents, they earn 17.5% of the Revenue Share Pool from the Qualifying Transactions of their directly sponsored agents (Tier 1). As these agents sponsor others, additional Tiers are unlocked, allowing the Agent to earn through eXpansion Share and eXponential Share.

Example: Suppose that Agent sponsors 15 new eXp agents (Tier 1), who sponsor 25 agents (Tier 2), who sponsor 40 agents (Tier 3), and so on. If 10 of the Tier 1 agents are FLQA, the Agent unlocks earnings from Tiers 4 and 5, as follows:

1. 17.5% from Tier 1 transactions.
2. 20% from Tier 2 (1% eXpansion Share + 19% eXponential Share)
3. 12.5% from Tier 3 (0.5% eXpansion Share + 12% eXponential Share)
4. 7.5% from Tier 4 (0.5% eXpansion Share + 7% eXponential Share)

Revenue share is paid on the 22nd of each month for the previous month's transactions. No revenue share is paid on transactions from agents in Capped Status, as no Company Dollar is generated.

C. Qualifications To Receive Revenue Share

To receive both eXpansion Share and eXponential Share, an Agent must:

1. Be Revenue Share Eligible at the time of payout.
2. Hold an active real estate license or registration with eXp in any area where both parties conduct business.

D. Manipulating Revenue Share Plan Prohibited

Each Agent has an obligation to act in good faith in his or her dealings with eXp. Agents shall not attempt to manipulate the Revenue Share Plan. Examples of attempts to manipulate the Revenue Share Plan include, without limitation, each of the following: (1) engaging in the practice of sponsoring Straw Agents, and (2) adding any other Agent's name(s) to transaction documentation who was not a true party to the transaction solely for the purpose of artificially qualifying that eXp Agent as an FLQA.

eXp shall have the right and sole discretion to determine who is manipulating the Revenue Share Plan, and reserves the right to terminate Agents for such activities.

eXp will also notify an Agent that it has released the licenses of any Agent(s) that it believes are Straw Agents and review the Agent's recruiting practices with the Agent.

If, after reviewing the recruiting practices with the Agent, the Agent continues to engage in, or appears to be engaged in, the practice of manipulating the Revenue Share Plan, the Agent may be restricted from sponsoring agents and/or released from eXp.

E. Revenue Share Vesting Policy

1. Achieving Vested Status

Except as otherwise provided elsewhere in these eXp P&Ps, to become vested in the Revenue Share Plan, an Agent must satisfy each of the following two conditions for not less than 36 consecutive calendar months (the "**Vesting Period**"):

- a) be in Good Standing; and
- b) be affiliated with eXp as a real estate licensee.

2. Maintaining Vested Status

Once vested, an Agent shall remain vested in the Revenue Share Plan, subject to the following additional conditions:

- a) Within thirty (30) days from an Agent's Offboard Date, if the Agent has achieved a vested status, as described above, the Agent must submit a request to eXp via email to revenueshare@exprealty.net to be recognized as a vested Agent.
- b) For eXpansion Share: An Agent shall maintain their vested status in the eXpansion Share earned under the Revenue Share Plan from and after their Offboard Date, provided that they maintain a real estate license that is active and in good standing, even if they affiliate with a competitor (as described in the Competitor Affiliation is Prohibited section in these P&Ps).
- c) For eXponential Share: An Agent shall maintain their vested status in the eXponential Share earned under the Revenue Share Plan from and after their Offboard Date, provided that (i) they maintain a real estate license that is active and in good standing, and (ii) they do not affiliate with a competitor (as described in the Competitor Affiliation is Prohibited section in these P&Ps).

3. Losing Vested Status

Despite the statements in the "Maintaining Vested Status" section, above, eXp reserves the right, as determined in its sole discretion, to withdraw an Agent's Vested Status if any of the following conditions are true:

- a) an Agent is convicted of a crime;
- b) an Agent commits or attempts to commit or admits to committing acts of moral turpitude or that are inconsistent with eXp's core values;
- c) an Agent has engaged in legal action against eXp or acted in a manner that facilitates, or is in any way connected to, legal action against eXp; or
- d) an Agent has violated one or more obligations that survive the termination of their ICA.

4. Discretionary Regaining of Vested Status upon Reaffiliation

If a vested Agent offboards from eXp, and subsequently re-affiliates with eXp, regardless of whether reaffiliation occurs during or after the Agent's Original Sponsor Window, then that Agent may, in eXp's sole and absolute discretion, be restored to their original position in the Revenue Share Plan (and regain their vested status), subject to the following conditions:

- a) Agent re-affiliates under their original sponsor; and
- b) Agent did not lose their vested status for any of the reasons specified in Section 3 (Losing Vested Status), immediately above.

For avoidance of doubt, Agent's failure to satisfy the conditions of maintaining their vested status under Section 2 (Maintaining Vested Status), above, shall not adversely impact the potential restoration of Agent's original position in the Revenue Share Plan. Agent will not be entitled to receive any "back payments"; Agent will only be entitled to receive payments arising from their original position in the Revenue Share Plan which are generated from and after Agent's new Onboard Date.

F. Agent Succession Policy

An Agent may nominate a successor to his or her position in eXp's Revenue Share Plan (collectively, an "**Agent position**" or "**Agent's position**") in the event of the Agent's death or permanent incapacitation. Upon the death or permanent incapacity of an Agent, such Agent shall automatically be considered Vested in the Revenue Share Plan regardless of whether the Agent has met the requirements under the Revenue Share Vesting Policy.

Nomination of a successor may only be accomplished by correctly completing the "Rev. Share Position" Successor Nomination Form (the "**Successor Nomination Form**"), which can be found at www.exprealty.com/successornomination, and submitting it to the Onboarding team (for newly joining agents) or the eXpert Care team (for existing agents), as applicable, within eXp prior to such Agent's death or permanent incapacity. Any Successor Nomination Form(s) submitted to eXp that is/are not properly completed will not be accepted. Nomination of a successor(s) becomes effective once the Onboarding Team receives a correctly completed and signed copy of the Successor Nomination Form. Completed Successor Nomination Forms submitted by newly joining Agents shall be submitted together with the rest of their new agent documentation to the Onboarding team; all other Agents must submit their completed Successor Nomination Forms to the eXpert Care Team via email to expertcare@exprealty.net.

Successor nomination(s) will only apply to the Agent's position as identified by the Agent ID number provided in section 1 of the Successor Nomination Form. An Agent may nominate no more than one primary and one secondary successor at a time. A minor, trust, or entity cannot be nominated as a successor because the successor must be eligible to obtain and hold a valid real estate license. An Agent's position may be transferred to the Agent's secondary successor if no primary successor is living or able to accept the Agent's position for any reason at the time of the Agent's death or permanent incapacitation, or if the Agent's primary successor is not approved by eXp. If both of the successors nominated by an Agent predecease the Agent then the Agent must change his or her successor nomination(s) or that Agent's position will close upon that Agent's death and no further successor nomination(s) will be accepted, with the exception of any surviving spouse that was not previously nominated.

It is the sole responsibility of an Agent to change any nominated successors, except that, if the Agent was married and does not nominate a successor, or no nominated successor survives the Agent, the Agent's spouse shall be deemed to be nominated as the Agent's successor, provided that proof of marriage or a legally recognized union be provided to eXp upon request, and provided also that the Agent's spouse meets all of the requirements to become an approved, succeeding Agent. In the event of divorce where a former spouse was a nominated successor to an Agent, such nomination will automatically lapse and will not be recognized by eXp unless a new nomination, dated after the divorce or termination, is submitted.

An Agent can change his or her successor nomination(s) at any time by submitting one of the following to the eXpert Care Team at expertcare@exprealty.net: (i) a new Successor Nomination Form; or (ii) a letter of instruction to revoke the then current successor nomination(s) on file with eXp. The submitting Agent must *sign and date* the Successor Nomination Form or letter of instruction, as described immediately above, for his or her nomination change or revocation of nomination to be valid. A

successor nomination may not be changed or revoked by will, codicil, trust, request made by email, telephone conversation, or any method other than by the Successor Nomination Form or letter of instruction, as described above.

Before any nominated successor can be placed into another Agent's position within eXp, the nominated successor must first be approved (through appointment) by eXp. eXp reserves the right, in its sole discretion, at any time and without prior notice, to decline to approve or accept any nominated successor for any or no reason. eXp shall not be required to approve the appointment of the nominated successor for an Agent that was not in Good Standing with eXp or for a nominated successor that is an existing Agent not in Good Standing. A nominated successor shall have a reasonable time, but in no event more than twelve (12) months from the date of Agent's death or permanent incapacity, to become a licensed real estate professional and join eXp, which shall be determined by the nominated successor's Onboard Date. All requests to exercise a successor's nomination must be submitted to the Agent Compliance team via email to compliance@exprealty.net.

Nomination as a successor does not create any legal right(s) to, legal interests in, or any guarantee of approval and appointment as a successor by eXp. Additionally, an Agent's position is not a property right that can be transferred through a will, trust instrument, probate proceedings, guardianship/conservatorship proceedings, divorce proceedings, sale and/or assignment, and/or any other legal process. For avoidance of doubt, an Agent's legal representative (under a will), trustee (under a trust), attorney in fact (under a power of attorney), guardian or conservator (under a guardianship/conservatorship), or a court of competent jurisdiction (in legal proceedings), cannot nominate (or appoint) an Agent's successor; only an Agent can nominate his or her successor by completing and submitting the Successor Nomination Form to eXp and only eXp can approve an Agent's nomination and appoint a successor to an Agent's position. An Agent's position cannot be bought, sold, traded, or otherwise conveyed by an Agent; eXp reserves the right to deny approving and accepting the appointment of an Agent's nominated successor if eXp, in its sole discretion, believes that an Agent's position is being bought, sold, traded, or otherwise conveyed.

Any revenue share earnings that would otherwise become payable during the period of time beginning on the date of an Agent's death or permanent incapacitation and the nominated successor's Onboard Date (if the successor is not already an Agent), or appointment approval date (if the successor is already an Agent), shall accrue for a period not to exceed twelve (12) months following Agent's death or permanent incapacitation. The accrued revenue share earnings shall be paid to Agent's approved and appointed successor. If Agent's nominated successor does not become approved and appointed on or before the twelve (12) month period, then all such accrued revenue share earnings shall lapse and will not be paid out to the Agent's successor or held for payment at a later date.

An Agent's position may be transferred through Agent Succession in perpetuity. If an Agent holds more than one Agent position through Agent Succession, that Agent can only earn an ICON Agent Award on one Agent position. If an Agent holds more than one Agent position, that Agent may nominate different successor(s) to each Agent position that they hold.

G. Modifications to the Revenue Share Plan

The stated revenue share payout structure may be modified to allow eXp to better compete, attract and retain agents as well as to maintain a base level of profitability.

The terms and conditions of this policy, or to eXp's Revenue Share Plan, are subject to modification as and when determined by the Executive Management of eXp and/or the Board of Directors of eXp World Holdings, Inc., without notice to or approval from Agents. An explanation about revenue sharing calculations as well as other aspects of the Revenue Share Plan can be obtained by contacting eXp's Revenue Share Support Team at revenueshare@exprealty.com. Notwithstanding anything to the contrary in the ICA or in eXp's P&Ps, no modifications to the Revenue Share Plan will require eXp to provide notice of such modifications to Agents, or to obtain signatures from Agents, in order for such modifications to be binding against Agents.

**In acknowledgment of certain contributions made to eXp's growth and infrastructure, eXp reserves the right to designate certain managing brokers, executives and key personnel as being in Good Standing with eXp notwithstanding any discrepancies that may exist from time to time between their own personal production and the criteria set forth in the ICA and the eXp P&Ps. In addition, such personnel may be deemed to be in Good Standing even though no monthly Cloud Brokerage Fee is assessed against such personnel.

XIII. AGENT ATTRACTION

Agents can influence prospective Agents not yet affiliated with an eXp brokerage firm to join eXp and leverage their efforts to earn Revenue Share. "**Agent Attraction**" is the process of engaging credible, ethical, and productive real estate professionals and inviting them to join eXp, or its commercial affiliate, eXp Commercial.

The policies in this section are based on eXp's core values and serve as a guide for Agents as they participate in ethical and successful Agent Attraction activities. All efforts related to Agent Attraction that violate any law, rule, or regulation on a national, state, and local level are prohibited.

A. Sponsorship Interference Prohibited

1. Agents are prohibited from encouraging prospective Agents already engaged in the Agent Attraction process with another Agent to change their intended sponsorship declaration.
2. It is the responsibility of each Agent to discover if a prospective Agent is already engaged in the Agent Attraction process with another Agent and shall refer them back to their prior contact as a professional courtesy.
3. Each Agent is responsible to ensure that the recipients of their Agent Attraction communication are not currently eXp Agents. These types of solicitations and any other actions encouraging a change of sponsorship by a current Agent are considered to be interference and are prohibited.
4. Any effort to interfere with, coerce, or otherwise unethically convince a prospective or current Agent to change their intended sponsorship declaration (or current sponsor) is subject to corrective action up to and including termination of their affiliation with, and severance, from eXp.
5. Incentives may not be used as a means to persuade a prospective Agent to change their intended sponsorship declaration. This includes offering benefits outside of eXp business model such as cash, access to paid services, gifts, office space, guaranteed leads, the payment of monthly technology and registration costs with eXp, etc.

6. Disparaging fellow Agents in an effort to persuade a prospective Agent to change sponsorship or their intended sponsorship declaration is strictly prohibited.

B. Income Claims

Agents at eXp can generate income through three distinctive opportunities: real estate compensation, equity opportunities, and eXp's Revenue Share Plan. The discussion or presentation of these opportunities to prospective Agents are considered to be income claims and must be done so in accordance with the guidelines below.

Income claims are statements or representations that depict earnings obtained by Agents as a result of participating in eXp opportunity. Such claims consist of direct statements, presentations, videos, social media posts, charts, and images that directly state or imply what earnings an individual Agent made or makes and what earnings a prospective Agent might be able to make with eXp. Income and earnings claims also include implied claims such as lifestyle representations.

All claims related to earning income with eXp must adhere to the following guidelines:

1. Income claims must be truthful, accurate, and not misleading in any way.
2. All claims related to earning income with eXp should set appropriate expectations for your audience by providing context including the time, work, and effort needed to obtain it.
3. Income claims must be accompanied by eXp's income disclaimer statement that also includes a link to eXp's U.S. average income disclosure chart. Agents shall place the following statement clearly and conspicuously in their content:

"These figures are not a guarantee, representation or projection of earnings or profits you can or should expect. They also do not include expenses incurred by agents in operating their businesses. eXp makes no guarantee of financial success. Success with eXp results only from successful sales efforts, which require hard work, diligence, skill, persistence, competence, and leadership. Your success will depend upon how well you exercise these qualities. Visit www.exp Realty.com/income for average agent earnings and additional information about earning opportunities with eXp."

4. Agents shall use eXp-produced marketing materials to describe the ways to earn income with eXp. This content includes general program descriptions, detailed information, and hypothetical examples of earnings through the various income opportunities offered by eXp. Any Agent-created content including income claims and examples must be submitted for review and approval via email to the applicable State Broker team and to eXp's Agent Compliance team through compliance@exp Realty.net.
5. Agents may not use words and phrases such as "residual" or "passive" income, or in any other way imply that hard work and effort is not needed to earn income with eXp from compensation, equity or revenue share.
6. The creation and use of online revenue share calculators is strictly prohibited.

C. Recruiting

1. Except as expressly provided by eXp, in writing, real estate licensees who hang their license

- with eXp are the only individuals authorized to present the eXp opportunity to prospective Agents.
2. Agents may employ the services of assistants (including licensed, unlicensed and virtual) to engage in limited Agent Attraction-related activities provided they adhere to these guidelines:
 - a) Assistants may not actively recruit individuals or present eXp opportunity.
 - b) Compensating individuals, in any manner, either directly or through affiliation, who are not real estate licensees affiliated with eXp, to recruit or attract agents to eXp is strictly prohibited. Agents shall not hire or engage any third parties for the purpose of engaging in recruitment or attraction activities on that Agent's behalf.
 - c) Assistants may set appointments for the Agent who employs them to present eXp opportunity to prospective Agents.
 - d) Assistants must clearly identify the Agent or team they are representing, provide opt-out instructions, and present the Agents' contact information to the prospective Agent they are communicating with. For example, if an assistant is engaged by a particular Agent and not by eXp (as a company), that assistant cannot say that they are calling on behalf of eXp; they may only say they are calling on behalf of the Agent on whose behalf they are engaged.
 - e) The hiring of assistants whose responsibilities will include participation in the above Agent Attraction activities must comply with the policies found in these eXp P&Ps (respectively titled "Agent Assistants - Unlicensed," and "Agent Assistants - Licensed") that regulate the utilization of assistants.
 3. The use of agents, hired agents, staff, recruitment companies or other similar third-party services to send unsolicited text messages, emails, place phone calls, etc. is not allowed in the Agent Attraction process.
 4. Compensating individuals, in any manner, who are not real estate licensees affiliated with eXp, to recruit or attract agents to eXp is strictly prohibited. An Agent shall not hire or engage any third parties for the purpose of engaging in recruitment or attraction activities on such Agent's behalf.
 5. Agents may utilize prospective-agent prospect lead-generating services provided that the prospective-agent leads have given permission to be contacted and the initial contact with such leads is in compliance with the terms and services of platforms where the contact takes place and adheres to any applicable laws such as the Solicitation Laws. Lead-generating services and their representatives may not present the eXp opportunity.
 6. Agents are prohibited from offering cash or stock incentives as a means to recruit prospective Agents. However, Agents may offer to help cover some de minimis transition (trivial or minor) expenses such as, new signs, business cards, etc.
 7. Unless expressly authorized by eXp's Agent Compliance Group, in writing, Agent-created content that includes comparative advertising of eXp to a competing real estate brokerage is prohibited.

D. Sponsorship

1. Definition and Responsibilities

The Revenue Share Plan is a way for eXp to say "thank you" to Agents who attract serious and productive professionals who fit culturally with eXp and its core values. Once a joining Agent selects a sponsor and joins eXp, their sponsor enters into a financial relationship with eXp

where eXp pays a percentage of Company Dollar to that individual in the form of revenue share. If the sponsor leaves eXp, that financial relationship is severed and their position in the Revenue Share Plan reverts to eXp.

It is the right of a prospective Agent to identify and select the individual they choose to name as their sponsor. The sponsor is the Agent who a joining Agent identifies as the person who most influenced them to join eXp. This declaration is made during the process of completing the ICA. An Agent's sole requirement to qualify as a sponsor is selection by the joining Agent as the individual who most influenced them to join eXp. The role of sponsor is distinctive from other roles like a mentor, coach, or team leader. In some cases, these roles are assumed by the same person, but they are not mandatory for a sponsor.

2. Change Requests

In order to maintain the integrity of eXp's Revenue Share Plan, eXp may only grant changes in sponsorship in very limited situations. Changes in sponsorship are only permitted under very extraordinary conditions that meet one or more of the criteria below. Except in situations with extenuating circumstances as determined by eXp, sponsorship change requests must be submitted to eXp via email at compliance@exprealty.net within **thirty (30) business days** of the Onboard Date of the Agent requesting the sponsorship change.

Sponsorship change request criteria:

- a) Errors
 - (1) Clerical, administrative, or system errors on the part of eXp.
 - (2) Misidentification of sponsoring Agent by eXp or joining Agent (e.g., John Smith as opposed to Jon Smith).
 - (3) Omission of sponsor name during the enrollment process (if requested by eXp, in its sole discretion, Agent may be required to provide evidence of prior relationship with the requested sponsor and their attraction efforts).
 - (4) Sponsor change requests within the same Revenue Share Group in cases where the Agent has misidentified sponsor as the upline/team leader (requires written approval from the current sponsor).
- b) Misconduct
 - (1) Misleading or fraudulent attraction efforts where a prospective Agent is led to believe they are signing up under a specific individual, but the listed sponsor is another Agent not previously discussed or disclosed to the prospective Agent.
 - (2) Sponsorship change based on improper enrollment of the prospective Agent without their authorization or signing up a prospective Agent without disclosing eXp as the brokerage.
- c) Brokerage Migration
 - (1) In situations where an independent brokerage moves to eXp and the joining Agent had previously been with eXp and is still within the Original Sponsor Window (as such term is defined in the ICA), eXp will allow the joining Agent to select a new sponsor under the joining team.

Agents wishing to leave eXp in order to change their selected sponsor must remove their license from eXp and allow the Original Sponsor Window to expire before they can rejoin under

a different sponsor. If the Agent returns before expiration of the Original Sponsor Window, the Agent must name their original sponsor.

Sponsorship changes outside of the preceding criteria will only be made at eXp's discretion. All other sponsorship selections, placements, and decisions are considered irrevocable.

3. Cross-Border Sponsorship

Cross-border sponsorship under the Revenue Share Plan may be subject to different rules than those set forth in these eXp P&Ps, which differing rules are enforceable in eXp's discretion.

E. Agent Prospects, Contacts, and Leads

Agents shall not engage in the unlawful recruitment of prospective Agents, including, but not limited to, intentionally and knowingly encouraging or facilitating a franchise broker/owner to (i) abandon their franchise prior to the expiration term in the franchise agreement or (ii) otherwise breach their franchise agreement to affiliate with eXp. Any violation of state or national law during Agent Attraction activities is, at eXp's exclusive election, grounds for termination of an Agent's ICA with eXp or exclusion from participation in eXp's Revenue Share Plan.

Agent Attraction contacts and leads must be sourced and managed appropriately in accordance with the following guidelines:

1. Agent is responsible to verify that Agent prospect contacts and leads are not currently Agents who are licensed with eXp. "Blind" attraction efforts between existing Agents may constitute interference and are strictly prohibited.
2. Agents are prohibited from harvesting prospective Agent contact information from databases such as the MLS, Boards, or other sources in order to broadcast attraction-related information to large groups through mass emailing, robo-dialers, text messages, mailers (flier), online messenger, or other channels.
3. Leads and contacts obtained from third-party services or other forms of recruiting assistance must be verified by the Agent as having given permission to be contacted regarding eXp opportunity. It is the sole responsibility of the Agent to certify this information.
4. Prospective Agent contacts must knowingly opt-in to receive information regarding eXp opportunity and must be provided with easily-accessible means to opt-out of future solicitations related to Agent Attraction. Agents must honor opt-out requests promptly and cease further contact. Outreach must be performed in accordance with the Solicitation Laws, and all other applicable federal, state and local guidelines, and their implementing rules and regulations. Transmitting unsolicited voice and text messages (as well as other forms of communication) is heavily restricted and regulated under the Solicitation Laws and other federal laws and regulations as well as various state and local jurisdictions' laws and regulations. Each Agent should consult their legal advisor to ensure compliance with the Solicitation Laws.
5. Agents shall not engage in the unlawful recruitment of prospective Agents, including, but not limited to, intentionally and knowingly encouraging or facilitating a franchise broker/owner to (i) abandon their franchise prior to the expiration term in the franchise agreement or (ii) otherwise breach their franchise agreement to affiliate with eXp. Any violation of state or

national law during Agent Attraction activities is, at eXp's exclusive election, grounds for termination of an Agent's ICA with eXp or exclusion from participation in eXp's Revenue Share Plan.

F. Attraction Marketing and Communication

1. All content (both offline and online) related to Agent Attraction must adhere to the guidelines and approval process found in the Marketing And Advertising section of these eXp P&Ps.
2. Any communication for the purpose of Agent Attraction (whether solicited or unsolicited) through email, telephone, text message, social media, messenger, etc. must be done so in adherence with national, state, and local laws that regulate communication including, but not limited to, the Solicitation Laws.
3. Social Media
 - a) Paid ads for the purpose of Agent Attraction through social media, search engines or other online advertising platforms are prohibited.
 - b) Agents are encouraged to leverage their social media networks and execute their own organic social media campaigns to share the eXp opportunity.
 - c) Accurate and truthful representation in professional profiles, whether online or otherwise, is required. Agents must avoid using titles which would reasonably lead someone to believe that they are an employee of eXp or representing themselves as an employee of eXp.
4. In-person and online meetings must be advertised and conducted in accordance with our core values of transparency and integrity. Agents must deliver on advertised content and avoid "bait and switch" tactics to entice attendees to join an Agent Attraction event.
 - a) "Lunch and Learns", webinars, conference calls, and other similar opportunities must be advertised and executed in such a way that prospective Agents do not feel deceived or misled in any way. If Agents host such events the intent to share eXp opportunity must be clearly stated in all communications advertising for the event.
 - b) Paid ads for Agent Attraction are not allowed. Therefore, any event with the intention of Agent Attraction may not be advertised through paid means. These types of events may be shared organically through social media, through opted-in email lists, etc.
 - c) If an Agent event provides education or training on a real estate-related topic (not Agent Attraction), you may advertise (paid and non-paid) for this event. At the conclusion of an Agent-hosted event you may let attendees know that you will be taking a short break allowing them to leave. If they choose to stay, you may then engage those who remain in the Agent Attraction process after a clear break has been taken from your original presentation. The intention and spirit of this provision is that an Agent cannot advertise for an attraction event; consequently, Agent cannot "bait and switch" by advertising for an education or training event on a real estate-related topic, provide token coverage of that topic, and use the balance of that event to engage in the attraction process.

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G. Reporting Agent Attraction Violations

It is at eXp's sole discretion to determine if a practice not mentioned in the policies above is aligned with its culture and core values. eXp reserves the right to ask Agents to discontinue any Agent Attraction practice that it deems to be in conflict with these policies and procedures and eXp's core values.

Agents must abide by the articles set forth in the National Association of REALTORS® Code of Ethics, eXp's Core Values, and these eXp P&Ps. Agents must always represent eXp and its business model with the highest degree of accuracy, integrity, and professionalism. Agent Attraction and participation in the revenue share plan is a privilege and not a right.

Any violation of these guidelines must be reported to the Agent Compliance team by email at compliance@exprealty.net.

H. Stock Solicitations Prohibited

As a business having a parent corporation with publicly traded common stock, eXp is subject to requirements relating to the substance and manner of public communication. Federal securities laws generally require that, in the absence of an exemption, offers to buy stock, and solicitations regarding stock, need to be preceded by a filed registration statement relating to the offer. All Agents of eXp shall follow the guidelines below (in addition to the eXp World Holdings, Inc. Insider Trading Policy, also below) for the protection of eXp and those affiliated with it. Failure to adhere to these guidelines will result in immediate release from eXp.

1. All directors, officers, employees and Agents are subject to SEC Insider Trading regulations which include the obligation not to disseminate confidential information of eXp.
2. Agents cannot solicit interest in, or encourage others to buy eXp World Holdings, Inc.'s stock, or promote eXp World Holdings, Inc.'s stock or stock's growth as the basis for encouraging others to join eXp, unless expressly authorized by eXp World Holdings, Inc. and pursuant to applicable securities laws.
3. Agents should only discuss the equity program or similar stock incentives according to official eXp literature.
4. Agents may not post their equity account balances on social media whether it is in the form of a screenshot, a graphic, or in a text description. This prohibition also extends to inclusion in presentations, videos, and other content that is used for Agent Attraction.
5. Agents must adhere to all guidelines found in the Income Claims section of the eXp P&Ps when discussing, presenting, or sharing their participation in the equity opportunities with eXp both in public and private conversations (including social media). Agents are encouraged to direct potential Agents to eXp approved resources or publicly available information.

I. Event Sponsorship Requests from Vendors

From time to time, opportunities may arise for vendors to sponsor local events for eXp (for example, and without limitation, eXp Regional Rallies events). Individuals that are not eXp Agents may or may not attend such local events. By contrast, EXPCON events are not "local" events for purposes of this

section of this eXp P&Ps.

If Agent learns of a vendor that desires to sponsor a local event for eXp (hereinafter, a **"Potential Local Sponsor"**), the Agent will submit a sponsorship request to eXp's Brokerage Operations department (through one of its Regional Directors) at least two weeks prior to the event. eXp reserves all rights to refuse such sponsorship by a Potential Local Sponsor for any reason. At NO time is the Agent to handle the funds without written approval from eXp's Brokerage Operations department (through one of its Regional Directors).

If the Potential Local Sponsor is not a participant in eXp Solutions (formerly referred to as Affiliated Services, and Preferred Partners), eXp will not advertise or otherwise promote Potential Local Sponsor in eXp World, on eXp's Workplace from Facebook application, in eXp's newsletters, or in eXp-generated emails; however, an acknowledgement of the Potential Local Sponsor's sponsorship (in the form of a "thank you") may be made on eXp's Workplace from Facebook application, in eXp's newsletters, and in eXp-generated emails.

XIV. COMPANY TOOLS AND INFORMATION

A. eXp Communication and Training Platforms

Through Workplace, eXp Enterprise and eXp World, eXp provides best practices in different parts of the business. It is the responsibility of the Agent to stay up to date on the latest policies and procedures, as well as the latest best practices relative to working with any tools and services eXp has deployed or is being recommended for Agents to use.

1. Agents shall not give out usernames or passwords or any other access to any internal or eXp provided third party system.
2. Agents may not share any recorded video (e.g., event instances in eXp World, sessions from eXp Shareholders Summit, sessions from eXpCON, etc.) intended for internal use by eXp without receiving written approval from eXp.
3. When hosting a session in eXp World, Agents may record the session but only with the consent of the attendees.
4. Distribution of recorded or captured content through websites and social media (e.g., Facebook, LinkedIn, YouTube, etc.) is not allowed without eXp's written consent.
5. eXp reserves the right to limit the use of any video content to the extent eXp determines in its sole discretion that the video content does not contain accurate information about eXp or does not accurately represent eXp's desired image or brand.

B. Workplace

Workplace is an invaluable tool that eXp and its Agents use to communicate, interact, and share information with each other. This internal network empowers all users to practice eXp's Core Values of Community and Collaboration. In order to maintain the integrity and usefulness of the network, Agents must abide by the following guidelines as they use Workplace in their daily work.

1. User Guidelines for Agents

- a) Content that is discourteous, aggressive, defamatory, discriminatory, sexually explicit, offensive, or in any other way damaging to Workplace users is prohibited. Content of this nature will be deleted by eXp's Workplace administrators.
- b) Disparagement of fellow Agents, eXp staff, eXp leadership, or competitors is not allowed.
- c) Using Workplace to self-promote and to promote merchandise, products, and paid services is permitted only in the eXp Marketplace closed group. Agents can access this group by clicking [here](#). All other solicitations are prohibited. Posts in violation of this policy will be deleted. Repeated violations of this policy may result in disciplinary action up to removal from eXp.
- d) Using Workplace Chat to message, "cold call", or make any kind of solicitation to other users without their consent is not permitted.

2. Group Guidelines for Agents

Workplace groups encourage and enhance cross-team collaboration, provide a place to give feedback and speed up decision making. Agents may join or create groups. Group creation must adhere to all of these guidelines:

- a) Agents must make sure the group doesn't already exist;
- b) The title of the group should not have "eXp" in the title as that is used for official company-monitored groups. All official groups will display the designation of "official group" and are marked with a green Workplace shield icon;
- c) The group should be for discussion, project, or general interest;
- d) Groups should not create the expectation that eXp support will be provided;
- e) Ensure that your group aligns with eXp Core Values; and
- f) Adding users to groups without their consent is not allowed.

Any group or content deemed to be misleading or inappropriate will be removed by eXp's Workplace administrators. eXp reserves the right to remove or assign admins to any group it deems necessary.

C. eXp World

Even though eXp World is a virtual work environment it should be treated as a professional place of business. Appropriate workplace etiquette must be observed including the personal conduct and behavior of all users. Agents shall adhere to eXp's Code of Conduct, Core Values, and avoid any actions or content that are argumentative, discourteous, or otherwise unprofessional while in eXp World.

Agents should also become familiar with the platforms' Terms of Service and Privacy Policy found at <https://learn.framevr.io/tos-privacy-policy>. Failure to adhere to these guidelines could result in disciplinary action.

D. eXp Email for Agents

eXp provides to each Agent an eXp email alias, also known as a forwarding or alternate email address, that is configured to forward to the personally owned and controlled email address an Agent provides

to eXp for purposes of conducting eXp business. eXp email aliases do not have a mailbox of their own, and instead only forward all incoming emails to an Agent's personal email address. Email aliases may be delivered by various providers from time-to-time as requirements and costs dictate. eXp email aliases enable forwarding to other email addresses and systems. eXp does not and cannot access Agent personal email accounts and only receives logs of forwarding activity related to each eXp provided email alias. eXp provided email aliases are not configured for sending email from the provided email alias, Agents are responsible for that configuration. Agents are responsible for ensuring their respective eXp email alias forwards incoming email to their correct email account, so that important communication from eXp, their State Broker, and/or actual or prospective clients is not missed.

For avoidance of doubt, eXp employees use eXp provided email accounts using the "@exprealty.net" email domain to communicate with Agents and other eXp employees, and to conduct eXp business, as opposed to Agents' eXp email aliases which use the "@exprealty.com" email domain.

Agents are strongly encouraged to use email security best practices to protect their email accounts from unauthorized access and avoid wire fraud attempts. Agents are also strongly encouraged to use the Wire Fraud Email Notice Template provided by the National Association of Realtors® at <https://www.nar.realtor/law-and-ethics/wire-fraud-email-notice-template>.

XV. ICON AGENT AWARD

The ICON Agent Award is aimed at attracting and incentivizing top Agents into eXp.

The ICON Agent Award provides each qualified "ICON" with publicly traded eXp World Holdings, Inc. common stock upon the achievement of certain production and cultural goals within an Agent's Anniversary Year. The ICON Agent Award Program is subject to approval by the Board of Directors each year. Full qualification details can be found by visiting the ICON Agent Award webpage at join.exprealty.com/icon-agent-award. An Agent is not eligible to receive an ICON Agent Award (or receive ICON status), unless the Agent is in Good Standing with eXp.

XVI. EXP MENTOR PROGRAM

Generally, if an Agent has not completed three purchase Transactions or sale Transactions (or any combination thereof) within the twelve (12) month period immediately preceding the Agent's Onboard Date (collectively, the "**Mentor Program Requirements**"), the Agent will be required to participate in the eXp Mentor Program, as a mentee, upon transfer of their license to eXp. In that event, Agent will be required to enter into the eXp Mentor Program Addendum to ICA, the form of which will vary depending upon the state in which the Agent is licensed. Notwithstanding the preceding, eXp reserves the right to require an Agent to participate in the eXp Mentor Program, as determined in its sole discretion. eXp reserves the right to require any Agent to re-enroll in the eXp Mentor Program as may be required by applicable law. If an Agent enrolled in the eXp Mentor Program has not been assigned a mentor, then that Agent's mentor shall be that Agent's State Broker. eXp may share the mentee's personal contact information with other Agents that provide assistance in the eXp Mentor Program.

XVII. EXPRESSOFFERS INVESTOR REFERRAL FEE

Agents desiring to participate in eXp's ExpressOffers program and generate additional referral fees by referring investors to eXp must first complete the ExpressOffers training and enter into the ExpressOffers Investor Referral Addendum to Independent Contractor Agreement.

XVIII. MULTI-GLOBAL LICENSE PROGRAM

A. Background

The eXp World Holdings, Inc. family of real estate brokerage companies is comprised of the following brands: eXp[®] Realty and eXp[®] Commercial. Each brand conducts its own in-country operations through specific brokerage companies that are licensed or registered to engage in the real estate brokerage business in their particular jurisdiction (whether country, state, province, region, etc.) (each, an "eXp Brokerage"). Except as it pertains to the brokerage companies operating under the eXp[®] Realty (USA) brand, and eXp[®] Commercial (USA) brand, respectively, each eXp Brokerage operating outside of the United States maintains its own form of Independent Contractor Agreement that is to be used by any individual desiring to affiliate with that eXp Brokerage, in that jurisdiction, for the purpose of engaging in real estate brokerage activities on that eXp Brokerage's behalf in that jurisdiction.

B. Multi-Country Affiliation (Generally)

The "Multi-Global License Program" is applicable in instances where an Agent desires to affiliate with two or more eXp Brokerages, each in a different country (e.g., with eXp Commercial, LLC in Arizona, and with eXp Italia S.r.l. in Italy). The Multi-Global License Program is not applicable in instances where Agents that are or desire to become affiliated, (1) with two or more eXp Brokerages within the same brand and operating within the same country (e.g., with eXp Realty, LLC in Arizona, and with eXp Realty of California, Inc. DBA "eXp Realty" in California), or (2) with two or more eXp Brokerages across different brands and operating within the same country (e.g., with eXp Commercial, LLC in Arizona, and with eXp Realty of California, Inc. DBA "eXp Realty" in California).

C. Agents' Additional Affiliation

Under our Multi-Global License Program, Agents are permitted to affiliate with any eXp Brokerages, provided that, (1) the eXp Brokerages are in different countries, and (2) the Agent satisfies all of the terms, conditions, and requirements of each such eXp Brokerage. By affiliating across national borders with more than one eXp Brokerage, an Agent automatically becomes subject to all of the terms and conditions of the Multi-Global License Program.

D. Agents' Independent Obligations

Unless other terms apply, all Agents participating in the Multi-Global License Program shall abide by all monetary, policy, and contractual obligations imposed upon them by each eXp Brokerage with whom they are affiliated. An Agent's affiliation with more than one eXp Brokerage will not excuse that Agent from any of his or her payment or performance obligations to any other eXp Brokerage with whom the Agent is affiliated. Agents' payment and performance obligations to each eXp Brokerage are distinct

obligations. So, for example (and without limitation), Agents will have to pay all fees imposed upon them by each eXp Brokerage with whom they are affiliated; Agents will have to honor all policies and procedures applicable to each eXp Brokerage with whom they are affiliated; and Agents will have to honor the terms and conditions of each Independent Contractor Agreement to which they are a party.

E. "Capped Status" Matters

Unless other terms apply, all matters concerning achieving a "Capped Status," as applied by each eXp Brokerage with whom an Agent is affiliated, shall co-exist and apply independently. An Agent's Company Dollar Cap, Capping Period, Cap Reset Date, and Anniversary Year, will be applied separately as between each eXp Brokerage with whom the Agent is affiliated. This means, for example, that if an Agent is affiliated with two eXp Brokerages, that Agent can (and likely will) have two different Cap Reset Dates, Capping Periods, and/or achieve a Capped Status at two different times (if at all), and so on. In addition, Company Dollar earned and collected from an Agent by any eXp Brokerage with whom that Agent is affiliated will not be aggregated with Company Dollar earned and collected from the Agent by any other eXp Brokerage with whom that Agent is affiliated (for the purpose of determining whether the Agent is considered to be in a Capped Status in any country). For example, assume that an Agent is affiliated with two eXp Brokerages, namely eXp Realty, LLC (in the USA) and eXp Italia S.r.l. (in Italy). If the Agent has satisfied all of the requirements to reach a Capped Status under eXp Italia S.r.l., then the Agent shall be considered to be in a Capped Status with respect to only eXp Italia S.r.l., and not with respect to eXp Realty, LLC. Company Dollar collected by eXp Realty, LLC (in the USA) will not be combined with any Company Dollar collected by eXp Italia S.r.l. for the purpose of determining whether that Agent is to be considered in Capped Status at eXp Italia S.r.l.

F. Icon Agent Awards

All matters concerning ICON Agent Awards, as applied by each eXp Brokerage with whom an Agent is affiliated, shall co-exist and apply independently. Agents can earn an ICON Agent Award in each country where an Agent is affiliated with an eXp Brokerage, according to each such eXp Brokerage's own rules. However, earning an ICON Agent Award in one eXp Brokerage does not mean that an Agent has or will earn an ICON Agent Award in any other eXp Brokerage.

G. Sponsor; FLQA; Initial FLQA Period

Agents cannot have more than one Sponsor at any given time when associated with any eXp Brokerage (i.e., Agents can only have one Sponsor, regardless of how many eXp Brokerages they are affiliated with). Agents shall only be considered an FLQA once, at any given time, for their Sponsor. The Initial FLQA Period shall only apply one time, and with respect to that particular eXp Brokerage with whom an Agent first satisfies the applicable FLQA requirements. We have no obligation to notify any Sponsor that an Agent sponsored by that Sponsor, is a participant in the Multi-Global License Program.

XIX. LEGAL, INSURANCE, AND COMPLIANCE WITH THE LAW

A. Antitrust

The amount or rate of real estate compensation is not fixed by law. They are set by each Agent individually and may be negotiable between a buyer or seller, and Agent.

eXp is a full service real estate brokerage company. As such, compensation rates of eXp are determined by each Agent on a transaction by transaction basis, and such rates are to be based on the value of the services provided and competitive market conditions. Compensation rates are determined solely by agreement between the Agent and the selling party or buying party. Agents shall not participate in any discussions with individuals affiliated with any other company concerning the compensation rates charged by eXp or any other real estate company. When soliciting a listing or negotiating any agreement, Agents shall not make any reference to "prevailing" or "standard" compensation rates in the market or any other words that suggest that the compensation rates are uniform, standard, set by law, or otherwise non-negotiable. Any advertised compensation rate for settlement service or receive income or benefits "for value" directly from a settlement service company while actively licensed with eXp. Buyer Agents shall enter into a written agreement with the buyer prior to touring a home and shall not filter out or restrict listings communicated to customers or clients based on the existence or level of compensation offered, if any.

B. Conflicts of Interest

Agents shall avoid engaging in activities that would result in a question of business ethics or a compromise in the Agent's loyalty to eXp or clients. Questions regarding potential conflicts must be directed to the Agent's State Broker. When purchasing an eXp listing, it must be disclosed in the contract that the Agent is a member of eXp. Additionally, no Agent shall be involved in any form of settlement service or receive income or benefits "for value" directly from a settlement service company while actively licensed with eXp. Buyer Agents shall enter into a written agreement with the buyer prior to touring a home and shall not filter out or restrict listings communicated to customers or clients based on the existence or level of compensation offered.

C. Data Security and Client Privacy

Agents will come in contact with personal and confidential information in the day-to-day course of their business. All Agents of eXp are expected to become familiar with and follow a course of action concerning the transmission, handling, storage, and disposal of all personal and confidential information that is in alignment with all local, state, and federal laws regarding data security and client privacy. Agents may have multiple roles with regard to data privacy and security depending on the stage of the client relationship. For example, Agents may engage with many prospective clients and build a book of contacts that have not entered into a contractual relationship with eXp. In this example, Agent is determining the data collection and processing activity and must do so in accordance with applicable law. Once a client enters into a contractual relationship with eXp, Agent now plays a dual role where Agent is asked by eXp to process specific data to complete a transaction and such data must be processed in accordance with applicable law and eXp's Privacy Policy and Data Processing Policy, which may be found by visiting <https://expworldholdings.com/privacy-policy/>. Agents are encouraged to review the National Association of REALTORS® Data Security and Privacy Toolkit found at <https://www.nar.realtor/data-privacy-security/nars-data-security-and-privacy-toolkit> (including its Cybersecurity Checklist: Best Practices for Real Estate Professionals found at <https://www.nar.realtor/law-and-ethics/cybersecurity-checklist-best-practices-for-real-estate-professionals>), and to adopt those "best practices" presented by the National Association of REALTORS®. If an Agent fails to secure their client's data and confidential information, the Agent will defend, indemnify, and hold eXp, and its principals and affiliates harmless against any and all claims, complaints, or actions that may arise from such a departure. In addition, failure to comply with this Policy is grounds for the immediate release of the Agent's license and removal from eXp.

D. Do Not Call Rules

Agents must stay up-to-date on rules relating to the National Do Not Call Registry (See: www.ftc.gov/donotcall), as well as all anti-spam laws and regulations (See: www.ftc.gov/enforcement/rules/rulemaking-regulatory-reform-proceedings/can-spam-rule).

Cold calling must be done in compliance with applicable state and national laws. Any fines that result from any violation of the "do not call" law or any other solicitation law will be paid for by the Agent who broke said rule.

Agents are encouraged to leverage "eXp Dial Safe" for scrubbing of all telephone numbers against applicable Do Not Call lists prior to making initial contact. "eXp Dial Safe" may be located via MyEXP (<https://my.exp Realty.com/login>) or via Okta dashboard and provides Agents the ability to scrub against the Canadian National Do Not Call List, the United States National Do Not Call List, and each of the United States' state specific Do Not Call Lists, e.g. the Louisiana Do Not Call List.

E. Drones

Agents who desire to use drones must be familiar with and follow all Federal Aviation Administration (FAA) drone rules, and any other applicable laws and regulations. (See: www.faa.gov/uas for more information.)

F. Drug and Alcohol Use

1. **Illegal Drugs.** Agents shall not be under the influence of illegal drugs while representing eXp.
2. **Prescription or Over-the-Counter Medication.** eXp shall not preclude Agents from being under the influence of prescription or over-the-counter medication while representing eXp, provided that, (a) their ability to represent eXp, including the servicing of our clients, is not compromised; (b) the health, welfare, and safety of eXp clients, eXp agents, and all other persons, is not compromised; and (c) their behavior would not be considered unbecoming of an eXp representative, or otherwise disrepute or negatively impact eXp's reputation.
3. **Alcohol.** Agents shall not be under the influence of alcohol while performing real estate brokerage services. However, and except as provided in the preceding sentence, eXp shall not preclude Agents from being under the influence of alcohol when representing eXp outside of the scope of performing real estate brokerage services (such as at agent attraction events where alcohol may be served), provided that, (a) their ability to represent eXp is not compromised; (b) the health, welfare, and safety of eXp clients, eXp agents, and all other persons, is not compromised; (c) their behavior would not be considered unbecoming of an eXp representative, or otherwise disrepute or negatively impact eXp's reputation; and (d) they are of legal drinking age.

Agents shall also discourage the use of drugs or alcohol by any party when making decisions or taking action concerning a Transaction. Upon discovering that a party is under the influence of either drugs or alcohol, Agents should take appropriate action to terminate that day's activity and suggest that they discuss or complete the Transaction another time.

G. Harassment

eXp takes all forms of harassment seriously. This includes but is not limited to verbal, physical or sexual. All reported or suspected occurrences of harassment will be promptly and thoroughly investigated. Any Agent that is found to have harassed another Agent, employee, client, customer, or any member of the public shall be immediately, and without warning, released from eXp at eXp's sole discretion.

If an Agent feels they have been harassed in any way, the Agent shall notify the State Broker or a member of the corporate team immediately.

eXp will not permit or condone any acts of retaliation against anyone who files harassment complaints or cooperates in the investigation of the same.

H. Prohibition on Changes to Compensation Splits and Referral Fees During Legal Action; No Split Checks

When a lawsuit, garnishment, or other legal action has been served upon eXp, or eXp has been made aware that such an action is pending, any Agents that are a party to such legal action shall be prohibited from changing any compensation split agreement(s), including, but not limited to, Team Agreement(s), existing referral agreements with fellow Agents, co-listing agreements, etc., without the prior express written consent of the Agent's State Broker. This prohibition applies regardless of whether the Agent seeks to modify a general agreement concerning all transactions, an agreement concerning transactions within a specific category, or an agreement concerning a specific property. This prohibition also extends to changes in compensation that the Agent would otherwise receive, even for future transactions, listing assignments, or co-listings until no further legal action is pending.

For so long as an Agent is not in Good Standing or has any legally required withholdings (such as, for example, garnishments, tax levies, child support orders, or UCC-1 liens from unpaid compensation advances) being withheld from an Agent's compensation or other earnings from eXp, that Agent shall not partake in receiving a "split check" in states where such practices are permitted.

I. Products and Services

Agents may not offer any non-eXp business plan, opportunity, product or incentive (including any multi-level marketing programs) utilizing any eXp platform such as eXp World or otherwise in conjunction with offering eXp products or services.

1. Selling, Offering To Sell, Or Promoting Any Competing Products Or Services

Agents may not directly sell, offer to sell or directly promote to other Agents competing products or services. Any product or service in the same generic category as an eXp product or service is deemed to be competing.

J. Reporting Problems

It is understood that Agents, though operating as independent contractors, act as agents of eXp and must, therefore, keep eXp informed of their activities. Agents shall immediately, but in no event longer

than five (5) calendar days after the time that they become aware of any of the following situations, bring any of the following situations to their State Broker's attention and provide eXp with copies of any correspondence or legal process in connection with such situations. Failure to timely notify the State Broker and eXp may, in certain circumstances and in eXp's sole discretion, result in termination of Agent's ICA and disaffiliation from eXp.

1. Any substantive complaint involving a real estate transaction or the providing of real estate brokerage services, whether brought by a client, the state real estate licensing authority or a third party.
2. Any disclosure, or potential disclosure, of confidential client information.
3. Any accident or injury that occurs while providing real estate brokerage services.
4. Any criminal charge, judgment, or order (including, without limitation, DUIs and felonies) against an Agent other than a traffic infraction.
5. Any civil suit (including bankruptcy), judgment, order, subpoena, or other legal document concerning real estate activity of an Agent or that would adversely affect the licensing status of any of an Agent's real estate license(s).
6. Any contact by or with the state real estate licensing authority.
7. Any threat of any legal or administrative action against an Agent or eXp resulting from that Agent's real estate brokerage services.
8. Any act(s) of discrimination witnessed.
9. Any unresolved dispute with another Agent or a real estate professional affiliated with another brokerage firm.
10. Any foreseeable dispute or problem relating to the payment or collection of compensation.
11. Any other situation involving professional real estate activity that could lead to liability on the part of eXp or anyone associated with eXp.
12. Any notification received from the state real estate licensing authority regarding the status of an Agent's real estate license.

K. Legal Action Between eXp Agents

No Agent shall file a Civil or Administrative Action (defined in the ICA) against any other Agent affiliated with the eXp family of real estate brokerage companies (including eXp Realty, LLC, eXp Commercial, LLC, and/or eXp International Holdings, Inc., and any of their respective subsidiaries, divisions, affiliates, or assigns) for any issue arising out of or relating to the actual or alleged real estate brokerage activity of that other Agent without providing seven (7) days prior written notice to their own State Broker advising of their intent to do so and identifying, with specificity, the basis of the Agent's dispute with the other Agent. To the extent there is any dispute as between two or more Agents, of a real estate nature (for example, but without limitation, compensation disputes, referral fee agreement disputes, procuring cause disputes, REALTOR® Code of Ethics disputes, etc...), such disputes may be resolved through eXp's own "internal dispute resolution" procedures; this option shall not apply to any disputes among members of any particular team. Agents should reach out to their State Broker for details on this process.

In addition, an Agent shall provide written notice to their own State Broker within twenty-four (24) hours following their own filing of a Civil or Administrative Action advising of the occurrence of such filing. An Agent's failure to comply with the foregoing notice requirements shall constitute a material breach of these eXp P&Ps. Nothing in this section shall prohibit an Agent from notifying a licensing or other

governmental entity of allegations that he or she is required by law to report. However, all requirements in this section must be complied with to the maximum extent possible, with performance excused only to the extent that he or she is legally required to take some action which precludes compliance with a particular requirement in this section.

L. Legal Action Against eXp Prohibited

By acknowledging and accepting the terms within these eXp P&Ps, each Agent represents, warrants, and covenants to eXp that they will not cause or participate in the filing of any Civil or Administrative Action against eXp, its holding companies, and its or their respective subsidiaries, affiliates, directors, officers, managers, members, or employees. Each Agent acknowledges and agrees that the filing of any such Civil or Administrative Action shall constitute a material breach of these eXp P&Ps, and that eXp may thereafter terminate the offending Agent's ICA in accordance with its terms, as determined by eXp in its sole and absolute discretion. Nothing in this section shall prohibit any Agent from notifying a licensing or other governmental entity of allegations that he or she is required by law to report. However, all terms in this section must be complied with to the maximum extent possible, with performance excused only to the extent that he or she is legally required to take some action which precludes compliance with a particular requirement in this section.

M. Claims Reimbursement

Each Agent shall be responsible for and shall reimburse eXp up to \$2,500 (two thousand five hundred dollars) incurred in the defense or resolution of any claim made against that Agent and/or eXp as a result of the Agent's actions or inactions (except for any procuring cause claims), regardless of whether or not the claim is eligible for insurance coverage. Even where the Agent does not believe the claim or cause of action has merit and/or does not believe any money should be expended in the defense or resolution of the matter, the Agent expressly agrees in advance, by signing his or her ICA, that he or she will reimburse eXp up to \$2,500 expended in defense or resolution of the matter within thirty (30) days of receipt of a request for reimbursement from eXp. An Agent may elect to have all or any portion of the reimbursable amount withheld from any compensation and/or revenue share payments due to the Agent in lieu of making payment directly to eXp. However, if an Agent does not reimburse eXp directly within the thirty (30) day period then eXp shall deduct the full amount due from any and all compensation and revenue share payments due to the Agent until eXp has been fully reimbursed. If it is determined that an Agent acted fraudulently, grossly or recklessly negligent, or willfully, the Agent shall be responsible for the full amount of the damages and costs recovered against eXp, along with all costs of defense. This language in no way limits the liability of an Agent to eXp and in no way limits any covenants or conditions stated in an Agent's ICA.

N. Claims That Are Not Covered By Real Estate E&O Insurance

eXp's real estate errors and omissions ("E&O") insurance extends coverage to eXp Agents ***solely in the performance of real estate sales and leasing services for a fee or compensation***. All eXp Agents should be aware and understand that eXp's E&O insurance policy, like many others, has certain limitations and exclusions and only provides insurance coverage for specific types of claims. It is particularly important for eXp Agents to know that there are certain types of claims that, when made against eXp or an eXp Agent, ***are not covered under eXp's E&O insurance policy***. Some of these uninsured claim types include, but are not limited to:

1. Claims made under the Telephone Consumer Protection Act (“TCPA”), including “do not call list” guidelines, the Telemarketing Sales Rules (“TSR”), the CAN-SPAM Act, Federal Trade Commission (“FTC”) rules;
 - a. *Example:* An eXp Agent makes cold calls or text messages to prospects but does not follow one or more of the above laws; these claims are not covered by any insurance available on the market and carry hefty statutory fines, which means there is no defense to these claims outside of proving that you did not place the call(s) or send the text message(s);
2. Personal injury claims;
 - a. *Example:* A person slips and falls, injuring themselves while at a property and the person claims the eXp Agent is at fault for their alleged injuries; an eXp Agent’s for sale sign in the yard falls over and injures someone, etc.
3. Intellectual property infringement claims, including copyright infringement;
 - a. *Example:* An eXp Agent uses a photo or image on their website that they have not obtained permission to use.
4. An eXp Agent’s Personal Transaction, regardless of whether eXp or the eXp Agent/Owner earned a fee or compensation;
 - a. *Example:* A buyer makes any kind of claim against an eXp Agent in a Transaction where the eXp Agent was selling a property they owned (or had any kind of interest in) or controlled and neither eXp nor the eXp Agent earned a compensation on the Transaction.
5. Claims against an eXp Agent’s entity: the eXp Agent may have coverage, but the eXp Agent’s entity does not, even if eXp is paying the eXp Agent through their entity;
 - a. *Example:* A plaintiff sues eXp, eXp Agent Doe, an individual, and Agent Doe, LLC, the eXp Agent’s company. The E&O insurance will cover Agent Doe as an individual but not Agent Doe, LLC.
6. Class action claims of any kind whatsoever.

eXp Agents should determine whether they want to obtain their own individual insurance coverage for activities such as those listed in the examples above.

Lastly, like most insurance policies, eXp’s E&O insurance policy will not cover claims in which it is determined that eXp’s or an eXp Agent’s actions were fraudulent, grossly or recklessly negligent, or willful.

XX. OFFICE POLICIES

A. Agent Business Expenses

eXp shall not be responsible for any expense incurred by Agents in the performance of their business duties unless approved in advance and in writing by the State Broker. No inducements, including inspections or other services associated with real estate brokerage services customarily paid by customers or clients, shall be offered or paid by an Agent without advance approval by the State Broker,

and then shall be at the Agent's sole expense. An Agent shall disclose, in writing, any compensation or profit received or to be received by such Agent (whether directly or indirectly), in connection with any expenditures advanced on behalf of that Agent's client.

B. Agent Assistants - Generally

eXp fully supports the use of licensed and unlicensed assistants (which include transaction coordinators) by the Agents. By delegating tasks that may be performed by those other than the Agent, the Agent's time can be spent more efficiently on tasks directly related to maximizing earning potential. eXp advises all Agents using assistants to seek legal counsel regarding employment laws and obligations within their state.

Agents must have a written contract with their assistants. Said contract must be submitted to the State Broker for approval within ten (10) business days of joining eXp or entering into an agreement for these services. Copies of the contract are to be filed in the Agent's file.

Assistants (including transaction coordinators) are to be compensated for their services directly by those Agents with whom they are respectively engaged. Assistants that are licensed with eXp are to be paid for their services through escrow. Agents shall not use the services of any licensed assistants that are licensed with any real estate brokerage company other than eXp.

C. Agent Assistants - Unlicensed

Agents are responsible for training their assistants, making sure they are familiar with and abide by all eXp policies and procedures and all federal and state regulations. The Agent must review these eXp P&Ps with the assistant and present a copy of the eXp Agent & Support Personnel Cloud Brokerage Access Agreement ("**Access Agreement**") to the assistant, for their review. An unaltered copy of the Access Agreement that has been signed by both the Agent and assistant shall be returned to the Agent's State Broker, and must be approved and signed by that State Broker before the assistant may access any eXp systems. To the extent that an Agent grants any assistants with access to any eXp systems, without first securing the State Broker's prior written consent in the manner provided above, then eXp may exercise any rights or remedies (including terminating the Agent's ICA) as provided in the Agent's ICA or these eXp P&Ps.

An unlicensed assistant may not perform the following tasks or duties, including but not limited to:

- Host an open house.
- Solicit sellers or buyers in any manner.
- Provide advice or guidance to a consumer with regards to a listing contract or a contract of purchase and sale.
- Meet with owners to obtain or renew listing agreements.
- Present or negotiate an offer.
- Communicate with consumers about real estate transactions.
- Be paid from compensation at closing, or be paid compensation that is in any way predicated upon closing, regardless of timing.
- Open listings for clients or prospective clients.

An unlicensed assistant may:

- Perform office filing.
- Fill out a document at the instruction of the Agent.
- Place or remove signs.
- Witness signatures.
- Perform Agent's bookkeeping.
- Draft correspondence for approval by the Agent.
- Draft forms for review by the Agent.
- Make and deliver copies of any public records.

D. Agent Assistants - Licensed

Licensed assistants must be licensed with eXp and with no other real estate brokerage company. Licensed assistants are bound by the same licensing requirements as an Agent including, but not limited to, executing an ICA and fully associating themselves with eXp. They shall pay all fees due under their ICA and follow all policies and procedures of eXp. Licensed assistants may only assist other Agents and may not work for or with any agents outside of eXp.

E. Administrative Transaction Fees

Agents are free to determine whether or not they will assess their respective clients an administrative transaction fee ("**Administrative Transaction Fee**"), provided that doing so is not precluded by applicable federal or state law, please refer to your State P&Ps for guidance. An Administrative Transaction Fee is a fee amount, determined by each respective Agent, that consists of an Agent's cost of doing business (e.g., costs for any assistants and transaction coordinators used in a transaction). The Administrative Transaction Fee is distinct from and in addition to any real estate compensation to be earned by eXp and the Agent. If an Agent elects to assess his or her clients an Administrative Transaction Fee, they must first receive each such client's prior written consent; a sample form, referred to as an "[Administrative Transaction Fee Agreement](#)," is available by request to the Agent's State Broker. If working with a buyer, this consent must be signed prior to showing any property. The Administrative Transaction Fee Agreement must be signed by each such client before an Administrative Transaction Fee may be assessed, and each must specify all of the following:

1. that the Agent has the discretion to establish, set, and assess each or any of his or her clients an Administrative Transaction Fee;
2. that eXp does not require its Agents to charge any Administrative Transaction Fee, and that eXp does not establish the amount of any Administrative Transaction Fee to be charged by any of its Agents;
3. that the Administrative Transaction Fee amount may fluctuate from client to client depending upon the specific costs incurred and/or additional services rendered by the Agent;
4. that the Administrative Transaction Fee is separate from, and in addition to, any real estate compensation to be earned by eXp and the Agent;
5. the exact amount of the Administrative Transaction Fee to be assessed to the respective client;
6. the time that the Administrative Transaction Fee will be due and payable, whether at closing or prior to the Agent's rendering of any brokerage related services.

If used by an Agent, the fully executed Administrative Transaction Fee Agreement must be uploaded

into eXp's transaction management system. Administrative Transaction Fees are subject to the same Contractor Dollar/Company Dollar split applicable to an Agent at the time of receipt of payment of the Administrative Transaction Fee. Administrative Transaction Fees may also be considered part of a referral fee that is to be paid to an outside company or vendor.

F. Associations and Board Memberships

Unless specifically waived by eXp in an addendum to an Agent's ICA, all Agents must be members (active and in good standing) of the National Association of REALTORS[®], as well as both the state and local Association of REALTORS[®] where that respective Agent is situated. An Agent's participation in an MLS is optional and is not required by eXp, unless eXp will be charged a fee as a result of that Agent's license being affiliated with eXp, in which event that Agent's participation will be required. If an Agent holds real estate licenses in more than one state, that Agent may, in eXp's discretion, be required to join each state Association of REALTORS[®] in such additional states, as well as one or more local Association(s) of REALTORS[®] and/or MLS(s) in such additional states, as determined by eXp.

Subject to the foregoing paragraph, an Agent shall maintain an active membership in a local association or board of REALTORS[®] affiliated with the National Association of REALTORS[®], as determined by eXp, unless that Agent maintains an active membership in the Real Estate Board of New York ("REBNY") and/or the Brooklyn MLS.

Any state that requires eXp to pay the Agent's portion of the membership dues will be handled accordingly. For any REALTORS[®] associations that require eXp to pay membership fees upfront on behalf of an Agent, that Agent shall reimburse eXp within 10 days of invoice for the same. Agents who fail to timely reimburse eXp will be subject to removal from eXp.

Agents who are billed directly by the Association and MLS are expected to pay those bills in a timely manner as directed by the Association and MLS. eXp will not pay late dues on behalf of the Agent and the Agent will be subject to removal from eXp. Please check with your State eXp P&Ps for state specific information and any variances to this policy.

Agents shall abide by the REALTORS[®] Code of Ethics and Standards of Practice of the National Association of REALTORS[®], the statutes and rules of the state within which they are licensed, and any requirements of the MLS of which they are a member.

G. Contact Information

Agents MUST use their legal name as it appears on their real estate license in all advertising, on contracts and in all real estate correspondence. Agents using any name other than their full legal name may only do so if allowable within their state and must have the State Broker's approval.

Agent's business address is the eXp office address in the state in which the Agent's license is registered. Agents must use this address in all activities if an address is required by the state licensing department. All business correspondence related to transactions must be sent to this address, not to the Agent's home. No personal mail may come to the office. Any mail coming to the office will be considered official business and subject to being opened by the State Broker or admin team. Agents shall make arrangements to pick up any parcels that are delivered to the office by vendors and will work

to properly inform all vendors that parcel deliveries are to be scheduled directly with the Agent. All unclaimed parcels are subject to disposal within seven (7) days of delivery.

Escrow companies, title companies and other closing agencies must send all communications pertaining to a transaction to our company address. Agents may receive a duplicate copy of escrow documents for the file.

Agents are solely responsible for keeping their personal contact information (including mailing address, forwarding email address used to forward Agent's eXp email alias to, and telephone number) current in Enterprise. eXp will rely upon the information provided by an Agent, in Enterprise, as being true, correct, and complete. Agents can update their forwarding email address, telephone number, and emergency contact information directly in Enterprise. Any failure by an Agent to provide or maintain the most current information in Enterprise shall not affect the validity of any notice from eXp to the Agent.

H. Contacting the State Broker(s)

Each state has a different State Broker, as a result, please review any state specific information with regard to broker communication. Each State Broker will make themselves available inside of eXp World for general communication and discussions. Consult the State Broker's public calendar or State P&Ps for their availability.

If an Agent has a specific urgent need for the State Broker to address outside of business hours, the Agent should call or email the State Broker directly.

I. Open Houses

Agents shall only hold open houses for other eXp Agents. No open houses shall be held for any listings other than eXp listings or For Sale By Owner where written authorization has been given and where prospective buyers complete a "touring agreement" or an eXp Single Property, Buyer-Broker Representation Agreement. Agents holding open houses for sellers who do not have their house listed for sale must have appropriate state approved documentation completed giving them the right to do so. eXp listings shall only be held open by other eXp Agents who are appropriately licensed and acting within their area of expertise for the geographic location of the listing.

J. Out of Town or Unavailable

When an Agent has listings and/or open escrows and is out of town, or otherwise unable to provide services to clients, the Agent is required to notify the State Broker and fill out the appropriate company form establishing someone to manage the business in Agent's absence.

K. Physical Office Space

eXp has a cloud-based office and as such does not invest in physical bricks-and-mortar infrastructure, except where required by the State Department of Licensing laws. Agents are encouraged to contact their local affiliates, title and escrow companies, lenders, banks and other organizations with whom they work if they need physical space to meet clients.

Where allowed by law and Association/Board rules, Agents who have achieved the level of associate

broker and have agreed to policies relating to the opening of an eXp office may, with approval from eXp, be permitted to have a branded eXp office. Agents shall be responsible for compliance with all local and state laws regarding their branch office. This includes, but is not limited to, meetings, licensing, advertising, and signage requirements.

eXp may itself open and operate, or authorize the opening and operation of, an eXp office (“**Branch Office**”). Any Branch Office that eXp authorizes an Agent to open and operate will be paid for by the Agent or Agents who have agreed to open that office, and no obligation relating to that office will transfer to eXp. Any financial obligation with regard to opening and/or maintaining a Branch Office will be at the expense of the Agent(s) who opened the Branch Office including any fines for non-compliance and renewal fees.

Please ask the State Broker for the Branch Office Agreement and talk to the State Broker to see if the Agent qualifies. Branch Offices must be pre-approved in writing (through a Branch Office Agreement) by eXp prior to operation, advertising, or opening. Except for any Branch Offices that have been approved by eXp, Branch Offices shall not be situated within any Agent’s (or other person’s) personal residence.

XXI. TEAMS AT EXP REALTY

A. Generally

A “**team**” is generally defined, in most states, as a lead Agent (“**team leader**”) and at least one other Agent working as a team member (“**team member**”). For more information on teams, Agents may review eXp’s, “Teams at eXp Realty - Understanding Types and Compensation” informational sheet (available [here](#)), and eXp’s, “Teams at eXp Realty Policy” (available [here](#)); or contact eXp’s Team Services Department at teamservices@exprealty.net.

B. Team Names

Team names shall conform with the real estate licensing laws and rules in effect in the state(s) in which the team name is being used. A team leader shall select a proposed team name upon formation of a team. Regardless of whether or not state requirements allow use of the terms “Realty” or “Real Estate” in a team name, eXp does not allow the use of such terms in a team name of any Agents. The proposed team name must be presented by the team leader to his or her State Broker for approval. A team name may only be used if, and after, it has been approved in writing by the team leader’s State Broker. For team registration requirements, Agents should consult their State P&Ps and their State Broker team.

C. Team Composition

A team of any kind cannot be composed of members from both eXp and eXp Commercial. All team members must be affiliated with the same brokerage as their team leader (i.e., eXp or eXp Commercial; eXp and eXp Commercial being distinct brokerages). For example, a team that has a team leader affiliated with eXp must also have all team members associated with eXp; those team members could not be associated with eXp Commercial.

Unless advance arrangements are made with eXp, in writing, a team leader’s departure from a team

(whether because they leave the team, offboard from eXp, or otherwise) shall cause a team to dissolve automatically as of that date the team leader leaves the team or offboards from eXp, whichever occurs first.

D. Team Agreements

"**Team Agreements**" are to be made based on mutually agreed upon terms between a team leader and the team member(s). These agreements must be in writing, fully executed, and carefully considered to ensure compliance with all federal, state and local law as well as eXp's policies. A team leader shall maintain a copy of each fully executed Team Agreement in their files at all times. Team leader shall provide a signed copy of their written Team Agreement with each team member, to eXp. Adjusted Company Dollar Cap amounts for team members shall only be provided within applicable team structures. eXp will not allow a team to stay affiliated with eXp if the team enforces or attempts to enforce a restriction against a former team member which would prevent them from staying with eXp after leaving the team; nor will eXp intervene in any disputes between team members and team leaders.

E. Team Disputes

Any disputes that may arise between or among current or former team leader(s) and/or team member(s) (collectively, the "**disputing parties**"), concerning any Team Agreement entered into between them, shall be resolved between and among the disputing parties and without eXp's participation. In no event will eXp assist any of the disputing parties to enforce the terms of any Team Agreement against the other disputing parties (including enforcement of any restrictive covenants such as non-compete or non-solicitation provisions), nor will eXp preclude a former team member from remaining affiliated with eXp after his or her departure from a team.

By executing their eXp ICA, each Agent agrees that if they wish to remain affiliated with eXp, they will not attempt to enforce any restrictive covenants (including, without limitation, the terms of any non-compete provisions) under any Team Agreement, against any former team member that remains affiliated with eXp after leaving the applicable team, and regardless of whether or not such former team member joins a new team or remains unaffiliated with any team.

If team leader(s) or team member(s) nevertheless attempt to enforce any restrictive covenant in contravention to the preceding sentence, then eXp may terminate such team leader(s)' and/or team member(s)' ICA(s) and end such team leader(s)' and/or team member(s)' engagement with eXp.

F. Team Fee Distribution

1. Transaction Review Fee: Can be paid by either the team leader or the team member or split between the two as agreed upon in their written Team Agreement.
2. Risk Management Fee: Shall be divided equally between the team leader and the team member. Each Agent shall be responsible for their annual Risk Management Fee cap.
3. Compensation: GCI, as defined in Agent's ICA, shall be first divided between the team leader and the team member based on the percentages agreed to between the team leader and team member. From there, each Agent's compensation split will be divided according to the Company Dollar and Contractor Dollar split in effect for that Agent at the time of the Transaction closing, less any applicable Transaction fees.

4. **Capped Transaction Fees:** Once an Agent has reached their Company Dollar Cap (as that term is defined in the Agent's ICA), that Agent will pay a percentage of the Capped Transaction Fee equal to the percentage of GCI they received.

In certain cases, eXp will reduce a team member's annual Company Dollar Cap. Team members with a reduced Company Dollar Cap are not eligible to receive the "capping equity award" or the ICON Agent Award, as paying a full cap amount is required for both. For a team member to qualify for a reduced Company Dollar Cap, the team and team leader must meet any requirements prescribed to the applicable team.

G. Non-Solicitation of Other eXp Team Members

No Agent may solicit, recruit, employ, or entice (either for themselves or another), directly or indirectly through a third party, any individuals that are members of other existing teams at eXp, to leave those teams and join Agent's team.

H. Application of Non-Solicitation and Non-Disparagement Policy To Teams

To the extent that eXp's Non-Solicitation and Non-Disparagement Policy, as described in the Code of Conduct, above, would prohibit an Agent who is a team leader of an eXp approved real estate team from leaving eXp and taking his or her team members with them to a competing brokerage, the non-solicitation portion of this particular policy shall not apply.

XXII. OMISSIONS FROM POLICY AND PROCEDURES

Any items or procedural issues not covered in the eXp P&Ps are subject to State Broker and eXp approval. Any decisions rendered on the items not covered in the eXp P&Ps are final and are to be made at the sole discretion of eXp.

XXIII. UPON TERMINATION OF ICA

An Agent shall forfeit all rights to any Transactions, transactional compensation or proceeds if the Agent does not affiliate with a new (non-eXp) brokerage company within three (3) business days following the Agent's Offboard Date (as that term is defined in Section 6 of the ICA). Each Agent shall communicate with his/her State Broker in advance of, and following, their Offboard Date regarding any pending Transactions to ensure that such Transactions are not adversely impacted by the termination of the Agent's affiliation with eXp.

A. eXp's Transfer of Pending Transactions

Subject to the terms in the opening paragraph of this section above, an Agent may execute a pending escrow transfer form and transfer any pending Transaction(s) to his/her new brokerage company. Eligibility to transfer pending Transactions in this way is conditioned upon satisfaction of each of the following: (1) the Agent must be in Good Standing as of his/her Offboard Date, (2) the Agent's new brokerage company must be willing to accept the transfer of such pending Transactions from eXp, (3) eXp must receive each affected client's prior written consent authorizing the transfer to the new

brokerage company, and (4) eXp must approve in writing of each such transfer (which eXp may withhold in its sole and absolute discretion). For each such Transaction that is to be transferred, if any of the preceding conditions are not met, that pending Transaction will remain with eXp. For Agents not in a Capped Status, the transfer of any pending Transaction(s) away from eXp to the Agent's new brokerage company shall require the payment of a twenty percent (20%) referral fee from that new brokerage company back to eXp. In addition, for all Agents, regardless of Capped Status, any other applicable referral fees that may be due upon the closing of that pending Transaction shall be paid to eXp (by Agent through Agent's new brokerage firm), who will then remit payment to the originating brokerage company pursuant to the terms of any preexisting referral agreement.

B. eXp's Retention of Pending Transactions

Subject to the terms in the opening paragraph of this section above, eXp will pay Agent's compensation, less any splits, Agent fees, deductions or withholdings (including, but not limited to, invoices issued from accounting, transaction coordination fees, garnishments or any other outstanding fees or legally required withholding) upon closing of any pending Transactions that remain with eXp following Agent's affiliation with a new brokerage company.

In addition to Section 6 under the ICA, an Agent's ICA shall also immediately, and automatically terminate, without prior notice, if for any reason, the Agent breaches his or her obligations hereunder, or if the Agent's license expires, is restricted, suspended or is revoked.

In the event an Agent leaves eXp, his/her Offboard Date will be determined in accordance with Section 6 of the Agent's ICA titled, "Termination."

Termination of an Agent's ICA could, and likely will, result in a significant financial loss to an Agent, including but not limited to:

- (1) loss of certain pending transactions, as more fully described above;
- (2) if an Agent is not in a vested status, loss of eXpansion Share payments and eXponential Share payments, including those that would otherwise have been earned on or before the Agent's Offboard Date, but paid following the Agent's Offboard Date;
- (3) if an Agent is in a vested status, loss of eXponential Share payments, including those that would otherwise have been earned on or before the Agent's Offboard Date, but paid following the Agent's Offboard Date; and
- (4) loss of **UNVESTED** eXp World Holdings, Inc. stock awards.

Example 1:

An Agent is in a vested status and is receiving eXpansion Share and eXponential Share payments. That Agent leaves eXp, having an Offboard Date of August 15, 2022, and the Agent retains their vested status following their Offboard Date. Also, the Agent maintains a real estate license that is active and in good standing and the Agent does not affiliate with a competitor. It then follows that the Agent will receive their eXpansion Share payments and eXponential Share payments earned for the month of July 2022, when each is paid by eXp on August 22, 2022.

Example 2:

Same facts as Example 1, except that the Agent affiliates with a competitor effective as of their Offboard Date. In that event, it then follows that the Agent will receive only their eXpansion Share payments earned for the month of July 2022, when such payments are released by eXp on August 22, 2022. However, the Agent will not receive any eXponential Share payments that otherwise would have been earned for the month of July 2022 and paid by eXp on August 22, 2022.

Upon termination of their affiliation with, and severance from eXp, Agents will lose access to all eXp tools, emails, files, and eXp provided third party sites. eXp strongly encourages Agents to backup any files they desire access to prior to requesting offboarding.

C. Leads Upon Departure

Upon an Agent's actual or pending departure from eXp (the "**Departing Agent**"), eXp shall maintain and preserve the Departing Agent's database of eXp-generated and non-eXp generated leads within any eXp-provided consumer relationship management applications for a period of up to 30 days (the "**Preservation Period**") following the Agent's Offboard Date.

If the Departing Agent would like to obtain a list of his/her non-eXp generated leads, then the non-eXp generated leads can be exported upon written request to eXp's Technology and Technical Support at support@exprealty.com (an "**Export Request**") provided that, (1) the Export Request is received within the Preservation Period, and (2) the Departing Agent is in Good Standing. If the Departing Agent does not provide an Export Request as set forth herein during the Preservation Period, then the Departing Agent's non-eXp generated leads are subject to forfeiture and deletion after the Preservation Period expires.

Notwithstanding the foregoing, any eXp-generated leads (such as, for example only, and without limitation, those generated through REVENOS®, eXp's Bundle Select® program, eXp's REO division, eXp's Relocation division, and eXp's ExpressOffers program) may not be released to Agent.

D. Rejoining eXp

If an Agent terminates his or her ICA while there remain any Amounts Owed to eXp, and the Agent wishes to rejoin eXp, then eXp may, in its sole discretion, provide the Agent with a one-time option to rejoin eXp under the following conditions:

- (1) the entirety of the Agent's Amounts Owed to eXp must be repaid to eXp (assuming that such Amounts Owed to eXp have not already been satisfied in full); and
- (2) at eXp's discretion, by and through the Regional Director responsible for managing the Agent's state, such Amounts Owed to eXp must be repaid to eXp as follows: either (i) in one lump sum prior to the Agent's rejoining eXp, or (ii) in accordance with those terms and conditions set forth in a written repayment plan ("**Repayment Plan**") presented by the Agent's forthcoming Regional Director, which Repayment Plan shall not have a term longer than sixty (60) days following the date of the Agent's rejoining eXp;
- (3) the Agent enters into a new ICA with eXp; and
- (4) the Repayment Plan shall take the form of an addendum to the Agent's new ICA with eXp.

If the Agent breaches any of the above conditions, or if the Agent's new ICA is terminated for any reason, by either the Agent or eXp, and at the time of this additional ICA termination there again exists any Amounts Owed to eXp, then Agent is forever precluded from rejoining eXp as a real estate licensee, as determined in eXp's sole and absolute discretion.

XXIV. EXP'S COMPLIANCE COMMITTEE

eXp has a Compliance Committee whose members are senior eXp executives who review, evaluate, and make determinations for the fair resolution of serious violations by Agents of their ICA and/or eXp P&Ps.

A. Appeal of Determination made by eXp's Compliance Committee

If a disciplinary determination was made against an Agent by eXp's Compliance Committee, and such disciplinary determination results in any disciplinary action to be taken against an Agent, then an Agent (or former Agent) may appeal the disciplinary action to eXp's Compliance Committee (which is distinct from, and not to be confused with, the Agent Compliance team).

The Agent's appeal must be in writing (together with any supporting documentation) and must be delivered to, and received by, the Agent Compliance team within fourteen (14) calendar days following the date that the Agent received notice of the disciplinary determination (send to compliance@exprealty.net). Thereafter, the Agent Compliance team will present the Agent's written appeal to eXp's Compliance Committee. If the written appeal (and any supporting documentation, if any) is not received by the Agent Compliance team within the fourteen (14) calendar day period, the disciplinary determination made by eXp's Compliance Committee will be considered final by eXp. In its review of the Agent's appeal, eXp's Compliance Committee will take under consideration any newly presented evidence and the previously enacted disciplinary action and notify the Agent of its decision to accept or reject the appeal. The decision of eXp's Compliance Committee concerning the Agent's appeal will be final. Agents who have had their ICA's terminated as a disciplinary action must fully exhaust eXp's appeals process before engaging in any legal action, as may be permitted under the ICA and these eXp P&Ps.

For avoidance of doubt, the appeals process described in this section is limited only to those situations where a disciplinary determination was made by eXp's Compliance Committee, and corresponding disciplinary action was taken by eXp through eXp's Compliance Committee.

XXV. INTERPRETATION

If any provision in these eXp P&Ps requires interpretation, the resolution of such ambiguity shall not be held against eXp. In these eXp P&Ps, the singular includes the plural and the plural the singular; words importing any gender include the other genders; references to statutes are to be construed as including all statutory provisions consolidating, amending, or replacing the statute referred to; the word "or" shall be deemed to include "and/or", the words "including," "includes," and "include" shall be deemed to be followed by the words "without limitation"; and section headings are included for convenience of reference only and shall not constitute a part of these eXp P&Ps for any other purpose.

XXVI. CONFLICTS

To the extent there may be any conflict between the terms of an Agent's ICA and the terms in these eXp P&Ps, the more restrictive terms (in eXp's favor) shall be controlling.

XXVII. REVISIONS TO THESE EXP P&PS

eXp reserves the right to revise these eXp P&Ps, in its sole discretion. Revisions to these eXp P&Ps shall be consistent with revisions to Agent's ICA, as provided by the terms of Agent's ICA.

XXVIII. GLOSSARY OF DEFINED TERMS

- **Adjustment Bonus** - This is the difference between the total amount of money within the Revenue Share Pool, on the one hand, and the Calculated Company Dollar, on the other hand. This is also known as the "Adjustment Amount."
- **Adjustment Amount** - (See "Adjustment Bonus")
- **Affiliated Business Arrangement (ABA)** - The definition of the term "affiliated business arrangement" is defined in 12 USCS § 2602(7) of the Real Estate Settlement Procedures Act. The term "affiliated business arrangement" means an arrangement in which (A) a person who is in a position to refer business incident to or a part of a real estate settlement service involving a federally related mortgage loan, or an associate of such person, has either an affiliate relationship with or a direct or beneficial ownership interest of more than 1 percent in a provider of settlement services; and (B) either of such persons directly or indirectly refers such business to that provider or affirmatively influences the selection of that provider; and (8) the term "associate" means one who has one or more of the following relationships with a person in a position to refer settlement business: (A) a spouse, parent, or child of such person; (B) a corporation or business entity that controls, is controlled by, or is under common control with such person; (C) an employer, officer, director, partner, franchisor, or franchisee of such person; or (D) anyone who has an agreement, arrangement, or understanding, with such person, the purpose or substantial effect of which is to enable the person in a position to refer settlement business to benefit financially from the referrals of such business.
- **Access Agreement** - An abbreviated term referring to the eXp Agent & Support Personnel Cloud Brokerage Access Agreement that, once completed and accepted, allows support staff (such as administrative and/or transaction coordinator assistants) to access eXp's various systems.
- **Administrative Transaction Fee** - A fee amount, determined by each respective Agent, that consists of an Agent's cost of doing business (e.g., costs for any assistants and transaction coordinators used in a given transaction) and is distinct from and in addition to any real estate compensation to be earned by eXp and Agent.
- **Agent** - An independent contractor real estate licensee who has entered into an agreement with

eXp through an eXp Independent Contractor Agreement (referred to as Agents collectively).

- **Agent Attraction** - The process of engaging credible, ethical, and productive real estate professionals and inviting them to join eXp, or its commercial affiliate, eXp Commercial.
- **Agent Content** - Content such as photographs, images or content of any type created, commissioned by, or otherwise owned by Agent.
- **Agent-Owned** - Ownership is held or controlled by an Agent, whether through an Agent's own name, a spouse's name, a business entity, a trust, or that is otherwise owned and/or controlled by Agent and/or Agent's spouse (also referred to as an "**Agent-Owner**")
- **Branch Office** - Any eXp office, whether opened and operated by eXp, or authorized by eXp to be opened and operated by an Agent. Agent opened and operated Branch Offices must be pre-approved in writing (through a Branch Office Agreement) by eXp prior to operation, advertising, or opening.
- **BPO** - An abbreviation for the term "Broker Price Opinion."
- **Calculated Company Dollar** - The total amount of revenue share that is calculated to be paid out in a given month, exclusive of any Adjustment Bonus.
- **Capped Status** - An Agent reaches Capped Status when the amount of Company Dollar required under that Agent's ICA or ICA addendum has been collected by eXp within that Agent's Capping Period.
- **CAN-SPAM** - Abbreviation for the Controlling the Assault of Non-Solicited Pornography And Marketing Act of 2003 which is a law passed in 2003 establishing the United States' first national standards for the sending of commercial email.
- **Commercial Property** - Any real property that is not Residential Property. (See definition for "Residential Property" below).
- **Departing Agent** - Agent departing from eXp.
- **DMB** - An abbreviation for the term "Designated Managing Broker."
- **E&O** - Errors and omissions insurance.
- **eXp** - The applicable eXp Realty entity licensed as a real estate brokerage company in the Agent's state(s) of licensure: eXp Realty, LLC (in all states except those that follow); eXp Realty of California, Inc. (in California); eXp Realty of Northern California, Inc. (in northern California); eXp Realty of Greater Los Angeles, Inc. (in central California); eXp Realty of Southern California, Inc. (in southern California); eXp Realty North, LLC (in N. Dakota, Minnesota, and portions of New York, except as further qualified); eXp Realty of Connecticut, LLC (in Connecticut, and Brooklyn, New York); eXp Realty Associates, LLC (in Brooklyn, mid-town, and downtown, New York City);

and eXp Realty of Charlotte Metro NC, LLC, eXp Realty of Northwest NC, LLC, eXp Realty of Northeast NC, LLC, eXp Realty of Piedmont NC, LLC, eXp Realty of Southeast NC, LLC, and eXp Realty of Triangle NC, LLC (in North Carolina).

- **eXp Brokerage** – This is a specific brokerage company, within the eXp World Holdings, Inc. family of real estate brokerage companies, that conducts business under any of the eXp® Realty or eXp® Commercial brands, and that is licensed or registered to engage in the real estate brokerage business in its particular jurisdiction (whether country, state, province, region, etc.).
- **eXp's Compliance Committee** - A committee whose members are senior eXp executives who review, evaluate, and make determinations for the fair resolution of serious violations by Agents of their ICA and/or eXp P&Ps.
- **eXp Licensees** - eXp or any of its affiliates or licensees (not to be confused with real estate licensees), as it pertains to Agent Content. (See definition for "Agent Content" above).
- **eXpansion Share** - eXpansion Share is revenue share money within the Revenue Share Pool that is earned and received from Qualifying Transactions closed by an Agent's Revenue Share Group, and that is paid out to the Agent in an amount that is based on the Tier group of the Agent(s) who closed the Transaction(s). See the Revenue Share Plan Chart ("**Revenue Share Chart**"), above, for a breakdown of the amount of eXpansion Share paid for each Tier group.
- **eXponential Share** - eXponential Share is revenue share money within the Revenue Share Pool that is earned and received from Qualifying Transactions closed by an Agent's Revenue Share Group, and that is paid out to the Agent in an amount that is based on the Tier group of the Agent(s) who closed the Transaction(s). In order to unlock eXponential Share earning potential, the Agent must have the minimum number of Front-Line Qualifying Active agents (as defined below). See the Revenue Share Chart, above, for a breakdown of the amount of eXponential Share paid for each Tier.
- **Export Request** - A written request from a Departing Agent to eXp's Technology and Technical Support team, sent via email to support@exprealty.com, for a list of all of the Departing Agent's non-eXp generated leads.
- **Front-Line Qualifying Active (FLQA)** - A Front-Line Qualifying Active agent is a licensed Agent who has been sponsored into eXp and has been active and productive with eXp during the prior rolling six-month period by closing a minimum of \$5,000 in Gross Compensation Income. In order to unlock eXponential Share earning potential beyond Tier 1, an Agent must have the minimum number of Front-Line Qualifying Active agents in his or her Revenue Share Group.
- **FTC** - An abbreviation for the Federal Trade Commission which is an independent agency of the United States government whose principal mission is the enforcement of civil U.S. antitrust law and the promotion of consumer protection.
- **Good Standing** - To be considered in Good Standing, an Agent must be current on all financial obligations and not have any unpaid fees, charges, repayments, or any other amounts owed by

Agent to eXp; (2) have and maintain an active and current status on: (i) all required licenses; (ii) local, state, and national REALTOR® Association/Board memberships, where applicable; and (iii) any other subscriptions which are required to conduct real estate business in Agent's state(s); (3) not be deemed in breach of any term, covenant, condition, obligation (including monies owed) or duty set forth in the ICA and these eXp P&Ps, as determined by eXp in its reasonable discretion; and (4) not be involved in any legal claims, disputes, or administrative hearings.

- **ICA** - An abbreviation for eXp's form of Independent Contractor Agreement
- **ICON** - A status awarded to Agents who have received an ICON Agent Award.
- **ICON Agent Award** - An award earned by Agents who have achieved certain production and cultural goals within an Agent's Capping Period. Each qualified "ICON" receives publicly-traded eXp World Holdings, Inc. common stock.
- **Income Claims** - Statements or representations that depict earnings obtained by Agents as a result of participating in the eXp opportunity. Such claims can consist of direct statements, presentations, videos, social media posts, charts, and images that directly state or imply what earnings an individual Agent made or makes and what earnings a prospective Agent might be able to make with eXp. Income and earnings claims also include implied claims such as lifestyle representations.
- **Initial FLQA Period**: A six (6) month period that begins at the moment that an Agent satisfies the Initial FLQA Period Productivity Requirement, during which time Agent will be classified as FLQA for his or her Sponsor.
- **Initial FLQA Period Productivity Requirement (a.k.a. "Productivity Requirement")** - The requirement that a new Agent must close a minimum of \$5,000 in Gross Compensation Income during the prior six (6) month period to qualify for the Initial FLQA Period.
- **Limited Function Referral Offices** - Offices that are solely engaged in referring clients or customers to non-eXp real estate brokerage companies. Agents shall not operate limited function referral offices through eXp.
- **Limited Representation** - Any representation relationship with a seller, buyer, landlord, or tenant that limits the services to be provided to that person.
- **Mentor Program Requirements** - Generally, if an Agent has not completed three (3) purchase Transactions or sale Transactions (or any combination thereof) within the twelve (12) month period immediately preceding the Agent's Onboard Date, then the Agent will be required to participate in the eXp Mentor Program, as a mentee, upon transfer of their license to eXp.
- **Minimum Company Dollar Rule** - The rule providing that eXp is to receive a minimum amount of Company Dollar on each closed purchase Transaction and on each closed sale Transaction involving an Agent who is not in a Capped Status.

- **MLS** - An abbreviation for Multiple Listing Service.
- **NAR** - An abbreviation for the National Association of REALTORS®.
- **One eXp Agent, Two Transaction Sides** - A dual agency transaction in which one natural person represents a buyer and seller in the same transaction.
- **Original Sponsor Window** - The one hundred eighty (180) day period immediately following an Agent's Offboard Date during which time, if an Agent rejoins eXp, that Agent's Sponsor will continue to serve in the same capacity.
- **Personal Transaction** - Any transaction concerning a property that is Agent-Owned or leased by an Agent, regardless of whether the Agent-Owner chooses to represent themselves or have another eXp Agent represent them.
- **Potential Local Sponsor** - A vendor that desires to sponsor a local event for eXp.
- **Preservation Period** - A period of up to 30 days in which a Departing Agent's database of eXp-generated and non-eXp generated leads within any eXp-provided consumer relationship management applications is preserved.
- **Property Management Services** - Engaging in any activities concerning an actual or prospective tenant on behalf of a client, whether or not such activities are coupled with any property preservation services (as that term is defined herein) (e.g., collecting rents, performing inspections, setting up repairs and maintenance, running a background check, making or assisting with tenant selection, etc.).
- **Property Preservation Services** - Tending to and managing only the physical aspects of any real property on behalf of a client (e.g., scheduling, coordinating, and/or setting up any repairs or maintenance concerning a client's real property).
- **Qualifying Transaction:** A Qualifying Transaction is either, (a) a purchase Transaction, sales Transaction, or (in the case of eXp Commercial) a business brokerage Transaction, that generates Company Dollar; or (b) BPOs, rental/lease Transactions, or referrals that respectively generate Gross Compensation Income of at least \$1,000. A Personal Transaction does not generate Company Dollar, and is therefore not a Qualifying Transaction.
- **Residential Property** - Any real property that is zoned to accommodate a residential dwelling having not less than one (1) and not greater than four (4) dwelling units, whether such real property is vacant land or improved real property.
- **REBNY** - An abbreviation for the Real Estate Board of New York.
- **RESPA** - An abbreviation for the Real Estate Settlement Procedures Act.
- **Retained Company Dollar** - That one-half of Company Dollar earned and received, and used for

eXp's operating expenses and other management purposes.

- **Revenue Share Group** - An Agent's Revenue Share Group consists of the Agents that he or she personally sponsors to join the sales ranks of eXp and those Agents sponsored thereafter as a result of the Agent's original sponsorship(s).
- **Revenue Share Eligible** - For an Agent to remain eligible to collect revenue share (also referred to as "Revenue Share Eligibility"), the Agent must be in Good Standing.
- **Revenue Share Plan** - The Revenue Share Plan exists to provide a financial incentive to the Agents with eXp who have helped grow sales within the eXp family of real estate brokerage companies.
- **Revenue Share Pool** - That one-half of Company Dollar earned and received which supports the Revenue Share Plan.
- **SEC** - An abbreviation for the U.S. Securities and Exchange Commission which is an independent agency of the United States federal government whose primary purpose is to enforce the law against market manipulation.
- **Service Charge** - A \$100 service charge that is added to: 1) any advances made from a compensation advance company that is outside of the eXp preferred partners network; and 2) and UCC liens presented to eXp from a compensation advance company seeking payment of any unpaid compensation advance(s).
- **Solicitation Laws** - Laws encompassing broad-based mandates like the Telephone Consumer Protection Act ("TCPA"), the Telemarketing Sales Rules ("TSR"), the CAN-SPAM Act, Federal Trade Commission ("FTC") rules, Securities and Exchange Commission ("SEC") regulations, and state and national tortious interference laws, and their implementing rules and regulations.
- **Sponsor** - A Sponsor is the Agent who a joining Agent selects (as identified in their ICA) as the person who most influenced them to join eXp.
- **Sponsorship** - An Agent's sole requirement to qualify as a sponsor is selection by the joining Agent in their ICA as the individual who most influenced them to join eXp. The role of sponsor is distinctive from other roles like a mentor, coach, or team leader. In some cases, these roles are assumed by the same person, but they are not mandatory for a sponsor.
- **Sponsorship Interference** - Any effort(s) or action(s) taken by an Agent to interfere with, coerce, or otherwise unethically encourage or convince a prospective or current Agent to change their intended sponsorship declaration (or current sponsor); Sponsorship Interference is prohibited and subject to corrective action up to and including termination of their affiliation with, and severance from eXp.
- **State Broker** - Designated Managing Broker or applicable Managing Broker(s) (individually, and collectively).

- **State P&Ps** – Means those policies and procedures applicable to a particular state.
- **State Department of Licensing** - A State's department or agency that is charged with administering the issuance of any real estate licenses in that State.
- **Straw Agent** - Straw Agents are Agents who are not engaged in the business of selling real estate or engaged in the process of attracting other productive agents to join eXp and help grow company sales.
- **T&E Addendum** - An abbreviation for the term "Title & Escrow eXp Addendum."
- **TC** - An abbreviation for the term "Transaction Coordinator."
- **TCPA** - An abbreviation for the term "Telephone Consumer Protection Act of 1991." This law restricts marketing through certain types of phone calls and text messages, and provides protection for private citizens through the National Do Not Call List. It also places restrictions on the use of automated dialing systems and artificial or prerecorded voice messages.
- **Team** - A "team" is generally defined, in most states, as a lead Agent ("team leader") and at least one other Agent working as a team member ("team member").
- **Team Agreement** - An agreement outlining mutually agreed upon terms between a team leader and the team member(s). These agreements must be in writing, fully executed and carefully considered to ensure compliance with all federal, state and local law as well as eXp's Policies.
- **Team Leader** - Lead Agent on a team.
- **Team Member** - An Agent (other than a team leader) that is working as a team member with a team leader.
- **Tier** - In the Revenue Share Plan, the hierarchy of Agents that are sponsored in succession beginning with the Agent and each group of Agents thereafter, as follows:
 - Agent.
 - Tier 1: the group of eXp Agents sponsored by the Agent.
 - Tier 2: the group of eXp Agents sponsored by Tier 1 eXp Agents.
 - Tier 3: the group of eXp Agents sponsored by Tier 2 eXp Agents.
 - Tier 4: the group of eXp Agents sponsored by Tier 3 eXp Agents.
 - Tier 5: the group of eXp Agents sponsored by Tier 4 eXp Agents.
 - Tier 6: the group of eXp Agents sponsored by Tier 5 eXp Agents.
 - Tier 7: the group of eXp Agents sponsored by Tier 6 eXp Agents.
- **TSR** - An abbreviation for the Telemarketing Sales Rule, enacted in 1995; it is the FTC's regulation on telemarketing authorized by the Telemarketing and Consumer Fraud and Abuse Prevention Act.

- **Vested** - Subject to certain qualifications and conditions, as described in these P&Ps, an Agent that is Vested in the Revenue Share Plan may continue to receive benefits payable thereunder after Agent terminates his or her ICA or discontinues actively engaging in licensed real estate activities.
- **Vesting Period** - The time period, consisting of not less than 36 consecutive months, during which time an Agent must satisfy the following two conditions in order to become vested in the Revenue Share Plan: (1) be in Good Standing; and (2) be affiliated with eXp as a real estate licensee.

[NEXT SECTION CONTINUED ON NEXT PAGE]

*** (This section of these eXp P&Ps is an excerpt taken directly from the Insider Trading Policy of eXp World Holdings, Inc. (adopted as of March 31, 2023). Part II has been intentionally omitted as it does not apply to Agents of eXp, unless they are also "insiders," in which event they will receive Part II separately.)***

XXIX. INSIDER TRADING POLICY OF EXP WORLD HOLDINGS, INC.

This Insider Trading Policy ("**Policy**") describes the standards of eXp World Holdings, Inc. and its subsidiaries (the "**Company**") on trading, and causing the trading of, the Company's securities or securities of certain other publicly traded companies while in possession of confidential information. Part I of this Policy (below) prohibits trading in certain circumstances and applies to all directors, executive officers, employees, agents, and brokers, and their respective immediate family members, of the Company.

One of the principal purposes of the United States federal securities laws is to prohibit so-called "insider trading." Simply stated, insider trading occurs when a person uses material nonpublic information about the Company to make decisions to purchase, sell, give away or otherwise trade the Company's securities or the securities of certain other companies or to provide that information to others outside the Company. The prohibitions against insider trading apply to trades, tips and recommendations by any person, including all persons associated with the Company, if the information involved is "material" and "nonpublic." These terms are defined in this Policy under Part I, Section 3 below. The prohibitions would apply to any director, executive officer, employee, agent or broker of the Company who buys or sells securities on the basis of material nonpublic information that he or she obtained about the Company, its businesses, partners, competitors or other companies with which the Company has contractual relationships or may be negotiating transactions.

PART I

1. Applicability.

This Policy applies to all trading or other transactions in (i) the Company's securities, including common stock, options and any other securities that the Company may issue, such as preferred stock, notes, bonds and convertible securities, as well as to derivative securities relating to any of the Company's securities, whether or not issued by the Company and (ii) the securities of certain other companies, including common stock, options and other securities issued by those companies as well as derivative securities relating to any of those companies' securities, where the person trading used information obtained while working for the Company.

2. No Trading or Causing Trading While in Possession of MNPI.

(a) No director, executive officer, employee, agent, or broker or any of their immediate family members may purchase or sell, or offer to purchase or sell, any Company security, whether or not issued by the Company, while in possession of material nonpublic information ("**MNPI**") about the Company. (The terms "material" and "nonpublic" are defined in Part I, Section 3(a) and (b) below.)

(b) No director, executive officer, employee, agent, or broker or any of their immediate family members who knows of any material nonpublic information about the Company may communicate that information to any other person ("**tip**"), including family members and friends, or otherwise disclose such information without the Company's authorization.

(c) No director, executive officer, employee, agent, or broker or any of their immediate family members may purchase or sell any security of any other publicly traded company while in possession of material nonpublic information related to that company that was obtained in the course of his or her involvement with the Company. No director, executive officer, employee, agent, or broker or any of their immediate family members who knows of any such material nonpublic information may communicate that information to, or tip,

any other person, including family members and friends, or otherwise disclose such information without the Company's authorization.

(d) For compliance purposes, you should never trade, tip or recommend securities (or otherwise cause the purchase or sale of securities) while in possession of information that you have reason to believe is material and nonpublic unless you first consult with, and obtain the advance approval of, the Compliance Officer (which is defined in [Part I, Section 3\(c\)](#) below).

(e) Directors and executive officers of the Company must "pre-clear" all trading in securities of the Company in accordance with the procedures set forth in [Part II, Section 3](#) below.

3. **Definitions.**

(a) **Material.** Insider trading restrictions come into play only if the information you possess is "material." Materiality, however, involves a relatively low threshold. Information is generally regarded as "material" if it has market significance, that is, if its public dissemination is likely to affect the market price of securities, or if it otherwise is information that a reasonable investor would want to know before making an investment decision.

Information dealing with the following subjects is reasonably likely to be found material in particular situations:

- (i) significant changes in the Company's prospects;
- (ii) significant write-downs in assets or increases in reserves;
- (iii) developments regarding significant litigation or government agency investigations;
- (iv) liquidity problems;
- (v) changes in earnings estimates or unusual gains or losses in major operations;
- (vi) major changes in the Company's management or the board of directors;
- (vii) changes in dividends;
- (viii) extraordinary borrowings;
- (ix) major changes in accounting methods or policies;
- (x) award or loss of a significant contract;
- (xi) cybersecurity risks and incidents, including vulnerabilities and breaches;
- (xii) changes in debt ratings;
- (xiii) proposals, plans or agreements, even if preliminary in nature, involving mergers, acquisitions, divestitures, recapitalizations, strategic alliances, licensing arrangements, or purchases or sales of substantial assets; and
- (xiv) offerings of Company securities.

Material information is not limited to historical facts but may also include projections and forecasts. With respect to a future event, such as a merger, acquisition or introduction of a new product, the point at which negotiations or product development are determined to be material is determined by balancing the probability that the event will occur against the magnitude of the effect the event would have on a company's operations or stock price should it occur. Thus, information concerning an event that would have a large effect on stock price, such as a merger, may be material even if the possibility that the event will occur is relatively small. When in doubt about whether particular nonpublic information is material, you should presume it is material. **If you are unsure whether information is material, you should either consult the Compliance Officer before making any**

decision to disclose such information (other than to persons who need to know it) or to trade in or recommend securities to which that information relates, or assume that the information is material.

(b) **Nonpublic.** Insider trading prohibitions come into play only when you possess information that is material and "nonpublic." The fact that information has been disclosed to a few members of the public does not make it public for insider trading purposes. To be "public" the information must have been disseminated in a manner designed to reach investors generally, and the investors must be given the opportunity to absorb the information. Even after public disclosure of information about the Company, you must wait until the close of business on the second trading day after the information was publicly disclosed before you can treat the information as public.

Nonpublic information may include:

- (i.) information available to a select group of analysts or brokers or institutional investors;
 - (ii.) undisclosed facts that are the subject of rumors, even if the rumors are widely circulated;
- and
- (iii.) information that has been entrusted to the Company on a confidential basis until a public announcement of the information has been made and enough time has elapsed for the market to respond to a public announcement of the information (normally two trading days).

As with questions of materiality, if you are not sure whether information is considered public, you should either consult with the Compliance Officer, or assume that the information is nonpublic and treat it as confidential.

(c) **Compliance Officer.** The Company has appointed the General Counsel as the Compliance Officer for this Policy. The duties of the Compliance Officer include, but are not limited to, the following:

- (i) assisting with implementation and enforcement of this Policy;
- (ii) circulating this Policy to all covered persons and ensuring that this Policy is amended as necessary to remain up-to-date with insider trading laws;
- (iii) pre-clearing all trading in securities of the Company by directors and executive officers in accordance with the procedures set forth in [Part II, Section 3](#) below; and
- (iv) providing approval of any Rule 10b5-1 plans under [Part II, Section 1\(c\)](#) below and any prohibited transactions under [Part II, Section 4](#) below.

4. **Exception.**

The trading restrictions of this Policy do not apply if you are exercising stock options granted under the Company's 2015 Equity Incentive Plan (or any successor plan) for cash or the delivery of previously owned Company stock. However, the sale of any shares issued on the exercise of Company-granted stock options and any cashless exercise of Company-granted stock options are subject to trading restrictions under this Policy.

5. **Violations of Insider Trading Laws.**

Penalties for trading on or communicating material nonpublic information can be severe, both for individuals involved in such unlawful conduct and their employers and supervisors, and may include jail terms, criminal fines, civil penalties and civil enforcement injunctions. Given the severity of the potential penalties, compliance with this Policy is absolutely mandatory.

(a) **Legal Penalties.** A person who violates insider trading laws by engaging in transactions in a company's securities when he or she has material nonpublic information can be sentenced to a substantial jail term and required to pay a criminal penalty of several times the amount of profits gained or losses avoided.

In addition, a person who tips others may also be liable for transactions by the tippees to whom he or she has disclosed material nonpublic information. Tipsters can be subject to the same penalties and sanctions as the tippees, and the SEC has imposed large penalties even when the tipster did not profit from the transaction.

The SEC can also seek substantial civil penalties from any person who, at the time of an insider trading violation, "directly or indirectly controlled the person who committed such violation," which would apply to the Company and/or management and supervisory personnel. These control persons may be held liable for up to the greater of \$2,301,065 or three times the amount of the profits gained or losses avoided. Even for violations that result in a small or no profit, the SEC can seek penalties from a company and/or its management and supervisory personnel as control persons.

(b) **Company-Imposed Penalties.** Persons who violate this Policy may be subject to disciplinary action by the Company, including dismissal for cause. Any exceptions to the Policy, if permitted, may only be granted by the Compliance Officer and must be provided before any activity contrary to the above requirements takes place.

6. Inquiries.

If you have any questions regarding any of the provisions of this Policy, please contact the Compliance Officer at james.bramble@expworldholdings.com.

[END OF DOCUMENT]

**Agent Equity Program
Participation Election Form**

eXp World Holdings, Inc. (“EXPI” or the “Company”) has adopted the following equity incentive plan (whichever is selected, and as amended from time to time, the “Plan”):

<input type="checkbox"/>	2015 Equity Incentive Plan;
<input checked="" type="checkbox"/>	2024 Equity Incentive Plan; or
<input type="checkbox"/>	_____

EXPI offers the Agent Equity Program (the “Program”) which is administered pursuant to the Plan by the Company’s Board of Directors or its designee (the “Board”). Pursuant to the Program, the Company may issue shares of EXPI’s common stock (“Shares”) to the agents and brokers of the real estate brokerage subsidiaries of the Company (individually and collectively referred to as “eXp”) who elect to participate (each, a “Participant”, collectively, “Participants”) as payment of five percent (5%) of the commission compensation earned on a Transaction closed by a Participant. Participation in the Program is subject to the terms and conditions contained herein (the “Election Form”), and in each Participant’s Independent Contractor Agreement (or commission-only real estate employee agreement, if applicable) (the “ICA”), the Program, and the Plan. Capitalized terms used, but not defined, herein shall have the meaning set forth in the ICA or Plan, as applicable.

Appendix: Notwithstanding any provisions in this Election Form, Participant’s participation in the Program shall be subject to any special terms and conditions set forth in any Appendix to this Election Form for Participant’s country. Moreover, if Participant relocates to one of the countries included in the Appendix (if any), the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix (if any) constitutes part of this Election Form. Further, the Plan shall be deemed to include any special terms and conditions set forth in any applicable sub-plan for Participant’s country, and, if Participant relocates to a country for which the Company has established a sub-plan, the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons.

Eligibility: All agents and brokers in Good Standing with eXp are eligible to participate in the Program.

Issuance of Shares As Payment of Commission: By submitting this Election Form, Participant authorizes eXp to set aside five percent (5%) of Participant’s net amount of Contractor Dollar (after splits, fees, and any other required withholdings) (“Shares for Payment”) on Transactions which close in Participant’s name, commencing with Transactions closing on or after Participant’s Onboard Date, to be used to purchase Shares.

Price of Issued Shares: The price for Shares issued under the Program shall be at a five percent (5%) discount to the fair market value of EXPI’s common stock, as determined by the closing market price of EXPI’s common stock on the last trading day of the month during which the closing occurs on Transactions from which Shares for Payment has been authorized.



Issuance Date: Shares under the Program shall be issued on the last trading day of the month during which the closing occurs on Transactions from which a Shares for Payment has been authorized results in an accumulated Shares for Payment amount of not less than the purchase price of one whole Share (each, an “Issue Date”).

Custody of Shares: All Shares issued under the Program shall initially be placed and held in an account created in Participant’s name with Morgan Stanley at Work (or such other equity management platform determined by the Company from time to time).

Associated Costs: Ownership of Shares issued under the Program may come with associated costs imposed by third parties, including but not limited to, fees that may be imposed by a stockbroker, financial services broker of Participant’s choosing, or others.

Issuance Errors: In the event Participant identifies an error in any issued Shares received under the Program, Participant must notify EXPI as soon as possible by writing to the Stock Plan Services team via electronic mail at stock@exprealty.net. When contacting the Stock Plan Services team, Participant must provide (1) their name and Agent ID number; (2) the Transaction number or property address of the Transaction that is the basis of the Shares issued with the error; and (3) a description of what Participant believes is wrong and a clear explanation of why Participant believes it is an error. If Participant does not notify the Stock Plan Services team within 30 (thirty) days after the Issue Date, the issuance will be deemed to be correct and Participant will not be able to dispute any errors. If Participant notifies EXPI orally, EXPI will require Participant to send the notice in writing in the manner described above within 2 (two) business days, which shall not toll the 30 (thirty) day notice period in any way. The Stock Plan Services team will notify Participant of the results of their investigation and if it is concluded that no error has occurred, they will send Participant an explanation. If it is concluded there was an error, the Stock Plan Services team will correct the error and notify Participant.

Cancellation of Participation: Any Participant may cancel his or her participation in the Program by completing a new Election Form online.

Modification or Termination: The Program is subject to modification or termination at the discretion of the Company’s Board.

Responsibility for Taxes: Participant acknowledges that, regardless of any action taken by the Company or eXp, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant’s participation in the Program and legally applicable or deemed applicable to Participant (“Tax-Related Items”) is and remains Participant’s responsibility. Furthermore, Participant acknowledges that the Company and/or the Service Recipient (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Program, including the acquisition of Shares under the Program and/or the receipt of any dividends paid on such Shares, and (b) do not commit to and are under no obligation to structure the terms of the Program or any aspect of Participant's participation in the Program to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is or becomes subject to a Tax-Related Item in more than one jurisdiction, Participant acknowledges that the Company and/or the Service Recipient (or former Service Recipient, as applicable) may be required to account for Tax-Related Items in more than one jurisdiction.

Withholding: Prior to the relevant tax withholding event (if any), Participant agrees to make adequate

arrangements satisfactory to the Company and/or eXp to satisfy all Tax-Related Items. In this regard, Participant authorizes the Company or eXp, or their respective agents, at their discretion, to satisfy the obligations with regard to all taxes by one or a combination of the following: (a) withholding from Participant's commissions (or other compensation) payable to Participant by the Company and/or eXp; (b) withholding from proceeds of the sale of Shares acquired under the Program either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization and without further consent); (c) withholding Shares to be issued upon purchase under the Program, provided the Company only withholds a number of Shares up to the maximum statutory amount required to be withheld (unless otherwise permitted by the Plan); (d) Participant's payment of a cash amount (including by check representing readily available funds or a wire transfer); or (e) any other arrangement approved by the Board and permitted under applicable law.

Withholding (if any) for Tax-Related Items will be made in accordance with the Plan and such rules and procedures as may be established by the Board, and in compliance with the insider trading policy of the Company, if applicable. In the event of over-withholding using one of the methods described above, Participant may receive a refund of any over-withheld amount in cash but will have no entitlement to the Shares sold or withheld, or if not refunded, Participant may seek a refund from the local tax authorities.

Nature of Grant: By enrolling and participating in the Program, Participant acknowledges, understands and agrees that:

- a. the Program is established voluntarily by the Company and it is discretionary in nature;
- b. participation in the Program is exceptional, voluntary and occasional and does not create any contractual or other right to receive future Shares, or benefits in lieu of Shares, even if participation in the Program has been granted in the past;
- c. all decisions with respect to future Shares or other grants, if any, will be at the sole discretion of the Company;
- d. Participant's participation in the Program does not change the at will nature of Participant's independent contractor relationship with eXp and shall not create a right to employment or be interpreted as forming or amending a service contract, if any, with the Company, eXp or any subsidiary or affiliate and shall not interfere with the ability of the Company, eXp or any subsidiary or affiliate to terminate Participant's independent contractor relationship with eXp;
- e. Participant is voluntarily participating in the Program;
- f. the future value of the Shares is unknown, indeterminable and cannot be predicted with certainty;
- g. the value of the Shares may increase or decrease in the future, even below the purchase price;
- h. unless otherwise provided in the Program, the Plan or by the Company in its sole discretion, participation in the Program and the benefits evidenced by this Election Form do not create any entitlement to have the Program or any such benefits granted thereunder, transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares;

- i. Participant acknowledges and agrees that neither the Company, eXp nor any subsidiary or affiliate, shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the U.S. dollar that may affect the value of the Shares or any amounts due pursuant to the Shares or the subsequent sale of any Shares under the Program; and
- j. no claim or entitlement to compensation or damages shall arise when Participant withdraws from the Program due to Participant's termination of the service relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of applicable laws in the jurisdiction where Participant is providing services or the terms of Participant's ICA) and in consideration of participation in the Program and the acquisition of Shares under the Program, Participant agrees not to institute any claim against the Company, eXp, and/or its subsidiaries and affiliates.

No Advice Regarding Grant: Neither the Company nor eXp is providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Program or acquisition or sale of the Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding Participant's participation in the Program before taking any action related to the Program.

Data Privacy: The Company and eXp and their subsidiaries and affiliates hold certain personal information about Participant, including, but not limited to, Participant's name, home address, telephone number, date of birth, social security number or other tax identification number, nationality, job title, any Shares or directorships held in the Company, details of all rights to purchase Shares or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor (the "Data").

Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's Data as described in this Election Form and any other documents or materials by and among, as applicable, eXp, the Company and its other subsidiaries and affiliates for the exclusive purpose of implementing, administering, and managing Participant's participation in the Program.

Participant understands that the Data will be transferred to Morgan Stanley, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Program. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if Participant resides outside the United States, Participant may request a list with the names and addresses of any potential recipients of the Data by contacting the Company. Participant authorizes the Company, Morgan Stanley and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Program to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing Participant's participation in the Program. Participant understands that the Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Program. Participant understands that if Participant resides outside the United States, Participant may, at any time, view the Data, request information about the storage and processing of the Data, require any necessary amendments to the Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company. Further, Participant understands that Participant is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, Participant's service with eXp will not be affected; the only consequence of refusing or

withdrawing Participant's consent is that the Company would not be able to grant participation in the Program or other equity awards to Participant or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Program. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact the Company.

Governing Law and Venue: Participation in the Program and the provisions of this Election Form are governed by, and subject to, the laws of the State of Delaware, without regard to the conflict of law provisions. For purposes of litigating any dispute that arises under participation in the Program or this Election Form, the parties hereby submit to and consent to the exclusive jurisdiction of the State of Delaware and agree that such litigation shall be conducted exclusively in the courts of the State of Delaware.

Language: Participant acknowledges that he or she is proficient in the English language, or has consulted with an advisor who is proficient in the English language, so as to enable Participant to understand the provisions of this Election Form and the Program. If Participant has received this Election Form or any other document related to the Program translated into a language other than English and if the meaning of the translated version is different from the English version, the English version will control.

Severability: The provisions of this Election Form are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

Imposition of Other Requirements: The Company reserves the right to impose other requirements on Participant's participation in the Program and on any Shares acquired under the Program, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Waiver: Participant acknowledges that a waiver by the Company of breach of any provision of this Election Form shall not operate or be construed as a waiver of any other provision of this Election Form, or of any subsequent breach by Participant or any other Participants.

Insider Trading/Market Abuse: Participant acknowledges that, depending on Participant's or Participant's broker's country or where the Shares are listed, Participant may be subject to insider trading restrictions and/or market abuse laws which may affect Participant's ability to accept, acquire, sell or otherwise dispose of Shares, rights to purchase Shares or rights linked to the value of Shares during such times Participant is considered to have "inside information" regarding the Company, as defined in the laws or regulations in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders Participant placed before Participant possessed inside information. Furthermore, Participant could be prohibited from (a) disclosing the inside information to any third party (other than on a "need to know" basis) and (b) "tipping" third parties or causing them otherwise to buy or sell securities. Participant is responsible for complying with any restrictions and should speak to his or her personal advisor on this matter.

Exchange Control, Foreign Asset/Account and/or Tax Reporting: Depending upon the country to which laws Participant is subject, Participant may have certain foreign asset/account and/or tax reporting requirements that may affect Participant's ability to acquire or hold Shares under the Program or cash received from participating in the Program (including from any dividends or dividend

equivalents or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside Participant's country of residence. Participant's country may require that Participant report such accounts, assets or transactions to the applicable authorities in Participant's country. Participant also may be required to repatriate cash received from participating in the Program to Participant's country within a certain period of time after receipt. Participant is responsible for knowledge of and compliance with any such regulations and should speak with his or her personal tax, legal and financial advisors regarding the same.

Acknowledgments: Participant understands that participation in this Program is subject to the terms and conditions contained in his or her ICA, this Election Form, the Program itself, and the Plan. Participant has read and fully understands both the Program and the Plan. By participating in the Plan, Participant agrees to be bound by the terms and conditions of the ICA, the Program and the Plan. By acceptance of this opportunity to receive Shares for Payment, Participant consents to the electronic delivery of all related documents, including the Program, the Plan, any account statements and Plan prospectuses, as applicable, and all other documents that EXPI may be required to deliver to its security holders (including, without limitation, annual reports and proxy statements) or other communications or information related to an investment in EXPI's stock. Electronic delivery may include the delivery of a link to a Company intranet or the internet site of a third party, the delivery of the document via email or such other delivery method determined at EXPI's discretion.

By signing this Election Form, Participant certifies that he or she is of legal age in the state, province, or country of his or her residence.

Participant, by signing this Election Form, certifies that:

- a. Participant is not subject to backup withholding because (a) Participant is exempt from backup withholding, (b) Participant has been notified by the relevant tax authority that Participant is not subject to backup withholding, or (c) the relevant tax authority has notified Participant that Participant is no longer subject to backup withholding; and
- b. Participant is receiving the Shares solely for Participant's own account, and not for the benefit of any other person. Participant is being issued the Shares solely for investment purposes and not with a view to distribution or resale, nor with the intention of selling, transferring or otherwise disposing of all or any part thereof for any particular price, or at any particular time, or upon the happening of any particular event or circumstance, except selling, transferring, or disposing of the Shares, in full compliance with all applicable provisions of the Securities Act, the rules and regulations promulgated by the Securities and Exchange Commission thereunder, and applicable state and foreign country securities laws.

Participant confirms that she or he has had the opportunity to ask questions of, and receive answers from, the Company, eXp, or any authorized person acting on its behalf concerning the Company and its businesses, and to obtain any additional information, to the extent possessed by the Company or eXp (or to the extent it could have been acquired by the Company or eXp without unreasonable effort or expense) necessary to verify the accuracy of the information received by Participant.

Participant has carefully considered and has discussed (or accepts the responsibility to discuss) with its own legal, tax, accounting and financial advisors, to the extent the Participant has deemed necessary, the suitability of this investment and the transactions contemplated by this Election Form for the Participant's particular federal, state, provincial, local and foreign tax and financial situation and has independently determined that this investment and the transactions contemplated by this Election Form are a suitable investment for the Participant.



NO AGENT, BROKER OR ELIGIBLE INDIVIDUAL SHALL BE DEEMED A PARTICIPANT UNLESS AND UNTIL THIS COMPLETED ELECTION FORM HAS BEEN SUBMITTED AND RECEIVED BY THE COMPANY OR EXP.

By signing below, you agree to participate in the Program subject to the terms and conditions contained herein.

Contractor Name: _____

Signature: _____

Date: _____

www.expworldholdings.com





Exhibit 10.15

March 12, 2019

VIA ELECTRONIC MAIL

James Bramble
4626 A 1175 W
Salt Lake City, UT 84123

RE: Offer of Employment

Dear James:

It is our pleasure to offer you the position of Chief Counsel with eXp World Holdings, Inc.. ("eXp World Holdings, Inc." or the "Company") commencing on or about March 18, 2019. This is a full-time executive level position reporting directly to Jeff Whiteside, CFO & CCO. We have big plans and aspirations as a company and we look forward to your help in reaching those goals.

This offer of employment is contingent upon your execution of the standard eXp Non-Disclosure and Proprietary Rights Agreement, acceptable results from a background investigation, and eligibility to work in the United States. For purposes of federal immigration law, you will be required to provide the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three (3) business days of your hire date, or your employment may be terminated.

The following is a summary of the terms and provisions of this offer of employment:

BASE SALARY:

If you decide to join us, you will receive an initial starting salary of \$9,230.77 (\$240,000 annualized), which will be paid bi-weekly in accordance with the Company's normal payroll procedures. Your base salary and any other amounts or benefits you are entitled to receive from the Company will be paid or provided to you less applicable withholdings.

ANNUAL BONUS:

You will be eligible to receive up to 50% of that annual base salary as an annual bonus, based on achieving certain milestones to be established on a quarterly basis.



You must remain continuously employed through the bonus payment date to be eligible to receive the bonus payment.

EQUITY COMPENSATION:

In consideration for your service and subject to final approval by the eXp World Holdings, Inc. ("EXPI") Board of Directors ("Board"), you will receive an option to purchase 100,000 shares of EXPI common stock ("Option Grant") at an exercise price equal to the fair market value of such stock on the date the Board approves the Option Grant. The Option Grant shall vest 1/16th upon the completion of each three-month period commencing at the start date of your employment, such that the entire Option Grant shall be fully vested after four (4) years of continuous employment with eXp. The Option Grant is made pursuant and subject to the Company's 2015 Equity Incentive Plan (the "Plan"). All the shares issued to you pursuant to the Option Grant will be restricted from transfer until they are registered or an applicable exemption from registration is available.

BENEFITS:

You are initially eligible for our Flexible Time Off (FTO) program, in addition to 8 observed Holidays. As a regular, full-time employee, you will become eligible for certain company-sponsored benefits the first of the month following the date of hire.

AT WILL EMPLOYMENT:

Employment with the Company is "at-will" and may be terminated by either you or the Company at any time, for any reason, with or without cause. Any contrary representations which may have been made to you are superseded by your acceptance of this offer. In fact, the at-will status of your employment may only be altered through a written agreement signed by you and an authorized executive-level representative of the Company. This means that no other act or circumstance arising out of your employment with the Company (including, but not limited to, the length of employment, statements on performance reviews, promotions, salary increases, express or implied assurances, or any other conduct) can alter the at-will relationship between you and the Company.

SEPARATION BENEFITS:

Should your employment be terminated by the company, for anything other than cause, the Company is prepared to offer you a separation benefit in exchange for the execution of a General Release in the form prescribed by the Company. If you timely sign the General Release, you will be paid a one-time lump sum payment equal to four (4) months of base pay, less applicable withholding.



OUTSIDE BUSINESS ACTIVITIES:

Because of the nature of the Company's business, outside activities (including, for example, sitting on the board of another company) may present many areas of actual or potential conflict. If you wish to engage in any outside activities that take time away from your job at the Company, create a possible conflict with the Company or are related in any way to the Company's business, you must disclose these activities to the Company immediately and prior to your start date.

We are excited that you are joining exp World Holdings, Inc.! We look forward to working with you and hope you will find your employment with us a truly rewarding experience. This offer will remain effective for seven (7) days from the date shown above.

Best regards,

AGREED TO AND ACCEPTED BY

/s/ Glenn Sanford

/s/ James Bramble

Glenn Sanford
Chief Executive Officer
eXp World Holdings, Inc

James Bramble

Date: 03/12/2019



Exhibit 10.16

March 6, 2020

VIA ELECTRONIC MAIL

Kent Cheng
kent1.cheng@gmail.com

RE: Offer of Employment

Dear Kent:

It is our pleasure to offer you the position of Global Controller with eXp Realty, LLC. commencing on March 30, 2020. This position reports directly to Alan Goldman, CAO. We have big plans and aspirations as a company and we look forward to your help in reaching those goals.

This offer of employment is contingent upon your execution of the standard eXp Non-Disclosure and Proprietary Rights Agreement, acceptable results from a background investigation, and eligibility to work in the United States. For purposes of federal immigration law, you will be required to provide the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three (3) business days of your hire date, or your employment may be terminated.

The following is a summary of the terms and provisions of this offer of employment:

BASE SALARY: If you decide to join us, you will receive an initial starting salary of \$9,230.77 (\$240,000 annualized), which will be paid bi-weekly in accordance with the Company's normal payroll procedures. Your base salary and any other amounts or benefits you are entitled to receive from the Company will be paid or provided to you less applicable withholdings.

BONUS: You will be eligible to receive up to 50% of that annual base salary as an annual bonus, based on achieving certain milestones to be established on a quarterly basis.

In addition you will receive a one time sign on bonus, in the gross amount of \$30,000, which shall be paid on the June 26, 2020 pay date.

You must remain continuously employed through the bonus payment date to be eligible to



receive the bonus payment.

EQUITY COMPENSATION: In consideration for your service, you will receive an option grant to purchase 50,000 shares of EXPI common stock ("Option Grant") at an exercise price equal to the fair market value of such stock on your first day of employment. The Option Grant shall vest 1/16th upon the completion of each three-month period commencing at the start date of your employment, such that the entire Option Grant shall be fully vested after four (4) years of continuous employment with eXp. The Option Grant is made pursuant and subject to the Company's 2015 Equity Incentive Plan (the "Plan").

BENEFITS: You are initially eligible for our Flexible Time Off (FTO) program, in addition to 8 observed Holidays. As a regular, full-time employee, you will become eligible for certain company-sponsored benefits the first of the month following the date of hire.

AT WILL EMPLOYMENT: Employment with the Company is "at-will" and may be terminated by either you or the Company at any time, for any reason, with or without cause. Any contrary representations which may have been made to you are superseded by your acceptance of this offer. In fact, the at-will status of your employment may only be altered through a written agreement signed by you and an authorized executive-level representative of the Company. This means that no other act or circumstance arising out of your employment with the Company (including, but not limited to, the length of employment, statements on performance reviews, promotions, salary increases, express or implied assurances, or any other conduct) can alter the at-will relationship between you and the Company.

OUTSIDE BUSINESS ACTIVITIES: Because of the nature of the Company's business, outside activities (including, for example, sitting on the board of another company) may present many areas of actual or potential conflict. If you wish to engage in any outside activities that take time away from your job at the Company, create a possible conflict with the Company or are related in any way to the Company's business, you must disclose these activities to the Company immediately and prior to your start date.

We are excited that you are joining eXp Realty! We look forward to working with you and hope you will find your employment with us a truly rewarding experience. This offer will remain effective for seven (7) days from the date shown above.



AGREED TO AND ACCEPTED BY

eXp Realty, LLC,
a Washington limited liability company

/s/ Glenn Sanford
By: Glenn Sanford
Title: CEO/Found
World Holdings, Inc.

Kent Cheng

/s/ Kent Cheng

Date: March 9, 2020



Exhibit 10.17

May 21, 2022

VIA ELECTRONIC MAIL

Leo Pareja leo@leopareja.com

RE: Offer of Employment

Dear Leo,

We are pleased to offer you a leadership position with eXp Realty, LLC ("eXp") as President - eXp Realty Affiliated Services. You will be reporting to Jason Gesing, CEO of eXp Realty.

eXp has big plans and aspirations as a company and we look forward to your leadership in reaching those goals and growing with our company.

The initial terms and conditions of employment are described in this offer letter.

In addition to the duties outlined during your interviews, you will perform other duties customarily associated with the position as well as those duties your manager may require.

SALARY:

Your employment will begin on May 23rd, 2022. We are offering a starting salary paid bi-weekly at the rate of USD \$350,000 annualized.

BONUS:

You will be eligible for an annual bonus target of 50% of your annual base salary (paid quarterly). The bonus will be based on achieving certain objectives related to your role as defined by your manager.

Your initial annualized salary and bonus will be \$525,000.

You will have the opportunity to transition from a fixed bonus arrangement to an Incentive Compensation model based on Operating Margin from the affiliated services businesses you directly lead after 6 months. Specific details of the Incentive Compensation payments to be determined as business plans are developed.



REVENUE SHARE:

You are eligible to participate in the company's agent revenue share program, per terms of ICA, with the shared and mutual understanding that the job duties set forth herein and performance of the role are executive's primary and exclusive responsibility, and agent attraction efforts are largely passive. Executive agrees to yield in any sponsorship dispute with an agent. To be eligible for eXp's Revenue Share program, you must maintain your active real estate licenses with eXp.

BENEFITS:

You are initially eligible for our flexible paid time off program, in addition to 9 observed Holidays. As a regular, full-time employee, you will become eligible for certain company-sponsored benefits the first of the month following the date of hire.

EQUITY COMPENSATION:

In consideration for your service and subject to final approval by the eXp World Holdings, Inc. ("EXPI") Board of Directors ("Board"), you will also receive options under the Company's 2015 Equity Incentive Plan to purchase 100,000 shares of EXPI common stock ("Option Grant") at an exercise price equal to the fair market value of the common stock on the date of grant ("Grant Date").

The Option Grant shall vest 1/16th upon the completion of each three month period commencing at the start date of your employment, such that the entire option award shall be fully vested after four (4) years of continuous employment with eXp.

AT WILL EMPLOYMENT:

Your employment with eXp is "at-will." This means that the terms and conditions of your employment may be changed at any time with or without cause and with or without notice, including but not limited to termination, promotion, demotion, transfer, compensation, benefits, duties, and location of work. Any contrary representations which may have been made to you are superseded by your acceptance of this offer. In fact, the at-will status of your employment may only be altered through a written agreement signed by you and an authorized executive-level representative of eXp. This means that no other act or circumstance arising out of your employment with eXp (including, but not limited to, the length of employment, statements on performance reviews, promotions, salary increases, express or implied assurances, or any other conduct) can alter the at-will relationship between you and eXp.

YOUR FIRST DAY:

This offer is contingent upon the successful completion of background investigations and your execution of the standard eXp Non-Disclosure and Proprietary Rights Agreement. In addition, federal law requires eXp to obtain proof of your identity and authorization to work in the United States. Please provide to the eXp Human Resources Department the appropriate proof of identity documentation with you on your



first day of work. Providing this information on the first day of work is also a condition of your employment with eXp.

By signing this letter, you represent that you have no agreements with or obligations to others that may be in conflict with your employment obligations in this offer letter. If you have any agreements or obligations that are in conflict with your employment, please submit all of those documents to Human Resources.

Dual Employment Compliance. Employee warrants that he/she is not employed with any other employer or company that is (a) Real Estate Related, (b) Settlement Service Related, or (c) Consumer Financial Service Related.

This offer is the only Offer of Employment that has been made to you. No other person is authorized to make any other verbal or written offers of employment to you. If you have any other understanding of the offer of employment or the terms or conditions of employment that have been presented to you, you should indicate those terms on this letter before returning it to us. If you indicate additional or different terms, we will consider those terms a counter-offer from you.

This offer of employment is valid, executable, and must be received by Human Resources within seven (7) calendar days from the date identified in this offer. After seven (7) calendar days from the date identified in this offer, the offer becomes null and void.

Our Onboarding Team will be reaching out to you with a schedule for your first day.

We are excited that you are joining eXp Realty! We look forward to working with you and hope you will find your employment with us a truly rewarding experience.

eXp Realty, LLC,
a Washington limited liability company

Employee

/s/ Glenn Sanford

/s/ Leo Pareja

By: Glenn Sanford
Title: Founder and CEO, eXp World
Holdings, Inc..

Leo Pareja Date:

05 / 21 / 2022

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**Insider Trading Policy
of
eXp World Holdings, Inc.**

This Insider Trading Policy (“**Policy**”) describes the standards of eXp World Holdings, Inc. and its subsidiaries (the “**Company**”) on trading, and causing the trading of, the Company’s securities or securities of certain other publicly traded companies while in possession of confidential information. This Policy is divided into two parts:

- **Part I** prohibits trading in certain circumstances and applies to all directors, executive officers, employees, agents, and brokers and their respective immediate family members, of the Company; and
- **Part II** imposes special additional trading restrictions and applies to all (i) directors of the Company, (ii) executive officers of the Company (together with the directors, “**Company Insiders**”), and (iii) certain other employees that the Company may designate from time to time as “Company Insiders” because of their position, responsibilities or their actual or potential access to material nonpublic information.

One of the principal purposes of the federal securities laws is to prohibit so-called “insider trading.” Simply stated, insider trading occurs when a person uses material nonpublic information about the Company to make decisions to purchase, sell, give away or otherwise trade the Company’s securities or the securities of certain other companies or to provide that information to others outside the Company. The prohibitions against insider trading apply to trades, tips and recommendations by any person, including all persons associated with the Company, if the information involved is “material” and “nonpublic.” These terms are defined in this Policy under Part I, Section 3 below. The prohibitions would apply to any director, executive officer, employee, agent and broker of the Company who buys or sells securities on the basis of material nonpublic information that he or she obtained about the Company, its businesses, partners, competitors or other companies with which the Company has contractual relationships or may be negotiating transactions.

PART I

1. **Applicability.** This Policy applies to all trading or other transactions in (i) the Company's securities, including common stock, options and any other securities that the Company may issue, such as preferred stock, notes, bonds and convertible securities, as well as to derivative securities relating to any of the Company's securities, whether or not issued by the Company and (ii) the securities of certain other companies, including common stock, options and other securities issued by those companies as well as derivative securities relating to any of those companies' securities, where the person trading used information obtained while working for the Company.

2. **No Trading or Causing Trading While in Possession of MNPI**

(a) No director, executive officer, employee, agent, or broker or any of their immediate family members may purchase or sell, or offer to purchase or sell, any Company security, whether or not issued by the Company, while in possession of material nonpublic information ("MNPI") about the Company. (The terms "material" and "nonpublic" are defined in [Part I, Section 3\(a\)](#) and [\(b\)](#), below.)

(b) No director, executive officer, employee, agent, or broker or any of their immediate family members who knows of any material nonpublic information about the Company may communicate that information to any other person ("**tip**"), including family members and friends, or otherwise disclose such information without the Company's authorization.

(c) No director, executive officer, employee, agent, or broker or any of their immediate family members may purchase or sell any security of any other publicly traded company while in possession of material nonpublic information related to that company that was obtained in the course of his or her involvement with the Company. No director, executive officer, employee, agent, or broker or any of their immediate family members who knows of any such material nonpublic information may communicate that information to, or tip, any other person, including family members and friends, or otherwise disclose such information without the Company's authorization.

(d) For compliance purposes, you should never trade, tip or recommend securities (or otherwise cause the purchase or sale of securities) while in possession of information that you have reason to believe is material and nonpublic unless you first consult with, and obtain the advance approval of, the Compliance Officer (which is defined in [Part I, Section 3\(c\)](#), below).

(e) Directors and executive officers of the Company must "pre-clear" all trading in securities of the Company in accordance with the procedures set forth in [Part II, Section 3](#) below.

3. **Definitions**

(a) **Material.** Insider trading restrictions come into play only if the information you possess is "material." Materiality, however, involves a relatively low threshold. Information is generally regarded as "material" if it has market significance, that is, if its public dissemination is likely to affect the market price of securities, or if it otherwise is information that a reasonable investor would want to know before making an investment decision.

Information dealing with the following subjects is reasonably likely to be found material in particular situations:

- (i) significant changes in the Company's prospects;
-

- (ii) significant write-downs in assets or increases in reserves;
- (iii) developments regarding significant litigation or government agency investigations;
- (iv) liquidity problems;
- (v) changes in earnings estimates or unusual gains or losses in major operations;
- (vi) major changes in the Company's management or the board of directors;
- (vii) changes in dividends;
- (viii) extraordinary borrowings;
- (ix) major changes in accounting methods or policies;
- (x) award or loss of a significant contract;
- (xi) cybersecurity risks and incidents, including vulnerabilities and breaches;
- (xii) changes in debt ratings;
- (xiii) proposals, plans or agreements, even if preliminary in nature, involving mergers, acquisitions, divestitures, recapitalizations, strategic alliances, licensing arrangements, or purchases or sales of substantial assets; and
- (xiv) offerings of Company securities.

Material information is not limited to historical facts but may also include projections and forecasts. With respect to a future event, such as a merger, acquisition or introduction of a new product, the point at which negotiations or product development are determined to be material is determined by balancing the probability that the event will occur against the magnitude of the effect the event would have on a company's operations or stock price should it occur. Thus, information concerning an event that would have a large effect on stock price, such as a merger, may be material even if the possibility that the event will occur is relatively small. When in doubt about whether particular nonpublic information is material, you should presume it is material. **If you are unsure whether information is material, you should either consult the Compliance Officer before making any decision to disclose such information (other than to persons who need to know it) or to trade in or recommend securities to which that information relates, or assume that the information is material.**

(b) Nonpublic. Insider trading prohibitions come into play only when you possess information that is material and "nonpublic." The fact that information has been disclosed to a few members of the public does not make it public for insider trading purposes. To be "public" the information must have been disseminated in a manner designed to reach investors generally, and the investors must be given the opportunity to absorb the information. Even after public disclosure of information about the Company, you must wait until the close of business on the second trading day after the information was publicly disclosed before you can treat the information as public.

Nonpublic information may include:

- (i) information available to a select group of analysts or brokers or institutional investors;
 - (ii) undisclosed facts that are the subject of rumors, even if the rumors are widely circulated; and
 - (iii) information that has been entrusted to the Company on a confidential basis until a public announcement of the information has been made and enough time has elapsed for the market to respond to a public announcement of the information (normally two trading days).
-

As with questions of materiality, if you are not sure whether information is considered public, you should either consult with the Compliance Officer, or assume that the information is nonpublic and treat it as confidential.

(c) **Compliance Officer.** The Company has appointed the General Counsel as the Compliance Officer for this Policy. The duties of the Compliance Officer include, but are not limited to, the following:

- (i) assisting with implementation and enforcement of this Policy;
- (ii) circulating this Policy to all covered persons and ensuring that this Policy is amended as necessary to remain up-to-date with insider trading laws;
- (iii) pre-clearing all trading in securities of the Company by directors and executive officers in accordance with the procedures set forth in Part II, Section 3 below; and
- (iv) providing approval of any Rule 10b5-1 plans under Part II, Section 1(c) below and any prohibited transactions under Part II, Section 4 below.

4. Exception. The trading restrictions of this Policy do not apply if you are exercising stock options granted under the Company's 2015 Equity Incentive Plan (or any successor plan) for cash or the delivery of previously owned Company stock. However, the sale of any shares issued on the exercise of Company-granted stock options and any cashless exercise of Company-granted stock options are subject to trading restrictions under this Policy.

5. Violations of Insider Trading Laws. Penalties for trading on or communicating material nonpublic information can be severe, both for individuals involved in such unlawful conduct and their employers and supervisors, and may include jail terms, criminal fines, civil penalties and civil enforcement injunctions. Given the severity of the potential penalties, compliance with this Policy is absolutely mandatory.

(a) **Legal Penalties.** A person who violates insider trading laws by engaging in transactions in a company's securities when he or she has material nonpublic information can be sentenced to a substantial jail term and required to pay a criminal penalty of several times the amount of profits gained or losses avoided.

In addition, a person who tips others may also be liable for transactions by the tippees to whom he or she has disclosed material nonpublic information. Tippees can be subject to the same penalties and sanctions as the tippees, and the SEC has imposed large penalties even when the tipper did not profit from the transaction.

The SEC can also seek substantial civil penalties from any person who, at the time of an insider trading violation, "directly or indirectly controlled the person who committed such violation," which would apply to the Company and/or management and supervisory personnel. These control persons may be held liable for up to the greater of \$2,301,065 or three times the amount of the profits gained or losses avoided. Even for violations that result in a small or no profit, the SEC can seek penalties from a company and/or its management and supervisory personnel as control persons.

(b) **Company-Imposed Penalties.** Persons who violate this Policy may be subject to disciplinary action by the Company, including dismissal for cause. Any exceptions to the Policy, if permitted, may only be granted by the Compliance Officer and must be provided before any activity contrary to the above requirements takes place.

6. Inquiries. If you have any questions regarding any of the provisions of this Policy, please contact the Compliance Officer at james.bramble@expworldholdings.com.

PART II

1. **Blackout Periods.** All Company Insiders are prohibited from trading in the Company's securities during blackout periods as defined below.

(a) **Quarterly Blackout Periods.** Trading in the Company's securities is prohibited during the period beginning at the close of the market fifteen days prior to the end of each fiscal quarter and ending at the close of business on the second full trading day following the date the Company's financial results are publicly disclosed and Form 10-Q or Form 10-K is filed. During these periods, Company Insiders generally possess or are presumed to possess material nonpublic information about the Company's financial results.

(b) **Other Blackout Periods.** From time to time, other types of material nonpublic information regarding the Company (such as negotiation of mergers, acquisitions or dispositions, investigation and assessment of cybersecurity incidents or new product developments) may be pending and not be publicly disclosed. While such material nonpublic information is pending, the Company may impose special blackout periods during which Company Insiders are prohibited from trading in the Company's securities. If the Company imposes a special blackout period, it will notify the Company Insiders affected.

(c) **Exception.** These trading restrictions do not apply to transactions under a pre-existing written plan, contract, instruction, or arrangement under Rule 10b5-1 under the Securities Exchange Act of 1934 (a "**10b5-1 Plan**"), subject to this policy and applicable law. **No 10b5-1 Plan may be adopted during a blackout period.** Trading restrictions under this policy shall not apply to a 10b5-1 Plan so long as:

(i) With respect to directors and executive officers only, it has been reviewed and approved by the Compliance Officer in advance of being entered into (or, if revised or amended, such proposed revisions or amendments have been reviewed and approved by the Compliance Officer in advance of being entered into);

(ii) it provides that no trades may occur thereunder until expiration of the applicable cooling-off period specified in Rule 10b5-1(c)(ii) (B), and no trades occur until after that time. The appropriate cooling-off period will vary based on the status of the Company Insider. For directors and executive officers, the cooling-off period ends on the later of (x) ninety days after adoption or certain modifications of the 10b5-1 plan; or (y) two business days following disclosure of the Company's financial results in a Form 10-Q or Form 10-K for the quarter in which the 10b5-1 plan was adopted. For all other Company Insiders, the cooling-off period ends 30 days after adoption or modification of the 10b5-1 plan. This required cooling-off period will apply to the entry into a new 10b5-1 plan and any revision or modification of a 10b5-1 plan;

(iii) it is entered into in good faith by the Company Insider, and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1, at a time when the Company Insider is not in possession of material nonpublic information about the Company; and, if the Company Insider is a director or executive officer, the 10b5-1 plan must include representations by the Company Insider certifying to that effect;

(iv) it gives a third party the discretionary authority to execute such purchases and sales, outside the control of the Company Insider, so long as such third party does not possess any material nonpublic information about the Company; or explicitly specifies the security or securities to be purchased or sold, the number of shares, the prices and/or dates of transactions, or other formula(s) describing such transactions; and

(v) it is the only outstanding Approved 10b5-1 Plan entered into by the Company Insider (subject to the exceptions set out in Rule 10b5-1(c)(ii)(D)).

If you are considering entering into, modifying or terminating a 10b5-1 Plan or have any questions regarding 10b5-1 Plans, please contact the Compliance Officer at james.bramble@expworldholdings.com. You should consult your own legal and tax advisors before entering into, or modifying or terminating, a 10b5-1 Plan.

2. Trading Window. Company Insiders are permitted to trade in the Company's securities when no blackout period is in effect, so long as such person does not otherwise possess material nonpublic information. Generally, this means that Company Insiders can trade during the period beginning on the close of market of the second full trading day following the date the Company's financial results are publicly disclosed and Form 10-Q or Form 10-K is filed and ending on the close of the market on the fifteenth day prior to the end of the next fiscal quarter. However, even during this trading window, a Company Insider who is in possession of any material nonpublic information cannot trade in the Company's securities until the information has been made publicly available or is no longer material. In addition, the Company may close this trading window if a special blackout period under Part II, Section 1(b), above is imposed and will re-open the trading window once the special blackout period has ended.

3. Pre-Clearance of Securities Transactions

(a) Because directors and executive officers are likely to obtain material nonpublic information on a regular basis, the Company requires all such persons to refrain from trading, even during a trading window under Part II, Section 2 above, without first pre-clearing all transactions in the Company's securities.

(b) Subject to the exemption in subsection (d) below, no Company Insider may, directly or indirectly, purchase or sell (or otherwise make any transfer, gift, pledge or loan of) any Company security at any time without first obtaining prior approval from the Compliance Officer. These procedures also apply to transactions by such person's spouse, other persons living in such person's household and minor children and to transactions by entities over which such person exercises control.

(c) The Compliance Officer shall record the date each request is received and the date and time each request is approved or disapproved. Unless revoked, a grant of permission will normally remain valid until the close of trading two business days following the day on which it was granted. If the transaction does not occur during the two-day period, pre-clearance of the transaction must be re-requested.

(d) Pre-clearance is not required for purchases and sales of securities under a 10b5-1 Plan previously approved by the Compliance Officer. However, no trades may be made under a 10b5-1 Plan until expiration of the applicable cooling-off period. With respect to any purchase or sale under a 10b5-1 Plan, the third party effecting transactions on behalf of the Company Insider should be instructed to send duplicate confirmations of all such transactions to the Compliance Officer.

4. Prohibited Transactions. Company Insiders, including any such person's spouse, other persons living in such person's household and minor children and entities over which such person exercises control, are prohibited from engaging in the following transactions in the Company's securities unless advance approval is obtained from the Compliance Officer:

(a) **Short-term trading.** Company Insiders who purchase Company securities may not sell any Company securities of the same class for at least six months after the purchase;

(b) **Short sales.** Company Insiders may not sell the Company's securities short;

(c) **Options trading.** Company Insiders may not buy or sell puts or calls or other derivative securities on the Company's securities;

(d) **Trading on margin or pledging.** Company Insiders may not hold Company securities in a margin account or pledge Company securities as collateral for a loan; and

(e) **Hedging.** Company Insiders may not enter into hedging or monetization transactions or similar arrangements with respect to Company securities.

5. **Acknowledgment and Certification.** All Company Insiders are required to sign the attached acknowledgment and certification.

ACKNOWLEDGMENT AND CERTIFICATION

The undersigned does hereby acknowledge receipt of the Company's Insider Trading Policy. The undersigned has read and understands (or has had explained) such Policy and agrees to be governed by such Policy at all times in connection with the purchase and sale of securities and the confidentiality of nonpublic information.

(Signature)

(Please print name)

Date: _____

Subsidiaries of eXp World Holdings, Inc.*

Name	Jurisdiction of Organization
eXp Realty, LLC	Washington
eXp Realty of California, Inc.	Washington
eXp Realty of Canada, Inc.	Canada
eXp Realty North, LLC	North Dakota
eXp Realty of Northern California	Delaware
eXp Realty of Greater Los Angeles	Delaware
eXp Realty of Southern California	Delaware
Zocasa Realty Inc.	Canada
SUCCESS Franchising, LLC	Delaware
SUCCESS Enterprises LLC	Delaware

* Pursuant to Item 601(b)(21)(ii) of Regulation S-K, the names of other subsidiaries of eXp World Holdings, Inc. are omitted because, considered in the aggregate, they would not constitute a significant subsidiary as of the end of the year covered by this report.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-221550, 333-237382, 333-269057, 333-275985, and 333-280563 on Form S-8 of our reports dated *February 20, 2025, relating to the financial statements of eXp World Holdings, Inc. and the effectiveness of eXp World Holdings, Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2024.*

/s/ Deloitte & Touche LLP

San Francisco, California

February 20, 2025

**Certification of the Chief Executive Officer pursuant to Rule
13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Glenn Sanford, hereby certify that:

1. I have reviewed this Annual Report on Form 10-K of eXp World Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2025

By: /s/ Glenn Sanford
Glenn Sanford
Chief Executive Officer (Principal Executive Officer)

Certification of the Chief Accounting Officer (Principal Financial Officer) pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Kent Cheng, hereby certify that:

1. I have reviewed this Annual Report on Form 10-K of eXp World Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2025

By: /s/ Kent Cheng
Kent Cheng
Chief Accounting Officer (Principal Financial Officer)

**Certification of Chief Executive Officer pursuant to 18 U.S.C.
1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the annual report of eXp World Holdings, Inc. (the "Company") on Form 10-K for the year ended December 31, 2024 as filed with the Securities and Exchange Commission (the "Report"), I, Glenn Sanford, the Chief Executive Officer of the Company, hereby certify pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 20, 2025

By: /s/ Glenn Sanford
Glenn Sanford
Chief Executive Officer (Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission ("SEC") or its staff upon request.

This certification accompanies the Form 10-K to which it relates, is not deemed filed with the SEC and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.

Certification of Chief Accounting Officer (Principal Financial Officer) pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the annual report of eXp World Holdings, Inc. (the "Company") on Form 10-K for the year ended December 31, 2024 as filed with the Securities and Exchange Commission (the "Report"), I, Kent Cheng, the Chief Accounting Officer (Principal Financial Officer) of the Company, hereby certify pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 20, 2025

By: /s/ Kent Cheng
Kent Cheng
Chief Accounting Officer (Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission ("SEC") or its staff upon request.

This certification accompanies the Form 10-K to which it relates, is not deemed filed with the SEC and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.
