

real

Agent Stock Incentive

Real's Agent Stock Incentive provides an opportunity for Real agents to develop an equity stake in the company you're helping to build and grow.

Real is publicly trading as The Real Brokerage Inc. (NASDAQ: REAX) (TSXV: REAX).

Real has three stock plans for agents: agent stock purchase; capping & attracting stock awards; and Elite Agent stock awards.

1. Agent stock purchase

You can use 5% of your net commission before capping and 10% after capping, up to \$15,000 a year, to purchase company stock, and receive generous bonus grants from Real, at no cost to you, after one year.

	COMMISSION PERCENTAGE		BONUS PERCENTAGE	
BEFORE CAP	5% paid out in stock per transaction		15% additional shares one year after the transaction at no cost to agent	
	\$12,000 Cap Max. Contribution: \$3,400	\$6,000 Cap Max. Contribution: \$1,700	\$4,000 Cap Max. Contribution: \$850	
AFTER CAP	10% paid out in stock per transaction up to \$15k annually		30% additional shares one year after the transaction at no cost to agent	
	\$12,000 Cap Max. Contribution: \$15,000	\$6,000 Cap Max. Contribution: \$7,500	\$4,000 Cap Max. Contribution: \$5,000	

How it works

- Real purchases the shares on your behalf, based on the closing price on the last trading day of the month in which the transaction occurred.
- You can track your holdings easily using an account with **ShareWorks by Morgan Stanley** that Real creates for you.
- Your vested shares will remain available to you in your Shareworks account as long as you are in good standing with the Real.

One year after purchasing shares from your commission, Real will grant you additional shares **at no cost to you**. The grants are 15% additional shares before you cap, and 30% after you cap. This is an incentive from Real for you to earn more by staying with Real and holding on to your stock. All shares in the stock purchase plan are Restricted Stock Units or RSUs (see glossary below) with **a 12 month holding period** prior to trading on the public market. Agents must remain in good standing with Real to receive the additional grants.

If you prefer shares that are not subject to a holding period, you may purchase them on the open market, but that option does not provide the opportunity to earn the additional grants from Real.

Example

Here's an example of the stock purchase program with a hypothetical \$10,000 commission, assuming you have not yet capped.

- \$8,500 is your net commission after Real's 15%
- \$425 (or 5%) is withheld for stock purchase
- If the shares are \$2 at the close of market on the last day of month in which the transaction closed, Real will purchase 213 RSUs for you
- After 12 months, Real will grant you an additional 53 shares, for a total of 266 shares.

This is just an example. The share price and grant amount will change over time. The goal is to increase the value of the company and its share price.

Canceling or changing your plan

You may cancel your contribution with 30 days notice, and you may opt back in to the program at the beginning of your next anniversary year with Real.

2. Capping & attracting stock awards

You earn a stock award, at no cost to you, when you reach the annual cap of \$12,000 paid to Real in your anniversary year, which is roughly \$80,000 in gross commission income. In addition, Real grants you shares each time you refer another agent to Real, once your referred agent completes a first transaction. These grants are RSUs, and both you and your referred agent will have to remain in good standing throughout the vesting period to receive them.

AGENT COUNT	\$12,000 CAP		\$6,000 CAP	
	CAPPING	ATTRACTING	CAPPING	ATTRACTING
7,000 – 11,000	250 shares	125 shares	125 shares	60 shares
11,000 – 12,000	150 shares	75 shares	75 shares	35 shares

The number of shares awarded for capping and attracting awards will change over time.

All RSUs in this plan have a **3-year vesting period** meaning you receive the shares in your Shareworks holding account but cannot access them until the 3 years period has passed, assuming you remain in good standing with Real.

3. Elite agent stock award

Agents who achieve exceptional sales volume and embody the core cultural values of Real are offered the opportunity to earn Elite Agent status.

PRODUCTION AWARDS	CULTURAL AWARDS	TOTAL AWARDS
\$16,000 in stock	\$8,000 in stock	\$24,000 in stock

To reach Elite status, agents must meet one of the following production benchmarks:

- Pay the full annual cap AND generate \$6k in post cap transaction fees *OR*
- Generate a minimum GCI of \$500,000 and 10 completed transactions with all sales prices \$1M or above.

Once you achieve the production benchmark within your anniversary year, Real will award the Elite Agent **\$16,000 worth of RSUs**, based on the closing price on the last day of trading in the month in which the status was met.

After agents reach the production milestone, they also become eligible for a cultural award of an additional **\$8,000 in RSUs**. The cultural benchmark is defined as giving back to the entire agent population by teaching monthly topics at the Real Academy.

All RSUs in this award have a **3-year vesting period**.

Glossary

Annual cap: The annual cap is \$12,000 in commission split paid to Real, after which agents receive 100% of the sales commission for the remainder of their anniversary year.

Completed transaction: Point at which a real estate sale transaction is closed and all commissions are paid out by Real. For the agent attraction stock award, the referred agent's commission must reach \$3,000 to count as a first transaction. For leases, 3 completed transactions are required to earn the referral reward.

Restricted share units (RSUs): Restricted stock units (RSUs) are a form of stock-based employee compensation. RSUs are restricted during a vesting period, during which time they cannot be sold. Once vested, the RSUs are just like any other shares of company stock.

Shareworks: Shareworks by Morgan Stanley is the platform Real uses to manage our agent stock incentive plans. Each participant in the plan will have an active account where all vested shares will be held, as long as they are in good standing with the company. Agents who terminate the plan or leave Real have 90 days to transfer vested shares to a personal brokerage.

Vesting: vesting gives agents the rights to shares that Real grants them over time. The vesting schedule or period determines when agents acquire full ownership of the shares. It gives the agents an incentive to perform well and remain with Real.