

REALPAGE INC  
Form DEF 14A  
April 24, 2015  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**RealPage, Inc.**

**(Name of Registrant as Specified In Its Charter)**

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

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**REALPAGE, INC.**

**Notice of 2015 Annual Meeting of Stockholders**

**June 3, 2015**

**We are pleased to invite you to attend the 2015 Annual Meeting of Stockholders of RealPage, Inc.**

**When and Where:** The meeting will be held on June 3, 2015, at 10:00 a.m., local time, at RealPage, Inc.'s principal executive offices located at 4000 International Parkway, Carrollton, Texas 75007.

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

1. To elect each of Jeffrey T. Leeds and Scott S. Ingraham to the board of directors for a term of three years.
2. To ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015.
3. To transact such other business as may properly come before the meeting or any adjournments or postponements of the meeting.

**Record Date:** The board of directors set April 14, 2015 as the record date for the meeting. Our stockholders of record at the close of business on that date are entitled to receive this notice and to vote at the meeting.

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

**Additional Information:** The 2015 Proxy Statement and 2014 Annual Report to Stockholders are included with this notice and are also available at <http://investor.realpage.com>.

By Order of the Board of Directors

/s/ David G. Monk

David G. Monk  
*Senior Vice President, Deputy General Counsel and  
Secretary*

Carrollton, Texas

April 24, 2015

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**REALPAGE, INC.**

**Proxy Statement**

**For the**

**2015 Annual Meeting of Stockholders**

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**REALPAGE, INC.**

**4000 International Parkway**

**Carrollton, Texas 75007**

**(972) 820-3000**

**PROXY STATEMENT**

**FOR THE**

**2015 ANNUAL MEETING OF STOCKHOLDERS**

April 24, 2015

We are furnishing you this proxy statement and proxy card to solicit proxies on behalf of the board of directors (the **Board**) of RealPage, Inc. to be voted at the 2015 Annual Meeting of Stockholders ( **Annual Meeting** ) of RealPage, Inc. (the **Company**, **we** or **us** ). The Annual Meeting will be held at our principal executive offices located at 4000 International Parkway, Carrollton, Texas 75007 on June 3, 2015, at 10:00 a.m., local time. The proxies also may be voted at any adjournments or postponements of the Annual Meeting.

We are first mailing the proxy materials to stockholders on April 24, 2015. Please refer to *Information Concerning Solicitation and Voting* located on page 54 in this proxy statement for information relating to the distribution of our annual meeting materials to our stockholders.

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

Only owners of record of shares of common stock of the Company as of the close of business on April 14, 2015 (the **Record Date**) are entitled to notice of, and to vote at, the Annual Meeting or any adjournments or postponements of the Annual Meeting. Each owner of record on the Record Date is entitled to one vote for each share of common stock held. On the Record Date, 84,523,483 shares of our common stock, \$0.001 par value, were issued and 79,551,897 shares were outstanding.

The Notice of Annual Meeting, this Proxy Statement and our Annual Report on Form 10-K for the year ended December 31, 2014 are available at <http://investor.realpage.com>.



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### **GOVERNANCE**

The Company is committed to good corporate governance, which promotes the long-term interests of stockholders, strengthens Board and management accountability and helps build public trust in the Company.

The Company's certificate of incorporation and bylaws can be accessed through our filings located in the Company Filings portion of the Securities and Exchange Commission (SEC) website at [www.sec.gov](http://www.sec.gov), and were attached as Exhibit 3.2 and Exhibit 3.4, respectively, to our Registration Statement on Form S-1/A filed with the SEC on July 26, 2010. Our Code of Business Conduct and Ethics, Corporate Governance Guidelines, Board committee charters and other governance materials can be accessed on our website, [www.realpage.com](http://www.realpage.com), by clicking on Company, Investor Relations and then Corporate Governance.

### **PROPOSAL ONE: ELECTION OF DIRECTORS**

#### **What Am I Voting On?**

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

#### **Voting Recommendation:**

**FOR** the election of each director nominee. The combination of the various qualifications, skills and experiences of the 2015 director nominees would contribute to an effective and well-functioning board. The director nominees possess the necessary qualifications to provide effective oversight of the business and quality advice and counsel to the Company's management.

#### **Board Composition**

Our Board is currently composed of seven members, divided into three classes with staggered three-year terms. There are currently three directors in Class I, two directors in Class II and two directors in Class III. The terms of office of the Class II directors, Mr. Scott S. Ingraham and Mr. Jeffrey T. Leeds, will expire at the Annual Meeting and Mr. Ingraham and Mr. Leeds will stand for re-election to the Board at the Annual Meeting.

The terms of office of the Class I directors, Mr. Alfred R. Berkeley, III, Mr. Charles Kane and Mr. Peter Gyenes, will expire at the 2017 annual meeting. The terms of office of the Class III directors, Mr. Stephen T. Winn and Mr. Jason A. Wright, will expire at the 2016 annual meeting. Our certificate of incorporation and our bylaws provide that the number of directors will be fixed from time to time by a resolution of the majority of our Board. Nine directors are currently authorized.

#### **Required Vote**

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

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

**Table of Contents****Recommendation of the Board for Proposal One**

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

**2015 DIRECTOR NOMINEES CLASS II DIRECTORS**

The nominating and governance committee of our Board ( Nominating and Governance Committee ) recommended the two individuals set forth in the table below for nomination by our full Board. Based on such recommendations, our Board nominated such directors for election at the Annual Meeting as Class II directors to serve for a term expiring at the 2018 annual meeting of stockholders, or until their successors have been duly elected and qualified or until their earlier death, resignation or removal.

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

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

<b>Name of Nominee</b>	<b>Age</b>	<b>Position and Offices Held with Company</b>	<b>Director Since</b>
Scott S. Ingraham <sup>(1)(2)</sup>	61	Director	2012
Jeffrey T. Leeds <sup>(2)</sup>	59	Director	1999

(1) Member of Audit Committee

(2) Member of Nominating and Governance Committee

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

*Jeffrey T. Leeds* has served as a member of our Board and a member of our Nominating and Governance Committee since December 1999. Mr. Leeds has served as chairman of our Nominating and Governance committee since February 2012. Mr. Leeds is President and Co-Founder of Leeds Equity Partners. Leeds Equity Partners, based in New York, is the oldest and largest private equity firm in the United States focused exclusively on investments in the Knowledge Industries education, training, and business and information services. Prior to co-founding Leeds Equity Partners in 1993, Mr. Leeds spent seven years specializing in mergers and acquisitions and corporate finance at Lazard Freres & Co. LLC, a subsidiary of Lazard Group LLC. Prior to joining Lazard Freres & Co. LLC, Mr. Leeds served as a law clerk to the Hon. William J. Brennan, Jr. of the Supreme Court of

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the United States during the 1985 October Term. Mr. Leeds also worked in the corporate department of the law firm of Cravath, Swaine & Moore LLP in New York. Mr. Leeds currently serves on the board of directors of BARBRI, Education Management Corporation (NASDAQ: EDMC), EduK Group, Evanta Ventures, Knowledge Factor, and INTO University Partnerships. Mr. Leeds is a member of the Council on Foreign Relations and a member of the Board of Visitors at The Colin L. Powell School for Civic and Global Leadership at CCNY. Mr. Leeds received his B.A. in history summa cum laude from Yale University and his J.D. magna cum laude from Harvard Law School. He was also a Marshall Scholar at the University of Oxford. We believe Mr. Leeds' qualifications to serve on our Board include his extensive business and legal experience in corporate finance and his knowledge gained from service on the boards of various publicly traded and private companies.

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

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

<b>Name of Director</b>	<b>Age</b>	<b>Position and Offices Held with Company</b>	<b>Director Since</b>
Stephen T. Winn	68	Chairman, CEO and President	1998
Jason A. Wright <sup>(1)(2)(3)</sup>	43	Director	2003
Alfred R. Berkeley, III <sup>(2)</sup>	70	Director	2003
Peter Gyenes <sup>(1)(2)(3)</sup>	69	Director	2010
Charles Kane <sup>(1)(2)(3)</sup>	57	Director	2012

(1) Member of Audit Committee

(2) Member of Compensation Committee

(3) Member of Nominating and Governance Committee

**Class I Directors (Terms Expire in 2017)**

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

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Sons Incorporated to serve as President and Chief Executive Officer of Rabbit Software Inc., a public telecommunications software company. He served as a captain in the United States Air Force and a major in the United States Air Force Reserve.

Mr. Berkeley also served as a director of Kintera, Inc. until May 2008, when it was acquired by Blackbaud, Inc. (NASDAQ: BLKB). Mr. Berkeley also served on the board of Fortegra Financial Corporation (NYSE: FRF), an insurance services company that provides distribution and administration services and insurance-related products to insurance companies, insurance brokers and agents and other financial services companies in the United States from December 2010 to November 2011. Mr. Berkeley served on the board of directors of ACI Worldwide, Inc. (NASDAQ: ACIW) from 2008 until June 2012. Mr. Berkeley also serves as a director of several private companies. Mr. Berkeley received his B.A. in English from the University of Virginia and his M.B.A. from The Wharton School of the University of Pennsylvania. We believe Mr. Berkeley's qualifications to serve on our Board include his extensive experience in corporate finance and securities matters, including his experience as chief executive officer of various companies and his leadership positions with the NASDAQ Stock Market, Inc., and his knowledge gained from service on the boards of various publicly traded and private companies and federal committees. On October 24, 2011, Mr. Berkeley entered into a consent decree with the SEC relating to his role at Pipeline Trading Systems, LLC.

*Peter Gyenes* has served as a member of our Board since January 2010, as chairman of our Compensation Committee since February 2010, as a member of our Audit Committee since February 2010, and as a member of our Nominating and Governance Committee since February 2010. Mr. Gyenes has served as the non-executive Chairman of the board of directors of Sophos plc, a global security software company, since March 2006, and lead independent director since September 2012. Mr. Gyenes served as Chairman and Chief Executive Officer of Ascential Software Corporation (NASDAQ: ASCL), a market leader in data integration software, and its predecessor companies VMark Software, Ardent Software and Informix from 1996 until it was acquired by International Business Machines Corporation in 2005. Mr. Gyenes served on the board of directors of Netezza Corporation (NYSE: NZ) from 2008 until it was acquired by International Business Machines Corporation in 2010. Mr. Gyenes also served on the board of Lawson Software, Inc. (NASDAQ: LWSN) from 2006 until it was acquired by Infor in July 2011. He currently serves on the boards of directors of EnerNoc (NASDAQ: ENOC), IntraLinks Holdings, Inc. (NYSE: IL), Pegasystems Inc. (NASDAQ: PEGA), Cimpress NV (NASDAQ: CMPR), and Epicor Software Corporation, a provider of software solution to the manufacturing, distribution, retail and services industries, and serves as trustee emeritus of the Massachusetts Technology Leadership Council. Mr. Gyenes received his B.A. in mathematics and his M.B.A. in marketing from Columbia University. We believe Mr. Gyenes' qualifications to serve on our Board include his experience as the Chief Executive Officer of a publicly traded company, his knowledge gained from service on the boards of various public and private companies and his more than 40 years of experience in technology, sales, marketing and general management positions within the computer systems and software industry.

*Charles Kane* has served as a member of our Board, as a member of our Compensation Committee and as a member of our Nominating and Governance Committee since June 2012. Mr. Kane has served as a member of our Audit Committee since June 2012 and as chairman of our Audit Committee since February 2013. Mr. Kane is currently a Director and Strategic Advisor of One Laptop Per Child, a non-profit organization that provides computing and internet access for students in the developing world, for whom he served as President and Chief Operating Officer from 2008 until 2009. Mr. Kane served as Executive Vice President and Chief Administrative Officer of Global BPO Services Corp., a special purpose acquisition corporation, from July 2007 until March 2008, and as Chief Financial Officer of Global BPO from August 2007 until March 2008. Prior to joining Global BPO, he served as Chief Financial Officer of RSA Security Inc., a provider of e-security solutions, from May 2006 until RSA was acquired by EMC Corporation in October 2006. From July 2003 until May 2006, he served as Chief Financial Officer of Aspen Technology, Inc., a provider of supply chain management software and professional services. Mr. Kane is currently a director of Demandware, Inc. (NYSE: DWRE), a leading provider of software-as-a-service ecommerce solutions that enable companies to deliver customized shopping experiences to consumers in the digital world, Carbonite, Inc. (NASDAQ: CARB), a leading provider of online backup

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solutions for consumers and small and medium sized businesses, Progress Software (NASDAQ: PRGS) is a global software company that simplifies the development, deployment and management of business applications on-premise or in the cloud, on any platform or device, to any data source, with enhanced performance, minimal IT complexity and low total cost of ownership and PhotoBox Ltd., a private company, a leading manufacturer and digital retailer of high-quality personalized products and services. Mr. Kane was previously a director of Netezza Corporation, Borland Software Corporation and Applix Inc. Mr. Kane is a Certified Public Accountant and holds a B.B.A. in accounting from the University of Notre Dame and an M.B.A. in international finance from Babson College. He is an adjunct professor of international finance at the MIT Sloan Graduate Business School of Management. Mr. Kane's experience as a senior executive officer at a number of publicly traded companies, including as chief financial officer of several of those companies, and his experience serving on the boards of directors of other public and private companies, qualify him to serve on our Board.

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

**Class III Directors (Terms Expire in 2016)**

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

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

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### **BOARD AND COMMITTEE GOVERNANCE**

#### **Board Leadership Structure**

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

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

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

#### **Director Qualifications**

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

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

Our Corporate Governance Guidelines, which were adopted by our Board on January 20, 2015, provide that each director should be able and prepared to devote sufficient time and effort to his or her duties as a director. Directors are not permitted to sit on more than six publicly traded company boards or, if such director is a CEO of a public company, he or she is not permitted to sit on the board of more than two public companies besides the board of his or her own company.

The Board does not have term limits. Directors who have served on the Board for an extended period of time are able to provide valuable insight into the operations and future of the Company based on their experience with and understanding of the Company's industry, business operations, history, policy and objectives. The Board believes that, as an alternative to term limits, it can ensure that the Board continues to evolve through the evaluation and nomination process required by our Corporate Governance Guidelines.

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

### **Director Independence**

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

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

Under the Company's bylaws, regular meetings of the Board are held at such times as the Board may determine. Special meetings of the Board may be called by a majority of the authorized number of directors, the Chairman, the Chief Executive Officer, the President or the Secretary of the Company. Our Board held a total of 23 meetings during 2014. Each director attended 75% or more of the total number of meetings of the Board and the committees of the Board on which such director served during 2014.

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

### **Board Committees**

Our Board has three standing committees:

the Audit Committee;

the Compensation Committee; and

the Nominating and Governance Committee.

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Committee members are appointed by the Board, which considers the recommendation of the Nominating and Governance Committee and the desires of the individual directors. The table below lists the current membership of each committee and the number of committee meetings held in 2014.

Name of Director	Audit Committee	Compensation	
		Committee	Nominating and Governance Committee
Alfred R. Berkeley, III		Member	
Peter Gyenes	Member	Chairman	Member
Scott Ingraham	Member		Member
Charles Kane	Chairman	Member	Member
Jeffrey T. Leeds			Chairman
Jason A. Wright	Member	Member	Member
Number of meetings held in 2014	5	5	4

Our Board has determined that each member of each committee is independent under the applicable requirements of NASDAQ and SEC rules and regulations. Our Board has adopted a charter for each committee. Copies of such charters are available without charge, upon request in writing to RealPage, Inc., 4000 International Parkway, Carrollton, Texas 75007, Attn: Chief Legal Officer or on our website at [www.realpage.com](http://www.realpage.com) by clicking on Company, Investor Relations and then Corporate Governance. We believe that the composition, charter and functioning of each of our committees comply with the applicable requirements of NASDAQ and SEC rules and regulations. We intend to comply with future requirements to the extent they become applicable to us.

The primary responsibilities of each committee are described below.

***Audit Committee***

Our Audit Committee's responsibilities are specifically set forth in the committee's charter, which can be found at [www.realpage.com](http://www.realpage.com). Among other things, the Audit Committee is responsible for:

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

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

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

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

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

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



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

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

### *Compensation Committee*

Our Compensation Committee's responsibilities are specifically set forth in the committee's charter, which can be found at [www.realpage.com](http://www.realpage.com). Among other things, the Compensation Committee is responsible for:

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

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

reviewing on a periodic basis the operations of our executive compensation programs to determine whether they are properly coordinated and achieving their intended purposes;

establishing and periodically reviewing policies for the administration of executive compensation programs;

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

reviewing and recommending compensation programs for outside directors;

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

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

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

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

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

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

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

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approving all option grants to executive officers to ensure that such grants comply with Section 162(m) of the Internal Revenue Code;

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

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

establishing and administering annual and long-term incentive compensation plans for our senior executive officers;

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

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

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Our Board has determined that each member of our Compensation Committee is independent under the applicable requirements of NASDAQ and SEC rules and regulations, is a non-employee director, as defined by Rule 16b-3 promulgated under the Exchange Act, and is an outside director, as defined pursuant to Section 162(m) of the Internal Revenue Code.

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

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

Our Nominating and Governance Committee's responsibilities are specifically set forth in the committee's charter, which can be found at [www.realpage.com](http://www.realpage.com). Among other things, the Nominating and Governance Committee is responsible for:

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

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

overseeing the evaluation of our Board and management;

recommending members for each Board committee to our Board;

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

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

Our Nominating and Governance Committee will consider nominees recommended by stockholders provided such recommendations are made in accordance with procedures described in this proxy statement under **Deadline for Receipt of Stockholder Proposals for 2016 Annual Meeting**. When considering a potential director candidate, the Nominating and Governance Committee looks for demonstrated character, judgment, relevant business, functional and industry experience, and a high degree of acumen. The Nominating and Governance Committee also considers issues of diversity, such as education, professional experience and differences in viewpoints and skills. The Nominating and Governance Committee does not have a formal policy with respect to diversity; however, the Board and the Nominating and Governance Committee believe that it is important that the members of the Board represent diverse viewpoints. The Nominating and Governance Committee's process for identifying and evaluating nominees typically involves a series of internal discussions, review of information concerning candidates and interviews with selected candidates. From time to time, we have also engaged one or more executive search consulting firms to assist in the identification and recruitment of potential director candidates. There are no differences in the manner in which the Nominating and Governance Committee evaluates nominees for director based on whether the nominee is recommended by a stockholder.

### **Board Oversight of Risk**

Our Board oversees risk management in a number of ways. Our Audit Committee oversees the management of financial and accounting related risks as an integral part of its duties. Similarly, our Compensation Committee considers risk management when setting the compensation policies and programs for our executive officers and other employees. Our full Board receives reports on various risk-related items at each of its regular meetings, including risks related to intellectual property, taxes, products and employees. Our Board also receives periodic reports on our efforts

to manage such risks through safety measures, insurance or self-insurance.

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### **Communication with the Board**

Stockholders may communicate with members of our Board by mail addressed to the Chairman, any other individual member of the Board, to the full Board, or to a particular committee of the Board. In each case, such correspondence should be sent to the following address: 4000 International Parkway, Carrollton, Texas 75007, Attention: Corporate Secretary. Correspondence received that is addressed to the members of our Board will be reviewed by our Chief Legal Officer or our Chief Legal Officer's designee, who will forward such correspondence to the appropriate members of the Board.

### **ADDITIONAL GOVERNANCE INFORMATION**

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

Our Board has adopted a Code of Business Conduct and Ethics. The code applies to all of our employees, officers (including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions), directors and consultants. A copy of our Code of Business Conduct and Ethics can be found on our website at [www.realpage.com](http://www.realpage.com) by clicking on Company, Investor Relations and then Corporate Governance. A copy also is available without charge upon request in writing to RealPage, Inc., 4000 International Parkway, Carrollton, Texas 75007, Attn: Chief Legal Officer. We intend to disclose future amendments to certain provisions of our Code of Business Conduct and Ethics, or waivers of such provisions, applicable to any principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, or our directors on our website to the extent and in the manner permitted by Item 5.05 of Form 8-K.

#### **Corporate Governance Guidelines**

Our Board has adopted Corporate Governance Guidelines that address matters pertaining to director qualifications, director responsibilities, lead independent director responsibilities, executive sessions of Board meetings, communications with stockholders, Board committee matters, director access to officers, employees and independent advisors, director compensation, director minimum stock ownership requirements, director orientation and continuing education, CEO evaluation, management and Board succession, indemnification and director and officer insurance, and annual Board performance evaluations. A copy of the Corporate Governance Guidelines can be found on our website at [www.realpage.com](http://www.realpage.com) by clicking on Company, Investor Relations and then Corporate Governance. A copy also is available without charge upon request in writing to RealPage, Inc., 4000 International Parkway, Carrollton, Texas 75007, Attn: Chief Legal Officer.

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

Our Board members are encouraged to make a substantial investment in Company Stock. Accordingly, our Corporate Governance Guidelines require our directors to own a number of shares of our common stock with an aggregate value equal to at least three times their annual cash retainer within four years after joining the Board or as soon thereafter as is practicable.

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

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

#### **Director Attendance at Annual Meetings of Stockholders**

We encourage, but do not require, our directors to attend our annual stockholders meeting. Our 2014 annual stockholders meeting was attended by one of our directors, Stephen T. Winn, our Chairman, CEO and President.

**Table of Contents****DIRECTOR COMPENSATION****Determining Compensation for Non-Employee Directors in 2014**

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

**Discussion of Director Compensation**

In 2014, the annual compensation for our non-employee directors was composed of cash compensation in the form of an annual retainer and meeting and committee fees and equity compensation in the form of restricted stock awards. Each of these components is described below.

***Independent Director Compensation Plan***

Our independent director compensation plan provided for the following compensation to our independent directors during 2014:

Retainer	\$7,500 per quarter
Audit Committee chair retainer	\$4,500 per quarter
Audit Committee member (excluding chair) retainer	\$3,000 per quarter
Other Board committee chair retainer	\$3,000 per quarter
Other Board committee member (excluding chair) retainer	\$1,500 per quarter
Annual equity grant (each April 1)	\$120,000 restricted stock value <sup>(1)</sup>
Prorated annual equity grant - new directors initially elected or appointed after April 1	Prorated portion of \$120,000 restricted stock value <sup>(1)(2)</sup>

- (1) On February 19, 2014, our Compensation Committee amended the forfeiture provision of each annual restricted stock grant such that each future annual restricted stock grant will lapse with respect to 8.33% of the restricted shares subject to the grant each quarter commencing on the first day of the calendar quarter immediately following the grant date for 12 consecutive quarters, subject to the continuous service of the director through each applicable date. The forfeiture provision of each annual restricted stock grant granted to our directors prior to 2014 will lapse with respect to 6.25% of the restricted shares subject to the grant each quarter commencing on the first day of the calendar quarter immediately following the grant date for 16 consecutive quarters, subject to the continuous service of the director through each applicable date.
- (2) If election or appointment as an independent director occurs after April 1<sup>st</sup> in the year of election, an independent director will automatically be granted a prorated portion of the annual award on the following April 1<sup>st</sup>. The prorated number of shares of restricted stock granted shall be determined based on the number of unexpired months remaining in the fiscal year of election or appointment.

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In April 2015, in connection with its regular review of independent director compensation and based in part on information and advice from its independent compensation consultants, Pearl Meyer & Partners, with respect to compensation elements, levels and trends in outside director compensation among the Company's peer group of companies, our Compensation Committee amended our independent director compensation plan as follows:

Retainer	\$10,000 per quarter
Lead Independent Director retainer	\$3,750 per quarter
Audit Committee chair retainer	\$4,500 per quarter
Audit Committee member (excluding chair) retainer	\$3,000 per quarter
Other Board committee chair retainer	\$3,000 per quarter
Other Board committee member (excluding chair) retainer	\$1,500 per quarter
Annual equity grant (each April 1)	\$140,000 restricted stock value <sup>(1)</sup>
Prorated initial equity grant – new directors initially elected or appointed on a date other than April 1	Prorated portion of \$140,000 restricted stock value <sup>(1)(2)</sup>

- (1) On April 1, 2015, our Compensation Committee amended the forfeiture provision of each annual restricted stock grant such that each future annual restricted stock grant will lapse with respect to 25% of the restricted shares subject to the grant each quarter commencing on the first day of the calendar quarter immediately following the grant date for four consecutive quarters, subject to the continuous service of the director through each applicable date.
- (2) If the initial election or appointment of an independent director occurs on any date other than April 1<sup>st</sup>, such independent director will automatically be granted a prorated portion of the annual award on the date of such election or appointment. The prorated number of shares of restricted stock granted shall be determined based on the number of complete months remaining between the date of election or appointment and the next April 1<sup>st</sup>.

The term "independent directors" for purposes of our independent director compensation plan means each of our non-employee directors. The annual equity grants occur automatically on April 1 of each year, beginning April 1, 2011, pursuant to the terms of our RealPage, Inc. 2010 Equity Incentive Plan (as amended and restated June 4, 2014), as amended, or our 2010 Equity Incentive Plan.

On April 1, 2014, pursuant to our amended independent director compensation plan and the automatic annual restricted stock grant provisions of our 2010 Equity Incentive Plan, we issued 6,526 shares of our common stock to each of Alfred R. Berkeley, III, Peter Gyenes, Scott S. Ingraham, Charles Kane, Jeffrey T. Leeds and Jason A. Wright.

On April 1, 2015, pursuant to our amended independent director compensation plan and the automatic annual restricted stock grant provisions of our 2010 Equity Incentive Plan, we issued 7,032 shares of our common stock to each of Alfred R. Berkeley, III, Peter Gyenes, Scott S. Ingraham, Charles Kane, Jeffrey T. Leeds and Jason A. Wright.

**Director Compensation Table for Year Ended December 31, 2014**

The following table sets forth the annual director compensation paid or accrued by us to individuals who were directors during any part of 2014. The table excludes Stephen T. Winn, who is our Chief Executive Officer and who did not receive any compensation from us in his role as director in 2014.



**Table of Contents****DIRECTOR COMPENSATION TABLE FOR YEAR ENDED DECEMBER 31, 2014**

<b>Name</b>	<b>Fees Earned or Paid in Cash</b>	<b>Stock Awards (1)</b>	<b>Total</b>
Alfred R. Berkley, III	\$ 36,000	\$ 120,013	\$ 156,013
Peter Gyenes	60,000	120,013	180,013
Scott S. Ingraham	48,000	120,013	168,013
Charles Kane	60,000	120,013	180,013
Jeffrey T. Leeds	42,000	120,013	162,013
Jason A. Wright	54,000	120,013	174,013

- (1) Represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. See Note 7 of Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2014 for a discussion of assumptions made in determining the grant date fair value of our stock option awards and restricted stock awards.

**CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

Since January 1, 2014, there has not been, nor is there currently proposed, any transaction or series of similar transactions to which we were or are a party in which the amount involved exceeded or exceeds \$120,000 and in which any of our directors, executive officers, holders of more than 5% of any class of our voting securities, or any member of the immediate family of any of the foregoing persons, had or will have a direct or indirect material interest, other than compensation arrangements with directors and executive officers, which are described under Director Compensation, Executive Compensation, and the transactions described below.

**Stock Options and Restricted Stock**

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

Certain stock option and restricted stock grants to our NEOs are described in Executive Compensation Grants of Plan-Based Awards, Executive Compensation Compensation Tables Outstanding Equity Awards at December 31, 2014 and Executive Compensation Compensation Tables Supplemental Information Regarding Arrangements With Executive Officers Employment Agreements.

**Employment Arrangements and Indemnification Agreements**

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

**Other Relationships**

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

**Policies and Procedures for Related Party Transactions**

Our Audit Committee is responsible for reviewing and approving in advance any related party transaction. The Audit Committee has not adopted specific policies or guidelines relating to the approval of related party transactions. The directors who are members of our Audit Committee determine whether to approve related party transactions in the exercise of their fiduciary duties as directors and members of the Audit Committee.

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### **Limitations on Liability and Indemnification Matters**

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

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

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

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

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

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

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

## **SECURITY OWNERSHIP**

### **OWNERSHIP OF EQUITY SECURITIES OF THE COMPANY**

The following table sets forth information regarding ownership of our common stock as of April 14, 2015, the Record Date, by:

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

each of our directors and nominees for director;

each of our NEOs; and

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all directors and executive officers as a group.

Beneficial ownership in this table is determined in accordance with the rules of the SEC and does not necessarily indicate beneficial ownership for any other purpose. Under these rules, the number of shares of common stock deemed outstanding includes shares issuable upon exercise of options held by the respective

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person or group that may be exercised within 60 days after April 14, 2015. For purposes of calculating each person's or group's percentage ownership, stock options exercisable within 60 days after April 14, 2015 are included for that person or group but not the stock options of any other person or group. Percentage of beneficial ownership is based on the shares of common stock outstanding as of April 14, 2015. Beneficial ownership representing less than 1% is denoted with an asterisk (\*).

Name and Address of Beneficial Owner <sup>(1)</sup>	Number of Shares Beneficially Held	Approximate Percentage of Common Stock Outstanding
<b>5% Stockholders:</b>		
Janus Capital Management LLC <sup>(2)</sup>	5,234,803	6.60%
JHL Capital Group LLC <sup>(3)</sup>	7,800,000	9.85
Stockbridge Associates LLC <sup>(4)</sup>	5,451,981	6.90
Stephen T. Winn and entities affiliated with Stephen T. Winn <sup>(5)</sup>	26,090,618	32.98
<b>Named Executive Officers, Directors and Nominees:</b>		
Stephen T. Winn <sup>(5)</sup>	26,090,618	32.98
W. Bryan Hill <sup>(6)</sup>	177,276	*
William Chaney <sup>(7)</sup>	187,612	*
Daryl Rolley <sup>(8)</sup>	186,873	*
Janine Steiner Jovanovic <sup>(9)</sup>	173,761	*
Timothy J. Barker	123,979	*
Margot Carter <sup>(10)</sup>	112,210	*
Alfred R. Berkeley, III <sup>(11)</sup>	126,140	*
Peter Gyenes <sup>(12)</sup>	94,840	*
Scott S. Ingraham <sup>(13)</sup>	34,667	*
Charles Kane <sup>(14)</sup>	23,541	*
Jeffrey T. Leeds <sup>(15)</sup>	161,683	*
Jason A. Wright <sup>(16)</sup>	73,292	*
All executive officers and directors as a group (10 people) <sup>(17)</sup>	27,566,492	34.61%

- (1) Unless otherwise indicated and subject to applicable community property laws, to our knowledge, each stockholder named in the following table possesses sole voting and investment power over the shares listed, except for those jointly owned with that person's spouse. Unless otherwise noted below, the address of each person listed on the table is c/o RealPage, Inc., 4000 International Parkway, Carrollton, Texas 75007.
- (2) Pursuant to a Schedule 13G/A filed February 18, 2015, represents 5,234,803 shares beneficially owned by Janus Capital Management LLC ( Janus Capital ), 151 Detroit Street, Denver, Colorado 80206. Janus Capital is an investment adviser in accordance with Section 240.13d-1(b)(ii)(E) as well as a parent holding company/control person in accordance with Section 240.13d-1(b)(ii)(G). Janus Capital has a direct 96.81% ownership stake in INTECH Investment Management ( INTECH ) and a direct 100% ownership stake in Perkins Investment Management LLC ( Perkins ). Due to the above ownership structure, holdings for Janus Capital, Perkins and INTECH are aggregated. Janus Capital, Perkins and INTECH are registered investment advisers, each furnishing investment advice to various investment companies registered under Section 8 of the Investment Company Act of 1940 and to individual and institutional clients (collectively referred to herein as Managed Portfolios ). As a result of its role as investment adviser or sub-adviser to the Managed Portfolios, Janus Capital may be deemed to be the beneficial owner with sole voting and sole dispositive power of 5,234,803 shares.
- (3) Pursuant to a Schedule 13D filed November 3, 2014, represents 7,800,000 shares beneficially owned by JHL Capital Group LLC, a Delaware limited liability company ( JHL Capital Group ), an investment adviser; JHL Capital Group Master Fund L.P., a Cayman Islands limited partnership ( Master Fund ); JHL Capital Group Master Fund GP Ltd., a Cayman Islands exempted company ( Master Fund GP ); and James



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- H. Litinsky, an individual and citizen of the United States. The address for JHL Capital Group and Mr. Litinsky is 900 N. Michigan Avenue, Suite 1700, Chicago, IL 60611. The address for the Master Fund and the Master Fund GP is P.O. Box 309, Uglund House, Grand Cayman KY1-1104, Cayman Islands. Mr. Litinsky holds a controlling interest in JHL Capital Group and serves as its Managing Member, as well as Director of the Master Fund GP. The Master Fund GP and Mr. Litinsky disclaim any beneficial ownership of these shares. JHL Capital Group and the Master Fund share the power to vote or to direct the vote or to dispose or direct the disposition of the 7,800,000 shares of Common Stock held by the Master Fund.
- (4) Pursuant to the Schedule 13G/A filed February 17, 2015, represents 5,451,981 shares beneficially owned by Stockbridge Associates LLC, a Delaware limited liability company ( SA ), 200 Clarendon Street, 35th Floor, Boston, Massachusetts 02116 . SA is the general partner of Stockbridge Fund, L.P. (f/k/a Stockbridge Special Situations Fund, L.P.) ( SF ), Stockbridge Absolute Return Fund, L.P. ( SARF ), and Stockbridge Master Fund (OS), L.P. ( SOS ). Berkshire Partners Holdings LLC ( BPH ), a Delaware limited liability company, is the general partner of BPSP, L.P., ( BPSP ), a Delaware limited partnership. BPSP is the managing member of Stockbridge Partners LLC ( SP ), the registered investment adviser of SF, SARF and SOS as well as certain other accounts holding shares of the Company. BPSP and BPH disclaim beneficial ownership of these shares.
- (5) Represents 4,827,833 shares held by Stephen T. Winn, of which 581,250 are subject to forfeiture to us, 185,000 shares issuable upon the exercise of options to purchase shares of our common stock held by Mr. Winn that are fully vested and exercisable within 60 days of April 14, 2015, 20,015,246 shares held by Seren Capital, Ltd., 22,072 shares held by Seren Catalyst, L.P., 246,964 shares held by Stephen T. Winn 1996 Family LP A, and 793,503 shares held by Melinda G. Winn and Stephen T. Winn, as trustees of the Melinda G. Winn 2010 QTIP Trust. Stephen T. Winn is the sole manager and president of Seren Capital Management, L.L.C., which is the general partner of Seren Capital, Ltd. and Seren Catalyst, L.P., or the Seren Partnerships and, by virtue of this relationship, has sole voting and dispositive power over the shares held by the Seren Partnerships. Mr. Winn is the sole manager and president of Stephen T. Winn Management, L.L.C., which is the general partner of Stephen T. Winn 1996 Family LPA and has voting and dispositive power over the shares held by Stephen T. Winn 1996 Family LPA. Stephen T. Winn and Melinda G. Winn are trustees of the Melinda G. Winn 2010 QTIP Trust and share voting and dispositive power over the shares held by the Melinda G. Winn 2010 QTIP Trust.
- (6) Includes 116,284 subject to forfeiture to us and 53,882 shares issuable upon the exercise of options to purchase shares of our common stock held by Mr. Hill that are exercisable within 60 days of April 14, 2015.
- (7) Includes 116,387 subject to forfeiture to us and 67,247 shares issuable upon the exercise of options to purchase shares of our common stock held by Mr. Chaney that are exercisable within 60 days of April 14, 2015.
- (8) Includes 175,000 shares subject to forfeiture to us and 8,333 shares issuable upon the exercise of options to purchase shares of our common stock held by Mr. Rolley that are exercisable within 60 days of April 14, 2015.
- (9) Includes 103,147 shares subject to forfeiture to us and 66,667 shares issuable upon the exercise of options to purchase shares of our common stock held by Ms. Steiner Jovanovic that are exercisable within 60 days of April 14, 2015.
- (10) Includes 102,500 shares issuable upon the exercise of options to purchase shares of our common stock held by Ms. Carter that are exercisable within 60 days of April 14, 2015. Ms. Carter resigned her position as an executive officer effective February 18, 2015.
- (11) Includes 15,639 shares subject to forfeiture to us, 37,861 shares held jointly by Alfred R. Berkeley III and Muriel Van Dusen Berkeley as tenants in entirety and 42,500 held by Muriel Van Dusen Berkeley and Richard M. Berkeley, as Trustees of the 2009 Berkeley Family Resource Trust dated December 11, 2009, or the Berkeley Family Trust. Muriel Van Dusen Berkeley and Richard M. Berkeley are the trustees of the Berkeley Family Trust and share voting and dispositive power over the shares held by the Berkeley Family Trust. By virtue of his relationship with his spouse, Muriel Van Dusen Berkeley, Alfred R. Berkeley may be deemed to share voting and dispositive power over the shares held by the Berkeley Family Trust.

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- (12) Includes 15,639 shares subject to forfeiture to us and 60,000 shares issuable upon the exercise of options to purchase shares of our common stock held by Mr. Gyenes that are exercisable within 60 days of April 14, 2015.
- (13) Includes 15,639 shares subject to forfeiture to us.
- (14) Includes 16,385 shares subject to forfeiture to us.
- (15) Includes 15,639 shares subject to forfeiture to us.
- (16) Includes 15,639 shares subject to forfeiture to us.
- (17) Consists of 27,566,492 shares held of record by our directors and executive officers, 543,629 shares issuable upon the exercise of options held by our directors and executive officers that are fully vested and exercisable within 60 days of April 14, 2015 and 21,158,146 shares held by entities over which our directors and executive officers may be deemed to have voting or dispositive power.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires our officers and directors, and persons who own more than 10% of a registered class of our equity securities, to file reports of ownership on Form 3 and changes in ownership on Form 4 or Form 5 with the SEC. Such officers, directors and 10% stockholders are also required by SEC rules to furnish us with copies of all Section 16(a) forms they file. Based solely on our review of the copies of such forms received by us, we believe that, during the fiscal year ended December 31, 2014, all Section 16(a) filing requirements applicable to our officers, directors and 10% stockholders were satisfied.

**EXECUTIVE OFFICERS**

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

<b>Name of Executive Officer</b>	<b>Age</b>	<b>Position</b>
Stephen T. Winn	68	Chairman of the Board of Directors, Chief Executive Officer, President and Director
W. Bryan Hill	48	Executive Vice President, Chief Financial Officer and Treasurer
William Chaney	44	Executive Vice President, Enterprise Solutions
Daryl T. Rolley	47	Executive Vice President and Chief Customer Officer

**Executive Officers**

*Stephen T. Winn* serves as our Chairman of the Board, Chief Executive Officer and President, and is a member of our Board. See Incumbent Directors Whose Terms of Office Continue After the Annual Meeting Class III Directors (Terms Expire in 2016) for additional information with respect to Mr. Winn.

*W. Bryan Hill* has served as our Executive Vice President, Chief Financial Officer and Treasurer since May 2014. Mr. Hill previously served as our Senior Vice President-Finance from May 2007 to May 2014 with responsibilities including investor relations, credit facility management, financial planning and analysis, internal reporting, merger and acquisition support, product pricing control and billing. Mr. Hill previously served as Senior Vice President and Chief Accounting Officer of formerly publicly traded Dyncorp International, Inc. (acquired by Cerberus Capital Management in 2010), a provider of outsourced services to civilian and military government agencies, from August 2005 to April 2007. From April 2000 to August 2005, Mr. Hill held the position of Vice President and Chief Accounting Officer and various other financial management positions at SourceHov LLC, a document and information outsourcing solution provider. Mr. Hill received his B.B.A. from Texas Christian University and has been a Certified Public Accountant in the State of Texas since 1996.

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*William Chaney* has served as our Executive Vice President, Enterprise Solutions since August 2012. With his extensive experience in our enterprise solution offerings, Mr. Chaney leads the Resident Management, Property Management and Leasing & Marketing product divisions as well as shared services for Contact Center, RealPage Exchange, Product Development and Information Technology. Previously he served as President, OneSite and Velocity from 2009 to August 2012 and managed all aspects of RealPage's property management, resident billing, invoicing, payments, and infrastructure businesses. Mr. Chaney also previously served as our Senior Vice President of product management, leading the payment services team responsible for RealPage's integrated web-based payment processing solution. Prior to joining RealPage, Mr. Chaney served as group president of Jack Henry & Associates Enterprise Payment Solutions from October 2004 to June 2008 and CEO of Select Payment Processing from August 1999 to October 2004. Mr. Chaney received his B.S. in computer science from Texas Christian University.

*Daryl T. Rolley* has served as our Executive Vice President and Chief Customer Officer since February 2015. Mr. Rolley is responsible for the leadership and direction of our sales, marketing, customer success management, and global shared services operations. He also oversees the Company's spend management solutions. Prior to joining RealPage, Mr. Rolley served from January 2013 to December 2014 as Executive Vice President, Global Sales at Ventyx, Incorporated, where he was responsible for managing the global consulting and managed services business, and building a global sales team. Prior to that, Mr. Rolley spent 12 years at Ariba, Incorporated and FreeMarkets, Inc., which was acquired by Ariba in July 1, 2004. In his role at Ariba, he oversaw the company's business management, strategy, sales, marketing, and professional services. From March 2000 to January 2001, he served as Vice President, Business Development for Ventro Corporation and Interim Chief Operating Officer for Amphire Solutions, where he was responsible for identifying, evaluating, building and developing new vertical marketplace operating businesses. From 1996 to 2000, Mr. Rolley was an executive with McKinsey & Company. Mr. Rolley received a B.S. degree in chemical engineering from Purdue University and an M.B.A. in finance from The Wharton School of The University of Pennsylvania.

**EXECUTIVE COMPENSATION****COMPENSATION DISCUSSION AND ANALYSIS**

*The following Compensation Discussion and Analysis, or CD&A, describes our executive compensation program for 2014 and certain elements of our 2015 program. In particular, this CD&A explains how the Compensation Committee of our Board made 2014 compensation decisions for the following named executive officers, or NEOs, who include our principal executive officer, principal financial officer and each of the three most highly compensated executive officers other than our principal executive officer and principal financial officer as of December 31, 2014, as well as our former principal financial officer who served in that role for a portion of 2014:*

<b>Name</b>	<b>Title</b>	<b>Officer Role During 2014</b>
Stephen T. Winn	Chairman, President and Chief Executive Officer	Principal executive officer; NEO
W. Bryan Hill	Executive Vice President, Chief Financial Officer and Treasurer	Principal financial officer since May 15, 2014; NEO
William Chaney	Executive Vice President, Enterprise Solutions	NEO
Janine Steiner Jovanovic	Group Vice President, Asset Optimization Solutions	NEO
Timothy J. Barker	Former Executive Vice President, Chief Financial Officer and Treasurer	Principal financial officer until May 15, 2014; NEO
Margot Carter	Former Executive Vice President, Chief Legal Officer and Secretary	NEO (Resigned as Executive Vice President, Chief Legal Officer and Secretary effective February 18, 2015)



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

### **Compensation Philosophy and Objectives**

Our philosophy is to provide compensation to each of our NEOs that is commensurate with his or her position and experience, provide challenging but reasonably attainable incentives for the NEO to meet and exceed short-term and long-term corporate objectives as determined by our Board and align the NEOs' incentives with the long-term interests of our stockholders. Additionally, our executive compensation program is intended to provide significant motivation for each of our NEOs to remain employed by us unless and until our Board finds that retention of the NEO is no longer in accord with our corporate objectives. The Compensation Committee has also reviewed with management the design and operation of our incentive compensation arrangements for all employees, including NEOs, for the purpose of determining whether such programs might encourage inappropriate risk-taking that would be reasonably likely to have a material adverse effect on the Company. The Compensation Committee concluded that the Company's compensation plans, programs and policies, considered as a whole, including applicable risk-mitigation features, are not likely to have a material adverse effect on the Company.

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

attract, retain and motivate skilled and knowledgeable executive talent;

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

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

To achieve these objectives, our Compensation Committee periodically evaluates our executive compensation program with the goal of establishing compensation at levels our Compensation Committee believes to be competitive with those of our competitive peer group companies and other companies in our geographical regions that compete with us for executive talent. Additionally, we design our executive compensation program to tie a portion of each NEO's overall cash compensation to key strategic, financial and operational goals set by our Board.

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

Our Compensation Committee is responsible for overseeing and approving our executive compensation program. Our Compensation Committee currently consists of four members. The current members of our Compensation Committee are Alfred R. Berkeley, III, Peter Gyenes, Charles Kane and Jason A. Wright. Mr. Gyenes has been appointed to serve as the Chairman of our Compensation Committee. Our Board has determined that each member of our Compensation Committee is independent under the applicable requirements of NASDAQ and SEC rules and regulations, is a non-employee director, as defined by Rule 16b-3 promulgated under the Exchange Act, and is an outside director, as defined pursuant to Section 162(m) of the Internal Revenue Code of 1986, as amended. For a discussion of the specific responsibilities of our Compensation Committee, see [Governance Board and Committee Governance Board Committees](#).

Our Chief Executive Officer makes base salary, cash bonus and long-term incentive compensation recommendations to the Compensation Committee for each of our NEOs based on his or her level of responsibility, performance and contribution to achieving our overall corporate objectives. Our Compensation Committee considers the Chief Executive Officer's input but retains complete authority to approve all compensation related decisions for our NEOs. Additionally, our Chief Executive Officer is not permitted to be present during deliberations or voting by the Compensation Committee regarding his performance goals, performance evaluation or compensation level, and he abstains from voting in sessions where our Board acts on the Compensation Committee's recommendations regarding his compensation.

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For purposes of determining compensation levels for our NEOs, our Compensation Committee considers the recommendations of our Chief Executive Officer, our overall achievement of corporate objectives, the level of responsibility, performance and individual contributions of our NEOs, public company proxy data, survey group market data, each NEO's equity ownership and the Compensation Committee members' own experience in compensation-related matters.

The Compensation Committee also considers the results of the advisory "say-on-pay" vote. At our 2014 annual stockholders meeting, approximately 96% of the votes cast were voted to approve the executive compensation program described in our 2014 proxy statement. Our Compensation Committee viewed the results of this vote as general broad stockholder support for our executive compensation program. The Compensation Committee did not make changes to our executive compensation program or policies as a direct result of this vote, but will continue to consider the outcome of stockholder advisory votes on executive compensation when making future decisions relating to the compensation of our NEOs and our executive compensation programs and policies. The Compensation Committee also continues to consider the alignment of NEO incentives with the long-term interests of our stockholders. For example, in 2014 additional emphasis was placed on performance-based components, including market-based restricted stock, as described in this Proxy Statement.

For purposes of evaluating compensation levels for 2014 and 2015, our Compensation Committee also considered competitive market benchmarking data as described in "Executive Compensation Compensation Discussion and Analysis Competitive Positioning." Based on these considerations, our Compensation Committee approved compensation packages for each of our NEOs in 2014, the components of which are further described in "Executive Compensation Compensation Discussion and Analysis 2014 Elements of Executive Compensation."

In February 2014, our Compensation Committee approved 2014 salaries for our NEOs and our 2014 Management Incentive Plan.

## **Competitive Positioning**

Competitive market data is an important component in determining the amount of each element of compensation for each NEO. The Compensation Committee utilizes Pearl Meyer & Partners, or "PM&P", an executive compensation consulting firm, to provide advice on the structure of executive compensation as well as competitive data on base salary, total cash compensation and long-term incentives. In addition, the Compensation Committee reviews the total compensation package for each NEO from the perspective of total direct compensation, which includes base salary, annual incentive plan and the value and the structure of the long-term incentive grant.

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

The Compensation Committee regularly reviews the services provided by its outside consultants and believes that PM&P is independent in providing executive compensation consulting services. The Compensation Committee conducted a specific review of its relationship with PM&P in 2014 and determined that PM&P's work for the committee did not raise any conflicts of interest, consistent with the guidance provided under the Dodd-Frank Wall Street Reform and Consumer Protection Act, (the "Dodd-Frank Act"), and by the SEC and NASDAQ. PM&P reports directly to the Compensation Committee Chair, takes direction from the Compensation Committee, and does not provide us with any services other than the services provided at the request of the Compensation Committee. The Compensation Committee continues to monitor the independence of its compensation consultant on a periodic basis.

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In the fourth quarter of 2014, our Compensation Committee engaged PM&P to conduct an independent market review of our executive compensation program. PM&P used public company proxy data and survey market data references to compare our total compensation practices for our executives to those in our market:

*Select Peer Group.* Publicly available data for a competitive peer group of 18 publicly traded companies of similar industry, revenue size and business model, with median revenue and market capitalization size equal to \$416,000,000 and \$2,497,000, respectively, and

*Survey Group.* Published surveys focused in the technology industry (Radford Global Technology Survey), using similar-sized revenue cuts of data.

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

Advent Software Inc.	Interactive Intelligence Group Inc.
athenahealth, Inc.	LogMeIn, Inc.
Blackbaud Inc.	Mediadata Solutions Inc.
Bottomline Technologies Inc.	NetSuite Inc.
Constant Contact, Inc.	SolarWinds Inc.
CoStar Group Inc.	SS&C Technologies Holding Inc.
DealerTrack Holding Inc.	Synchronoss Technologies
Ebix Inc.	Ultimate Software Group, Inc.
Guidewire Software, Inc.	Tyler Technologies

PM&P benchmarked our executive compensation levels, including base salaries, performance-based cash bonuses and long-term equity incentive awards, to those of other executives in the Select Peer Group. The PM&P report indicated that pay levels on average (with variation by executive) for target cash compensation (base salary plus target bonus) and target total direct compensation (total cash plus LTI value), approximated the 50th and 30th percentiles, respectively.

### **Results of 2014 Say on Pay Advisory Vote**

At the 2014 annual meeting of stockholders, approximately 96% of the votes cast were in favor of the advisory (non-binding) say on pay vote to approve our executive compensation program. As approved by our stockholders at the 2011 annual meeting of stockholders, we hold an advisory say on pay vote once every three years.

### **2014 Elements of Executive Compensation**

During 2014, compensation of our NEOs included the following components:

Base Salaries

Performance-Based Cash Bonuses

Long-Term Equity Incentive Awards (*Stock Options, Market-Based Restricted Stock, and Time-Based Restricted Stock*)

Benefits and Other Compensation

Perquisites

***Base Salaries***

Base salaries are used to recognize the experience, skills, knowledge and responsibilities required of all our NEOs. Base salaries for our NEOs typically have been negotiated as a part of the employment agreements with our NEOs at the outset of employment. However, from time to time, consistent with our executive compensation

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program objectives, base salaries for our NEOs, together with other components of compensation, are evaluated for adjustment by our Compensation Committee based on an assessment of the overall achievement of corporate objectives, each NEO's sustained performance and compensation trends in our industry. Each NEO's employment agreement requires that his or her base salary be reviewed no less frequently than annually; however, none of our NEOs has an employment agreement that provides for automatic or scheduled increases in base salary.

In February 2014, our Compensation Committee conducted a review of our executive compensation program for purposes of evaluating compensation levels for our executives for 2014. Based on the considerations described above in Executive Compensation Compensation Decision-Making Process, our Compensation Committee approved base salaries to be effective as of March 1, 2014 for each of our NEOs except Mr. Hill, who was not promoted to be our Chief Financial Officer and Treasurer until May 2014. The Compensation Committee approved an increase in Mr. Hill's annual base salary to \$340,000 upon his promotion. Based on our Compensation Committee's assessment of the various considerations described above, none of our other NEOs received an increase in base salary during 2014.

***Performance-Based Cash Bonuses***

Our NEOs participate in our annual non-equity management incentive plan, along with our other senior managers. Our annual management incentive plan is intended to provide cash compensation to our NEOs and senior managers for their contribution to the achievement of our strategic, operational and financial objectives. Our NEOs earn amounts under our management incentive plan based on our achievement of financial performance objectives, including non-GAAP total revenue and adjusted EBITDA targets and product family specific revenue and profit targets for those participants of our management incentive plan that have direct responsibility over the operations specific to one of our product families, and an assessment of the NEO's individual performance. Our Compensation Committee approves a management incentive plan each year that outlines overall corporate objectives for the fiscal year in addition to establishing guidelines for calculating management incentive plan bonuses in the event that performance objectives are partially achieved or exceeded.

A portion of our management incentive plan bonuses may be paid out quarterly based on progression towards the annual achievement of performance objectives. The actual annual cash bonus paid to participants under our management incentive plan with respect to a particular fiscal year is adjusted at year end based on actual achievement of both financial and individual performance objectives.

As a public company, if we are required to restate our financial results due to material noncompliance with any financial reporting requirements under the federal securities laws, as a result of misconduct, the chief executive officer and chief financial officer may be legally required to reimburse the Company for certain bonus or other incentive-based or equity-based compensation they receive in accordance with the provisions of section 304 of the Sarbanes-Oxley Act of 2002. Additionally, we may be required to implement a Dodd-Frank Wall Street Reform and Consumer Protection Act compliant clawback policy as soon as the SEC adopts rules that set forth the requirements for such clawback policies.

On February 20, 2014, the Compensation Committee approved the management incentive plan for 2014 ( 2014 MIP ). Our NEOs participated in the 2014 MIP. The 2014 MIP target bonus for Mr. Winn was 100% of Mr. Winn's base salary with a maximum bonus potential of 200% of Mr. Winn's target bonus for achieving financial and individual performance objectives in excess of the targets and a minimum bonus potential of 0% of Mr. Winn's target bonus. The 2014 MIP target bonus for each of Mr. Barker, Ms. Carter, Mr. Chaney, Mr. Hill and Ms. Steiner Jovanovic was 50% of such NEO's base salary with a maximum bonus potential of 200% of such NEO's target bonus for achieving financial and individual performance objectives in excess of the targets and a minimum bonus potential of 0% of such NEO's target bonus.

On March 28, 2014, subject to obtaining approval of the Company's stockholders, the Compensation Committee and the Board adopted a management incentive plan intended to comply with the requirements for

granting performance-based compensation to executives under section 162(m) of the Internal Revenue Code (the

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162(m) Qualified MIP ). The stockholders of the Company approved the 162(m) Qualified MIP at the 2014 annual meeting of stockholders on June 4, 2014. On March 28, 2014, the Compensation Committee specified that, subject to receiving stockholder approval of the 162(m) Qualified MIP, Mr. Winn's 2014 MIP awards would be subject to the 162(m) Qualified MIP and established the specific performance goals, target awards and payout formulae for Mr. Winn for the 2014 fiscal year.

The performance metrics for our NEOs under the 2014 MIP were the same as the performance metrics under our management incentive plans for 2013, 2012 and 2011 and consisted of the following:

Non-GAAP total revenue;

Adjusted EBITDA; and

Individual performance ratings.

For each of Mr. Winn, Mr. Barker, Ms. Carter and Mr. Hill, the achievement of 2014 MIP targets for non-GAAP total revenue, adjusted EBITDA and individual performance ratings was weighted 30%, 45% and 25%, respectively. For each of Mr. Chaney and Ms. Steiner Jovanovic, the achievement of 2014 bonus targets for non-GAAP total revenue, adjusted EBITDA and individual performance ratings was weighted 45%, 30% and 25%, respectively.

The 2014 MIP target for non-GAAP total revenue was \$455.0 million and the target for adjusted EBITDA was \$110.0 million. The minimum targets required to be achieved for any payouts under the 2014 MIP were \$445.0 million in non-GAAP total revenue and \$106.0 million in adjusted EBITDA. The charts below set forth our 2014 MIP's non-GAAP total revenue and adjusted EBITDA performance targets, the non-GAAP revenue and percentage of target non-GAAP revenue actually achieved, and the adjusted EBITDA and percentage of target adjusted EBITDA actually achieved.

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The performance metrics employed in the 2014 MIP are adjusted from total revenue and EBITDA metrics calculated in accordance with Generally Accepted Accounting Principles ( GAAP ) as follows:

*Non-GAAP Total Revenue.* We define this metric as total GAAP revenue plus acquisition-related and other deferred revenue adjustment.

*Adjusted EBITDA.* We define this metric as net (loss) income plus acquisition-related and other deferred revenue adjustments, depreciation and asset impairment, loss on sale of assets, amortization of intangible assets, net interest expense, income tax (benefit) expense, stock-based compensation expense, any impact related to our prior litigation with Yardi Systems, Inc. (including related insurance litigation and settlement costs) and acquisition-related expense.

Based on our Compensation Committee’s quarterly review of 2014 performance objectives, the Compensation Committee determined the percentage of bonuses paid to our NEOs. As shown in the following table, no bonuses were paid to our NEOs pursuant to the 2014 MIP or the 162(m) Qualified Plan because 2014 performance objectives were not achieved.

Executive	2014		Actual Bonus as a Percent of Target Bonus
	Target Bonus	Actual Bonus	
Stephen T. Winn	\$ 500,000	\$ 0	0%
W. Bryan Hill	170,000	0	0
Margot Carter	182,000	0	0
William Chaney	175,000	0	0
Janine Steiner Jovanovic	170,000	0	0
Timothy J. Barker	200,000	0	0

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

Our equity award program is the primary vehicle for offering long-term incentives to our NEOs. Historically, our equity awards to our NEOs were in the form of stock options. Beginning in November 2010, our Compensation Committee began granting equity awards consisting of a combination of stock options and restricted stock awards. In 2014, equity awards to our NEOs included:

Stock options

Time-based restricted stock

Market-based restricted stock

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We believe that equity-based compensation provides our NEOs with a direct interest in our long-term performance, creates an ownership culture and aligns the interests of our NEOs and our stockholders. Our Compensation Committee views stock option grants as pay for performance because the options granted have value only if the stock price increases. During 2014, our Compensation Committee granted to certain of our NEOs performance-based equity incentives in the form of market-based restricted stock awards that become eligible to vest only if the trading price of our common stock rises to specified levels and exceeds those levels for a sustained period of time. Our Compensation Committee views such awards as pay for performance because such awards have value only if the stock price increases to specified levels. See the table below titled 2014 Equity Incentive Awards to NEOs. Grants of stock option awards and awards of restricted stock, including those to our NEOs, are all approved by our Compensation Committee. Stock option awards are granted at an exercise price equal to the closing market price of our common stock on the date of grant.

Consistent with the terms of our equity awards granted to our other employees, stock options and awards of restricted stock granted to our NEOs prior to 2014 typically vested over a four-year period. In February 2014, our Compensation Committee adopted a three-year vesting period for stock option grants and restricted stock awards granted to our employees, including our NEOs. We believe that the three-year vesting period furthers our objective of executive retention as it provides an incentive to our executives to remain in our employ during the vesting period, and is line with competitive practice among our peers. All stock options and restricted stock awards granted in 2014 vest in accordance with one of the following vesting schedules, subject in each case to the grantee's continued service through each applicable vesting date and other terms set forth in the applicable award agreement:

*Stock Options:* Stock options vest in equal quarterly installments over 12 consecutive quarters commencing on the first day of the calendar quarter immediately following the grant date.

*Time-Based Restricted Stock Awards:* Restricted stock awards with time-based vesting vest in equal quarterly installments over 12 consecutive quarters commencing on the first day of the calendar quarter immediately following the grant date.

*Market-Based Restricted Stock Awards:* Restricted stock awards with market-based eligibility and vesting vest in equal quarterly installments over four consecutive quarters commencing on the first day of the calendar quarter immediately following the date that the shares become Eligible Shares (as described in the Grants of Plan-Based Awards Table below). Generally, shares become Eligible Shares only if the stock price of our common stock meets or exceeds the target prices specified with respect to the applicable award for at least 20 consecutive trading days prior to specified dates. Vesting may accelerate in certain cases after the shares become Eligible Shares.

We anticipate using these vesting schedules as our standard vesting schedules for future stock option and time-based restricted stock grants, subject to the discretion of our Compensation Committee.

We typically make initial stock option and restricted stock grants to new executives in connection with the commencement of his or her employment. We also may make stock option and restricted stock grants to employees who are promoted into NEO roles in connection with those promotions. Additionally, at the discretion of our Board and consistent with our executive compensation program objectives, our Compensation Committee typically evaluates and approves equity awards for our new employees quarterly and equity awards for our existing employees, including our NEOs, annually, to re-establish or bolster incentives to retain our employees based on their role and expected future impact on the Company.

Our Compensation Committee typically grants equity awards to NEOs annually during the first quarter of the year, in connection with its annual review of our executive and employee compensation program, generally, and its assessment of achievement of prior-year performance targets for payments of cash bonuses under our management incentive plans.

In February 2014, our Compensation Committee granted stock options and time-based restricted stock awards to our NEOs, other than our Chief Executive Officer. At that time, no equity awards were granted to our



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Chief Executive Officer; however, the Company and Mr. Winn entered into a stock bonus agreement pursuant to which we agreed to issue (1) 100,000 shares of restricted stock to Mr. Winn if, prior to April 1, 2017, the average closing price per share of the Company's common stock for 20 consecutive trading days equals or exceeds \$25.00 per share, and (2) an additional 100,000 shares of restricted stock if, prior to April 1, 2017, the average closing price per share of the Company's common stock for 20 consecutive trading days equals or exceeds \$30.00 per share. If and when issued, the shares would vest 25% per quarter for four consecutive calendar quarters. In August 2014, this bonus award agreement was amended to permit the August 2014 grant to Mr. Winn, along with each of our other NEOs, of market-based restricted stock awards, as described below and in the table below under **Executive Compensation Compensation Tables Grants of Plan-Based Awards**.

In May 2014, in connection with his promotion to Chief Financial Officer, our Compensation Committee awarded W. Bryan Hill options to purchase 15,000 shares of common stock and 7,500 shares of restricted stock.

In August 2014, our Compensation Committee determined that granting performance-based awards in the form of market-based restricted stock was desirable in order to increase the alignment of executive incentives with stockholder interests. At that time, our Compensation Committee awarded our NEOs, including our Chief Executive Officer, market-based restricted stock that becomes eligible to vest only if the stock price of our common stock increases and meets or exceeds specified target prices for at least 20 consecutive trading days prior to specified dates. Under each market-based restricted stock award, half of the shares will become eligible to vest if, prior to July 1, 2017, the average closing price per share of the Company's common stock for 20 consecutive trading days equals or exceeds \$25.00 per share, and the other half of the shares become eligible to vest if, prior to July 1, 2017, the average closing price per share for 20 consecutive trading days equals or exceeds \$30.00 per share. If and when the shares become **Eligible Shares**, such shares would vest 25% per quarter over four calendar quarters. The market-based restricted stock award to Mr. Winn constitutes the award contemplated under the stock bonus agreement that was entered into in February 2014.

In February 2015, the Compensation Committee returned to its regular schedule for the granting of annual equity awards to our NEOs, including our Chief Executive Officer.

In determining the size of equity grants to our NEOs, other than our Chief Executive Officer, in 2014, our Compensation Committee considered comparative equity ownership of executives employed by companies in our Select Peer Group, our overall achievement of corporate objectives, the applicable NEO's achievement of individual performance objectives, the achievement of certain strategic initiatives, the amount of equity previously awarded to the NEO, the vesting of previous awards, and the recommendations of our Chief Executive Officer. In determining the size of the equity grants for our Chief Executive Officer in 2014, our Compensation Committee considered comparative equity ownership of executives employed by companies in our Select Peer Group, our overall achievement of corporate objectives, the Chief Executive Officer's individual performance objectives, the achievement of certain strategic initiatives, the amount of equity previously awarded to the Chief Executive Officer, and the vesting of previous awards.

The amount and terms of the stock options and restricted stock we granted to our NEOs in 2014 are more fully described under **Executive Compensation Compensation Tables Grants of Plan-Based Awards**.

### ***Benefits and Other Compensation***

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

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

### ***Perquisites***

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

### **Other Executive Compensation Considerations**

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

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

#### ***Clawback Provisions***

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

#### ***Executive Stock Ownership***

Our Chief Executive Officer held approximately 33% of our common stock as of the Record Date. All other directors and executive officers also held shares as of the Record Date. See Security Ownership. Effective October 23, 2014, our Board adopted a Stock Ownership Guidelines Policy that suggests minimum stock ownership guidelines for our Chief Executive Officer. The minimum stock ownership target suggested by the guidelines is based on a multiple of five times the Chief Executive Officer's annual base salary. This policy also suggests that our Chief Executive Officer achieve the suggested minimum stock ownership target within three years of assuming this position. Our Chief Executive Officer's stock ownership exceeds the suggested minimum stock ownership threshold. We do not have a policy regarding minimum stock ownership requirements for any of our NEOs other than our Chief Executive Officer.

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

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

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

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

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction for certain compensation in excess of \$1.0 million per year paid by a publicly held company to its chief executive officer or any of its three other most highly paid executive officers (other than the company's chief executive officer and chief financial officer). Qualifying performance-based compensation is not subject to the deduction limitation if specified requirements are met. In addition, grandfather provisions may apply to payments under certain compensation arrangements entered into by a company before it was publicly held. We generally intend to structure the performance-based portion of our executive compensation, when feasible, to comply with exemptions in Section 162(m) so that the compensation remains tax deductible to us. However, to remain competitive with other employers, our Compensation Committee may, in its judgment, authorize compensation payments that do not comply with the exemptions in Section 162(m) when it believes that such payments are appropriate to attract and retain executive talent. On March 28, 2014, subject to obtaining approval of the Company's stockholders, the Compensation Committee and the Board adopted a management incentive plan intended to comply with the requirements for granting performance-based compensation to executives under section 162(m) of the Internal Revenue Code (the 162(m) Qualified MIP). The stockholders of the Company approved the 162(m) Qualified MIP at the 2014 annual meeting of stockholders on June 4, 2014.

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**COMPENSATION COMMITTEE REPORT\***

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

Respectfully Submitted,

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

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

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

The members of our Compensation Committee are set forth in Governance Board and Committee Governance Board Committees. None of the members of our Compensation Committee is an officer or employee of the Company, was an officer or employee of the Company during 2014, or was formally an officer. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our Board or Compensation Committee.

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

The following table provides information regarding the compensation of our NEOs during the years ended December 31, 2014, December 31, 2013 and December 31, 2012. Additional information relevant to this table is set forth below at Executive Compensation Arrangements with Executive Officers.

<b>SUMMARY COMPENSATION TABLE</b>								
<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary</b>	<b>Bonus</b>	<b>Stock Awards <sup>(1)</sup></b>	<b>Option Awards <sup>(1)</sup></b>	<b>Non-Equity Incentive Plan Compensation <sup>(2)</sup></b>	<b>All Other Compensation <sup>(3)</sup></b>	<b>Total</b>
Stephen T. Winn	2014	\$ 500,000		\$ 2,986,000	\$ 1,013,266	\$ 35,000	\$ 6,780 <sup>(4)</sup>	\$ 3,492,780
	2013	495,833		1,634,634			3,060 <sup>(5)</sup>	3,181,794
<i>Chairman, Chief Executive Officer and President</i>	2012	470,833		1,000,500	981,922	168,460	124,516 <sup>(6)</sup>	2,746,231
W. Bryan Hill <sup>(7)(9)</sup>	2014	317,396		987,700	394,056		7,023 <sup>(4)</sup>	1,706,174
<i>Executive Vice President, Chief Financial Officer and Treasurer</i>								
Margot Carter <sup>(8)</sup>	2014	365,000		980,500	387,789		3,500 <sup>(4)</sup>	1,736,788
	2013	362,500		732,440	506,633	15,000	3,060 <sup>(5)</sup>	1,619,633
2012	348,333		500,250	490,961	68,059		3,750 <sup>(6)</sup>	1,411,353
<i>Former Executive Vice President, Chief Legal Officer and Secretary</i>								
William Chaney	2014	350,000		581,125	96,947		3,523 <sup>(4)</sup>	1,031,595
	2013	330,000		671,440	512,337	12,500	3,060 <sup>(5)</sup>	1,529,337
2012	273,808		601,754	477,711	50,118		3,750 <sup>(6)</sup>	1,407,141
<i>Executive Vice President, Enterprise Solutions</i>								
Janine Steiner Jovanovic <sup>(7)</sup>	2014	340,000		891,750	323,157		768 <sup>(4)</sup>	1,555,675
<i>Group Vice President, Asset Optimization Solutions</i>								
Timothy J. Barker <sup>(9)</sup>	2014	150,000		745,500	542,904		3,500 <sup>(4)</sup>	1,441,904
	2013	396,667		985,750	709,286	20,000	3,060 <sup>(5)</sup>	2,114,763
2012	376,667		700,350	687,345	84,522		3,750 <sup>(6)</sup>	1,852,634
<i>Former Chief Financial Officer and Treasurer</i>								

(1) Represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. See Note 7 of the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2014 for a discussion of assumptions made in determining the grant date fair value of our stock option awards and restricted stock awards.

(2) Represents cash awards under our 2014 MIP, our 2013 Management Incentive Plan and our 2012 Management Incentive Plan, except the 2014 awards to Mr. Winn (if any) which are governed by our 162(m) Qualified MIP approved by our stockholders at the 2014 annual meeting of stockholders. The material terms of these annual incentive awards are described in this section under Compensation Discussion and Analysis 2014 Elements of Executive Compensation Performance-Based Cash Bonuses.

(3) Represents the amount of Company matching contributions under our 401(k) savings plan unless additional forms of other compensation are also indicated in relevant footnotes to this table.

(4) Consists of (i) \$3,500 to be used toward medical expenses, including annual physical examinations, paid to each NEO, except Mr. Chaney and Ms. Steiner Jovanovic as they did not elect to use this benefit in 2014; and (ii) Company matching contributions under our 401(k) savings plan to Mr. Winn in the amount

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of \$3,523, to Mr. Chaney in the amount of \$3,523, to Mr. Hill in the amount of \$3,523, and to Ms. Steiner Jovanovic in the amount of \$768.

- (5) Consists of \$3,060 of Company matching contributions under our 401(k) savings plan.
- (6) Consists of (i) \$3,750 of Company matching contributions under our 401(k) savings plan, paid to each NEO and (ii) \$120,766 of reimbursable expenses for tax, estate and financial planning assistance, paid to Mr. Winn.
- (7) Neither Mr. Hill nor Ms. Steiner Jovanovic was an NEO for the fiscal years 2012 or 2013.
- (8) As disclosed in the Form 8-K filed January 21, 2015, Ms. Carter resigned as an officer of the Company and her last date of employment with the Company was February 18, 2015.
- (9) As disclosed in the Form 8-K filed March 24, 2014, Mr. Barker resigned as an officer of the Company and his last date of employment with the Company was May 15, 2014. Mr. Barker had no outstanding awards as of December 31, 2014. Effective May 15, 2014, Mr. Hill became Executive Vice President, Chief Financial Officer and Treasurer of the Company.

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

The following table sets forth information regarding grants of compensation in the form of plan-based awards made during 2014 to our NEOs. Additional information relevant to this table is set forth below at Executive Compensation Compensation Tables Arrangements with Executive Officers.

GRANTS OF PLAN-BASED AWARDS											
Name (a)	Grant Date (b)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards <sup>(1)</sup>			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units <sup>(2)(3)</sup> (i)	All Other Option Awards: Number of Securities Underlying Options <sup>(2)(4)</sup> (j)	Exercise or Base Price of Option Awards <sup>(5)</sup> (k)	Grant Date Fair Value of Stock and Option Awards <sup>(6)</sup> (l)
		Threshold Target (c)	Maximum (d)	Threshold Target (e)	Maximum (f)	Threshold Target (g)	Maximum (h)				
Stephen T. Winn	2/27/2014 8/7/2014		500,000	1,000,000			200,000	200,000 <sup>(7)</sup>			\$ 2,986,000
W. Bryan Hill	5/15/2014 2/27/2014 5/9/2014 2/27/2014 5/9/2014 8/7/2014		170,000	340,000					45,000 15,000	\$ 17.75 \$ 18.71	\$ 290,841 \$ 103,214 \$ 399,375 \$ 140,325 \$ 448,000
William Chaney	2/27/2014 2/27/2014 2/27/2014 8/7/2014		175,000	350,000					15,000 7,500	\$ 17.75	\$ 96,947 \$ 133,125 \$ 448,000
Janine Steiner Jovanovic	2/27/2014 2/27/2014 2/27/2014 8/7/2014		170,000	340,000					50,000	\$ 17.75	\$ 323,157 \$ 443,750 \$ 448,000
Margot Carter	2/27/2014 2/27/2014 2/27/2014 8/7/2014		182,500	365,000					60,000 30,000	\$ 17.75	\$ 387,789 \$ 532,500 \$ 448,000
Timothy J. Barker	2/27/2014 2/27/2014 2/27/2014		200,000	400,000					42,000 84,000	\$ 17.75	\$ 745,500 \$ 542,904

- (1) Represents cash awards under our 2014 MIP, except for awards (if any) to Mr. Winn which are governed by our 162(m) Qualified MIP which was approved by our stockholders at the 2014 annual meeting of stockholders. The material terms of these annual incentive awards are discussed in this section under Compensation Discussion and Analysis 2014 Elements of Executive Compensation Performance-Based Cash Bonuses.
- (2) The stock option awards and restricted stock awards are governed by our 2010 Equity Incentive Plan and the forms of award agreements approved for use thereunder, copies of which were filed with the SEC as Exhibit 10.4 to Amendment No. 3 to our Registration Statement on Form S-1 (File No. 333-166397) on July 26, 2010, Exhibits 4.6 through 4.9 of our Registration Statement on Form S-8 (File No. 333-168878) on August 17, 2010, Exhibit 10.3 to our Current Report on Form 8-K (File No. 001-34846) on February 24, 2011, Exhibit 10.2 to our Current Report on Form 8-K (file No. 001-34846) on February 24, 2014, as amended by Exhibit 10.1 to our Current Report on Form 8-K (file No. 001-34846) on August 4, 2014, and Exhibit 10.2 to our Current Report on Form 8-K (file No. 001-34846) on August 4, 2014.
- (3) Each restricted stock award vests as to 8.33% of the shares subject to such restricted stock award on the first day of each calendar quarter, beginning on the first day of the calendar quarter following the date of grant, for 12 consecutive quarters. The unvested shares of restricted common stock subject to each restricted stock award are subject to forfeiture to us upon certain events. Vesting of restricted stock awards is contingent on the recipient's continued status as our service provider or as a service provider of one of our subsidiaries as of each applicable vesting date.
- (4) Each stock option award vests as to 8.33% of the shares of subject to such award on the first day of each calendar quarter, beginning on the first day of the calendar quarter following the date of grant, for 12 consecutive calendar quarters. Vesting of stock option awards is contingent on the recipient's continued status as our service provider or as a service provider of one of our subsidiaries as of each applicable vesting date.
- (5) The stock option awards have an exercise price equal to the closing price per share of our common stock on the effective date of the grant.
- (6)

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Reflects the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. See Note 7 of Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2014 for a discussion of assumptions made in determining the grant date fair value of our stock option awards and restricted stock awards.



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- (7) 100,000 Shares shall become eligible to vest if, prior to July 1, 2017, the average closing price per share of the Company's common stock for 20 consecutive trading days equals or exceeds \$25.00 per share, and an additional 100,000 Shares shall become eligible to vest if, prior to July 1, 2017, the average closing price per share of the Company's common stock for 20 consecutive trading days equals or exceeds \$30.00 per share (Shares that become eligible to vest, if any, are referred to as Eligible Shares). Eligible Shares shall vest 25% per quarter over the year following the date they become Eligible Shares beginning on the first day of the next calendar quarter, subject to continued status as a service provider (as defined in the 2010 Equity Incentive Plan) through each vesting date, provided that the Eligible Shares shall be fully vested on July 1, 2017, or upon a Change in Control, Death or Disability (as defined in the 2010 Equity Incentive Plan). The restricted stock shall accelerate and shall be fully vested immediately prior to a Change in Control of the Company (as defined in the 2010 Equity Incentive Plan) that results in consideration per share of the Company's common stock equal to or in excess of \$25.00 per share with respect to the first tranche of shares and \$30.00 per share with respect to the second tranche of shares, respectively.
- (8) 25,000 Shares shall become eligible to vest if, prior to July 1, 2017, the average closing price per share of the Company's common stock for 20 consecutive trading days equals or exceeds \$25.00 per share, and an additional 25,000 Shares shall become eligible to vest if, prior to July 1, 2017, the average closing price per share of the Company's common stock for 20 consecutive trading days equals or exceeds \$30.00 per share (Shares that become eligible to vest, if any, are referred to as Eligible Shares). Eligible Shares shall vest 25% per quarter over the year following the date they become Eligible Shares beginning on the first day of the next calendar quarter, subject to continued status as a service provider (as defined in the 2010 Equity Incentive Plan) through each vesting date, provided that the Eligible Shares shall be fully vested on July 1, 2017, or upon a Change in Control, Death or Disability (as defined in the 2010 Equity Incentive Plan). The restricted stock shall accelerate and shall be fully vested immediately prior to a Change in Control of the Company (as defined in the 2010 Equity Incentive Plan) that results in consideration per share of the Company's common stock equal to or in excess of \$25.00 per share with respect to the first tranche of shares and \$30.00 per share with respect to the second tranche of shares, respectively.

**SUPPLEMENTAL INFORMATION REGARDING ARRANGEMENTS WITH EXECUTIVE OFFICERS**

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

**Employment Agreements**

Each of our NEOs was party to an employment agreement with the Company during 2014. In addition, the Company entered into amended and restated employment agreements ( Amended Employment Agreements ) with certain of our NEOs effective March 1, 2015. The following descriptions of the terms of the employment agreements with our NEOs are intended as a summary only and are qualified in their entirety by reference to the employment agreements filed as exhibits to our Annual Report on Form 10-K for the year ended December 31, 2014, which was filed with the SEC, and as exhibits to our Current Report on Form 8-K which was filed with the SEC on March 5, 2015.

***Stephen T. Winn***

We previously entered into an employment agreement with Stephen T. Winn, our Chief Executive Officer and Chairman of the Board, on December 30, 2003. Mr. Winn's current base salary is \$500,000 and target annual bonus is 100% of his annual base salary with a potential maximum annual bonus of up to 200% of his target bonus for achieving financial and individual performance objectives in excess of the targets and a minimum bonus potential of 0% of Mr. Winn's target bonus.

Mr. Winn is entitled to four weeks paid vacation per year, is eligible to participate in all employee welfare benefits plans and other benefit programs made available generally to our employees or senior executives and is reimbursed for all reasonable business expenses including travel by private aircraft for business purposes of up to \$150,000 per year. Additionally, we make available to Mr. Winn all fringe benefits and perquisites that are made available to other senior executives. As part of his employment, Mr. Winn is entitled to payments upon termination of his employment in certain circumstances as described below under Executive Compensation Potential Payments On Termination or Change in Control. Mr. Winn's employment agreement also provides that, to the fullest extent permitted by law, the Company will indemnify Mr. Winn (and advance certain legal and

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other expenses) in connection with the defense of any lawsuit or other claim to which Mr. Winn is made a party by reason of performing his responsibilities as an officer or executive officer of the Company or any of its subsidiaries, other than claims brought against Mr. Winn by any of his former employers. Our employment agreement with Mr. Winn, among other things, also includes confidentiality provisions and non-competition, non-interference and non-disparagement obligations during his employment and for a three-year period following termination.

On February 27, 2015, we entered into an Amended Employment Agreement with Mr. Winn (the Amended CEO Employment Agreement), which became effective as of March 1, 2015 and replaces and supersedes his prior employment agreement described above. The Amended CEO Employment Agreement sets a minimum base salary for Mr. Winn at his current annual salary of \$500,000 (an increase from the minimum of \$275,000 under his prior employment agreement) with a target annual bonus of 100% of his annual base salary (an increase from the 50% target under his prior employment agreement) with a potential maximum annual bonus of up to 200% of his base salary based on the achievement of performance criteria established by our Compensation Committee (an increase from the maximum of 100% under his prior employment agreement). In the Amended CEO Employment Agreement, the maximum reimbursable amount for travel by private aircraft for business purposes was increased to \$300,000 per year. The Amended CEO Employment Agreement also provides that payments and benefits payable pursuant to such agreement will be reduced to the extent necessary to avoid the application of any golden parachute excise tax pursuant to Section 4999 of the Internal Revenue Code of 1986, as amended, if such reduction would result in Mr. Winn receiving greater compensation and benefits on an after-tax basis. The Amended CEO Employment Agreement also provides for \$3,500 per year in medical benefits to be used toward medical expenses, including annual physical examinations, and certain benefits upon termination of employment following a change in control or a business combination transaction of the Company which are disclosed below under Executive Compensation Potential Payments Upon Termination or Change in Control. In addition, for a period of two years (lowered from three years under Mr. Winn's prior employment agreement) following the termination of Mr. Winn's employment for any reason, Mr. Winn will be restricted from competing with the Company and its affiliates and soliciting the Company's and its affiliates' respective customers, licensees or employees.

***Timothy J. Barker***

We entered into an employment agreement with Timothy J. Barker, our former Chief Financial Officer and Treasurer, on October 31, 2005. On October 27, 2005, in accordance with the terms of his employment agreement, Mr. Barker was granted an option to purchase 250,000 shares of our common stock at an exercise price of \$2.00. The stock option vested in equal quarterly installments over 16 consecutive quarters commencing on the first day of the calendar quarter immediately following the grant date, subject to continued service through each applicable date. We subsequently amended the employment agreement with Mr. Barker on January 1, 2010. As amended, the employment agreement with Mr. Barker provided for a base salary at a rate not less than \$350,000 per year effective January 1, 2010. Under the terms of his amended employment agreement, Mr. Barker was eligible to receive a target annual bonus of 50% of his base salary and a potential maximum annual bonus of up to 100% of his base salary based on the achievement of performance criteria established by our Compensation Committee. Mr. Barker's base salary in 2014 was \$400,000 and his target annual bonus was 50% of his annual base salary with a potential maximum annual bonus of up to 200% of his target bonus.

Mr. Barker's employment agreement was amended effective January 1, 2014, to provide for \$3,500 per year in medical benefits to be used toward medical expenses, including annual physical examinations, and certain benefits upon termination of employment following a change in control or a business combination transaction of the Company, which are no longer applicable in light of Mr. Barker's resignation but are disclosed below under Executive Compensation Potential Payments Upon Termination or Change in Control.

Mr. Barker was entitled to three weeks paid vacation per year, was eligible to participate in all employee welfare benefits plans and other benefit programs made available generally to our employees or senior executives

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and was entitled to be reimbursed for all reasonable business expenses. Additionally, we agreed to make available to Mr. Barker all fringe benefits and perquisites that were made available to other senior executives. Our amended employment agreement with Mr. Barker, among other things, also includes confidentiality provisions and non-competition, non-interference and non-disparagement obligations during his employment and for a one-year period following termination.

As disclosed in our Current Report on Form 8-K filed March 24, 2014, Mr. Barker resigned as an executive officer of the Company effective May 15, 2014. To ensure a smooth transition, Mr. Barker served in the role of the Chief Financial Officer and Treasurer of the Company through the effective start date of his successor, W. Bryan Hill. Mr. Barker's equity awards were amended to accelerate the vesting of the portion of Mr. Barker's equity that would have vested if he had remained a service provider to the Company through July 1, 2014 and also to allow him 180 days after his termination date to exercise the vested portions of his options.

### ***Margot Carter***

We entered into an employment agreement with Margot Carter, our former Executive Vice President, Chief Legal Officer and Secretary, on May 12, 2010. The employment agreement with Ms. Carter provided for a base salary at a rate not less than \$315,000 per year. Under the terms of her employment agreement, beginning in 2010, Ms. Carter was eligible to receive an annual bonus under the terms of our management incentive plan of 50% of her base salary for achievement of the management incentive plan at 100% and the potential to receive up to 100% of her base salary if the performance criteria for this potential is achieved as set forth in the annual management incentive plan.

Ms. Carter's employment agreement was amended effective January 1, 2014, to provide for \$3,500 per year in medical benefits to be used toward medical expenses, including annual physical examinations, and certain benefits upon termination of employment following a change in control or a business combination transaction of the Company, which are no longer applicable in light of Ms. Carter's resignation but are disclosed below under Executive Compensation Potential Payments Upon Termination or Change in Control. Ms. Carter's base salary during 2014 was \$365,000 and her target annual bonus was 50% of her annual base salary with a potential maximum annual bonus of up to 200% of her target bonus.

Ms. Carter was entitled to three weeks paid vacation per year, was eligible to participate in all employee welfare benefits plans and other benefit programs and policies made available to our employees or senior executives and was entitled to be reimbursed for all reasonable business expenses. Additionally, the employment agreement provided that we would make available to Ms. Carter all fringe benefits and perquisites that were made available to other senior executives.

As disclosed in our Current Report on Form 8-K filed with the SEC on January 14, 2015, Ms. Carter resigned as an executive officer of the Company effective February 18, 2015. Ms. Carter's equity was amended to accelerate the vesting of the portion of Ms. Carter's restricted stock that was scheduled to vest on April 1, 2015 plus an additional 3,549 shares and also to allow her 180 days after her termination date to exercise the vested portion of her options.

### ***William Chaney***

We previously entered into an employment agreement with William Chaney on November 29, 2007, as amended on December 13, 2007 and amended and restated on August 1, 2012. Mr. Chaney has served as our Executive Vice President, Enterprise Solutions since August 2012. The prior employment agreement with Mr. Chaney provides for a base salary at a rate not less than \$320,000 per year. Under the terms of the employment agreement, beginning in 2013, Mr. Chaney was eligible to receive a target annual bonus of 50% of his base salary and a potential maximum annual bonus of up to 100% of his base salary based on the achievement of performance criteria established by our Compensation Committee. Mr. Chaney's current base salary is \$330,000 and target annual bonus is 50% of his annual base salary with a potential maximum annual bonus of up to 200% of his target bonus.

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Mr. Chaney's employment agreement was amended effective January 1, 2014, to provide for \$3,500 per year in medical benefits to be used toward medical expenses, including annual physical examinations, and certain benefits upon termination of employment following a change in control or a business combination transaction of the Company which are disclosed below under Executive Compensation Potential Payments Upon Termination or Change in Control.

Mr. Chaney is entitled to three weeks paid vacation per year, is eligible to participate in all employee welfare benefits plans and other benefit programs made available generally to our employees or senior executives and is reimbursed for all reasonable business expenses. Additionally, we make available to Mr. Chaney all fringe benefits and perquisites that are made available to other senior executives. The prior employment agreement with Mr. Chaney, among other things, also includes confidentiality provisions and non-competition, non-interference and non-disparagement obligations during his employment and for a one-year period following termination. Mr. Chaney's prior employment agreement also provides that, to the fullest extent permitted by law, the Company will indemnify Mr. Chaney (and advance certain legal and other expenses) in connection with the defense of any lawsuit or other claim to which Mr. Chaney is made a party by reason of performing his responsibilities as an officer or executive officer of the Company or any of its subsidiaries, other than claims brought against Mr. Chaney by any of his former employers.

On March 5, 2015, we entered into an Amended Employment Agreement with Mr. Chaney, which became effective as of March 1, 2015. Mr. Chaney's Amended Employment Agreement provides for a base salary at a rate not less than \$370,000 per year (an increase from \$320,000 under Mr. Chaney's prior employment agreement) and modifies certain benefits in connection with the termination of Mr. Chaney's employment as described below under Executive Compensation Potential Payments On Termination or Change in Control.

Mr. Chaney's Amended Employment Agreement also provides that payments and benefits payable pursuant to such agreement will be reduced to the extent necessary to avoid the application of any golden parachute excise tax pursuant to Section 4999 of the Internal Revenue Code of 1986, as amended, if such reduction would result in Mr. Chaney receiving greater compensation and benefits on an after-tax basis. In addition, for a period of two years following the termination of Mr. Chaney's employment for any reason, Mr. Chaney will be restricted from competing with the Company and its affiliates and soliciting the Company's and its affiliates' respective customers, licensees or employees.

### ***Janine Steiner Jovanovic***

We previously entered into an employment agreement with Janine Steiner Jovanovic on April 4, 2007, as amended and restated on August 1, 2012 and as subsequently amended and supplemented. Ms. Steiner Jovanovic has served as our Group Vice President, Asset Optimization Solutions since March 2015 and previously served as our Executive Vice President, Asset Optimization Solutions from August 2012 until February 2015. Under Ms. Steiner Jovanovic's prior employment agreement, Ms. Steiner Jovanovic was entitled to receive a base salary of not less than \$320,000 per year with a target annual bonus of 50% of her annual base salary based on the achievement of performance criteria established by our Compensation Committee.

Ms. Steiner Jovanovic's prior employment agreement was amended effective January 1, 2014, to provide for \$3,500 per year in medical benefits to be used toward medical expenses, including annual physical examinations, and certain benefits upon termination of employment following a change in control or a business combination transaction of the Company which are disclosed below under Executive Compensation Potential Payments Upon Termination or Change in Control.

Ms. Steiner Jovanovic is entitled to three weeks paid vacation per year, is eligible to participate in all employee welfare benefits plans and other benefit programs made available generally to our employees or senior executives and is reimbursed for all reasonable business expenses. Additionally, we will make available to Ms. Steiner Jovanovic all fringe benefits and perquisites that are made available to other senior executives. The

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prior employment agreement with Ms. Steiner Jovanovic, among other things, also includes confidentiality provisions and non-competition, non-interference and non-disparagement obligations during her employment and for a three-year period following termination. Ms. Steiner Jovanovic's prior employment agreement also provides that, to the fullest extent permitted by law, the Company will indemnify Ms. Steiner Jovanovic (and advance certain legal and other expenses) in connection with the defense of any lawsuit or other claim to which Ms. Steiner Jovanovic is made a party by reason of performing her responsibilities as an officer or executive officer of the Company or any of its subsidiaries, other than claims brought against Ms. Steiner Jovanovic by any of her former employers.

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

***W. Bryan Hill***

We previously entered into an employment agreement with W. Bryan Hill on March 24, 2014, effective as of May 15, 2014, pursuant to which Mr. Hill has served as our Chief Financial Officer and Treasurer. Mr. Hill previously served as Senior Vice President Finance at the Company since April 2007. Under Mr. Hill's prior employment agreement, Mr. Hill was entitled to receive a base salary of not less than \$340,000 per year with a target annual bonus of 50% of his annual base salary based on the achievement of performance criteria established by our Compensation Committee. On February 17, 2015, our Compensation Committee increased Mr. Hill's annual base salary to \$370,000 effective March 1, 2015 and set his target bonus at 50% of his annual base salary.

Mr. Hill's prior employment agreement provides for \$3,500 per year in medical benefits to be used toward medical expenses, including annual physical examinations, and certain benefits upon termination of employment following a change in control or a business combination transaction of the Company which are disclosed below under Executive Compensation Potential Payments On Termination or Change in Control.

Mr. Hill is entitled to three weeks paid vacation per year, is eligible to participate in all employee welfare benefits plans and other benefit programs made available generally to our employees or senior executives and is reimbursed for all reasonable business expenses. Additionally, we will make available to Mr. Hill all fringe benefits and perquisites that are made available to other senior executives. The prior employment agreement with Mr. Hill, among other things, also includes confidentiality provisions and non-competition, non-interference and non-disparagement obligations during his employment and for a one-year period following termination. Mr. Hill's prior employment agreement also provides that, to the fullest extent permitted by law, the Company will indemnify Mr. Hill (and advance certain legal and other expenses) in connection with the defense of any lawsuit or other claim to which Mr. Hill is made a party by reason of performing his responsibilities as an officer or executive officer of the Company or any of its subsidiaries, other than claims brought against Mr. Hill by any of his former employers.

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

On February 27, 2015, we entered into an Amended Employment Agreement with Mr. Hill, which became effective as of March 1, 2015. Mr. Hill's Amended Employment Agreement increases his minimum base salary to \$370,000 per year and modifies certain benefits in connection with the termination of Mr. Hill's employment as described below under Executive Compensation Potential Payments On Termination or Change in Control.

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Mr. Hill's Amended Employment Agreement also provides that payments and benefits payable pursuant to such agreement will be reduced to the extent necessary to avoid the application of any golden parachute excise tax pursuant to Section 4999 of the Internal Revenue Code of 1986, as amended, if such reduction would result in Mr. Hill receiving greater compensation and benefits on an after-tax basis. In addition, for a period of two years following the termination of Mr. Hill's employment for any reason, Mr. Hill will be restricted from competing with the Company and its affiliates and soliciting the Company's and its affiliates' respective customers, licensees or employees.

**Table of Contents****OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2014**

The following table sets forth information regarding equity awards held by our NEOs as of December 31, 2014:

**OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2014**

Name (a)	OPTION AWARDS				Number of Shares or Units of Stock That Have Not Vested (f)	STOCK AWARDS		
	Number of Securities Underlying Unexercised Options (Exercisable) <sup>(1)</sup> (b)	Number of Securities Underlying Unexercised Options (Unexercisable) (c)	Option Exercise Price (d)	Option Expiration Date (e)		Market Value of Shares or Units of Stock That Have Not Vested <sup>(3)</sup> (g)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or other Rights That Have Not Vested (h)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or other Rights That Have Not Vested <sup>(3)</sup> (i)
Stephen T. Winn	56,250	18,750	\$ 24.03	03/01/21				
	55,000	45,000	\$ 20.01	02/22/22				
	35,000	65,000	\$ 21.60	02/25/23				
					3,125 <sup>(2)</sup>	\$ 68,625		
				15,625 <sup>(2)</sup>	\$ 343,125			
				28,125 <sup>(2)</sup>	\$ 617,625			
						200,000 <sup>(5)</sup>	\$ 4,392,000	
W. Bryan Hill	13,500	4,500	\$ 24.03	03/01/21				
	6,000	13,500	\$ 20.01	02/22/22				
	7,000	13,000	\$ 21.60	02/25/23				
		33,750	\$ 17.75	02/27/24				
	2,500	12,500	\$ 18.71	05/09/24				
					750 <sup>(2)</sup>	\$ 16,470		
					4,693 <sup>(2)</sup>	\$ 103,058		
				5,625 <sup>(2)</sup>	\$ 123,525			
				16,875 <sup>(4)</sup>	\$ 370,575			
				6,250 <sup>(4)</sup>	\$ 137,250			
						50,000 <sup>(6)</sup>	\$ 1,098,000	
William Chaney	7,500		\$ 27.18	11/08/20				
	9,000	6,000	\$ 25.24	04/11/21				
	18,000	22,000	\$ 24.64	08/07/22				
	5,145	9,567	\$ 21.60	02/25/23				
	6,000	24,000	\$ 25.70	11/12/23				
	3,750	11,250	\$ 17.75	02/27/24				
					2,500 <sup>(2)</sup>	\$ 54,900		
					1,568 <sup>(2)</sup>	\$ 34,433		
				8,750 <sup>(2)</sup>	\$ 192,150			
				4,143 <sup>(2)</sup>	\$ 90,980			
				11,252 <sup>(2)</sup>	\$ 247,094			
				5,625 <sup>(4)</sup>	\$ 123,525			
						50,000 <sup>(6)</sup>	\$ 1,098,000	
Janine Steiner Jovanovic	9,750	5,250	\$ 24.03	08/09/21				
	18,000	22,000	\$ 24.64	08/07/22				
	7,000	13,000	\$ 21.60	02/25/23				
	12,498	37,502	\$ 17.75	02/27/24				
					1,875 <sup>(2)</sup>	\$ 41,175		
					8,750 <sup>(2)</sup>	\$ 192,150		
				5,625 <sup>(2)</sup>	\$ 123,525			
				18,751 <sup>(4)</sup>	\$ 411,772			
						50,000 <sup>(6)</sup>	\$ 1,098,000	
Margot Carter	16,875	5,625	\$ 24.03	03/01/21				
	27,500	22,500	\$ 20.01	02/22/22				





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- (1) Stock option awards with an expiration date prior to the year 2020 vest as to 6.25% of the shares subject to such award on the first day of each calendar quarter, beginning on the first day of the calendar quarter following the date of grant, for 16 consecutive quarters. Stock option awards with an expiration date during the year 2020 through 2023 vest as to 5% of the shares of subject to such award on the first day of each calendar quarter, beginning on the first day of the calendar quarter following the date of grant, for 15 consecutive calendar quarters and as to the remaining 25% of the shares subject to such option on the first day of the calendar quarter following such 15th consecutive calendar quarter. Stock option awards with an expiration date during the year 2024 or later vest as to 8.33% of the shares subject to such award on the first day of each calendar quarter, beginning on the first day of the calendar quarter following the date of grant, for 12 consecutive quarters. Vesting of stock option awards is contingent on the recipient's continued status as our service provider or as a service provider of one of our subsidiaries as of each applicable vesting date.
- (2) Restricted stock awards vest as to 6.25% of the shares subject to such award on the first day of each calendar quarter, beginning on the first day of the calendar quarter following the date of grant, for 16 consecutive quarters. Vesting of restricted stock awards is contingent on the recipient's continued status as our service provider or as a service provider of one of our subsidiaries as of each applicable vesting date.
- (3) Value based on \$21.96, which was the closing market price of our common stock on December 31, 2014. See notes (5) and (6) below for market price thresholds required to be achieved for eligibility and vesting.
- (4) Restricted stock awards vest as to 8.33% of the shares subject to such award on the first day of each calendar quarter, beginning on the first day of the calendar quarter following the date of grant, for 12 consecutive quarters. Vesting of restricted stock awards is contingent on the recipient's continued status as our service provider or as a service provider of one of our subsidiaries as of each applicable vesting date.
- (5) 100,000 shares shall become eligible to vest if, prior to July 1, 2017, the average closing price per share of the Company's common stock for 20 consecutive trading days equals or exceeds \$25.00 per share, and an additional 100,000 shares shall become eligible to vest if, prior to July 1, 2017, the average closing price per share of the Company's common stock for 20 consecutive trading days equals or exceeds \$30.00 per share (shares that become eligible to vest, if any, are referred to as Eligible Shares). Eligible Shares shall vest 25% per quarter over the year following the date they become Eligible Shares beginning on the first day of the next calendar quarter, subject to continued status as a service provider (as defined in the 2010 Equity Incentive Plan) through each vesting date, provided that the Eligible Shares shall be fully vested on July 1, 2017, or upon a Change in Control, Death or Disability (as defined in the 2010 Equity Incentive Plan). The restricted stock shall accelerate and shall be fully vested immediately prior to a Change in Control of the Company (as defined in the 2010 Equity Incentive Plan) that results in consideration per share of the Company's common stock equal to or in excess of \$25.00 per share with respect to the first tranche of shares and \$30.00 per share with respect to the second tranche of shares, respectively.
- (6) 25,000 shares shall become eligible to vest if, prior to July 1, 2017, the average closing price per share of the Company's common stock for 20 consecutive trading days equals or exceeds \$25.00 per share, and an additional 25,000 shares shall become eligible to vest if, prior to July 1, 2017, the average closing price per share of the Company's common stock for 20 consecutive trading days equals or exceeds \$30.00 per share (shares that become eligible to vest, if any, are referred to as Eligible Shares). Eligible Shares shall vest 25% per quarter over the year following the date they become Eligible Shares beginning on the first day of the next calendar quarter, subject to continued status as a service provider (as defined in the 2010 Equity Incentive Plan) through each vesting date, provided that the Eligible Shares shall be fully vested on July 1, 2017, or upon a Change in Control, Death or Disability (as defined in the 2010 Equity Incentive Plan). The restricted stock shall accelerate and shall be fully vested immediately prior to a Change in Control of the Company (as defined in the 2010 Equity Incentive Plan) resulting in consideration per share of the Company's common stock equal to or in excess of \$25.00 per share with respect to the first tranche of shares and \$30.00 per share with respect to the second tranche of shares, respectively.
- (7) Mr. Barker had no outstanding equity awards as of December 31, 2014.

**Table of Contents****Option Exercises and Stock Vested**

The following table sets forth information regarding stock option exercises and the value realized upon exercise, as well as all stock awards vested and the value realized upon vesting by our NEOs during the year ended December 31, 2014.

**OPTION EXERCISES AND STOCK VESTED**

Name (a)	OPTION AWARDS		STOCK AWARDS	
	Number of Shares Acquired on Exercise (#) (b)	Value Realized on Exercise (\$) <sup>(1)</sup> (c)	Number of Shares Acquired on Vesting (#) (d)	Value Realized on Vesting (\$) <sup>(2)</sup> (e)
Stephen T. Winn		\$	50,150	\$ 1,027,732
W. Bryan Hill	20,625	155,630	18,718	372,027
William Chaney	6,250	63,089	20,452	412,493
Janine Steiner Jovanovic	8,750	66,758	20,163	404,232
Timothy J. Barker <sup>(3)</sup>	270,450	2,714,460	31,872	638,731
Margot Carter	67,500	725,807	27,994	559,767

- (1) The value realized upon exercise of stock options is calculated based on the difference between the market price of our common stock upon exercise and the exercise price of the options.
- (2) The value realized upon vesting is equal to the number of shares vesting multiplied by the closing market price of our common stock on the vesting date.
- (3) Our Compensation Committee approved the acceleration of a portion of Mr. Barker's stock options and shares of restricted stock effective as of his last date of employment on May 15, 2014. The accelerated shares of restricted stock are included in column (d) of this table.

**Pension Benefits and Nonqualified Deferred Compensation**

We do not provide a pension plan for our employees and none of our NEOs participated in a nonqualified deferred compensation plan during the year ended December 31, 2014.

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

As of December 31, 2014, we were parties to agreements with each of our NEOs that provide for certain payments and benefits if they are terminated without cause or they resign for good reason, if a change in control occurs, or if their employment is terminated in connection with a change in control. The descriptions and tables that follow describe the payments and benefits that we would owe to each of our NEOs pursuant to the applicable employment and equity award agreements with our NEOs and our 2010 Equity Incentive Plan, and are qualified in their entirety by reference to the relevant agreements and our 2010 Equity Incentive Plan.

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The key terms of our arrangements upon a termination of employment or a change in control for these NEOs are set forth in the following table. Certain terms that have changed since December 31, 2014 due to the execution of Amended Employment Agreements or the issuance of equity awards after December 31, 2014 under award agreements with different terms are set forth in the footnotes to the following table. Certain payments and benefits set forth in the following table are conditioned upon the NEO signing and not revoking a release agreement with the Company.

Named Executive Officer	Compensation	Termination on Death or	Termination without Cause	Termination without Cause or for Good Reason	Termination without Cause or for Good Reason Within 12 Months of a Business Combination Transaction / Change in Control	Termination following a Change in Control or Business Combination Transaction	Change in Control
		Disability		or for Good Reason			
Stephen T. Winn	Salary Continuation	50% of annual base salary in six monthly installments each equal to 1/12 <sup>th</sup> of annual base salary and lump sum equal to earned but unpaid salary <sup>(1)</sup>	150% of annual base salary		All employee benefits to which he was entitled immediately prior to such termination <sup>(2)</sup>		
	Bonus	Lump sum equal to earned but unpaid bonus <sup>(3)</sup>	Target bonus based on achievement of any criteria or conditions to the payment of the target bonus paid after the end of the year in question				
	Option Acceleration <sup>(13)</sup>	100% of all unvested options with respect to certain grants			100% of all unvested options granted	100% of all unvested options granted	100% of all unvested options granted
	Restricted Stock Acceleration <sup>(10)(13)</sup>	100% of all unvested restricted stock awarded with respect to certain grants			100% of all unvested restricted stock awarded, with additional restrictions on certain awards	100% of all unvested restricted stock awarded, with additional restrictions on certain awards	100% of all unvested restricted stock awarded, with additional restrictions on certain awards
	Benefits	<sup>(4)</sup>	<sup>(4)</sup>		All employee benefits to which he was entitled immediately prior to such termination <sup>(5)</sup>	All employee benefits to which he was entitled immediately prior to such termination <sup>(5)</sup>	All employee benefits to which he was entitled immediately prior to such termination <sup>(5)</sup>
W. Bryan Hill	Salary Continuation	50% of annual base salary in 12 monthly installments each equal to 1/24 <sup>th</sup> of annual base salary	50% of annual base salary in 12 monthly installments each equal to 1/24 <sup>th</sup> of annual base		50% of annual base salary in 12 monthly installments equal to 1/12 <sup>th</sup> of annual		

salary <sup>(6)</sup>

base salary <sup>(7)</sup>

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Named Executive Officer	Compensation	Termination on	Termination	Termination	Termination	Change in Control
		Death or Disability	without Cause or for Good Reason	without Cause or for Good Reason	without Cause or for Good Reason Within 12 Months of a Business Combination Transaction / Change in Control	
	Bonus				Payment of full target bonus; lump sum equal to earned but unpaid bonus plus accrued vacation	
	Option Acceleration <sup>(11)(12)</sup>	100% of all unvested options granted	100% of all unvested options granted	100% of all unvested options granted	100% of all unvested options granted	100% of all unvested options granted
	Restricted Stock Acceleration <sup>(10)(11)(12)</sup>	100% of all unvested restricted stock awarded	100% of all unvested restricted stock awarded	100% of all unvested restricted stock awarded	100% of all unvested restricted stock awarded	100% of all unvested restricted stock awarded
	Benefits	<sup>(4)</sup>	<sup>(4)</sup>	Continuation for 12 months <sup>(5)</sup>	Continuation for 12 months <sup>(5)</sup>	
William Chaney	Salary Continuation	50% of annual base salary in 12 monthly installments each equal to 1/24 <sup>th</sup> of annual base salary	50% of annual base salary in 12 monthly installments each equal to 1/24 <sup>th</sup> of annual base salary <sup>(6)</sup>	50% of annual base salary in 12 monthly installments equal to 1/12 <sup>th</sup> of annual base salary <sup>(7)</sup>		
	Bonus	Lump sum equal to earned but unpaid bonus	Lump sum equal to earned but unpaid bonus	Lump sum equal to earned but unpaid bonus	Lump sum payment equal to target annual bonus	
	Option Acceleration <sup>(11)(12)</sup>	100% of all unvested options granted				
	Restricted Stock Acceleration <sup>(10)(11)(12)</sup>	100% of all unvested restricted stock awarded				
	Benefits	<sup>(4)</sup>	<sup>(4)</sup>	Continuation for 12 months <sup>(5)</sup>	Continuation for the applicable term of severance	
Janine Steiner Jovanovic	Salary Continuation	50% of annual base salary in 12 monthly installments each equal to 1/24 <sup>th</sup> of	50% of annual base salary in 12 monthly installments each	50% of annual base salary in 12 monthly installments equal	-	

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annual base salary	equal to 1/24th of annual base salary	to 1/12th of annual base salary
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Named Executive Officer	Compensation	Termination on Death or	Termination without Cause	Termination without Cause or for Good Reason	Termination without Cause or for Good Reason Within 12 Months of a Business Combination Transaction / Change in Control	Termination following a Change in Control or Business Combination Transaction	Change in Control
		Disability	or for Good Reason	or for Good Reason	or for Good Reason	or for Good Reason	Change in Control
	Bonus	Lump sum equal to earned but unpaid bonus	Lump sum equal to earned but unpaid bonus	Lump sum equal to earned but unpaid bonus	Lump sum equal to earned but unpaid bonus	Lump sum equal to earned but unpaid bonus	
	Option Acceleration <sup>(11)(12)</sup>	100% of all unvested option granted					
	Restricted Stock Acceleration <sup>(10)(11)(12)</sup>	100% of all unvested restricted stock awarded					
	Benefits				Continuation for 12 months	Continuation for the applicable term of severance	Continuation for the applicable term of severance
Timothy J. Barker <sup>(8)</sup>	Salary Continuation	50% of annual base salary in six monthly installments each equal to 1/12 <sup>th</sup> of annual base salary	50% of annual base salary in six monthly installments each equal to 1/12 <sup>th</sup> of annual base salary	50% of annual base salary in 12 monthly installments equal to 1/12 <sup>th</sup> of annual base salary			
	Bonus	Lump sum equal to earned but unpaid bonus	Lump sum equal to earned but unpaid bonus	Lump sum equal to earned but unpaid bonus	Lump sum payment equal to target annual bonus		
	Option Acceleration	100% of all unvested options granted-				100% of all unvested options granted	100% of all unvested options with respect to certain grants
	Restricted Stock Acceleration	100% of all unvested restricted stock awarded				100% of all unvested restricted stock awarded	100% of all unvested restricted stock awarded with respect to certain grants
	Benefits				All employee benefits to which he was entitled immediately prior to such termination		
Margot Carter <sup>(9)</sup>	Salary Continuation	50% of annual base salary in six monthly installments each	50% of annual base salary in six monthly	50% of annual base salary in 12 monthly			

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equal to 1/12 <sup>th</sup> of annual base salary	installments each equal to 1/12 <sup>th</sup> of annual base salary	installments equal to 1/12 <sup>th</sup> of annual base salary
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Named Executive Officer	Compensation	Termination on Death or	Termination without Cause	Termination without Cause or for Good Reason	Termination without Cause or for Good Reason Within 12 Months of a Business Combination Transaction / Change in Control	Termination following a Change in Control or Business Combination Transaction	Change in Control
		Disability		or for Good Reason			
	Bonus	Lump sum equal to earned but unpaid bonus	Lump sum equal to earned but unpaid bonus	Lump sum equal to earned but unpaid bonus	Lump sum equal to earned but unpaid bonus	Lump sum payment equal to target annual bonus	
	Option Acceleration	100% of unvested options granted			100% of unvested options granted	100% of unvested options granted	100% of all unvested options granted
	Restricted Stock Acceleration <sup>(10)</sup>	100% of all unvested restricted stock awarded			100% of unvested restricted stock awarded	100% of unvested restricted stock awarded	100% of unvested restricted stock awarded
	Benefits				All employee benefits entitled to immediately prior to such termination; continuation for 12 months	Continuation for the applicable term of severance; continuation for 12 months	

- (1) Pursuant to the Amended CEO Employment Agreement with Mr. Winn, in the case of termination as a result of death or disability, Mr. Winn is entitled to receive 12 months of his annual base salary.
- (2) Pursuant to the Amended CEO Employment Agreement with Mr. Winn, in the case of termination without cause or for good reason during the 24-month period following a change in control, Mr. Winn is entitled to 200% of his annual base salary.
- (3) Pursuant to the Amended CEO Employment Agreement with Mr. Winn, in the case of termination as a result of death or disability, Mr. Winn is entitled to receive a lump sum cash payment equal to any earned but unpaid bonus.
- (4) Pursuant to the Amended Employment Agreements with Mr. Winn, Mr. Chaney and Mr. Hill, in case of termination without cause or for good reason during the two-year period following a change in control, the applicable NEO is entitled to payment of 24 months of COBRA coverage.
- (5) Pursuant to the Amended Employment Agreements with Mr. Winn, Mr. Chaney and Mr. Hill, in case of termination without cause or for good reason during the two-year period following a change in control, the applicable NEO is entitled to payment of 12 months of COBRA coverage.
- (6) Pursuant to the Amended Employment Agreements with Mr. Chaney and Mr. Hill, in the case of termination without cause or for good reason other than during the two-year period following a change in control, the applicable NEO is entitled to severance in the amount of 100% of his annual base salary.
- (7) Pursuant to the Amended Employment Agreements with Mr. Chaney and Mr. Hill, in the case of termination without cause or for good reason during the two-year period following a change in control, the applicable NEO is entitled to severance in the amount of 200% of his annual base salary.
- (8) Mr. Barker resigned as an executive officer of the Company effective as of May 15, 2014.
- (9) Ms. Carter resigned as an executive officer of the Company effective as of February 18, 2015.
- (10) Restricted stock awards with market-based eligibility conditions are subject to accelerated vesting only with respect to those shares that are or become eligible to vest in accordance with the terms of the award agreement.
- (11) Our 2015 equity award agreements for certain officers provide that in the event a change in control occurs and the officer remains a service provider of the Company or a parent or subsidiary of the Company, the unvested portion of the option award and restricted stock award shall vest in full (i) upon such change in control, if no qualifying replacement award(s) are provided, or (ii) upon a termination within two years

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following the change in control, if termination is without cause or for good reason.

- (12) Our 2015 equity award agreements for certain officers provide that in the event of termination of service due to death or disability, 100% of the unvested portion of the option award and restricted stock award shall vest.
- (13) Mr. Winn's 2015 equity award agreements provide that in the event a change in control occurs or upon termination of service due to death or disability, 100% of his unvested equity awards shall vest.

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### **Certain Definitions**

The benefits described in the preceding table are subject to conditions set forth in employment agreements and the applicable equity award agreements between the Company and each NEO. The terms **cause**, **good reason**, **change in control** and **business combination transaction** are defined in those agreements as follows:

**Business Combination Transaction** means a transaction that results in (i) a merger or consolidation of the Company with or into another entity in which the Company is not the surviving entity; (ii) a dissolution of the Company; (iii) a transfer of all or substantially all of the assets of the Company in one transaction or a series of related transactions to one or more other persons or entities; or (iv) any person or group, other than Seren Capital L.P. and Stephen T. Winn or any Affiliate of Stephen T. Winn, or a trustee or other fiduciary holding securities under an employee benefit plan of the Company, becoming the beneficial owner, directly or indirectly, of securities of the Company representing 40% or more of the combined voting power of the Company's then outstanding securities.

**Cause** means the occurrence of any of the following events which are not cured by the NEO within ten days after receipt of written notice of such alleged cause from the Company or, if such event cannot be corrected within such ten-day period, if the NEO does not commence to correct such default within said ten-day period and thereafter diligently prosecute the correction of same to completion within a reasonable time, provided, however, for no period greater than 30 days: (i) the NEO's conviction for any acts of fraud or breach of trust or any felony criminal acts; (ii) the NEO's knowingly making a materially false written statement to the Company's auditors or legal counsel; (iii) the NEO's willful and material falsification of any corporate document or form; (iv) any material breach by the NEO of any published policy of the Company received and acknowledged by the NEO in writing; (v) any material breach by the NEO of a material provision of the employment agreement between the Company and the NEO; (vi) the NEO's making a material misrepresentation of fact or omission to disclose material facts in relation to transactions occurring in the business and financial matters of the Company; or (vii) the NEO's repeated and material failure substantially to perform the NEO's duties. The Amended Employment Agreements added the **knowledge** requirement to clause (ii), modified clause (iii) to add a requirement that the falsification be willful as well as material, limited clause (v) to material breaches of the employment agreement with the NEO and modified clause (vii) to replace the Company's subjective discretion with respect to the NEO's failure to perform their duties with an objective standard of **repeated and material** failures to perform such duties. The Amended Employment Agreements further provided that during the two-year period following a change of control, a termination for Cause (other than pursuant to clause (i)) shall require a showing by the Company that the actions giving rise to such termination resulted in material and demonstrable harm to the Company.

**Change in Control** has the meaning set forth in our 2010 Equity Incentive Plan. The definition covers the occurrence of any of the following events: (i) any one person, or more than one person acting as a group acquires ownership of the stock of the Company that, together with the stock held by such person, constitutes more than fifty percent (50%) of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection (i), the acquisition of additional stock by any one person, who is considered to own more than fifty percent (50%) of the total voting power of the stock of the Company will not be considered a Change in Control; or (ii) a majority of members of the Board is replaced during any twelve (12) month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election (excluding a situation where a person was already in effective control of the Company and is merely acquiring additional control); or (iii) any person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than fifty percent (50%) of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an

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entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a person, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a person described in this subsection. Gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. Persons will be considered to be acting as a group for purposes of the definition of a Change in Control if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Good Reason means, without the NEO's written consent: (i) a material reduction in NEO's base salary or incentive compensation opportunity, (ii) a material reduction in the NEO's responsibilities or authority; (iii) a material breach by the Company of a material provision of the NEO's employment agreement with the Company, or (iv) a material change in the geographic location at which the NEO must perform their services; provided, that in no instance will the relocation of the NEO to a facility or a location that is either 25 miles or less from the NEO's then-current office or 25 miles or less from the NEO's then-current primary residence be deemed material for purposes of the NEO's employment agreement. In the case of Mr. Winn only, at any time after a Change in Control, in addition to the foregoing definition, Mr. Winn may resign his employment for any reason or no reason, such resignation will be deemed a termination by Mr. Winn for Good Reason, and the notice and cure provisions of the employment agreement will not apply. For Mr. Hill and Mr. Chaney, the NEO must provide the Company with written notice of the acts or omissions constituting the grounds for Good Reason within 90 days of the initial existence of the grounds for Good Reason and a reasonable opportunity for the Company to cure the conditions giving rise to such Good Reason, which shall not be less than 30 days following the date of notice from the Company. If the Company cures the conditions giving rise to such Good Reason within 30 days of the date of such notice, the NEO will not be entitled to severance payments and/or benefits contemplated by the NEO's employment agreement in connection with a termination of employment by the NEO for Good Reason if the NEO thereafter resigns from the Company based on such grounds. Any termination for Good Reason must be effectuated within 90 days of the expiration of such cure period.

The foregoing definitions of Cause and Good Reason reflect certain updates to those definitions as set forth in the Amended Employment Agreements with Mr. Winn, Mr. Hill and Mr. Chaney. The employment agreements in place with Mr. Barker and Ms. Carter at the time of their terminations contained substantially similar definitions of cause and good reason but such definitions were inapplicable in context of Mr. Barker's and Ms. Carter's resignations.

**Table of Contents****Quantification of Payments upon Termination or Change in Control**

The following table provides the total dollar value of the compensation that would be paid to each of our NEOs assuming a change in control or the termination of his or her employment in certain defined circumstances on December 31, 2014, pursuant to the arrangements described above in effect as of such date. Please refer to the disclosure in the above table which reflects the terms of the Amended Employment Agreements that became effective in 2015.

Named Executive Officer	Compensation	Termination on Death or Disability	Termination without Cause or for Good Reason	Termination Following Change in Control or Business Combination Transaction	Termination without Cause or for Good Reason	Change in Control
					Within 12 Months of a Business Combination Transaction or	
Stephen T. Winn	Severance Payment <sup>(1)</sup>	\$	\$ 750,000	\$ 750,000	\$ 750,000	\$
	Salary Continuation <sup>(3)</sup>	250,000				
	Bonus <sup>(1)(2)</sup>		500,000	500,000	500,000	
	Option Acceleration <sup>(4)(5)(6)</sup>	111,150		111,150	111,150	111,150
	Restricted Stock Acceleration <sup>(6)</sup>	5,421,375		5,421,375	5,421,375	5,421,375
	Employee Benefits <sup>(7)</sup>			23,316	23,316	
	<b>Total</b>	<b>\$ 5,782,525</b>	<b>\$ 1,250,000</b>	<b>\$ 6,805,841</b>	<b>\$ 6,805,841</b>	<b>\$ 5,532,525</b>
W. Bryan Hill	Salary Continuation <sup>(3)</sup>	\$ 170,000	\$ 170,000	\$	\$ 340,000	\$
	Bonus <sup>(1)(2)</sup>			170,000	170,000	
	Option Acceleration <sup>(4)(5)(6)</sup>	213,718		213,718	213,718	213,718
	Restricted Stock Acceleration <sup>(6)</sup>	1,848,878		1,848,878	1,848,878	1,848,878
	Employee Benefits <sup>(7)</sup>			18,960	18,960	
	<b>Total</b>	<b>\$ 2,232,596</b>	<b>\$ 170,000</b>	<b>\$ 2,251,555</b>	<b>\$ 2,591,555</b>	<b>\$ 2,062,596</b>
Margot Carter <sup>(8)</sup>	Salary Continuation <sup>(3)</sup>	\$ 182,500	\$ 182,500	\$	\$ 365,000	\$
	Bonus <sup>(1)(2)</sup>			182,500	182,500	
	Option Acceleration <sup>(4)(5)(6)</sup>	55,575		55,575	55,575	55,575
	Restricted Stock Acceleration <sup>(6)</sup>	2,093,425		2,093,425	2,093,425	2,093,425
	Employee Benefits <sup>(7)</sup>			18,889	18,889	
	<b>Total</b>	<b>\$ 2,331,500</b>	<b>\$ 182,500</b>	<b>\$ 2,350,389</b>	<b>\$ 2,715,389</b>	<b>\$ 2,149,000</b>
William Chaney	Salary Continuation <sup>(3)</sup>	\$ 175,000	\$ 175,000	\$	\$ 350,000	\$
	Bonus <sup>(1)(2)</sup>			175,000	175,000	
	Option Acceleration <sup>(4)(5)(6)</sup>	50,807				
	Restricted Stock Acceleration <sup>(6)</sup>	1,751,749				
	Employee Benefits <sup>(7)</sup>			19,459	19,459	
	<b>Total</b>	<b>\$ 1,977,556</b>	<b>\$ 175,000</b>	<b>\$ 194,459</b>	<b>\$ 544,459</b>	<b>\$</b>
Janine Steiner Jovanovic	Salary Continuation <sup>(3)</sup>	\$ 170,000	\$ 170,000	\$	\$ 340,000	\$
	Bonus <sup>(1)(2)</sup>			170,000	170,000	
	Option Acceleration <sup>(4)(5)(6)</sup>	162,563				
	Restricted Stock Acceleration <sup>(6)</sup>	1,825,447				
	Employee Benefits <sup>(7)</sup>			21,151	21,151	
	<b>Total</b>	<b>\$ 2,158,010</b>	<b>\$ 170,000</b>	<b>\$ 191,151</b>	<b>\$ 531,151</b>	<b>\$</b>
Timothy J. Barker <sup>(9)</sup>	Salary Continuation	\$	\$	\$	\$	\$
	Bonus					
	Option Acceleration					
	Restricted Stock Acceleration					

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Employee Benefits					
Total	\$	\$	\$	\$	\$

- (1) Amount would not be paid in the event of Mr. Winn's termination in connection with our liquidation, dissolution or winding up, whether voluntary or involuntary, or cessation of our business in the ordinary course for any reason.

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- (2) Value represents target bonus for Mr. Winn for 2014. Subject to achievement of any criteria or conditions to the payment of Mr. Winn's target bonus which are contingent on our earnings or other financial performance for the year.
- (3) Amount of salary continuation payment upon termination on death or disability, termination without cause or for Good Reason or if termination is not within 12 months following the consummation of a business combination transaction.
- (4) Value represents the gain our NEOs would receive, calculated as the positive difference between our stock price on December 31, 2014 and the exercise price of the NEO's unvested options subject to acceleration upon the NEO's death or disability pursuant to our 1998 Stock Incentive Plan. On December 31, 2014, our stock price was \$21.96.
- (5) If terminated without cause or good reason, this value represents the gain the NEO would receive, calculated as the positive difference between our stock price on December 31, 2014 and the exercise price of such NEO's unvested options subject to acceleration upon a business combination transaction pursuant to the terms of certain of such NEO's stock option agreements with us. On December 31, 2014, our stock price was \$21.96.
- (6) The award agreements related to our stock option grants and our restricted stock grants to our NEOs provide that 100% of the unvested options or restricted shares, as the case may be, subject to such awards will fully vest upon the participant's death or disability or upon a change in control as more fully described in each respective equity award agreement.
- (7) Employee benefits to which an executive may be entitled immediately prior to such termination of employment following a change in control of the Company.
- (8) Ms. Carter resigned as an executive officer of the Company effective as of February 18, 2015.
- (9) Mr. Barker resigned as an executive officer of the Company effective as of May 15, 2014.

**EQUITY COMPENSATION PLANS INFORMATION**

The number of shares to be issued upon exercise of outstanding options and the number of shares issued pursuant to restricted stock awards granted to employees and non-employee directors, as well as the number of shares remaining available for future issuance, under our equity compensation plans as of December 31, 2014 are summarized in the following table:

Plan category	Number of shares issued pursuant to restricted stock awards or to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of shares remaining for future issuance under equity compensation plans
Equity compensation plans approved by stockholders	7,711,407 <sup>(1)</sup>	\$ 18.89 <sup>(2)</sup>	3,928,820 <sup>(3)(4)</sup>
Equity compensation plans not approved by stockholders	37,470 <sup>(5)</sup>	4.80	
<b>Total</b>	<b>7,748,877</b>	<b>\$ 18.80</b>	<b>3,928,820</b>

- (1) Includes 5,566,888 shares to be issued upon exercise of outstanding options and 2,144,519 shares issued as restricted stock awards, which include 1,624,519 shares of time-based restricted stock and 520,000 shares of market-based restricted stock.
- (2) Does not include time-based or performance-based restricted stock awards.
- (3) Represents 3,928,820 shares available for future issuance under our 2010 Equity Incentive Plan.
- (4) Our 2010 Equity Incentive Plan includes an evergreen provision that provides for automatic increases to the number of shares of our common stock reserved for issuance thereunder on January 1 of each year in an amount equal to the lesser of (i) 10,000,000 shares, (ii) 5.0% of our outstanding shares on the last day of the immediately preceding fiscal year, on a fully-diluted basis, or (iii) such amount as our Board may determine. We did not increase the number of shares of common stock reserved for issuance under our 2010 Equity Incentive Plan for 2014 as our Board determined that we have an adequate number of shares reserved for future issuance under the 2010 Equity Incentive Plan and that an increase was not necessary.
- (5) Represents 37,470 shares to be issued upon exercise of outstanding options originally issued under the Multifamily Technology Solutions, Inc. 2005 Equity Incentive Plan and assumed by us in connection with our acquisition of Multifamily Technology Solutions, Inc.

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**AUDIT MATTERS**

**PROPOSAL TWO: RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**What Am I Voting On?**

Stockholders are being asked to ratify the appointment of Ernst & Young LLP to serve as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015. Although the Audit Committee has the sole authority to appoint the independent registered public accounting firm, as a matter of good corporate governance, the Board submits its selection to our stockholders for ratification. If the stockholders should not ratify the appointment of Ernst & Young LLP, the Audit Committee will reconsider the appointment.

**Voting Recommendation:**

**FOR** the ratification of the appointment of Ernst & Young LLP as independent registered public accounting firm.

**Background**

Our Audit Committee has the sole authority and responsibility to hire, evaluate and, where appropriate, replace the Company's independent registered public accounting firm and, in its capacity as a committee of the Board, is directly responsible for the appointment, compensation and general oversight of the work of the independent registered public accounting firm. Our Audit Committee appointed the firm of Ernst & Young LLP (E&Y) as our independent registered public accounting firm for the fiscal year ending December 31, 2015. Our Audit Committee is asking the stockholders to ratify this appointment. E&Y has served as our independent registered public accounting firm since December 2004.

**Required Vote**

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

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

**Audit Fees and All Other Fees**

***Audit Fees***

The aggregate fees billed for professional services rendered for the audits of our annual consolidated financial statements for the fiscal years ended December 31, 2014 and 2013, for the reviews of the consolidated financial statements for those fiscal years, fees associated with SEC registration statements, assistance in responding to SEC comment letters, accounting consultations related to audit services and other services that are normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings were approximately \$1,660,441 and \$1,242,861, respectively.



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

The aggregate fees billed for assurance and other related services, such as consultations concerning financial accounting and reporting matters and due diligence related to acquisitions were \$2,160 and \$130,242 in 2014 and 2013, respectively.

### ***Tax Fees***

The aggregate fees billed for professional tax services were \$17,043 and \$16,773 in 2014 and 2013, respectively.

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

Miscellaneous fees billed for other services were \$612 and \$2,073 in 2014 and 2013, respectively.

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

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

E&Y has not received approval to perform any prohibited activities as such term is defined in Section 201 of the Sarbanes Oxley Act of 2002. During 2014, our Audit Committee approved in advance all audit, audit-related, and tax services to be provided by E&Y.

### **Other Information**

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

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

*Our Board unanimously recommends a vote FOR the ratification of the appointment of E&Y as the Company's independent registered public accounting firm.*

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**REPORT OF THE AUDIT COMMITTEE\***

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

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

The Audit Committee schedules its meetings and conference calls with a view to ensuring it devotes appropriate attention to all of its tasks. The Audit Committee met five times during fiscal 2014 to carry out its responsibilities. The Audit Committee regularly meets privately with the Company's independent registered public accounting firm, internal audit personnel, and management, each of whom has unrestricted access to the Audit Committee. The Audit Committee evaluated the performance of the items enumerated in the Audit Committee Charter.

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

The Audit Committee has also received the written disclosures from Ernst & Young LLP required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and the Audit Committee has discussed the independence of Ernst & Young LLP with that firm. The Audit Committee has implemented a procedure to monitor the independence of the Company's independent registered public accounting firm.

Based upon the Audit Committee's discussion with management and Ernst & Young LLP and the report of Ernst & Young LLP to the Audit Committee, the Audit Committee recommended that the Board include the audited consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2014, which was filed with the SEC.

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

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

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**INFORMATION CONCERNING SOLICITATION AND VOTING**

**General**

The Board has delivered printed versions of proxy materials to you by mail, in connection with the Board's solicitation of proxies for use at the Annual Meeting to be held on June 3, 2015, at 10:00 a.m. local time or at any adjournments or postponements thereof, for the purposes set forth in this proxy statement and in the accompanying Notice of Annual Meeting of Stockholders. Proxy materials are also available to you on the Internet at <http://investor.realpage.com>. The Annual Meeting will be held at our principal executive offices located at 4000 International Parkway, Carrollton, Texas 75007. Our telephone number is (972) 820-3000.

**Householding of Annual Meeting Materials**

Some brokers and other nominee record holders may be participating in the practice of householding proxy materials, proxy statements and annual reports. This means that only one copy of the proxy materials may have been sent to multiple stockholders in a stockholder's household. We will promptly deliver a separate copy of any of these documents to any stockholder who contacts our investor relations department at 4000 International Parkway, Carrollton, Texas 75007, (972) 820-3773, requesting such copies. If a stockholder is receiving multiple copies of the proxy materials or the printed versions of such other accounts at the stockholder's household and would like to receive a single copy of these documents for a stockholder's household in the future, stockholders should contact their broker, other nominee record holder, or our investor relations department to request mailing of a single copy of any of these documents.

**Record Date; Outstanding Shares**

Stockholders of record at the close of business on April 14, 2015, the Record Date, are entitled to receive notice of and vote at the Annual Meeting. On the Record Date, 84,523,483 shares of our common stock, \$0.001 par value, were issued and 79,551,897 were outstanding.

**Voting and Solicitation**

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

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

The cost of this solicitation will be borne by us. We may reimburse expenses incurred by brokerage firms and other persons representing beneficial owners of shares in forwarding solicitation materials to beneficial owners. Proxies may be solicited by certain of our directors, officers and other employees, without additional compensation, personally, by telephone or by email.

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

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

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

### **Quorum**

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

### **Voting Requirements**

The vote requirement for each matter is:

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

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

### **Revocability of Proxies**

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

### **DEADLINE FOR RECEIPT OF STOCKHOLDER PROPOSALS FOR 2016 ANNUAL MEETING**

Our stockholders may submit proper proposals for inclusion in our proxy statement and for consideration at the annual meeting of stockholders to be held in 2016 (the 2016 annual meeting) by submitting their proposals in writing to the Secretary of the Company in a timely manner. In order to be considered for inclusion in our proxy materials for the 2016 annual meeting, stockholder proposals must be received by the Secretary of the Company no later than December 26, 2015, and must otherwise comply with the requirements of Rule 14a-8 of the Exchange Act.

In addition, our bylaws establish an advance notice procedure with regard to business to be brought before an annual meeting, including stockholder proposals not included in our proxy statement. For director nominations or other business to be properly brought before our 2016 annual meeting by a stockholder, such

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stockholder must deliver written notice to the Secretary of the Company at our principal executive offices no later than March 10, 2016, and no earlier than February 9, 2016. If the date of our 2016 annual meeting is advanced by more than 30 calendar days or delayed by more than 60 calendar days from the anniversary date of the 2015 Annual Meeting, your notice of a proposal will be timely if it is received by the Secretary of the Company at our principal executive offices no earlier than the close of business on the 120th day prior to the 2016 annual meeting and not later than later of the close of business on the 90th day before the 2016 annual meeting or the tenth day following the day we first publicly announce the date of the 2016 annual meeting.

The proxy grants the proxy holders discretionary authority to vote on any matter raised at the Annual Meeting. If a stockholder fails to comply with the foregoing notice provisions, proxy holders will be allowed to use their discretionary voting authority on such matter should the stockholder proposal come before the 2016 annual meeting.

A copy of the full text of the bylaw provisions governing the notice requirements set forth above may be obtained by writing to the Secretary of the Company. All notices of proposals and director nominations by stockholders should be sent to RealPage, Inc., 4000 International Parkway, Carrollton, Texas 75007, Attention: Corporate Secretary.

**OTHER MATTERS**

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

BY ORDER OF THE BOARD OF DIRECTORS

/s/ David G. Monk

**David G. Monk**  
Senior Vice President, Deputy General Counsel and  
Secretary

Carrollton, Texas

April 24, 2015

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**Electronic Voting Instructions**

**Available 24 hours a day, 7 days a week!**

Instead of mailing your proxy, you may choose one of the voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

**Proxies submitted by the Internet or telephone must be received by 1:00 a.m., Central Time, on June 3, 2015.**

**Vote by Internet**

Go to [www.investorvote.com/RP](http://www.investorvote.com/RP)

Or scan the QR code with your smartphone

Follow the steps outlined on the secure website

**Vote by telephone**

Call toll free 1-800-652-VOTE (8683) within the USA, US territories

& Canada on a touch tone telephone

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Follow the instructions provided by the recorded message

Using a **black ink** pen, mark your votes with an **X** as shown in

this example. Please do not write outside the designated areas.

**X**

q **IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM**

**PORTION IN THE ENCLOSED ENVELOPE.** q

**A Proposals** The Board recommends a vote **FOR** all nominees and **FOR** Proposal 2.

1. Election of Directors:	<b>For</b>	<b>Withhold</b>		<b>For</b>	<b>Withhold</b>
01 - Jeffrey T. Leeds	..	..	02 - Scott S. Ingraham	..	..

**+**

**For Against Abstain**

2. Proposal to ratify independent public accounting firm for 2015.	..	..	..
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**B Non-Voting Items**

**Change of Address** Please print your new address below.

**Comments** Please print your comments below.

**Meeting Attendance**  
Mark the box to the right ..  
if you plan to attend the  
Annual Meeting.

**C Authorized Signatures** This section must be completed for your vote to be counted. **Date and Sign Below**

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) Please print date below.

Signature 1 Please keep signature within the box.

Signature 2 Please keep signature within the box.

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**2015 Annual Meeting Admission Ticket**

**2015 Annual Meeting of**

**RealPage, Inc. Stockholders**

**Wednesday, June 3, 2015 at 10:00 a.m. Local Time**

**4000 International Parkway**

**Carrollton, TX 75007**

**Upon arrival, please present this admission ticket**

**and photo identification at the registration desk.**

q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q

**Proxy RealPage, Inc.  
Notice of 2015 Annual Meeting of Stockholders**

**4000 International Parkway, Carrollton, TX 75007**

**Proxy Solicited by Board of Directors for Annual Meeting June 3, 2015**

W. Bryan Hill, Stephen T. Winn, or either of them, each with the power of substitution, are hereby authorized to represent and vote the shares of the undersigned, with all the powers which the undersigned would possess if personally present, at the Annual Meeting of Stockholders of RealPage, Inc. to be held on June 3, 2015 or at any postponement or adjournment thereof.

**Shares represented by this proxy will be voted in accordance with the directions indicated by the stockholder herein. If no such directions are indicated, the Proxies will have authority to vote FOR all nominees and FOR Proposal 2.**

**In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting.**

(Items to be voted appear on reverse side.)