

Altisource Portfolio Solutions S.A.
Form DEF 14A
April 08, 2019

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

SCHEDULE 14A INFORMATION

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

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☒ **Confidential, For Use of the Commission only (as permitted by Rule 14a-6(e)(2))**
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material under §240.14a-12

ALTISOURCE PORTFOLIO SOLUTIONS S.A.

(Name of Registrant as Specified in its Charter)

N/A

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

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:
N/A
 - (2) Aggregate number of securities to which the transaction applies:
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 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

N/A

(2) Form, Schedule or Registration Statement No.:

N/A

(3) Filing Party:

N/A

(4) Date Filed:

N/A

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April 8, 2019

Dear Fellow Shareholder:

On behalf of the Board of Directors, we cordially invite you to attend the Annual Meeting of Shareholders of Altisource Portfolio Solutions S.A. (the "Annual Meeting"), which will be held at the registered office of the Company located at 40, avenue Monterey, L-2163 Luxembourg City, Grand Duchy of Luxembourg on Monday, May 20, 2019, at 9:00 a.m. Central European Time. The accompanying materials provide details regarding admission to the Annual Meeting as well as the business to be conducted at the meeting.

It is very important that you be represented at the Annual Meeting regardless of the number of shares you own or whether you are able to attend in person. If you are a shareholder of record (that is, you hold your shares in your name as a holder of record with our transfer agent), you may authorize your proxy by the Internet, by telephone or by mail as described in the accompanying materials. If you hold your shares through a bank or broker, please follow the voting instructions you receive from your bank or broker. This will not prevent you from voting in person but will ensure that your vote is counted if you are unable to attend.

Thank you for your support of and interest in Altisource Portfolio Solutions S.A.

Sincerely,

William B. Shepro

Chief Executive Officer and Director

40, avenue Monterey, L-2163 Luxembourg, +352 2469 7900

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ALTISOURCE PORTFOLIO SOLUTIONS S.A.

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ALTISOURCE PORTFOLIO SOLUTIONS S.A.

**40, avenue Monterey
L-2163 Luxembourg City
Grand Duchy of Luxembourg
R.C.S. Luxembourg B 72 391**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS AND
IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS
FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 20, 2019**

NOTICE

Our Annual Meeting of Shareholders ("Annual Meeting") will be held:

Date: Monday, May 20, 2019
Time: 9:00 a.m. Central European Time
Location: Altisource Portfolio Solutions S.A.
40, avenue Monterey
L-2163 Luxembourg City
Grand Duchy of Luxembourg

PURPOSE

To elect four (4) Directors until the next annual meeting of shareholders or until their respective successors have been elected and qualified;

To approve the appointment of Mayer Hoffman McCann P.C. to be our independent registered certified public accounting firm for the year ending December 31, 2019 and the appointment of Atwell S.à r.l. to be our certified auditor (*Réviseur d'Entreprises*) for the same period;

To approve Altisource Portfolio Solutions S.A.'s unconsolidated annual accounts prepared in accordance with accounting principles generally accepted in Luxembourg (the "Luxembourg Annual Accounts") for the year ended December 31, 2018 and Altisource Portfolio Solutions S.A.'s consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") including a footnote reconciliation of equity and net income to International Financial Reporting Standards ("IFRS") (the "Consolidated Accounts" and, together with the Luxembourg Annual Accounts, the "Luxembourg Statutory Accounts") as of and for the year ended December 31, 2018;

To receive and approve the Directors' reports for the Luxembourg Statutory Accounts for the year ended December 31, 2018 and to receive the report of the supervisory auditor (*Commissaire aux Comptes*) for the Luxembourg Annual Accounts for the same period;

To allocate the results in the Luxembourg Annual Accounts for the year ended December 31, 2018;

To discharge each of the Directors of Altisource Portfolio Solutions S.A. for the performance of their mandates for the year ended December 31, 2018 and the supervisory auditor (*Commissaire aux Comptes*) for the performance of her mandate for the same period;

To ratify changes to non-management Directors' compensation;

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To approve, on an advisory (non-binding) basis, the compensation of Altisource's named executive officers as disclosed in the proxy statement ("Say-on-Pay"); and

To transact such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

PROCEDURES

Our Board of Directors has fixed March 22, 2019 as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting.

Only shareholders as of the close of business on the record date will be able to vote at the Annual Meeting. In order to be admitted to the meeting, each shareholder will be asked to present proof of share ownership as of the record date and valid government-issued photo identification. If your shares are held in "street name" by a bank or broker, you will also need to obtain a "legal proxy" from the holder of record to vote at the meeting. **Even if you plan to attend the Annual Meeting, we recommend that you vote your shares in advance of the meeting pursuant to the instructions listed in the accompanying materials so that your vote will be counted if you are unable to attend the Annual Meeting.**

The proxy statement for our Annual Meeting and our annual report to shareholders on Form 10-K for the year ended December 31, 2018 are available on our website under Investor Relations-Financial Information at <http://ir.altisource.com/financials.cfm>. In accordance with Securities and Exchange Commission ("SEC") rules, you may also access our proxy statement and annual report at <http://www.proxyvote.com>, a website that does not identify or track visitors to the site, by entering the Control Number found on your Notice and Access Card, your proxy card or your email notification, as applicable.

Although Luxembourg law does not require a quorum for the conduct of business at the Annual Meeting, in accordance with the requirements of the NASDAQ listing standards, we have established that the presence at the Annual Meeting of holders of at least thirty-three and one-third percent (33¹/₃%) of our issued and outstanding shares of common stock able to be voted, whether represented in person or by proxy, will constitute a quorum for the transaction of business at the Annual Meeting.

The Luxembourg Statutory Accounts, the Directors' reports for the Luxembourg Statutory Accounts, the report of the certified auditor (*Réviseur d'Entreprises*) for the Consolidated Accounts and the report of the supervisory auditor (*Commissaire aux Comptes*) for the Luxembourg Annual Accounts will be available for inspection at our registered office from May 6, 2019 until the conclusion of the Annual Meeting. Beginning May 6, 2019, copies will also be available to any shareholder who requests them by writing to our Corporate Secretary at Altisource Portfolio Solutions S.A., 40, avenue Monterey, L-2163 Luxembourg City, Grand Duchy of Luxembourg.

By Order of the Board of Directors,

Kevin J. Wilcox
Corporate Secretary

April 8, 2019
Luxembourg City, Grand Duchy of Luxembourg

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Altisource Portfolio Solutions S.A. Proxy Statement

Annual Meeting of Shareholders

General Information

We have made this proxy statement available to you on or about April 8, 2019 as a holder of common stock of Altisource Portfolio Solutions S.A. ("Altisource" or the "Company") because our Board of Directors is soliciting your proxy to be used at our Annual Meeting, and any adjournment or postponement thereof. The Annual Meeting will be held at our registered office located at 40, avenue Monterey, L-2163 Luxembourg City, Grand Duchy of Luxembourg on Monday, May 20, 2019, at 9:00 a.m. Central European Time for the purposes listed in the Notice of Annual Meeting of Shareholders.

Internet Availability of Proxy Materials

Consistent with historical practice, we are using the "Notice and Access" method of furnishing proxy materials to our beneficial shareholders via the Internet, instead of mailing printed copies of those materials to each shareholder. By doing so, we reduce the environmental impact of the meeting and save costs. On April 8, 2019, we commenced mailing Notices of Internet Availability of Proxy Materials (the "Notices") to participating shareholders. The Notice contains instructions about how to access our proxy materials. If you would like to receive a paper copy of our proxy materials, please follow the instructions included in the Notice. If you previously chose to receive our proxy materials electronically, you will receive an email with links to the online proxy materials. If you previously requested to receive paper copies of the proxy materials by mail, you will receive the proxy materials by mail until you elect otherwise.

Shareholders of record will receive a paper copy of the proxy materials by mail except to the extent they previously requested delivery of proxy materials electronically. The proxy card included with the proxy materials contains instructions on how to request electronic delivery of future proxy materials.

Who May Vote

You are entitled to vote at the Annual Meeting, and any adjournment or postponement thereof, if you are a holder of our common stock at the close of business on March 22, 2019. At the close of business on March 22, 2019, there were 16,308,607 shares of common stock issued, outstanding and able to be voted, and there was no other class of equity securities outstanding. Each share of our common stock is entitled to one (1) vote at the Annual Meeting on all matters properly presented for a vote.

Voting Procedures

If you are a shareholder of record, which means you hold your shares through an account with our transfer agent, American Stock Transfer & Trust Company, LLC, you may vote by one of the following three options before the Annual Meeting:

Over the Internet, at <http://www.proxyvote.com>, by following the instructions on your proxy card or the instructions that you received by email;

By telephone; or

By completing, dating, signing and returning a proxy card by mail.

If you are a beneficial holder, meaning you hold your shares in "street name" through an account with a bank or broker, please follow the voting directions on the voting instruction form that your bank or broker provides to you. Your ability to vote over the Internet or by telephone depends on the voting procedures of your bank or broker.

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If you plan to vote over the Internet or by telephone, your voting instructions must be received no later than 9:59 p.m. Central European Time (3:59 p.m. Eastern Time) on May 19, 2019 in order to allow sufficient time to tabulate the votes prior to the start of the meeting.

Shareholders may also vote in person at the Annual Meeting. All shareholders must present valid government-issued photo identification to vote at the meeting. If your shares are held by a bank or broker, you must also obtain and present a "legal proxy" from the holder of record to vote at the meeting. For specific instructions, please refer to the proxy card, Notice or email notification you receive.

Even if you plan to attend the Annual Meeting, we recommend that you vote your shares in advance of the meeting in one of the manners available to you so that your vote will be counted if you later are unable to attend the Annual Meeting.

How a Proxy Works

If you properly submit your proxy to Altisource and do not revoke it prior to its use, it will be voted in accordance with your instructions. Other than as discussed below with respect to "broker non-votes," if no contrary instructions are given, each proxy received will be voted "FOR" each of the nominees for Director named in this proxy statement and "FOR" each of the other proposals identified in the agenda for the Annual Meeting; and with regard to any other business that properly comes before the Annual Meeting, each proxy will be voted in accordance with the discretion of the persons appointed as proxies.

If the shares you own are held by a bank or broker and you do not provide specific voting instructions to your bank or broker on a "non-routine" item as defined by the New York Stock Exchange, the bank or broker will be prohibited from voting your shares. This is commonly referred to as a "broker non-vote." All of our proposals other than the proposals related to the appointment of our independent registered certified public accounting firm and certified auditor and our Luxembourg Annual Accounts are expected to be "non-routine" proposals; therefore, if you do not instruct your bank or broker how to vote your shares with respect to non-routine proposals, your shares will not be voted.

How to Revoke a Proxy

Your proxies may be used only at the Annual Meeting and any adjournment or postponement thereof, and will not be used for any other meeting. You have the power to revoke your proxy at any time before it is exercised by:

delivering written notice to our Corporate Secretary at the following address prior to the Annual Meeting:

Kevin J. Wilcox, Corporate Secretary
Altisource Portfolio Solutions S.A.
40, avenue Monterey
L-2163 Luxembourg City
Grand Duchy of Luxembourg;

submitting a properly executed proxy bearing a later date prior to the Annual Meeting; or

appearing at the Annual Meeting and giving the Corporate Secretary notice of your intention to vote in person.

Quorum and Voting Information

Although Luxembourg law does not require a quorum for the conduct of business at the Annual Meeting, in accordance with the requirements of the NASDAQ listing standards, the Company has established that the presence at the Annual Meeting of holders of at least thirty-three and one-third percent (33 $\frac{1}{3}$ %) of our

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issued and outstanding shares of common stock able to be voted, represented in person or by proxy, will constitute a quorum for the transaction of business at the Annual Meeting.

Assuming a quorum, the four (4) nominees for Director will be elected as Directors of Altisource at the Annual Meeting so long as the votes cast in favor of each such person exceed the votes cast against such person. You may vote for, against or abstain from voting for one (1) or more nominees for Director.

The following Annual Meeting proposals will be approved if the votes cast in favor of the action exceed the votes cast against the action: the proposal to approve the appointment of Mayer Hoffman McCann P.C. ("Mayer Hoffman") to be our independent registered certified public accounting firm for the year ending December 31, 2019 and Atwell S.à r.l. ("Atwell") to be our certified auditor (*Réviseur d'Entreprises*) for all statutory accounts as required by Luxembourg law for the same period; the proposal to approve the Luxembourg Statutory Accounts as of and for the year ended December 31, 2018; the proposal to receive and approve the Directors' reports for the Luxembourg Statutory Accounts for the year ended December 31, 2018 and to receive the report of the supervisory auditor (*Commissaire aux Comptes*) for the Luxembourg Annual Accounts for the same period; the proposal to allocate the results in the Luxembourg Annual Accounts for the year ended December 31, 2018; the proposal to approve the discharge of each of the Directors of Altisource Portfolio Solutions S.A. for the performance of their mandates during the year ended December 31, 2018 and of the supervisory auditor (*Commissaire aux Comptes*) for the performance of her mandate for the same period; the proposal to ratify changes to non-management Directors' compensation; the advisory vote to approve the compensation of Altisource's named executive officers as disclosed in the Proxy Statement ("Say-on-Pay"); and any other matter properly submitted for your consideration at the Annual Meeting. While our Board of Directors intends to carefully consider the shareholder votes resulting from the Say-on-Pay proposal, the final vote will not be binding on us and is advisory in nature.

Any other matter properly submitted for your consideration will be approved with such vote as required by Luxembourg law. Abstentions will not be counted in determining the votes cast in connection with the proposals in the agenda of the Annual Meeting.

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Proposal One: Election of Directors

Our Articles of Incorporation provide that our Board of Directors shall consist of no less than three (3) and no more than seven (7) members, with the exact number to be decided by our shareholders.

We are proposing the four (4) nominees listed below for election as Directors at the Annual Meeting until the next annual meeting of shareholders or until their respective successors have been elected and qualified and subject to their earlier death, resignation or removal.

On March 25, 2019 and March 26, 2019, W. Michael Linn and Timo Vättö, respectively, informed the Company that they will not stand for re-election as Directors at the Annual Meeting. There are no disagreements between Messrs. Vättö and Linn and the Company regarding any matter relating to the Company's operations, policies or practices.

With Altisource simplifying its business model (including exiting certain businesses) and reducing costs to improve margins and better align its cost structure with anticipated revenues through our Project Catalyst restructuring plan, the Board of Directors determined that it is an appropriate time and in the best interests of the Company and our shareholders to transition to a smaller Board and not nominate any additional persons as Directors at this time.

All nominees currently serve as our Directors. There are no arrangements or understandings between any nominee and any other person for selection as a nominee.

If any nominee is unable or unwilling to stand for election at the time of the Annual Meeting, the shares represented by a validly executed proxy will be voted for the election of such other person as the Board of Directors may recommend in his place, unless the Board of Directors chooses to reduce the number of Directors serving on the Board. At this time, our Board of Directors knows of no reason why any of the nominees would not be able or willing to serve as Director if elected.

The following table sets forth certain information concerning each of our nominees for Director:

Name	Age ⁽¹⁾	Direct/Executive Audit Compensation/Compliance Governance					Nomination/ Governance
		Since	Committee	Committee	Committee	Committee	Committee
Scott E. Burg	40	2018			X ⁽²⁾		X ⁽²⁾
Joseph L. Morettini	66	2017		X	X ⁽³⁾	X	
Roland Müller-Ineichen	58	2009		X ⁽⁴⁾	X	X	X ⁽³⁾
William B. Shepro	50	2009	X				

(1) As of March 22, 2019

(2) Committee member effective November 12, 2018

(3)

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Committee member effective August 29, 2018

(4)

Committee Chairman for 2018

If our nominees for Director are elected, we believe that the proposed Board composition will be well-balanced in terms of length of Director tenure between more experienced Directors (Messrs. Müller-Ineichen and Shepro were appointed in July 2009) and newly appointed Directors (Messrs. Morettini and Burg were appointed in May 2017 and September 2018, respectively), while also providing the opportunity to refresh the composition and leadership of the Board and certain Committees, including the Compensation Committee, of which Mr. Vättö is currently the Chairman, and the Nomination/Governance Committee and Compliance Committee, of which Mr. Linn is currently the Chairman.

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The principal occupation for the last five (5) years and additional biographical information of each nominee for Director are set forth below. All nominees for Director bring a wealth of leadership experience derived from their service in executive and managerial roles as well as their board experience.

Scott E. Burg. Mr. Burg was appointed to the Board of Directors of Altisource in September 2018. Mr. Burg is the Chief Investment Officer and a Managing Partner of Deer Park Road Management Company, LP ("Deer Park"), an investment management company, where he is responsible for the firm's portfolios and portfolio risk management. Prior to joining Deer Park in August 2010, Mr. Burg was a Principal at General Capital Partners, where he advised middle-market companies in distressed situations. Mr. Burg also worked at Pursuit Partners, a \$550 million fixed-income hedge fund, where he analyzed residential mortgage-backed securities, and he founded The Murray Hill IPS (later Clayton IPS; now MountainView IPS), a world-wide leader in the valuation of difficult-to-price assets. Mr. Burg holds a Bachelor of Science from the University of Colorado and a Master of Business Administration from the University of Denver's Daniels College of Business.

As Chief Investment Officer and Managing Partner of Deer Park, Mr. Burg has financial expertise and deep experience in business advisory services and asset management, including real estate and mortgage-related investments, that makes him financially literate and qualifies him as a financial expert as defined by NASDAQ listing standards and SEC rules. Deer Park's position as an investor in the Company has provided Mr. Burg with a thorough understanding of our business and unique insight into the interests of our long-term investors.

Joseph L. Morettini. Mr. Morettini was appointed to the Board of Directors of Altisource in May 2017. Mr. Morettini served as Partner of Deloitte & Touche LLP ("Deloitte") from 1989 until his retirement in 2015, and in various positions with Deloitte from 1984 to 1989. During his tenure at Deloitte, his client responsibilities included companies in the financial services and mortgage servicing industries in addition to various public companies from small market capitalization to large market capitalization, and he was the external audit partner assigned to Altisource from August 2009 to February 2014. Mr. Morettini also served on the Board of Directors and as Audit Committee Chairman of TechBridge, an Atlanta, Georgia based nonprofit organization, from 2003 to 2005. Mr. Morettini holds a Bachelor of Arts in Liberal Arts and Sciences from the University of Illinois and a Master of Accountancy from Western Illinois University. Mr. Morettini is a Certified Public Accountant.

Mr. Morettini's extensive experience with large financial institutions and public corporations in the financial services and mortgage servicing industries and his over thirty years of experience with Deloitte provide the Board of Directors with valuable insight from an accounting and audit perspective. Mr. Morettini is financially literate and qualifies as a financial expert as defined by NASDAQ listing standards and SEC rules.

Roland Müller-Ineichen. Mr. Müller-Ineichen was appointed to the Board of Directors of Altisource in July 2009. He also serves on the Board of Directors of Bank Arner SA, a provider of private banking services based in Lugano, Switzerland; of SWA Swiss Auditors AG, a private company based in Freienbach, Switzerland that provides auditing and consulting services for financial institutions in Switzerland; of Citibank (Switzerland) Ltd. based in Zurich and Geneva, Switzerland, a subsidiary of Citigroup that provides private banking services to High Net Worth individuals; of Sberbank (Switzerland) Ltd, based in Zurich, Switzerland, a subsidiary of Sberbank Russia, offering trade finance, trading and corporate banking services; and of Habib Bank AG Zurich, a provider of corporate, personal, private, and correspondent banking products based in Zurich. In addition, from May 2010 to September 2011, Mr. Müller-Ineichen served as a member of the Board of Directors of Absolute Private Equity AG, a Switzerland-based investment company. Mr. Müller-Ineichen served as a Partner with KPMG Switzerland and KPMG Europe LLP where he was the lead partner on audits of national and international Banks, Security Dealers and Fund Management Companies. Mr. Müller-Ineichen began working in the Zurich office of KPMG in June 1995 as a Senior

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Manager in the audit department focused on the banking and financial services industries and served as a Partner from January 1999 until his retirement in December 2008. Prior to joining KPMG, Mr. Müller-Ineichen progressed through various audit and managerial roles with Switzerland-based financial institutions. Mr. Müller-Ineichen is a Swiss Certified Public Accountant. He completed a commercial and banking business apprenticeship with UBS in 1980. Mr. Müller-Ineichen holds a Business Commerce degree.

Mr. Müller-Ineichen's past employment experience provides the Board of Directors with accounting expertise, and his experience in the financial services industry provides the Board of Directors with valuable strategic and financial insights. Furthermore, Mr. Müller-Ineichen is financially literate and qualifies as a financial expert as defined by NASDAQ listing standards and SEC rules. Through his nine plus years of service on our Board of Directors, Mr. Müller-Ineichen has developed a thorough understanding of our business and industry.

William B. Shepro. Mr. Shepro was appointed Chief Executive Officer and to the Board of Directors of Altisource in July 2009. Mr. Shepro previously served as the President and Chief Operating Officer of Ocwen Solutions, a business unit of Ocwen Financial Corporation ("Ocwen"). From 2003 to 2009, he served as President of Global Servicing Solutions, LLC, a joint venture between Ocwen and Merrill Lynch. Mr. Shepro also held the positions of Senior Vice President of Ocwen Recovery Group and Senior Vice President, Director and Senior Manager of Commercial Servicing at Ocwen. He joined Ocwen in 1997. Mr. Shepro also serves on the Boards of certain of Altisource's subsidiaries and Lenders One, a national alliance of mortgage bankers managed by a subsidiary of Altisource. He holds a Bachelor of Science in Business from Skidmore College and a Juris Doctor from the Florida State University College of Law.

Mr. Shepro's day-to-day leadership and intimate knowledge of our business and operations provide the Board of Directors with Company-specific experience and expertise. Furthermore, Mr. Shepro's legal background and operational experience in the financial technology and residential and commercial mortgage servicing industries provide the Board of Directors with valuable strategic, industry and operational insights.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS
THAT YOU VOTE "FOR" EACH OF THE NOMINEES FOR DIRECTOR**

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Board of Directors and Corporate Governance

Meetings of the Board of Directors

The Board of Directors plays an active role in overseeing the Company's business and representing the interests of the Company and its shareholders. Directors generally attend all meetings of the Board of Directors and all meetings of Committees on which they serve. Directors are also consulted for advice and counsel between formal meetings.

Our Board of Directors met twenty (20) times in 2018. During 2018, each of our Directors attended 100% of the Board meetings and meetings of the Committees on which they served, in each case during their period of service.

Although we do not have a formal policy regarding Director attendance at our annual meetings of shareholders, our Directors generally attend. All of the then-incumbent members of our Board of Directors attended our 2018 annual meeting of shareholders.

Independence of Directors

Our Corporate Governance Guidelines provide that a majority of our Directors must qualify as independent Directors under NASDAQ listing standards and applicable law.

Our Board of Directors annually reviews the direct and indirect relationships that the Company has with each Director. The purpose of this review is to determine whether any transactions or relationships are inconsistent with a determination that the Director is independent. Only those Directors who are determined by our Board of Directors to have no material relationship with Altisource are considered independent. This determination is based in part on the analysis of questionnaire responses that follow the independence standards and qualifications established by NASDAQ and applicable law. The Board of Directors also considers beneficial ownership of our common stock by each of the Directors, as set forth under "Security Ownership of Certain Beneficial Owners and Management," although our Board of Directors generally believes that stock ownership tends to further align a Director's interests with those of our other shareholders. Please see "Minimum Stock Ownership Requirements" under the Board of Directors Compensation section for additional information.

The Board of Directors has determined that all of our current Directors other than Mr. Shepro are independent under NASDAQ listing standards. Mr. Shepro is deemed not to be independent because he serves as the Chief Executive Officer of Altisource.

Executive Sessions of Independent Directors

Our Independent Directors met in executive session of the Board of Directors without management four (4) times in 2018.

Board Leadership Structure

Our Corporate Governance Guidelines provide that the Board may appoint a lead independent director unless the Chairman of the Board is an independent director. Mr. Vättö, an independent Director, is the Chairman and, as a result, we do not currently have a lead independent director. If our nominees for Director are elected, the Board would assess what would be the most appropriate leadership structure, including which Director nominee should serve as Chairman and whether it would be in the best interests of the Company and our shareholders to appoint a lead independent director.

Committees of the Board of Directors

Our Board of Directors has established an Audit Committee, a Compensation Committee, a Compliance Committee, a Nomination/Governance Committee and an Executive Committee. Except as otherwise

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required by applicable laws or rules, the Committees' responsibilities and procedures are designed to remain flexible, so that they may be in a position to best react or respond to changing circumstances or conditions. A brief description of each committee is provided below.

Audit Committee. The Audit Committee of our Board of Directors oversees the relationship with our independent registered certified public accounting firm and certified auditor; provides assistance to our Board of Directors with respect to matters involving the accounting, auditing, financial reporting and internal control functions; establishes procedures for the receipt, retention and treatment of complaints received by the Company relating to the financial reporting process and our system of accounting, internal controls, auditing and federal securities law matters; reviews and approves transactions in which a "Related Person" (as defined by SEC Regulation S-K in accordance with the Company's Related Person Transactions Policy) has a material interest; reviews the scope and results of the annual audit conducted by the independent registered certified public accounting firm, including any significant matters regarding internal controls over financial reporting; and reviews the Company's internal audit plan, internal audit budget and enterprise risk assessment. The Audit Committee is also empowered to retain, at the Company's expense, such independent counsel or other advisors as it deems necessary in connection with its responsibilities.

The members of the Audit Committee for 2018 were Messrs. Müller-Ineichen, Linn, Morettini and Vättö, with Mr. Müller-Ineichen serving as the Chairman. Each member of our Audit Committee is independent as defined in regulations adopted by the SEC and NASDAQ listing standards. Our Board of Directors has determined that all members of our Audit Committee are financially literate, possess accounting or related financial management experience that results in the individual's financial sophistication within the meaning of NASDAQ listing standards and qualify as audit committee financial experts as that term is defined in SEC rules. Pursuant to the Company's Corporate Governance Guidelines, no director may serve as a member of the Audit Committee if such director serves on the audit committee of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of such director to effectively serve on the Audit Committee.

Our Audit Committee operates under a written charter approved by our Board of Directors, a copy of which is available on our website at www.altisource.com and is available in print to any shareholder who requests it. On an annual basis, the Audit Committee reviews its charter and presents any recommendations for amendments to the Board. The Audit Committee also evaluates its performance under its charter and delivers a report to the Board setting forth the results of its evaluation, including an assessment of the adequacy of its charter. The charter was last reviewed by the Audit Committee in January 2019. The Audit Committee met eleven (11) times in 2018. The Audit Committee met in executive session with both the Company's internal and external auditors five (5) times, solely with the Company's internal auditors one (1) time and solely with the Company's external auditors five (5) times in 2018.

Compensation Committee. The Compensation Committee of our Board of Directors oversees our compensation and employee benefit plans and practices. Our Compensation Committee also evaluates and makes recommendations to our Board of Directors for compensation and other human resources matters relating to our executive officers. The Compensation Committee reviews with the Chief Executive Officer and the Chief Administration and Risk Officer (except as it relates to their own compensation) and subsequently approves all executive compensation programs, any severance or termination arrangements applicable to executive officers and any equity compensation plans that are not subject to shareholder approval. The Compensation Committee also has the power to review our other compensation plans, including the goals and objectives thereof. The Compensation Committee is responsible for reviewing Director compensation and recommending changes, subject to the approval of our shareholders. The Compensation Committee has the authority to administer awards under our 2009 Equity Incentive Plan, as amended and restated (the "2009 Equity Incentive Plan").

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The Compensation Committee may request that any of our Directors, executive officers, employees or other persons attend its meetings to provide advice, counsel or pertinent information as the Committee requests. The Compensation Committee is also empowered to retain independent compensation consultants, counsel or other advisors as it deems necessary in connection with its responsibilities at the Company's expense. In determining whether a compensation consultant, counsel or other advisor is independent, the Compensation Committee considers all factors set forth in SEC rules and the NASDAQ listing standards with respect to advisor independence, as well as any other factors the Compensation Committee deems relevant. Based on its consideration of the various factors as set forth in SEC rules and NASDAQ listing standards, the Compensation Committee determined that its compensation consultant Exequity LLP ("Exequity") is independent and that the engagement of Exequity by the Company raises no conflict of interest. In 2018, our Compensation Committee engaged Exequity to conduct a peer group analysis, review the compensation levels for Directors and executive officers and review the design of awards granted pursuant to our Long-Term Incentive Plan for our executive officers and other key employees. Please see "Role of Compensation Consultant" in our Compensation Discussion and Analysis for further information.

The members of the Compensation Committee during 2018 were Messrs. Vättö, Burg, Morettini, Müller-Ineichen and Orin S. Kramer, with Mr. Vättö serving as the Chairman. Mr. Kramer resigned as a member of the Compensation Committee effective August 23, 2018, upon his resignation from the Board.

Each member of the Compensation Committee is independent as defined by NASDAQ listing standards, as revised in 2013. While we have no specific qualification requirements for members of the Compensation Committee, our members have knowledge and experience regarding compensation matters as developed through their respective business experience in both management and advisory roles, including general business management, executive compensation and employee benefits experience. We believe that their collective achievements and knowledge provide us with extensive diversity in experience, culture and viewpoints.

Our Compensation Committee operates under a written charter approved by our Board of Directors, a copy of which is available on our website at www.altisource.com and is available in print to any shareholder who requests it. On an annual basis, the Compensation Committee reviews its charter and presents any recommendations for amendments to the Board. The Compensation Committee also evaluates its performance under its charter and delivers a report to the Board setting forth the results of its evaluation, including an assessment of the adequacy of its charter. The charter was last reviewed by the Compensation Committee in January 2019. The Compensation Committee met eight (8) times in 2018.

Compensation Committee Interlocks and Insider Participation. No current member of the Compensation Committee has ever been an officer or employee of the Company, and no member has nor has ever had any relationship with us requiring disclosure under Item 404 of SEC Regulation S-K. None of our executive officers has served on the Board of Directors or compensation committee of any other entity that has or had one (1) or more executive officers who served as a member of our Board of Directors or our Compensation Committee during the 2018 fiscal year.

Compliance Committee. The Compliance Committee of our Board of Directors provides assistance to the Board with the development, monitoring and evaluation of the Company's compliance function, including its compliance management system, and the Company's compliance with applicable laws, rules and regulations governing its businesses. The Compliance Committee performs such other duties as may be prescribed pursuant to its charter. The members of the Compliance Committee for 2018 were Messrs. Linn, Kramer, Morettini and Müller-Ineichen, with Mr. Linn serving as the Chairman. Mr. Kramer resigned as a member of the Compliance Committee effective August 23, 2018. Each member of the Compliance Committee is independent as defined by NASDAQ listing standards.

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Our Compliance Committee operates under a written charter approved by our Board of Directors, a copy of which is available on our website at www.altisource.com and is available in print to any shareholder who requests it. On an annual basis, the Compliance Committee reviews its charter and presents any recommendations for amendments to the Board. The Compliance Committee also evaluates its performance under its charter and delivers a report to the Board setting forth the results of its evaluation, including an assessment of the adequacy of its charter. The charter was last reviewed by the Compliance Committee in January 2019. The Compliance Committee met four (4) times in 2018.

Nomination/Governance Committee. The Nomination/Governance Committee of our Board of Directors makes recommendations to our Board of Directors of individuals qualified to serve as Directors and committee members for our Board of Directors, advises our Board of Directors with respect to Board of Directors composition, procedures and committees, develops and presents our Board of Directors with a set of corporate governance guidelines and oversees the evaluation of our Board of Directors. The Nomination/Governance Committee may retain, at the Company's expense, such independent counsel or other advisors as it deems necessary.

The members of the Nomination/Governance Committee during 2018 were Messrs. Linn, Burg, Kramer, Müller-Ineichen and Vättö, with Mr. Linn serving as the Chairman. Mr. Kramer resigned as a member of the Nomination/Governance Committee effective August 23, 2018. Each member of the Nomination/Governance Committee is independent as defined by NASDAQ listing standards.

Our Nomination/Governance Committee operates under a written charter approved by our Board of Directors, a copy of which is available on our website at www.altisource.com and is available in print to any shareholder who requests it. On an annual basis, the Nomination/Governance Committee reviews its charter and presents any recommendations for amendments to the Board. The Nomination/Governance Committee also evaluates its performance under its charter and delivers a report to the Board setting forth the results of its evaluation, including an assessment of the adequacy of its charter. The charter was last reviewed by the Nomination/Governance Committee in January 2019. The Nomination/Governance Committee met six (6) times in 2018.

The Nomination/Governance Committee regularly assesses the appropriate size of the Board of Directors and whether any vacancies on the Board of Directors are anticipated. Various potential candidates for Director are then identified. Candidates may come to the attention of the Nomination/Governance Committee through current members of the Board of Directors, professional search firms, shareholders or industry sources.

When recommending nominees to the Board, the Nomination/Governance Committee considers candidates based on merit, against objective criteria relating to the candidate's knowledge, experience, skills and expertise, with due regard for the benefits of diversity on the Board. In considering diversity, the Nomination/Governance Committee considers differences that relate to gender, age, ethnicity, race, national origin, cultural background, disability, religion and sexual orientation. The Nomination/Governance Committee assesses the effectiveness of our Board Diversity policy as part of its annual review of Board composition and considers the results of this assessment when evaluating director nominees. Our Board Diversity Policy is available on our website at www.altisource.com and is available in print to any shareholder who requests it.

In evaluating a particular candidate, the Nomination/Governance Committee will also consider factors other than the candidate's qualifications and background, including (i) the current composition of the Board of Directors and the interplay of the candidate's experience with the background of other members of our Board of Directors, (ii) whether the candidate meets the independence standards set forth under applicable laws, regulations and Nasdaq listing standards, (iii) the balance of management and independent Directors, (iv) the need for Audit Committee expertise and (v) the evaluation of other prospective nominees.

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In connection with this evaluation, one or more members of the Nomination/Governance Committee, and others as appropriate, interview prospective nominees. After completing this evaluation and interview, the Nomination/Governance Committee makes a recommendation to the full Board of Directors as to the persons who should be nominated by the Board of Directors. The Board of Directors determines whether the candidates will be nominated and presented to the shareholders for election, after considering the recommendation and report of the Nomination/Governance Committee.

The Nomination/Governance Committee considers director candidates recommended by shareholders. If you want to recommend persons for consideration by our Nomination/Governance Committee as nominees for election to our Board of Directors, you can do so by writing to our Corporate Secretary at Altisource Portfolio Solutions S.A., 40, avenue Monterey, L-2163 Luxembourg City, Grand Duchy of Luxembourg. Should you recommend a candidate for Director, our Nomination/Governance Committee would evaluate such candidate in the same manner that it evaluates any other candidate. You should provide each proposed nominee's name, biographical data, qualifications and expertise. Your recommendation should also include a written statement from the proposed nominee consenting to be named as a nominee and, if nominated and elected, to serve as a Director. Any recommendation that a shareholder desires to have included in our proxy materials for consideration at our 2020 annual meeting of shareholders must be received at our registered office no later than December 2, 2019. Please see the "Shareholder Rights" and "Shareholder Proposals" sections for additional information regarding shareholder proposals.

On July 24, 2018, following the recommendation of the Nomination/Governance Committee, the Board of Directors nominated Mr. Scott E. Burg for election to the Board of Directors. In nominating Mr. Burg to serve on our Board, the Board considered the value that he would add due to his relevant experience and understanding of our business and industries. On September 25, 2018, Mr. Burg was elected to the Board by our shareholders at a special meeting of shareholders. With the addition of Mr. Burg, together with Mr. Morettini, who was elected in 2017, our Board's composition reflects a balanced approach to Director tenure, allowing the Board to benefit from the experience of longer-serving Directors combined with fresh perspectives from newer Directors.

Our Nomination/Governance Committee continues to consider the composition and diversity of our Board and at a future date may propose changes to the composition of the Board including the election of one or more additional director candidates in order to complement the qualifications and experience of our existing Board members, and to enhance the diversity of our Board composition.

Executive Committee. Our Executive Committee is generally responsible to act on behalf of our Board of Directors during the intervals between meetings of our Board and to otherwise assist the Board in handling matters that, in the opinion of the Chairman of the Board, should not be postponed until the next scheduled meeting of the Board. The members of the Executive Committee during 2018 were Messrs. Vättö and Shepro, with Mr. Vättö serving as the Chairman.

Our Executive Committee operates under a written charter approved by our Board of Directors, a copy of which is available on our website at www.altisource.com and is available in print to any shareholder who requests it. On an annual basis, the Board of Directors reviews and approves the charter. The Executive Committee also evaluates its performance under its charter and delivers a report to the Board setting forth the results of its evaluation, including an assessment of the adequacy of its charter, except to the extent the Executive Committee has not taken any action during the year. The charter was last reviewed by the Board of Directors in January 2019. The Executive Committee took action pursuant to written consent two (2) times in 2018.

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Corporate Governance Guidelines

The Corporate Governance Guidelines adopted by our Board of Directors provide guidelines for effective corporate governance and to promote the effective functioning of the Board and its Committees. The Corporate Governance Guidelines cover topics such as Director qualification standards, Board of Directors and committee composition, Director responsibilities, minimum stock ownership requirements for our non-management Directors and Chief Executive Officer, anti-hedging and anti-pledging policies, Director access to management and independent advisors, Director compensation, Director orientation and continuing education, management succession and annual performance reviews of the Board of Directors.

Our Nomination/Governance Committee reviews our Corporate Governance Guidelines at least once a year and, if necessary, recommends changes to the Corporate Governance Guidelines to our Board of Directors. Our Corporate Governance Guidelines were last reviewed by the Nomination/Governance Committee in January 2019. Our Corporate Governance Guidelines are available on our website at www.altisource.com and are available to any shareholder who requests a copy by writing to our Corporate Secretary at Altisource Portfolio Solutions S.A., 40, avenue Monterey, L-2163 Luxembourg City, Grand Duchy of Luxembourg.

Shareholder Rights

We are committed to governance policies and practices that serve the interests of the Company and its shareholders in accordance with Luxembourg law. The following is a summary of our policies and practices that provide rights to our shareholders:

Majority Voting: Directors are elected by the majority of votes cast.

Annual Elections: All Directors are elected annually. Altisource does not have a staggered board.

Shareholder Proposals: Shareholders representing individually or jointly at least ten percent (10%) of the Company's share capital may nominate candidates for election to the Altisource Board and make other proposals for inclusion in the proxy statement, subject to completing certain formalities. Please see the "Shareholder Proposals" section for additional information.

Special Meetings: A special meeting of shareholders may be called at any time by the holders of at least ten percent (10%) of the outstanding stock entitled to be voted at such meeting.

No Shareholder Rights Plan: Altisource does not maintain a shareholder rights plan (sometimes called a "poison pill").

The Board of Directors and its Committees monitor developments in governance best practices to assure that it continues to meet its commitment to represent shareholder interests.

Shareholder Engagement

Engagement with our shareholders helps us gain useful feedback on a wide variety of topics, including corporate governance, compensation practices, Board diversity, capital structure, business performance and the operation of the Company. This feedback is shared regularly with the Company's management and the Board, and may be considered in setting the governance practices and strategic direction for the Company. Shareholder feedback may also help us to better tailor the public information we provide to address the interests and inquiries of our

shareholders and other interested parties.

Altisource from time to time interacts and communicates with shareholders in a number of forums, including quarterly earnings presentations, SEC filings, investor conferences and meetings and press releases. In furtherance of the Company's commitment to constructive communication and engagement with shareholders, in November 2018 the Board of Directors adopted a policy regarding communications by

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shareholders and other interested parties with the Board of Directors designed to promote effective engagement with shareholders and clearly outline the parameters for such engagement.

Shareholder feedback is thoughtfully considered and has contributed to modifications in our governance practices and disclosures. At the 2017 annual meeting of shareholders, the Board recommended an *annual* Say-on-Pay vote after considering feedback from shareholders and that an *annual* Say-on-Pay vote enables our shareholders to provide timely input on executive compensation matters. In February 2018, in line with the Board's longstanding view and based in part on shareholder encouragement, we amended our Board Diversity Policy to further emphasize our commitment to diversity, and disclosed this policy on our website. In addition, the Nomination/Governance Committee has taken steps to establish a more diverse pool of director candidates as part of its ongoing succession planning process.

Shareholders who wish to contact our Board of Directors or any individual Director regarding Altisource may do so by mail addressed to our Corporate Secretary at Altisource Portfolio Solutions S.A., 40, avenue Monterey, L-2163 Luxembourg City, Grand Duchy of Luxembourg or by email to the Office of the Corporate Secretary at corporate.secretary@altisource.lu. Relevant communications received in writing are distributed to our Board of Directors or to individual Directors, as appropriate, depending on the facts and circumstances outlined in the communication received.

Code of Ethics

We have adopted a Code of Business Conduct and Ethics that applies to our Directors, officers and employees as required by NASDAQ listing standards. We have also adopted a Code of Ethics for Senior Financial Officers that applies to our Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer. The Code of Business Conduct and Ethics and the Code of Ethics for Senior Financial Officers are available on our website at www.altisource.com and are available to any shareholder who requests a copy by writing to our Corporate Secretary at 40, avenue Monterey, L-2163 Luxembourg City, Grand Duchy of Luxembourg. On an annual basis, the Board of Directors reviews and approves the Code of Business Conduct and Ethics and the Code of Ethics for Senior Financial Officers. The Code of Business Conduct and Ethics and the Code of Ethics for Senior Financial Officers were last reviewed by the Board of Directors in January 2019. Any amendments to the Code of Business Conduct and Ethics or the Code of Ethics for Senior Financial Officers, as well as any waivers that are required to be disclosed under SEC rules or NASDAQ listing standards, must be approved by our Board of Directors or the Audit Committee and will be posted on our website at www.altisource.com or otherwise disclosed in accordance with such rules.

Risk Management and Oversight Process

Our Board of Directors and its Committees play a key role in the oversight of the Company's risk management.

Through regular reviews with management and internal and external auditors, the Board of Directors and the Audit Committee monitor Altisource's enterprise risks, including credit risk, liquidity risk, operational risk and legal and regulatory risk. In its periodic meetings with internal and external auditors, the Audit Committee discusses the scope and plan for the internal audit department and, in conjunction with management, considers whether accounting and financial controls are aligned with business risks. In its periodic meetings with the external auditors, the Audit Committee reviews the external audit scope, the external auditors' responsibilities and independence under the Standards of the Public Company Accounting Oversight Board ("PCAOB"), accounting policies and practices and other required communications.

On an annual basis, the Board of Directors and the Audit Committee perform an enterprise risk assessment with management to review the principal risks and monitor the steps management is taking to map and mitigate these risks. This enterprise risk assessment includes operational, financial, legal and regulatory

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compliance, reputational, technology, privacy, data security (including cybersecurity), strategic and other risks that could adversely affect our business.

The Board of Directors and the Compliance Committee monitor Altisource's overall compliance function, including the compliance management system, and Altisource's compliance with legal and regulatory requirements and related risks, through regular reviews with both management and internal auditors. At least quarterly, the Compliance Committee reviews and discusses with management the Company's compliance with legal and regulatory requirements and compliance programs.

In addition, working closely with management, the Nomination/Governance Committee assists the Board of Directors in monitoring the Company's governance and succession risks, and the Compensation Committee assists the Board of Directors in monitoring the Company's compensation policies and related risks.

The role of the Board of Directors in risk oversight is consistent with the Company's leadership structure, with the Chief Executive Officer, Chief Administration and Risk Officer and other members of management having responsibility for assessing and managing the Company's risk exposure, and our Chairman, the Board of Directors and its Committees providing oversight of the management of these risks.

Corporate Responsibility and Sustainability

At Altisource, we are dedicated to improving the welfare of the communities in which we operate through social and other responsibility initiatives, such as our continued collaboration with Habitat for Humanity International ("Habitat") to help revitalize homes and communities. We believe that our commitment to corporate responsibility and community involvement is not only an expression of good corporate citizenship that aligns with our core value of enriching the communities in which we live and serve, but also strengthens our relationships with our customers and other stakeholders, contributing to the long-term success of our business.

In 2015, Altisource established a Corporate Responsibility Management Committee to (i) oversee policies, procedures and strategies regarding Corporate Responsibility; (ii) encourage social responsibility by and among the Company and our employees, as well as with our customers and in our communities; and (iii) monitor the Company's reputation, including with customers, community advocates and governance agencies. The Committee typically meets quarterly and is chaired by our Chief Administration and Risk Officer and includes our Chief Legal and Compliance Officer, Chief Revenue Officer and other key operational executives.

In 2018, Altisource and its employees dedicated their time or gave funds to build or renovate homes in the U.S. as part of the Company's alliance with Habitat, support an orphanage in India, enrich child education in the Philippines and alleviate poverty in Uruguay. We also continued to focus on increasing diversity among the vendors for certain of our businesses, with an estimated 21% of our 2018 spending on field vendors directed to those owned or operated by people of color, women, veterans and the disabled, exceeding our target of 15%. Beyond our existing sustainability practices in telecommuting, mass transit and other areas, the Corporate Responsibility Management Committee has also been implementing additional initiatives, including improved waste reduction and energy efficiency, and it has developed a sustainability report to report on these efforts.

Our Board of Directors provides oversight of our Corporate Responsibility Management Committee and receives regular updates on the effectiveness of the Corporate Responsibility program.

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Board of Directors Compensation

Compensation Arrangements for Non-Management Directors

Altisource's director compensation program is designed to attract and retain highly qualified non-management directors. Our Compensation Committee believes that compensation for non-management directors should consist of both equity and cash to compensate members for their service on the Board of Directors and its committees and to align their interests with our shareholders.

In line with our philosophy that the interests of our Directors should align with the interests of our shareholders, and to encourage active membership, non-management Directors who attend at least seventy-five percent (75%) of all meetings of the Board of Directors and Committees on which they serve are entitled to receive an award of shares of our common stock at the end of the applicable service year based on an award value approved by our shareholders. We determine the number of shares to be granted by dividing the award value by the average of the high and low prices of our common stock as reported on the NASDAQ Global Select Market on the first day of the service year.

For the 2017 to 2018 service year, our non-management Directors attended at least seventy-five percent (75%) of all meetings of the Board of Directors and Committees on which they served and, as a result, each non-management Director received 5,762 shares of our common stock at the end of the service year, based on an award value of \$110,000 divided by the average of the high and low prices of the common stock as reported on the NASDAQ Global Select Market on May 18, 2017 (the first day of the 2017 to 2018 service year).

In 2017, the Compensation Committee engaged our compensation consultant to conduct a director pay benchmarking study relative to our peer group at the time. The pay study concluded that the total compensation (cash and equity) for our non-management Directors was below the peer group median. Based on these findings and other factors, the Compensation Committee recommended submitting a proposal to our shareholders to increase the value of the annual equity award made to our non-management Directors from \$110,000 to \$120,000, and our shareholders approved this proposal at our 2018 annual meeting of shareholders.

For the 2018 to 2019 service year, our non-management Directors who attend at least seventy-five percent (75%) of all meetings of the Board and Committees on which they serve will receive 4,139 shares of common stock at the end of the service year, based on an award value of \$120,000, divided by the average of the high and low prices of the common stock as reported on the NASDAQ Global Select Market on May 16, 2018 (the first day of the 2018 to 2019 service year), as approved by our shareholders at our 2018 annual meeting of shareholders. For the 2018 to 2019 service year, our non-management Director who will have served on the Board of Directors less than a full service year, Mr. Burg, will receive 2,642 shares at the end of the service year if he attends seventy-five percent (75%) of all meetings of the Board of Directors and committees on which he has served since joining the Board to the end of the service year based on an award value of \$76,603 (\$120,000 prorated to his start date). For the 2018 to 2019 service year, Mr. Kramer, having served on the Board of Directors less than a full service year and attended at least seventy-five percent (75%) of all meetings of the Board and Committees on which he served, was granted 1,134 shares upon his resignation from the Board based on an award value of \$32,877 as of the grant date (\$120,000 prorated to the number of days in the 2018 to 2019 service year that Mr. Kramer served as a Director).

In addition, in line with our philosophy that the interests of our Directors should be aligned with those of our shareholders, new non-management Directors are granted a one-time award of 500 shares of common stock, which are scheduled to vest in four (4) equal installments, with the initial portion vesting on the date of the annual meeting following the award and vesting continuing on the dates of the next three (3) annual meetings. Accordingly, on the date of his election, September 25, 2018, Mr. Burg received a one-time grant

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of 500 shares of common stock that will vest in four (4) installments each year on the date of our annual meeting of shareholders.

As approved by our shareholders at our 2016 annual meeting of shareholders, each non-management member of our Board of Directors also receives the following annual cash compensation, in quarterly installments:

- a retainer of \$54,000;
- an additional \$100,000 to the Chairman of the Board of Directors;
- an additional \$25,000 to the Audit Committee Chairman;
- an additional \$17,500 to the Compliance Committee Chairman;
- an additional \$15,000 to the Compensation Committee Chairman;
- an additional \$12,500 to the Nomination/Governance Committee Chairman;
- an additional \$10,000 to all Audit Committee members (other than the Audit Committee Chairman);
- an additional \$10,000 to all Compliance Committee members (other than the Compliance Committee chairman);
- an additional \$7,500 to all Compensation Committee members (other than the Compensation Committee Chairman); and
- an additional \$5,000 to all Nomination/Governance Committee members (other than the Nomination/Governance Committee Chairman).

The Company also pays for, or reimburses our Directors for, their reasonable travel, lodging, food and other expenses related to their attendance at Board, Committee or shareholder meetings or other corporate functions.

Certain Directors are also required to file Luxembourg tax returns in connection with the compensation that they receive as Directors of Altisource. In connection with this requirement, the Company is presenting a proposal at the Annual Meeting to ratify Altisource's payment of tax preparation services for any Luxembourg tax returns that must be filed by non-resident Directors as a result of their membership on the Board of Directors of Altisource. The cost of the tax preparation services is estimated to be 1,000 euros per year, per Director. Please see "Proposal Eight: Ratification Of Changes To Non-Management Directors' Compensation."

Non-Management Director Compensation for 2018

The following table summarizes (i) cash compensation earned by each non-management member of our Board of Directors who served as a Director during 2018, (ii) stock awards made to our non-management Directors in 2018 for their service in the 2017 to 2018 service year and (iii) any other compensation received in 2018. Our management Director does not receive an annual retainer or any other compensation for his service on the Board of Directors.

Name

Total

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	Fees Earned or Paid in Cash⁽¹⁾	Stock Awards⁽²⁾	All Other Compensation
Timo Vättö ⁽³⁾	\$184,000	\$165,225	- \$349,225
Scott E. Burg ⁽⁴⁾	\$16,079	-	- \$16,079
Orin S. Kramer ⁽⁵⁾	\$49,476	\$168,809	- \$218,285
W. Michael Linn	\$94,000	\$165,225	- \$259,225
Joseph L. Morettini ⁽⁶⁾	\$76,548	\$168,809	- \$245,357
Roland Müller-Ineichen ⁽⁷⁾	\$98,199	\$165,225	- \$263,424

(1) Cash compensation for our non-management Directors is established on a "service year" basis running from one annual meeting of shareholders to the next annual meeting of shareholders, and is paid in equal

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installments at the end of each quarter during which the non-management Director served as a member of our Board of Directors. Certain Directors elect to receive their quarterly payments in currencies other than the U.S. dollar. Director compensation may be prorated for a Director serving less than a full one (1) year term, as in the case of a Director joining the Board of Directors after an annual meeting of shareholders but during the service year. This table shows the amounts earned for service in 2018, including amounts earned for service in the fourth quarter of 2018 and paid in the first quarter of 2019.

- (2) Non-management Directors who attended at least seventy-five percent (75%) of all meetings of the Board of Directors and Committees on which they served for the 2017 to 2018 service year were entitled to receive an award of Altisource common stock at the end of such service year. The number of shares of common stock was determined by dividing \$120,000 by the average of the high and low prices of the common stock as reported on the NASDAQ Global Select Market on the first day of the service year. This table shows the aggregate award date fair value of such shares on the date received in May 2018.
- (3) Mr. Vättö's cash compensation was paid in euros, using the following exchange rates that were in effect on the 15th day of the last month of the quarter for which payment was made: for the first quarter, an exchange rate of 0.80977 euros to the U.S. dollar; for the second quarter, an exchange rate of 0.86257 euros to the U.S. dollar; for the third quarter, an exchange rate of 0.85999 euros to the U.S. dollar and for the fourth quarter, an exchange rate of 0.88417 euros to the U.S. dollar. The amounts reported in the table above are the U.S. dollar amounts prior to conversion to euros.
- (4) Mr. Burg joined the Board of Directors effective September 25, 2018 and was appointed by the Board of Directors to the Compensation Committee and the Nomination/Governance Committee, effective November 12, 2018. These amounts reflect compensation for service from those dates.
- (5) Mr. Kramer resigned from the Board of Directors effective August 23, 2018.
- (6) On the date of his initial election, Mr. Morettini received a one-time grant of 500 shares of common stock, with an aggregate fair market value of \$9,838. This award vests in four (4) equal installments beginning on the date of the 2018 annual meeting of shareholders and continuing on the dates of the next three (3) annual meetings of shareholders, subject to his continued service on the Board.
- (7) Mr. Müller-Ineichen's cash compensation was paid in Swiss francs for the fourth quarter using the exchange rate that was in effect on December 15, 2018 of 0.99741 Swiss francs to the U.S. dollar. The amounts reported in the table above are the U.S. dollar amounts prior to conversion to Swiss francs.

Minimum Stock Ownership Requirements

To further align our non-management Directors' interests with those of our shareholders, in February 2018, the Board of Directors adopted minimum stock ownership requirements for non-management Directors. Pursuant to these ownership requirements, each non-management Director is required to attain and maintain stock ownership at a level equal to three times his or her annual cash retainer. Each non-management Director has two years from the effective date of his or her initial appointment or from the date on which he or she first becomes subject to the policy, whichever is later, to comply with these requirements. Each of our Directors either currently meets the applicable minimum stock ownership requirements or is expected to come into compliance with these requirements within the period noted above. For information

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regarding the minimum stock ownership requirements applicable to our Chief Executive Officer, please see "Minimum Stock Ownership Requirement for the Chief Executive Officer" in our Compensation Discussion and Analysis. The minimum stock ownership requirements for our non-management Directors and Chief Executive Officer are set forth in our Corporate Governance Guidelines, which are available on our website at www.altisource.com.

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The following table sets forth certain information with respect to each person who currently serves as one of our executive officers but does not serve on our Board of Directors. Our executive officers are determined annually by our Board of Directors and generally serve at the discretion of our Board of Directors. None of our Directors or executive officers is related to any other Director or executive officer of Altisource by blood, marriage or adoption.

Name	Age ⁽¹⁾	Position
Kevin J. Wilcox	55	Chief Administration and Risk Officer
Michelle D. Esterman	46	Chief Financial Officer
Marcello Mastioni ⁽²⁾	43	Chief Operating Officer
Gregory J. Ritts	50	Chief Legal and Compliance Officer

(1) As of March 22, 2019

(2) Mr. Mastioni became an executive officer as of December 14, 2018

The principal occupation for the last five (5) years, as well as certain other biographical information, for each of our executive officers that is not a Director is set forth below.

Kevin J. Wilcox. Mr. Wilcox serves as Chief Administration and Risk Officer of Altisource. Mr. Wilcox has served as Chief Administration Officer since August 2009 and as General Counsel from August 2009 through October 2014. Before joining Altisource, he served as Executive Vice President, Chief Administration Officer and Corporate Secretary for Ocwen from May 2008. Mr. Wilcox also served as Senior Vice President of Human Resources and Corporate Services for Ocwen. He joined Ocwen in March 1998 as Senior Manager, Litigation in the Law Department, where he was responsible for the management and resolution of all corporate litigation. He holds a Bachelor of Science in Business Administration from the University of Florida and a Juris Doctor from the Florida State University College of Law.

Michelle D. Esterman. Ms. Esterman has served as Chief Financial Officer of Altisource since August 27, 2018. She also served as Chief Financial Officer of Altisource from March 2012 to October 2017 and as Executive Vice President, Finance of Altisource from October 2017 to August 2018. Before joining Altisource in March 2012, she served as Senior Manager, Audit & Enterprise Risk Services for Deloitte since 2003, including a two year rotation with Deloitte Touche Tohmatsu, and in various positions within Deloitte & Touche LLP from 1996 to 2003. Ms. Esterman began her career with Georgia Pacific Corporation in 1994 and is a Certified Public Accountant (Florida). She holds a Bachelor of Business Administration with a concentration in Accounting and a Master of Accountancy with a concentration in Tax from the University of North Florida.

Marcello Mastioni. Mr. Mastioni has served as Chief Operating Officer of Altisource since March 2019. He previously served as President, Consumer Real Estate Marketplace since joining Altisource in August 2017. Prior to joining the Company, Mr. Mastioni served as Vice President and Managing Director of Europe, Middle East and Africa at HomeAway® from March 2013 to July 2017. He was also Director of Strategy and Business Development at Expedia® from June 2010 to March 2013. Mr. Mastioni served as Head of Retail and Consumer Goods Industries at the World Economic Forum and led operations for General Electric ("GE") in Europe, including those of GE's Digital Energy UPS business. He holds a master of science in industrial engineering and business administration from the Polytechnic University of Milan and a master of advanced studies in global leadership from Columbia, INSEAD and London Business School.

Gregory J. Ritts. Mr. Ritts has served as Chief Legal and Compliance Officer of Altisource since February 2018 and has served as General Counsel since joining Altisource in October 2014. Before joining Altisource, he served as Senior Vice President, Deputy General Counsel of Publicis Groupe, an advertising and communications group, beginning in June 2010. Mr. Ritts also served as Global Vice President of Business Affairs and Corporate Development at Razorfish LLC, and held various senior legal positions with aQuantive, Inc. and Microsoft Corporation. Mr. Ritts began his career with Nixon Peabody and Perkins Coie as an associate attorney. He holds a Bachelor of Arts from Miami University and a Juris Doctor from the University of Michigan Law School.

Table of Contents**Security Ownership of Certain Beneficial Owners and Management**
Beneficial Ownership of Common Stock

The following table sets forth certain information regarding the beneficial ownership of our common stock by:

- all persons known by Altisource to beneficially own five percent (5%) or more of the outstanding common stock;
- each Director and Named Executive Officer (as defined in "Compensation Discussion and Analysis") of Altisource; and
- all Directors and executive officers of Altisource as a group.

The table is based upon information supplied to us by Directors, executive officers and principal shareholders and filings under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and is based on an aggregate of 16,308,607 shares issued and outstanding as of March 22, 2019. Unless otherwise indicated in the footnotes below, the information is provided as of the record date, March 22, 2019.

Unless otherwise noted, the address of all persons below is: Altisource Portfolio Solutions S.A., 40, avenue Monterey, L-2163 Luxembourg City, Grand Duchy of Luxembourg.

Shares Beneficially Owned⁽¹⁾

Name of Beneficial Owner:	Amount	Percent
William C. Erbey ⁽²⁾	6,000,709	36.79%
Deer Park Road Management Company, LP ⁽³⁾	3,076,210	18.86%
Putnam Investments, LLC ⁽⁴⁾	1,436,106	8.81%
The Vanguard Group, Inc. ⁽⁵⁾	1,289,395	7.91%
Leon G. Cooperman ⁽⁶⁾	852,936	5.23%

Directors and Named Executive Officers:

Scott E. Burg ⁽³⁾	3,076,210	18.86%
William B. Shepro ⁽⁷⁾	777,275	4.66%
Kevin J. Wilcox ⁽⁸⁾	404,068	2.45%
Michelle D. Esterman ⁽⁹⁾	89,830	*
Gregory J. Ritts ⁽¹⁰⁾	30,888	*
Roland Müller-Ineichen	28,879	*
W. Michael Linn ⁽¹¹⁾	28,530	*
Timo Vättö	24,179	*
Marcello Mastioni ⁽¹²⁾	20,119	*
Joseph L. Morettini	5,887	*
All Directors and Executive Officers as a Group (10 persons) ⁽¹³⁾	4,485,865	26.44%

*

Less than one percent (1%)

(1)

For purposes of this table, an individual is considered the beneficial owner of shares of common stock if he or she directly or indirectly has, or shares, voting power or investment power, as defined in the rules promulgated under the Exchange Act, or has the right to acquire such beneficial ownership within 60 days after March 22, 2019. Therefore, the table includes options to purchase shares of our common stock that are currently exercisable or will become exercisable within such 60-day period and restricted shares and restricted share units ("RSUs") that vest within 60 days. It does not include restricted shares that do not vest within such 60-day period and under

which the holder has no voting

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rights until vested. With respect to shares, unless otherwise indicated, an individual has sole voting power and sole investment power with respect to the indicated shares. No shares have been pledged as security for indebtedness by the Named Executive Officers or Directors.

(2)

Based on information contained in a Schedule 13D/A filed with the SEC on December 1, 2017, Mr. Erbey's holdings consist of 5,452,489 shares held by Salt Pond Holdings, LLC ("Salt Pond"), a United States Virgin Islands limited liability company, of which the members are the Christiansted Trust (as defined below), the Frederiksted Trust (as defined below) and Erbey Holding Corporation (as defined below); the Christiansted Trust, a United States Virgin Islands trust, of which Mr. Erbey, John Erbey (Mr. Erbey's brother), Mrs. Erbey and Salt Pond are co-trustees (the "Christiansted Trust"); the Frederiksted Trust, a United States Virgin Islands trust, of which Mr. Erbey, John Erbey and Salt Pond are co-trustees (the "Frederiksted Trust"); and Erbey Holding Corporation, Inc. ("Erbey Holding Corporation"), a Delaware corporation, wholly-owned by Carisma Trust, a Nevada trust, the trustee of which is Venia, LLC, a Nevada limited liability company; and 548,220 shares of common stock held by Mrs. Erbey. Mr. Erbey's business address is P.O. Box 25437, Christiansted, United States Virgin Islands 00824.

(3)

Based on information contained in a Schedule 13D/A filed with the SEC on September 25, 2018 by Deer Park Road Management Company, LP ("Deer Park"), a limited partnership, on behalf of itself and Deer Park Road Management GP, LLC, Deer Park Road Corporation, Michael David Craig-Scheckman, AgateCreek LLC and Scott Edward Burg (collectively, the "Deer Park Reporting Persons") and a Form 4 filed with the SEC on September 27, 2018, Deer Park's holdings consist of 3,076,210 shares held for the account of the STS Master Fund, Ltd. ("STS Master Fund"). Based on information set forth in a Schedule 13D/A filed with the SEC on September 25, 2018, the Deer Park Reporting Persons share voting and dispositive power. Deer Park serves as investment adviser to STS Master Fund, an exempted company organized under the laws of the Cayman Islands. The business address of the Deer Park Reporting Persons is 1195 Bangtail Way, Steamboat Springs, Colorado 80487.

(4)

Based on information contained in a Schedule 13G/A filed jointly with the SEC on February 14, 2019 by Putnam Investments, LLC d/b/a Putnam Investments ("PI") and two of its wholly-owned subsidiaries, Putnam Investment Management, LLC ("PIM") and The Putnam Advisory Company, LLC ("PAC"), PI reports aggregate holdings of 1,436,106 shares held by funds managed by PIM, as to which sole dispositive power is claimed by PIM and PI. The mutual funds have voting power with respect to these shares. The business address of PI, PIM and PAC is 100 Federal Street, Boston, Massachusetts 02110.

(5)

Based on information contained in a Schedule 13G/A filed with the SEC on February 13, 2019 by The Vanguard Group, Inc. on behalf of itself and of Vanguard Fiduciary Trust Company and Vanguard Investments Australia, Ltd. (the "Vanguard Entities"), The Vanguard Group, Inc.'s holdings include 10,918 shares as to which sole voting power is claimed; 900 shares as to which shared voting power is claimed; 1,278,843 shares as to which sole dispositive power is claimed; and 10,552 shares as to which shared dispositive power is claimed. Of these shares, 9,652 shares are beneficially owned by Vanguard Fiduciary Trust Company, and 2,166 shares are beneficially owned by Vanguard Investments Australia, Ltd., each of which is a wholly-owned subsidiary of The Vanguard Group, Inc. The business address of The Vanguard Entities is 100 Vanguard Blvd, Malvern, Pennsylvania 19355.

(6)

Based on information contained in a Schedule 13G/A filed with the SEC on February 14, 2019, Mr. Cooperman is the ultimate controlling person of Associates, Capital LP, Investors LP and Equity LP (each as defined below and, collectively, the "Omega Entities"). Mr. Cooperman is the managing member of Omega Associates, L.L.C. ("Associates"), a private investment firm formed to invest in and act as general partner of investment partnerships or similar investment vehicles. Associates is the

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general partner of limited partnerships known as Omega Capital Partners, L.P. ("Capital LP"), Omega Capital Investors, L.P. ("Investors LP") and Omega Equity Investors, L.P. ("Equity LP"). Consists of 50,000 shares owned by Mr. Cooperman; 433,062 shares owned by Capital LP; 113,385 shares owned by Investors LP; and 256,489 shares owned by Equity LP. Mr. Cooperman reports sole voting and dispositive power with respect to all of these shares. Mr. Cooperman's address is St. Andrew's Country Club, 7118 Melrose Castle Lane, Boca Raton, Florida 33496. The business address of the Omega Entities is 810 Seventh Avenue, 33rd Floor, New York, New York 10019.

- (7) Consists of options to purchase 342,400 shares exercisable on or within 60 days after March 22, 2019; 23,176 restricted shares scheduled to vest on or within 60 days after March 22, 2019; and 411,699 shares held by the William B. Shepro Revocable Trust (as to which Mr. and Mrs. Shepro share voting and dispositive power), of which 35,000 were purchased in the open market on April 29, 2015, 7,200 were purchased in the open market on March 22, 2016, 2,300 were purchased in the open market on March 29, 2016, 1,700 were purchased in the open market on May 2, 2016, 21,066 were purchased in a stock option exercise on August 19, 2016, 6,130 were purchased in the open market on November 4, 2016, 5,250 were purchased in the open market on February 21, 2017, 4,608 were purchased in the open market on February 24, 2017, 9,966 were acquired pursuant to the vesting of a restricted share award on April 15, 2017, 56,250 were purchased in a stock option exercise on September 1, 2017, 168,751 were purchased in a stock option exercise on February 9, 2018, 4,309 were acquired pursuant to the vesting of a restricted share award on April 7, 2018, 18,866 were acquired pursuant to the vesting of a restricted share award on April 15, 2018 and 13,205 were acquired pursuant to the vesting of an RSU award on February 12, 2019.
- (8) Consists of options to purchase 164,000 shares exercisable on or within 60 days after March 22, 2019; 7,839 restricted shares scheduled to vest on or within 60 days after March 22, 2019; and 232,229 shares, of which 18,000 were purchased in the open market on April 29, 2015, 8,130 were purchased in a stock option exercise on March 30, 2016, 1,700 were purchased in the open market on May 2, 2016, 22,999 were purchased in a stock option exercise on August 19, 2016, 3,610 were acquired pursuant to the vesting of a restricted share award on April 15, 2017, 39,167 were purchased in a stock option exercise on September 1, 2017, 117,501 were purchased in a stock option exercise on February 9, 2018, 1,005 were acquired pursuant to the vesting of a restricted share award on April 7, 2018, 6,834 were acquired pursuant to the vesting of a restricted share award on April 15, 2018 and 6,603 were acquired pursuant to the vesting of an RSU award on February 12, 2019.
- (9) Consists of options to purchase 77,230 shares exercisable on or within 60 days after March 22, 2019; 5,437 restricted shares scheduled to vest on or within 60 days after March 22, 2019; and 7,163 shares held jointly by Ms. Esterman and her spouse, Gregory F. Esterman, of which 2,553 were acquired pursuant to the vesting of a restricted share award on April 15, 2017, 603 were acquired pursuant to the vesting of a restricted share award on April 7, 2018, 3,206 were acquired pursuant to the vesting of a restricted share award on April 15, 2018 and 801 were acquired pursuant to the vesting of an RSU award on February 12, 2019.
- (10) Consists of options to purchase 22,343 shares exercisable on or within 60 days after March 22, 2019; 2,369 restricted shares scheduled to vest on or within 60 days after March 22, 2019; and 6,176 shares, of which 500 were purchased in the open market on March 21, 2016, 987 were acquired pursuant to the vesting of a restricted share award on April 15, 2017, 266 were acquired pursuant to the vesting of a restricted share award on April 7, 2018, 987 were acquired pursuant to the vesting of a restricted share award on April 15, 2018, 882 were acquired pursuant to the vesting of a restricted share award on July 27, 2018, 1,981 were acquired pursuant to the vesting of a restricted share award on November 13, 2018 and 573 were acquired pursuant to the vesting of an RSU award on February 12, 2019.

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- (11) Includes 2,070 shares held by the W. M. Linn Trust, 580 shares held by S & S Agriculture & Oil, LP, a limited partnership in which Mr. Linn shares voting and dispositive power, 1,500 shares held by the William Michael Linn, Roth IRA and 233 shares held by William M. Linn, Simple IRA.
- (12) Consists of options to purchase 12,233 shares exercisable on or within 60 days after March 22, 2019 and 7,886 shares, of which 6,808 were acquired pursuant to the vesting of a restricted share award on August 1, 2018 and 1,078 were acquired pursuant to the vesting of an RSU award on February 12, 2019.
- (13) Includes 3,076,210 shares for which ownership is attributed to Scott E. Burg and also reported by Deer Park. As a result, the percentages of all beneficial owners in the table total more than 100%.

Equity Compensation Plan Information

The following table sets forth information as of the end of the most recently completed fiscal year with respect to compensation plans under which our equity securities are authorized for issuance.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	1,440,566	\$30.78	1,185,281

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers, Directors and persons who own more than ten percent (10%) of our common stock to file reports of ownership and changes in ownership with the SEC. Executive officers, Directors and greater than ten percent (10%) shareholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. Based upon the Company's review of Section 16(a) reports, the Company believes that all Section 16(a) filing requirements applicable to such reporting persons were complied with in 2018.

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Compensation Discussion and Analysis

Overview

This Compensation Discussion and Analysis provides information regarding each of the following:

our compensation philosophy and the overall objectives of our executive compensation program;

our compensation governance practices;

our executive compensation review process;

the elements of our executive compensation program; and

the decisions made in 2018 and the first quarter of 2019 with respect to the compensation of each of our named executive officers identified below (the "Named Executive Officers").

Our Named Executive Officers for 2018 are:

Name	Position
William B. Shepro	Chief Executive Officer
Kevin J. Wilcox	Chief Administration and Risk Officer
Indroneel Chatterjee	Former Chief Financial Officer ⁽¹⁾
Michelle D. Esterman	