

REALOGY HOLDINGS CORP.
Form DEF 14A
March 16, 2018
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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 and 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 under § 240.14a-12

Realogy Holdings Corp.

(Name of Registrant as Specified In Its Charter)

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies:

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

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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NOTICE OF 2018 ANNUAL MEETING
OF STOCKHOLDERS AND
PROXY STATEMENT

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A Letter from our Chief Executive Officer and President

March 16, 2018

Dear Stockholders:

I am excited to be leading Realogy as CEO after an initial transition period as president and chief operating officer during the fourth quarter of 2017. I believe Realogy is in a great position to succeed. In my view, our compelling combination of critical and unique advantages—paired with a focus on speed of execution—provide us with a strong foundation upon which we will build for success.

We expect to further strengthen our industry-leading market position and enhance stockholder value with an aggressive strategy serving and supporting agents, innovating to gain advantage with technology and data, and utilizing the power of our national scale, well-known brands, and great people.

Looking ahead, we are going to be decisive and move fast to take advantage of the benefits of scale that we believe we already possess:

• scale in terms of our ability to develop and distribute cutting-edge technology;

• scale in terms of our impressive access to current and historical data we can use to drive productivity; and

• scale to provide the best support and value to our 192,000 affiliated independent sales agents in the U.S.

Strategy

The core of our growth strategy is clear and simple: “We Serve Agents.” We are going to be relentlessly focused on serving agents to achieve the greatest leverage across our entire enterprise. The Company and our stockholders will benefit as we execute and deliver compelling new data and technology products and services that enable our affiliated independent sales agents to be more successful.

Technology and Data

We plan to increasingly use insights we capture from the myriad of data uniquely available to Realogy in new and different ways to help our affiliated independent sales agents succeed, to drive growth, to create innovative products, and to operate more efficiently as a company.

The opportunity in front of us is to transform the industry through technology and data. In particular, we believe that data and analytics have huge untapped potential in the real estate industry. Similarly, there is substantial untapped potential to deliver great technology products to independent sales agents to make their businesses more productive and more efficient. I believe we have the scale and market-leading position necessary to lead data and technology change in this industry.

Talent

We intend to intensify our emphasis on exceptional talent through both internal development and the aggressive recruiting of top-performing external candidates. We will continue to link a significant majority of our executive compensation program directly to performance, especially for our highest-performing talent. This reflects our commitment to pay-for-performance principles that align executive compensation with the long-term interests of our stockholders.

In closing, we are committed to fostering growth and innovation as we seek to achieve excellence in our business performance and operate with integrity. In 2018, Ethisphere® Institute, the leading international business ethics think-tank, recognized us as one of the World's Most Ethical Companies—an honor we have received in each of the past seven years.

On behalf of our Board of Directors, my senior leadership team and our employees, we thank you for your continued support of and investment in Realogy.

Sincerely,

Ryan M. Schneider

Chief Executive Officer and President

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A Letter from our Independent Chairman of the Board

March 16, 2018

To Our Stockholders:

During the past year, the Realogy Holdings Corp. Board of Directors has focused on the following key areas:

• Successful execution of our CEO succession plan;
• Appointment of an Independent Chairman of the Board;
• Strategy; and
• Capital Allocation.

What follows is a recap of our key 2017 accomplishments in each of these areas.

CEO Succession

As announced during the fourth quarter last year, effective December 31, 2017, Ryan M. Schneider became our Chief Executive Officer and President, following a transition period where he served as our Chief Operating Officer and President.

Your Board recognizes that one of our most critical responsibilities is to ensure for a smooth and stable leadership succession process. Our successful execution of an orderly transition of Ryan into his role as our Chief Executive Officer and President at the end of 2017 was the result of our deliberate efforts and focus in 2017 on a formal CEO succession planning process. This process included the formation of an Ad Hoc Succession Planning Committee in October 2016 that was authorized to identify and assess potential candidates for the newly created position of President and Chief Operating Officer, with the intention that the selected candidate would ultimately transition into the role of CEO at a time determined by the Board.

The Ad Hoc Succession Planning Committee, consisting of three independent directors, worked in coordination with myself, in the role of Lead Independent Director and as an ex-officio member of the Committee, as well as with the Board and applicable standing committees, our executive team and outside advisors in its selection of Ryan as the ideal candidate to lead the Company. Richard A. Smith, our former Chairman and Chief Executive Officer, also worked closely with this team on the search for his successor and, effective December 31, 2017, stepped down after 21 years of exceptional leadership with Realogy.

Following the election of Ryan as an executive officer of the Company, the Ad Hoc Succession Planning Committee concluded its work and the Board, working with Ryan, has continued to place significant attention on additional leadership changes, talent acquisition and leadership development, making several key appointments in early 2018.

Appointment of Independent Chairman of the Board

I am honored to now serve as our Independent Chairman of the Board. In planning for the succession of Ryan into the CEO position, we carefully reviewed the Board's leadership structure and determined that it would be appropriate at the time of the transition to separate the roles of the Chairman and Chief Executive Officer and to appoint an Independent Chairman.

We believe that the separation of the CEO and Chairman roles is the most appropriate leadership structure for the Company at this time, as it allows Ryan to focus on the day-to-day management of the business and on executing our strategic priorities, while allowing me to focus on leading the Board, providing our advice and counsel to Ryan, and facilitating the Board's independent oversight of management.

Strategy

These leadership transitions come at an important time, as we are overseeing Realogy's focus on our core growth strategy to serve agents.

Our Ad Hoc Strategy Committee, formed in late 2016 and consisting of four independent directors, oversaw the evolution of key elements of our near- and long-term business strategy, including initiatives designed to attract and retain independent agents and address market share, improve lead generation and strengthen our technology platform and marketing tools.

The Ad Hoc Strategy Committee concluded its work in late 2017, and the full Board will continue with its active engagement in, and oversight of, Realogy's strategy. We maintain a rigorous schedule—meeting 13 times in 2017, including a two-day meeting focused exclusively on strategy, with dozens of additional meetings of our standing and

ad hoc committees.

Capital Allocation

A key component of the Board's oversight role is the allocation of capital in a manner intended to maximize return to our stockholders. In mid-2017, we formed an Ad Hoc Investment Committee consisting of three independent directors to assist us with our oversight of capital structure considerations and other financial matters, including our debt maturity schedule. This committee concluded its work in late 2017 upon completion of its mandate and the full Board has continued this work including, in early 2018, approving a refinancing transaction to extend maturities of our senior secured credit facilities and add

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\$350 million to our revolving credit facility, increasing capacity to \$1.4 billion.

We seek to return value to our stockholders on a regular basis, while maintaining the flexibility to invest in Realogy's growth and reduce our debt leverage. In early 2018, we extended our share repurchase program (initially implemented in February 2016) by approving an additional \$350 million for share repurchases.

We have reduced our shares outstanding by approximately 11% from 146,752,841 outstanding at the commencement of our share repurchase program on February 24, 2016 to 130,806,316 on March 6, 2018, the record date for this meeting.

We also have declared a quarterly cash dividend every quarter since August 2016, returning an additional \$49 million to our stockholders in 2017.

We are excited to work closely with Ryan and his team as they focus on Realogy's strategic priorities.

On behalf of your Board of Directors, thank you for your continued investment in Realogy. We appreciate the opportunity to serve the Company on your behalf.

Sincerely,

Michael J. Williams
Independent Chairman of the Board
c/o Corporate Secretary
Realogy Holdings Corp.
175 Park Avenue
Madison, NJ 07940

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REALOGY HOLDINGS CORP.
NOTICE OF 2018 ANNUAL MEETING OF STOCKHOLDERS
March 16, 2018

Date: Wednesday, May 2, 2018
Time: 9:00 a.m., Eastern Daylight Time
Place: Realogy Holdings Corp.
175 Park Avenue
Madison, New Jersey 07940

Purposes of the meeting:

- to elect eight Directors for a term expiring at the 2019 Annual Meeting of Stockholders;
- to vote on an advisory resolution to approve executive compensation;
- to vote on a proposal to ratify the appointment of PricewaterhouseCoopers LLP to serve as our independent registered public accounting firm for fiscal year 2018;
- to vote on a proposal to approve the 2018 Long-Term Incentive Plan; and
- to transact any other business that may be properly brought before the meeting or any adjournment or postponement of the meeting.

The matters specified for voting above are more fully described in the attached proxy statement.

Who may attend the meeting:

Only stockholders, persons holding proxies from stockholders, invited representatives of the financial community and other guests of Realogy Holdings Corp. may attend the 2018 Annual Meeting of Stockholders (and any adjournments or postponements of the meeting) (the "Annual Meeting").

What to bring:

If you have requested and received a printed copy of the proxy materials, you should bring the enclosed Admission Ticket to gain admission to the Annual Meeting. If you received a Notice of Internet Availability of Proxy Materials (Notice) or voting instructions and will not be requesting a printed copy of the proxy materials, please bring the Notice or voting instructions with you as your Admission Ticket. You must bring with you photo identification such as a valid driver's license or passport for purposes of personal identification.

If your shares are held in the name of a broker, trust, bank or other nominee, you will also need to bring a proxy, letter or recent account statement from that broker, trust, bank or nominee that confirms that you are the beneficial owner of those shares.

Record Date:

March 6, 2018 is the record date for the Annual Meeting. This means that owners of Realogy Holdings Corp. common stock at the close of business on that date are entitled to:

- receive notice of the Annual Meeting; and
- vote at the Annual Meeting and any adjournments or postponements of the meeting for which no new record date is set.

Important Notice Regarding Availability of Proxy Materials for the 2018 Annual Meeting of Stockholders:

We are providing access to our proxy materials, including our Annual Report on Form 10-K for the year ended December 31, 2017, to all of our stockholders via the Internet. These documents are available for viewing, printing and downloading at www.edocumentview.com/rlgy. Our proxy materials are also available on the Investors section of our website at www.realogy.com.

This reduces the costs associated with printing and mailing these materials to all stockholders. Accordingly, on or about March 16, 2018, we will begin mailing a Notice to all stockholders as of March 6, 2018, and will post our proxy materials on the website referenced in the Notice. As more fully described in the Notice, stockholders may choose to access our proxy materials on the website referred to in the Notice or may request to receive a printed set of our proxy materials. In addition, the Notice and website provide information regarding how you may request to receive proxy materials in printed form by mail or electronically by e-mail on an ongoing basis.

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Householding Information:

We have adopted a procedure approved by the Securities and Exchange Commission, or SEC, called householding. Under this procedure, stockholders of record who have the same address and last name and have not previously requested electronic delivery of proxy materials will receive a single envelope containing the Notices for all stockholders having that address. The Notice for each stockholder will include that stockholder's unique control number needed to vote his or her shares. This procedure will reduce our printing costs and postage fees.

If, in the future, you do not wish to participate in householding and prefer to receive your Notice in a separate envelope, please contact Computershare, 462 S. 4th Street, Suite 1600, Louisville, KY, 40202.

For those stockholders who have the same address and last name and who request to receive a printed copy of the proxy materials by mail, we will send only one copy of such materials to each address unless one or more of those stockholders notifies us, in the same manner described above, that they wish to receive a printed copy for each stockholder at that address.

Beneficial stockholders may request information about householding from their banks, brokers or other holders of record.

Proxy Voting:

Your vote is important. Please vote your proxy promptly so your shares can be represented, even if you plan to attend the Annual Meeting. You can vote by Internet, by telephone, by requesting a printed copy of the proxy materials and using the enclosed proxy card or in person at the Annual Meeting.

Our proxy tabulator, Computershare Trust Company, N.A., must receive any proxy that will not be delivered in person to the Annual Meeting by 11:59 p.m., Eastern Daylight Time on Tuesday, May 1, 2018.

By order of the Board of Directors,

Marilyn J. Wasser

Corporate Secretary

Website addresses given in this proxy statement are provided as inactive textual references. The contents of these websites are not incorporated by reference herein or otherwise a part of this proxy statement.

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REALOGY HOLDINGS CORP.

PROXY STATEMENT

The enclosed proxy materials are provided to you at the request of the Board of Directors of Realogy Holdings Corp. (the "Board") to encourage you to vote your shares at our 2018 Annual Meeting of Stockholders (and any adjournments or postponements of the meeting) (the "Annual Meeting"). This proxy statement contains information on matters that will be presented at the Annual Meeting and is provided to assist you in voting your shares. References in this proxy statement to "we," "us," "our," "the Company," "Realogy" and "Realogy Holdings" refer to Realogy Holdings Corp. and our consolidated subsidiaries, including but not limited to Realogy Group LLC. References in this proxy statement to "Realogy Group" mean Realogy Group LLC.

Our Board made these materials available to you over the Internet or, upon your request, mailed you printed versions of these materials in connection with our Annual Meeting. We will mail a Notice of Internet Availability of Proxy Materials (the "Notice") to our stockholders beginning on or about March 16, 2018 and will post our proxy materials on our website referenced in the Notice on that same date. We are, on behalf of our Board, soliciting your proxy to vote your shares at our Annual Meeting. We solicit proxies to give all stockholders of record an opportunity to vote on matters that will be presented at the Annual Meeting.

EXECUTIVE SUMMARY

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider and you should read the entire proxy statement carefully before voting. This summary contains the following non-GAAP financial measures: Operating EBTIDA, adjusted net income, adjusted net income per share and Free Cash Flow. Definitions of these non-GAAP terms and reconciliations to their most comparable GAAP terms are included as Annex A to this proxy statement

Annual Meeting of Stockholders

Date and Time: May 2, 2018, 9:00 a.m., Eastern Daylight Time

Realogy Holdings Corp.

Place: 175 Park Avenue

Madison, NJ 07940

Record Date: March 6, 2018

Voting Matters and Vote Recommendations

Voting Matters

Voting Matters	Proposal No.	Our Board's Vote Recommendation
Election of Directors (pages <u>21</u> to <u>26</u>)	1	"FOR" all eight Director nominees
Advisory Approval of the Compensation of our Named Executive Officers (page <u>67</u>)	2	"FOR"
Ratification of Appointment of the Independent Registered Public Accounting Firm (page <u>68</u>)	3	"FOR"
Approval of 2018 Long-Term Incentive Plan (pages <u>72</u> to <u>82</u>)	4	"FOR"

Corporate Governance Highlights

Independent Chairman of the Board

Eight independent Directors (89% of the Board)

Board diversity with women representing 33% of the current Directors and 22% comprised of minorities

All members of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee are Independent

Regular meetings of the Independent Directors in executive session

Annual election of Directors

Majority voting for Directors and Director Resignation Policy

Pay-for-performance executive compensation philosophy

Robust executive and Director stock ownership guidelines

Rigorous Board activity level with 13 meetings of the full Board, including a two-day meeting focused exclusively on strategy, with dozens of additional meetings of our standing and ad hoc committees

No Director nominated for election attended less than 75% of Board and Committee meetings held in 2017

Board Corporate Governance Guidelines requiring annual performance evaluation of the Board

2017 Board emphasis on strategy, succession planning and talent management and capital allocation

Execution of Executive Leadership Succession Plan: Election of New CEO and Appointment of Independent Chairman of the Board

Effective December 31, 2017, Mr. Ryan M. Schneider became Realogy's Chief Executive Officer and Mr. Michael J. Williams was appointed as Independent Chairman of Realogy's Board of Directors. These transitions were the cornerstones to a leadership succession plan that our Board began developing in 2016.

Mr. Schneider joined the Company on October 23, 2017 as Chief Operating Officer and President, with the intention that he would transition into the role of CEO by December 31, 2017.