

RE/MAX Holdings, Inc.
Form DEF 14A
March 28, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

RE/MAX HOLDINGS, INC.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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 - 2) Aggregate number of securities to which transaction applies:

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 - 4) Proposed maximum aggregate value of transaction:

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RE/MAX Holdings, Inc.

5075 S. Syracuse St.

Denver, CO 80237

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

May 9, 2014

March 28, 2014

Dear Stockholder,

We cordially invite you to attend our 2014 Annual Meeting of Stockholders, to be held on Friday, May 9, 2014 at 10:00 am (Mountain Time) at our headquarters, located at 5075 S. Syracuse St., Denver, Colorado 80237.

We are holding the meeting for the following purposes, which are described in more detail in the proxy statement:

1. to elect three directors to our Board of Directors;
2. to ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014; and
3. to transact any other business as may properly come before the meeting or any adjournment or postponement thereof.

Only stockholders of record as of the close of business on March 19, 2014 will be entitled to attend or vote at the annual meeting.

We will take advantage of the rules of the Securities and Exchange Commission that allow us to furnish our proxy materials over the internet. As a result, we are sending a Notice of Internet Availability of Proxy Materials to our stockholders rather than a full paper set of the proxy materials. The Notice of Internet Availability of Proxy Materials contains instructions on how to access our proxy materials on the internet, as well as instructions on how stockholders may obtain a paper copy of our proxy materials. This process substantially reduces the costs associated with printing and distributing proxy materials. To make it easy to vote, internet and telephone voting are available. The instructions for voting are on the Notice of Internet Availability of Proxy Materials or, if you received a paper copy of the proxy materials, on the proxy card.

If you hold your shares through a bank, broker or other holder of record, please follow the voting instruction you received from the holder of record.

Your vote is important. We encourage you to vote by proxy in advance of the meeting, whether or not you plan to attend the meeting.

Please feel free to contact our investor relations department at (303) 224-5458 or investorrelations@remax.com if you have any questions about voting or attending the meeting.

By Order of the Board of Directors

Geoff Lewis, Secretary

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING TO BE HELD ON MAY 9, 2014: The Company's Proxy Statement and Annual Report on Form 10-K for the fiscal year ended December 31, 2013 are also available at <http://materials.proxyvote.com/75524W>.

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RE/MAX HOLDINGS, INC.

PROXY STATEMENT

2014 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 9, 2014

GENERAL INFORMATION

RE/MAX Holdings, Inc. (RE/MAX Holdings) is making this proxy statement available to its stockholders on or about March 28, 2014 in connection with the solicitation of proxies by the Board of Directors for the RE/MAX Holdings 2014 Annual Meeting of Stockholders (the Annual Meeting), which will be held on Friday, May 9, 2014 at 10:00 a.m. (Mountain Time) at 5075 S. Syracuse St., Denver, Colorado 80237. As a stockholder of RE/MAX Holdings, you are invited to attend the Annual Meeting and are entitled and encouraged to vote on the proposals described in this proxy statement.

RE/MAX Holdings is a holding company. Its only business is to act as the sole manager of RMCO, LLC, a Delaware limited liability company (RMCO). RE/MAX Holdings was formed in June 2013 and completed an initial public offering of its Class A common stock on October 7, 2013 (the IPO). Our Class A common stock trades on the New York Stock Exchange under the symbol RMAX.

In this proxy statement, we, our, us and the Company refer to RE/MAX Holdings, RMCO and RMCO s subsidiary

Below are answers to common questions stockholders may have about the Annual Meeting.

What are the Proxy Materials?

The Proxy Materials are this proxy statement and our annual report to stockholders for the fiscal year ended December 31, 2013. If you request printed versions of the Proxy Materials, you will also receive a proxy card.

Why did I receive a one-page notice instead of a full set of Proxy Materials?

Under rules adopted by the Securities and Exchange Commission (the SEC), we are furnishing Proxy Materials to many of our stockholders on the internet, rather than mailing printed copies. If you received a one-page notice by mail, you will not receive a printed copy of the Proxy Materials unless you request one. Instead, the notice will instruct you how to access and review the Proxy Materials on the internet. If you would like a printed copy of the Proxy Materials, please follow the instructions on the notice.

What items will be voted on at the Annual Meeting and how does the Board of Directors recommend that I vote?

There are two proposals to be voted on at the Annual Meeting:

1. the election of three directors to our Board of Directors and
2. the ratification of the appointment of KPMG LLP (KPMG) as our independent registered public accounting firm for the fiscal year ending December 31, 2014.

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Our bylaws require that we receive advance notice of any proposals to be brought before the Annual Meeting by our stockholders. We have not received any such proposals. We do not anticipate any other matters will come before the Annual Meeting. If any other matter comes before the Annual Meeting, the proxy holders appointed by our Board of Directors will have discretion to vote on those matters.

Who may vote at the meeting?

Holders of Class A common stock and holders of Class B common stock as of the close of business on March 19, 2014 (the Record Date) may vote at the Annual Meeting.

How many votes do I have?

Holders of Class A common stock are entitled to one vote per share of Class A common stock held as of the Record Date. Holders of Class B common stock are entitled to two votes for each common unit in RMCO owned by such holder as of the Record Date, regardless of the number of Class B shares owned.

As of the Record Date, there were 11,500,000 shares of Class A common stock outstanding which will carry one vote each and one share of Class B common stock outstanding that will carry 35,469,200 votes. In addition, there were 107,971 shares of Class A common stock to be issued pursuant to vested restricted stock units; these restricted stock units do not have voting rights.

What vote is required for each proposal?

For the election of directors, each director must be elected by a plurality of the votes cast. This means that the three nominees receiving the largest number of for votes will be elected as directors. We do not have cumulative voting.

The ratification of the Company's independent registered public accounting firm and any other proposals that may come before the Annual Meeting will be determined by the majority of the votes cast.

How are abstentions and broker non-votes counted?

Abstentions (shares present at the meeting in person or by proxy that are voted abstain) and broker non-votes (explained below) are counted for the purpose of establishing the presence a quorum but are not counted as votes cast.

What is the difference between a stockholder of record and a beneficial owner of shares held in street name?

Stockholder of Record. If your shares are registered directly in your name with our transfer agent, Broadridge Corporate Issuer Solutions, Inc., you are a stockholder of record.

Beneficial Owner of Shares Held in Street Name. If your shares are held in an account at a brokerage firm, bank, broker-dealer or other similar organization, then you are a beneficial owner of shares held in street name. The organization holding your account is considered the stockholder of record. As a beneficial owner, you have the right to direct the organization holding your account on how to vote the shares you hold in your account.

How do stockholders of record vote?

There are four ways for stockholders of record to vote:

Via the internet. You may vote via the internet by visiting <http://www.proxyvote.com> and entering the unique control number for your shares located on the Notice of Internet Availability of Proxy Materials.

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By telephone. You may vote by phone by calling (800) 690-6903. You will need the control number from your Notice of Internet Availability of Proxy Materials.

By mail. If you requested that Proxy Materials be mailed to you, you will receive a proxy card with your Proxy Materials. You may vote by filling out and signing the proxy card and returning it in the envelope provided.

In person. You may also vote your shares in person by completing a ballot at the Annual Meeting.

How do beneficial owners of shares held in street name vote?

There are four ways for beneficial owners of shares held in street name to vote:

Via the internet. You may vote via the internet by visiting <http://www.proxyvote.com> and entering the unique control number for your shares located on the Internet Availability of Proxy Materials.

By telephone. You may vote by phone by calling (800) 690-6903. You will need the control number from your Notice of Internet Availability of Proxy Materials.

By mail. If you requested that Proxy Materials be mailed to you, you may vote by filling out the card you received from the organization holding your shares and returning it as instructed by that organization.

In person. If you wish to vote in person at the meeting, you will first need to obtain a legal proxy from the organization that holds your shares. You should contact that organization to obtain a legal proxy.

Can I change my vote after submitting a proxy?

Stockholders of record may revoke their proxy before the Annual Meeting by delivering to the Company's Corporate Secretary a written notice stating that a proxy is revoked, by signing and delivering a proxy bearing a later date, by voting again via the internet or by telephone or by attending and voting in person at the Annual Meeting.

Street name stockholders who wish to change their votes should contact the organization that holds their shares.

If I hold shares in street name through a broker, can the broker vote my shares for me?

If you hold your shares in street name and you do not vote, the broker or other organization holding your shares can vote on certain routine proposals but cannot vote on other proposals. Proposal 1 (election of directors) is not considered a routine proposal. Proposal 2 (ratification of the Company's independent registered public accounting firm) is a routine proposal. If you hold shares in street name and do not vote on Proposal 1, your shares will be counted as broker non-votes.

Who is paying for this proxy solicitation?

The Company is paying the costs of the solicitation of proxies. Members of our Board of Directors and officers and employees may solicit proxies by mail, telephone, fax, email or in person. We will not pay directors, officers or employees any extra amounts for soliciting proxies. We may, upon request, reimburse brokerage firms, banks or similar entities representing street name holders for their expenses in forwarding Proxy Materials to their customers who are street name holders and obtaining their voting instructions.

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What do I need to do if I want to attend the meeting?

You will need to provide evidence that you are a stockholder as of the Record Date. This can be a copy of your proxy card or a brokerage statement showing your shares. You should also bring photo identification. If you hold your shares in street name and wish to vote in person at the meeting, you will need to contact the organization that holds your shares in order to obtain a legal proxy from that organization.

Where can I find voting results?

Final voting results from the Annual Meeting will be filed with the SEC on a Current Report on Form 8-K within four business days of the Annual Meeting.

I share an address with another stockholder. Why did we receive only one set of Proxy Materials?

Some banks, brokers and nominees may be participating in the practice of householding Proxy Materials. This means that only one copy of our Proxy Materials to stockholders may have been sent to multiple stockholders in your household. If you hold your shares in street name and want to receive separate copies of the Proxy Materials in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact the bank, broker, or other nominee who holds your shares.

Upon written or oral request, the Company will promptly deliver a separate copy of the Proxy Materials to any stockholder at a shared address to which a single copy of any of those documents was delivered. To receive a separate copy of the Proxy Materials, you can contact our investor relations department at (303) 224-5458, investorrelations@remax.com or 5075 S. Syracuse St., Denver, CO 80237.

Whom should I contact if I have additional questions?

You can contact our investor relations department at (303) 224-5458, investorrelations@remax.com or 5075 S. Syracuse St., Denver, CO 80237. Stockholders who hold their shares in street name should contact the organization that holds their shares for additional information on how to vote.

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PROPOSAL 1: ELECTION OF DIRECTORS

At the Annual Meeting, stockholders will vote to elect the three nominees named in this Proxy Statement as Class I directors. Each of the Class I directors elected at the Annual Meeting will hold office until the 2017 Annual Meeting of Stockholders and until his or her successor has been duly elected and qualified. Based on the recommendation of the Nominating and Corporate Governance Committee, the Board of Directors has nominated Gilbert (Chip) Baird, Roger Dow and Ronald Harrison to serve as Class I directors for terms expiring at the 2017 Annual Meeting of Stockholders. The persons named as proxies will vote to elect Messrs. Baird, Dow and Harrison unless a stockholder indicates that his or her shares should be withheld with respect to one or more of such nominees.

In the event that any nominee for Class I director becomes unavailable or declines to serve as a director at the time of the Annual Meeting, the persons named as proxies will vote the proxies in their discretion for any nominee who is designated by the current Board of Directors to fill the vacancy. All of the nominees are currently serving as directors and we do not expect that any of the nominees will be unavailable or will decline to serve.

The Board of Directors recommends that you vote FOR each of the nominees for the Board of Directors in this Proposal 1.

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The following table sets forth certain information about our executive officers, directors and key employees as of the date of this proxy statement.

Name	Age	Position
David L. Liniger	68	Chairman of the Board and Co-Founder
Gail A. Liniger	68	Vice Chair of the Board and Co-Founder
Margaret M. Kelly	54	Chief Executive Officer and Director
Vincent J. Tracey	61	President and Director
David M. Metzger	58	Chief Operating Officer and Chief Financial Officer
Geoffrey D. Lewis	56	Executive Vice President and Chief Legal and Compliance Officer
Michael P. Ryan	55	Executive Vice President, Global Communications and Branding
Gilbert L. (Chip) Baird III	41	Director
Richard O. Covey	67	Director
Kathleen J. Cunningham	67	Director
Roger J. Dow	67	Director
David L. Ferguson	59	Director
Ronald E. Harrison	78	Director
Daryl L. Jespersen	66	Director
Daniel J. Predovich	66	Director

Executive Officers

David L. Liniger is our Chairman and Co-Founder. He has been a director of RE/MAX Holdings since July 2013. He was a member of RMCO's Board of Managers from April 2010 until our IPO in October 2013, at which time RMCO ceased to have a Board of Managers. Mr. Liniger has been Chairman of the Company's board of directors or board of managers since 1974. He has served in a variety of leadership roles within the RE/MAX organization over the past 40 years. Mr. Liniger is married to Gail Liniger, who serves as our Vice Chair and is a Co-Founder. Mr. Liniger was selected to our Board of Directors because of his role in founding our company and his intimate knowledge of our company and the real estate industry.

Gail A. Liniger is our Vice Chair and Co-Founder. She has been a director of RE/MAX Holdings since July 2013. She was a member of RMCO's Board of Managers from April 2010 until our IPO in October 2013, at which time RMCO ceased to have a Board of Managers. Mrs. Liniger is married to David Liniger, who serves as our Chairman and is a Co-Founder. Mrs. Liniger became a Vice President of RE/MAX in 1973, Executive Vice President in 1978 and President in 1979. In 1991, she was named Chief Executive Officer and in 2002 became Vice Chair of the Board of Managers. Mrs. Liniger was selected to our Board of Directors because of her role in founding our company with Mr. Liniger and her intimate knowledge of our company and the real estate industry.

Margaret M. Kelly has served as our Chief Executive Officer since 2005. In addition, she has been a director of RE/MAX Holdings since July 2013 and has served as a member of the Company's board of directors or board of managers since 2003. Prior to being appointed Chief Executive Officer, she served in a variety of leadership roles within the RE/MAX organization since she joined us in 1987, including serving as President from 2002 to 2004. Since January 2010, she has served as a director of the Federal Reserve Board of Kansas City Denver Branch and she has

served as a director of the University of Colorado Hospital since October 2013. She was selected to our Board of Directors due to her familiarity with our company and in light of her ability to provide valuable insight to our Board of Directors as to the day-to-day business issues we face in her role as our Chief Executive Officer.

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Vincent J. Tracey has served as our President since 2004. In addition, he has been a director of RE/MAX Holdings since July 2013 and a member of the Company's board of directors or board of managers since 2005. Mr. Tracey's term as a director expires at the Annual Meeting and he is not seeking reelection. He has served in a variety of roles in the RE/MAX organization since joining us in 1977 as a Marketing Representative in the Tennessee and Kentucky Region, including Executive Vice President, Corporate Development from 2002 to 2004 and Executive Vice President, Franchising from 2004 to 2005. Mr. Tracey was selected to our Board of Directors because of his particular knowledge of and experience in the real estate industry.

David M. Metzger is our Chief Operating Officer and Chief Financial Officer. Mr. Metzger joined RE/MAX in 2007 as our Chief Financial Officer, and was named Chief Operating Officer in 2011. Mr. Metzger has an extensive and varied background as an attorney and a Certified Public Accountant, with more than 25 years of experience in the corporate financial arena. Mr. Metzger has previously worked for a large bank holding company on the East Coast in the areas of auditing and corporate finance, Piper and Marbury (now known as DLA Piper), and Semmes, Bowen & Semmes, specializing in ERISA and corporate tax matters.

Geoffrey D. Lewis is our Executive Vice President and Chief Legal and Compliance Officer. Mr. Lewis joined RE/MAX in 2004 as Senior Vice President, General Counsel, in 2005 became Senior Vice President, Chief Legal Officer and in 2013 became Executive Vice President, Chief Legal and Compliance Officer. Mr. Lewis was previously with the law firm of Jones Day. Subsequent to that, he was Vice President and General Counsel of American Health Properties, Inc., and Senior Vice President, Corporate Development and General Counsel for Hyster-Yale, Inc.

Michael P. Ryan was appointed Executive Vice President, Global Communications and Branding in April 2011, and is also responsible for overseeing business alliances. Prior to that, he was a Senior Vice President at RE/MAX from February 2008 to April 2011. Mr. Ryan joined RE/MAX in 1994 and since that time, has helped launch RE/MAX University. In addition, he serves on the education and finance committees of the National Association of Realtors.

Our Board of Directors

Our Board of Directors currently consists of twelve members. Following the Annual Meeting, our Board will have eleven members. Our Board of Directors is divided into three classes with staggered three-year terms. At each annual general meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Below is biographical information about each nominee and each director, including other public company board memberships.

Nominees for Director With Terms That Will Expire in 2017 (Class I Directors):

Gilbert L. (Chip) Baird III was appointed to the Board of Directors of RE/MAX Holdings in July 2013 and was a member of RMCO's Board of Managers from April 2010 until our IPO in October 2013, at which time RMCO ceased to have a Board of Managers. Mr. Baird has been a Partner at an affiliate of Perella Weinberg Partners LP (Perella Weinberg) since February 2012, and prior to that was a Partner at Weston Presidio V, L.P. (Weston Presidio) from December 2006 to October 2011. Prior to that, he was at The Beacon Group and Merrill Lynch. Mr. Baird is currently a director at Trench Plate Rental Co. and B. Lane Inc. He has previously served as a director on a number of boards, including WP Evenflo Holdings, Inc., Advisors Excel and Summit Energy Services. He was selected to our Board of Directors because of his vast experience in finance and capital structure.

Roger J. Dow was appointed to the Board of Directors of RE/MAX Holdings in July 2013 and has served as a member of the Company's board of directors or board of managers since 2005. Since January 1, 2005, he has been the

President and Chief Executive Officer of the U.S. Travel Association. He previously

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served in various roles at Marriot International, including as Senior Vice President, Global Sales. Mr. Dow was selected to our Board of Directors because of his particular knowledge of and experience in strategic planning and leadership of complex organizations.

Ronald E. Harrison was appointed to the Board of Directors of RE/MAX Holdings in July 2013 and has served on the Company's board of directors or board of managers since 2005. Since 2004, Mr. Harrison has been Chief Executive Officer and Managing Director of Harrison & Associates LLC. Prior to that, he served in various roles over his 40 years with PepsiCo, Inc., including as Senior Vice President, External Relations, and Special Assistant to the Chairman until April 2004. Mr. Harrison is currently the Chair Emeritus of the Diversity Institute of the International Franchise Association's Education Foundation. He served as the International Franchise Association's Chairman in 1999. He was selected to our Board of Directors because of his vast experience in leadership roles of complex organizations and knowledge in strategic planning.

Directors Whose Terms Will Expire in 2018 (Class II Directors):

Kathleen J. Cunningham was appointed to the Board of Directors of RE/MAX Holdings in July 2013 and was a member of RMCO's Board of Managers from February 2013 until our IPO in October 2013, at which time RMCO ceased to have a Board of Managers. Ms. Cunningham has been retired since 2009. From October 2005 to May 2009, she was Chief Financial Officer of Novatix Corporation. She was previously Chief Financial Officer at Webroot Software and U.S. West Information Systems. She has been a board member of Q Advisors, LLC since 2003. Previously, she served on the boards of Chileno Bay LLC from December 2011 to October 2013, The Assist Group from June 2011 to March 2013 and Novatix Corporation from 2005 to 2009. Ms. Cunningham was selected to our Board of Directors because of her particular knowledge of and experience in finance, capital structure and board governance practices of other major organizations.

David L. Ferguson was appointed to the Board of Directors of RE/MAX Holdings in July 2013 and was a member of RMCO's Board of Managers from April 2010 until our IPO in October 2013, at which time RMCO ceased to have a Board of Managers. Mr. Ferguson has been a Partner at an affiliate of Perella Weinberg since February 2012. Between 2003 and October 2011, he was a Partner at Weston Presidio. Prior to that, he was a Partner with JPMorgan Partners. Mr. Ferguson is currently a director at Trench Plate Rental and B. Lane Inc. He has previously served as a director on a number of boards, including at MacDermid Group Inc., WP Evenflo Holdings, Inc., Robbins Brothers and Cellu Tissue Holdings, Inc. He is also a Certified Public Accountant. He was selected to our Board of Directors because of his experience serving on the boards of a variety of other companies, and his extensive knowledge and experience in finance.

Margaret M. Kelly is our Chief Executive Officer and a director. Further information about Ms. Kelly can be found above under Executive Officers.

Gail A. Liniger is our Vice Chair and Co-Founder. Further information about Mrs. Liniger can be found above under Executive Officers.

Directors Whose Terms Will Expire in 2019 (Class III Directors):

Richard O. Covey was appointed to the Board of Directors of RE/MAX Holdings in July 2013 and has served on the Company's board of directors or board of managers since 2005. Mr. Covey is a retired U.S. Air Force officer and former NASA astronaut. Between October 2007 and March 2010, he was President and Chief Executive Officer of United Space Alliance, LLC. He has been a director and member of the Executive Committee of the Astronaut Scholarship Foundation since May 2013. Mr. Covey was selected to our Board of Directors because of his leadership

insight and his experience in management roles.

Daryl L. Jespersen was appointed to the Board of Directors of RE/MAX Holdings in July 2013 and has served on the Company's board of directors or board of managers since 1981. Mr. Jespersen has served in a

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number of roles within the RE/MAX organization and related entities since joining RE/MAX in 1975, including various leadership roles at RE/MAX, LLC, most recently as Chief Executive Officer from 2002 to 2005. He has been retired since 2005. He was selected to our Board of Directors because of his familiarity with our company, and his knowledge of and vast experience in the real estate industry.

David L. Liniger is our Chairman and Co-Founder. Further information about Mr. Liniger can be found above under Executive Officers.

Daniel J. Predovich was appointed to the Board of Directors of RE/MAX Holdings in July 2013 and has served as a member of the Company's board of directors or board of managers since 2005. Mr. Predovich is a Certified Public Accountant, a Certified Fraud Examiner, Certified in Financial Forensics and a Certified Information Technology Professional. Since 1986, he has been the President of Predovich & Company. He previously served as president and as a member of the Board of Governors, Colorado chapter of the Association of Certified Fraud Examiners. He was selected to our Board of Directors because of his extensive experience and knowledge in accounting and financial matters.

Controlled Company Status

RIHI, Inc. (RIHI) controls a majority of the voting power of our outstanding common stock. As a result, we are a controlled company under the corporate governance standards of the New York Stock Exchange (NYSE). As a controlled company, exemptions from the NYSE standards mean that we are not required to comply with certain corporate governance requirements, including the requirements that:

a majority of our Board of Directors consists of independent directors, as defined under the rules of the NYSE;

we have a Nominating and Corporate Governance Committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and

we have a Compensation Committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities.

These exemptions do not modify the independence requirements for our Audit Committee and we comply with the applicable requirements of the Sarbanes-Oxley Act and rules with respect to our Audit Committee.

Director Independence

The Board of Directors has reviewed its composition, the composition of its committees and the independence of each director and considered whether any director has a material relationship with us that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. The Board of Directors has determined that each of Richard Covey, Kathleen Cunningham, Roger Dow, Ronald Harrison and Daryl Jesperson is an independent director under applicable NYSE standards and that each such director has no relationships with the Company that would interfere with such director's exercise of independent judgment in carrying out his responsibilities as a director of the Company.

Board of Directors Leadership Structure

We currently separate the roles of Chairman of the Board and Chief Executive Officer. Our Co-Founder, David Liniger, serves as Chairman of the Board. This structure enables the Board to effectively exercise its role in oversight of the Company while allowing our Chief Executive Officer, Margaret Kelly, to focus on the management of the day-to-day conduct of our business. The Board periodically reviews its leadership structure and may make changes in the future.

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Board of Directors Role in Risk Oversight

Risk management is primarily the responsibility of the Company's management. However, the Board believes that oversight of risk management is one its fundamental responsibilities. The Audit Committee is primarily responsible for oversight of the quality and integrity of the Company's financial reporting process, internal controls over financial reporting and the Company's compliance programs. The Compensation Committee is responsible for reviewing compensation-related risks. The Nominating and Corporate Governance Committee is responsible for oversight of the Company's corporate governance programs, including the code of ethics and business conduct. Management regularly reports to the Board and its committees on the risks that the Company may face and the steps that management is taking to mitigate those risks.

Board and Committee Meetings; Annual Meeting Attendance

During 2013, following the date of the IPO, our Board held one meeting. From the date of our IPO through the end of 2013, the Board's committees held the following number of meetings: Audit Committee, 2; Compensation Committee, 1; Nominating and Corporate Governance Committee, 1. During 2013, each director attended at least 75% of the total number of meetings of the Board and committees on which he or she serves. The Board meets from time to time in executive sessions of non-management directors. At each such meeting the non-management directors select one director to preside over the meeting.

We have no formal policy with respect to director attendance at annual meetings of stockholders; however, we encourage all directors to attend annual meetings of stockholders. This Annual Meeting will be our first annual meeting of stockholders.

Board Committees

Our Board of Directors has established an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee, which have the composition and responsibilities described below.

Audit Committee

The Audit Committee is responsible for, among other matters: (i) appointing, compensating, retaining, evaluating, terminating and overseeing our independent registered public accounting firm; (ii) discussing with our independent registered public accounting firm the independence of its members from its management; (iii) reviewing with our independent registered public accounting firm the scope and results of their audit; (iv) approving all audit and permissible non-audit services to be performed by our independent registered public accounting firm; (v) overseeing the financial reporting process and discussing with management and our independent registered public accounting firm the interim and annual financial statements that we file with the SEC; (vi) reviewing and monitoring our accounting principles, accounting policies, financial and accounting controls and compliance with legal and regulatory requirements; (vii) establishing procedures for the confidential and/or anonymous submission of concerns regarding questionable accounting, internal controls, auditing matters or anything else that appears to involve financial or other wrongdoing; and (viii) reviewing and approving related-person transactions.

Our Audit Committee consists of Kathleen Cunningham (Chair), Roger Dow, Ronald Harrison and Daniel Predovich. Our Board of Directors has affirmatively determined that Kathleen Cunningham, Roger Dow and Ronald Harrison meet the definition of independent director for purposes of serving on an Audit Committee under Rule 10A-3 of the Exchange Act and NYSE rules. Our Board of Directors has determined that Dan Predovich is not independent. SEC regulations generally require that Audit Committee members be independent. However we are relying on an exception

under Exchange Act Rule 10A-3(b)(1)(iv)(A), which allows us to have an Audit Committee member who is not independent until October 1, 2014, which is one year after the effective date of the registration statement for our IPO. The Board of Directors does not believe that reliance on this exception will materially adversely affect the ability of the Audit Committee to act independently and to satisfy the other requirements of the SEC and NYSE rules.

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Our Board of Directors has determined that Kathleen Cunningham qualifies as an Audit Committee financial expert, as such term is defined in Item 407(d)(5) of Regulation S-K. Our Board of Directors has adopted a written charter for the Audit Committee, which is available on our investor relations website, accessible through our principal corporate website at www.remax.com.

Compensation Committee

The Compensation Committee is responsible for, among other matters: (i) reviewing key employee compensation goals, policies, plans and programs; (ii) reviewing and approving the compensation of our directors and executive officers; (iii) reviewing and approving employment agreements and other similar arrangements between us and our executive officers; and (iv) appointing and overseeing any compensation consultants.

The Compensation Committee consists of Richard Covey (Chair), Chip Baird, David Ferguson, Ronald Harrison, David Liniger and Gail Liniger. As a controlled company, we rely upon the exemption from the requirement that we have a separate Compensation Committee composed entirely of independent directors. Our Board of Directors has adopted a written charter for the Compensation Committee, which is available on our investor relations website, accessible through our principal corporate website at www.remax.com.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is responsible for, among other matters: (i) identifying individuals qualified to become members of our Board of Directors, consistent with criteria approved by our Board of Directors; (ii) overseeing the organization of our Board of Directors to discharge the Board's duties and responsibilities properly and efficiently; and (iii) developing and recommending to our Board of Directors a set of corporate governance guidelines and principles.

The Nominating and Corporate Governance Committee currently consists of Daryl Jespersen (Chair), Kathleen Cunningham, Margaret Kelly and Vincent Tracey. As a controlled company, we rely upon the exemption from the requirement that we have a separate Nominating and Corporate Governance Committee composed entirely of independent directors. Our Board of Directors has adopted a written charter for the Nominating and Corporate Governance Committee, which is available on our investor relations website, accessible through our principal corporate website at www.remax.com.

Director Nomination Process

The Nomination and Corporate Governance Committee is responsible for evaluating potential candidates and making recommendations to the Board of Directors with respect to candidates to be nominated to serve as directors. The Nominating and Corporate Governance Committee has no specific or minimum qualifications for nominees, other than those necessary to meet specific requirements under SEC rules or NYSE standards. Among the qualifications the Nominating and Corporate Governance Committee may consider are personal and professional integrity; exceptional ability and judgment; broad experience in business, finance or administration; familiarity with the real estate industry; ability to serve the long-term interest of our stockholders; sufficient time to devote to the Board duties; and ability to provide continuing service and promote stability. The Nominating and Corporate Governance Committee does not have a formal policy regarding diversity; however, the Board believes that it is important that the Board be comprised of directors with diverse backgrounds, viewpoints and experiences.

The Nominating and Corporate Governance Committee welcomes the Company's stockholders to nominate candidates for Board membership. The committee will consider any such nominee in the same manner in which it evaluates other

potential nominees, so long as the recommendation is submitted in accordance with the Company's bylaws and the committee's charter. A summary of these requirements is set forth below.

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The nomination should contain the following information with respect to the nominee:

the candidate's name, age, business address and home address;

the candidate's biographical information, including educational information, principal occupation or employment, past work experience (including all positions held within the past five years), personal references and service on boards of directors or other positions the candidate currently holds or has held during the past three years;

the class and number of shares of the Company the candidate beneficially owns;

any potential conflicts of interest that may prevent or otherwise limit the candidate from serving as an effective Board member; and

any other pertinent information about the candidate and his or her qualifications.

Further, nominations should contain the following information about the stockholder making the recommendation:

the name and record address of the stockholder; and

the class and number of shares of the Company beneficially owned by the stockholder and the period of time the shares have been held.

Stockholder nominees should be submitted to the Company's Corporate Secretary at the Company's headquarters. Stockholder nominations may be made at any time. However, in order for a candidate to be included in the slate of director nominees for approval by stockholders in connection with a meeting of stockholders and for information about the candidate to be included in the Company's proxy materials for such a meeting, the stockholder must submit the information set forth above and other information reasonably requested by the Company within the timeframe set forth in Exchange Act Rule 14a-8. Further information about this timeframe can be found below under "Stockholder Proposals."

Communication with the Board of Directors

Any stockholder or other interested parties who would like to communicate with the Board of Directors, the independent directors as a group or any specific member or members of the Board of Directors should send such communications to the attention of our Corporate Secretary at 5075 S. Syracuse St., Denver, CO 80237. Communications should contain instructions on which member or members of the Board the communication is intended for. In general, such communication will be forwarded to the intended recipients. However, the Corporate Secretary may, in his discretion, decline to forward any communications that are abusive, threatening or otherwise inappropriate.

Compensation Committee Interlocks and Insider Participation

None of our executive officers currently serves or in the past year has served as a member of the Board of Directors or Compensation Committee of any other entity that has one or more executive officers serving on our Board of Directors.

Code of Business Conduct and Code of Ethics

We have adopted a code of business conduct applicable to all employees and a code of ethics applicable to our principal executive, financial and accounting officers and all persons performing similar functions. A copy of each code is available on our investor relations website, accessible through our principal corporate website at www.remax.com. We expect that any amendments to either code, or any waivers of their requirements, that apply to our directors or executive officers will be disclosed to the extent required by applicable law or NYSE listing requirements.

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We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (the JOBS Act). As an emerging growth company, we have reduced disclosure obligations regarding executive compensation compared to companies that are not emerging growth companies and we are exempt from the requirement of holding advisory say-on-pay votes on executive compensation. Under the JOBS Act, we will remain an emerging growth company until the earliest of (1) the last day of the fiscal year during which we have total annual gross revenues of \$1 billion or more; (2) the last day of the fiscal year following the fifth anniversary of the completion our IPO; (3) the date on which we have, during the previous three-year period, issued more than \$1 billion in non-convertible debt; and (4) the date on which we are deemed to be a large accelerated filer under the Exchange Act.

Summary Compensation Table

The following table present information regarding compensation earned by or awards to our named executive officers during fiscal years 2013 and 2012.

Name and Principal Position	Fiscal Year	Salary (\$)	Stock Awards (\$)(2)	Option Awards (\$)(3)	Non-Equity	All	Total (\$)
					Incentive Plan Compensation (\$)	Other Compensation (\$)(5)	
David Liniger	2013	1,583,076(1)					1,583,076
<i>Chairman and Co-Founder</i>	2012	2,100,000					2,100,000
Margaret M. Kelly	2013	770,000	1,258,568		460,462(4)	11,500	2,500,530
<i>Chief Executive Officer and Director</i>	2012	732,313		1,193,430	421,460	5,625	2,352,828
David M. Metzger	2013	575,000	508,566		443,851(4)	11,500	1,538,917
<i>Chief Operating Officer and Chief Financial Officer</i>	2012	540,894		596,715	335,944	5,625	1,479,178
Geoffrey D. Lewis	2013	473,800	580,941		186,548(4)	11,500	1,252,789
<i>Executive Vice President, Chief Legal and Compliance Officer</i>	2012	473,800			65,542	5,625	544,967

(1) We discontinued paying a salary to Mr. Liniger at the time of our IPO in October 2013.

(2) Reflects the grant date fair value of the grants of restricted stock units during 2013, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (FASB ASC 718). See Note 12 to our audited consolidated financial statements in our Annual Report for the fiscal year ended December 31, 2013 (the Annual Report).

(3) Reflects the aggregate grant date fair value of the grants of options on November 15, 2012 to purchase RMCO Class B common units computed in accordance with FASB ASC 718. See Note 12 to our audited consolidated financial statements in the Annual Report. In connection with our IPO, these options were split 25 for 1 and then converted into options to purchase shares of Class A common stock of RE/MAX Holdings at an exercise price of

\$3.60 per share.

- (4) Reflects the cash awards that our named executive officers received under our 2013 RE/MAX Performance Incentive Plan (the 2013 Bonus Plan) for fiscal 2013 performance. The 2013 Bonus Plan was a cash based incentive compensation program designed to motivate and reward annual performance for eligible employees, including our named executive officers. Under the 2013 Bonus Plan, the threshold, target and stretch levels for each eligible employee's bonus opportunity are based upon the achievement of specified company results with respect to corporate EBITDA, as defined in the 2013 Bonus Plan. In addition to the corporate EBITDA target, some of the eligible employees, including certain named executive officers, have individualized strategic objectives and, for those employees, the payment and amount of any bonus is

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dependent upon whether such employee achieves these strategic objectives. The 2013 Bonus Plan includes various incentive levels based on the participant's position. The amounts listed for Messrs. Metzger and Lewis also include a cash bonus in the amount of \$100,000 paid to each of them pursuant to a cash bonus plan that was tied to the successful completion of our IPO.

(5) Reflects matching contributions made under our 401(k) plan.

Narrative Disclosure to Summary Compensation Table

Determination of Executive Compensation

The Compensation Committee is responsible for determining the compensation of the Chief Executive Officer and is responsible for oversight of the compensation of other officers and employees. The Compensation Committee is also responsible for administering the Company's equity compensation program. The Compensation Committee delegates authority to make equity grants to a sub-committee comprised only of independent directors when necessary to comply with applicable securities laws.

Our Chief Executive Officer makes recommendations to the Compensation Committee regarding the amount and form of compensation for named executive officers other than herself. Her recommendation is based on Company performance and individual performance, relative to goals that Company management has set.

The Compensation Committee, pursuant to its charter, has the authority to engage advisers to assist the committee in carrying out its duties. The Compensation Committee has engaged Compensia, Inc. to provide compensation data on other companies and recommendations on executive compensation, including bonuses and equity grants. Compensia has also provided data and recommendations regarding director compensation.

Employment Agreements

We have entered into employment agreements with three of our named executive officers, each as described below.

Margaret M. Kelly

We entered into an employment agreement with Ms. Kelly on March 1, 2010. Ms. Kelly's employment agreement provides for an initial term through March 1, 2013, but is automatically renewed for one year periods on each annual anniversary date of the agreement. Pursuant to her employment agreement, Ms. Kelly is entitled to an annual base salary, which is reviewed annually, and is eligible to receive an annual performance-based bonus. Ms. Kelly's current base salary under her employment agreement is \$770,000. Additionally, the agreement provides that Ms. Kelly is eligible for tax adjustment gross-up payments in the event that Ms. Kelly becomes entitled to any amount that is determined to be subject to a tax penalty.

If Ms. Kelly's employment is terminated (i) by us other than for cause, death or disability (each as defined in the agreement), or (ii) by Ms. Kelly for good reason (as defined in the agreement), she is entitled to severance benefits consisting of (a) all payments and benefits which have been earned but not yet provided, (b) payments equal to 24 months of base salary paid on our regular payroll schedule, (c) any declared bonus payment that has not yet been paid to be provided in a lump sum within 30 days of termination, and (d) continued standard employee benefits for 24 months, including but not limited to, life insurance, medical insurance and dental insurance.

Additionally, Ms. Kelly is entitled to a stay-on bonus in the event that she remains actively employed by us for a 12-month period immediately following the date of a change in control (as defined in the agreement). The stay-on bonus is to be determined in the successor's discretion, but in no event will it be less than six months' base salary as of

the day before the change in control.