

Altisource Portfolio Solutions S.A.  
Form DEF 14A  
April 07, 2014

[QuickLinks](#) -- Click here to rapidly navigate through this document

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

**SCHEDULE 14A INFORMATION**

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to ss.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:  
N/A
  - 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.):  
N/A
  - 4) Proposed maximum aggregate value of transaction:  
N/A

Edgar Filing: Altisource Portfolio Solutions S.A. - Form DEF 14A

- 5) Total fee paid:
- 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
-

April 7, 2014

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. 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 Wednesday, May 21, 2014, at 9:00 a.m., Central European Time. The matters to be considered by shareholders at the Annual Meeting of Shareholders are described in detail in the accompanying materials.

It is very important that you be represented at the Annual Meeting of Shareholders regardless of the number of shares you own or whether you are able to attend the Annual Meeting of Shareholders in person. We urge you to complete your proxy card in one of the manners described in the accompanying materials even if you plan to attend the Annual Meeting of Shareholders. This will not prevent you from voting in person but will ensure that your vote is counted if you are unable to attend.

Your support of and interest in Altisource Portfolio Solutions S.A. is sincerely appreciated.

Sincerely,

William C. Erbey  
Chairman of the Board of Directors

William B. Shepro  
Chief Executive Officer and Director

**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 21, 2014**

**NOTICE**

Our Annual Meeting of Shareholders will be held:

**Date:** Wednesday, May 21, 2014  
**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

To elect five (5) Directors for a one (1) year term and/or until their successors are elected and qualified;

To approve the appointment by the Audit Committee of our Board of Directors of Deloitte & Touche LLP to be our independent registered certified public accounting firm for the year ending December 31, 2014 and Deloitte Audit S.à r.l. to be our certified auditor for all statutory accounts as required by Luxembourg law for the same period;

To approve Altisource Portfolio Solutions S.A.'s annual accounts prepared in accordance with accounting principles generally accepted in Luxembourg ("Luxembourg GAAP") for the year ended December 31, 2013 (the "Luxembourg Annual Accounts") and its 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") for the year ended December 31, 2013 (the "Consolidated Accounts") (together, the "Luxembourg Statutory Accounts");

To receive and approve the Directors' reports for the Luxembourg Statutory Accounts;

To allocate the results in the Luxembourg Annual Accounts;

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");

To approve the compensation for the Chairperson of our Compliance Committee;

To discharge each of the current and past Directors of Altisource Portfolio Solutions S.A. for the performance of their mandate during the year ended December 31, 2013 and

To transact such other business as may properly come before the meeting and any adjournment of the meeting.



**PROCEDURES**

Our Board of Directors has fixed March 24, 2014 as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting of Shareholders.

Only shareholders of record at the close of business on that date will be entitled to vote at the Annual Meeting of Shareholders, unless otherwise provided under Luxembourg law.

The proxy statement for our 2014 Annual Meeting of Shareholders and our annual report to shareholders on Form 10-K for the year ended December 31, 2013 are available on our website under Investor Relations-Financial Information at <http://ir.altisource.com/financials.cfm>. Additionally, and in accordance with Securities and Exchange Commission ("SEC") rules, you may access our proxy statement at <http://www.proxyvote.com>, a website that does not identify or track visitors of the site, by entering the 12 digit Control Number found on your Beneficial Notice Card or on your Proxy Card in the space provided.

The Luxembourg Statutory Accounts, the Directors' reports for the Luxembourg Statutory Accounts and the statutory auditor's report on the Consolidated Accounts will be available for inspection from April 21, 2014 until the conclusion of the Annual Meeting of Shareholders at Altisource Portfolio Solutions S.A.'s registered office.

By Order of the Board of Directors,

Kevin J. Wilcox  
Corporate Secretary

April 7, 2014  
Luxembourg City, Grand Duchy of Luxembourg

---

**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 7, 2014 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 of Shareholders and at any adjournment or postponement of this meeting. The Annual Meeting of Shareholders will be held at our registered office located at 40, avenue Monterey, L-2163 Luxembourg City, Grand Duchy of Luxembourg on Wednesday, May 21, 2013, at 9:00 a.m., Central European Time for the purposes listed in the Notice of Annual Meeting of Shareholders.

**How a Proxy Works**

If you properly complete, sign and return 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; for approval of the appointment of Deloitte & Touche LLP to be our independent registered certified public accounting firm for the year ending December 31, 2014 and Deloitte Audit S.à r.l. to be our certified auditor for all statutory accounts as required by Luxembourg law for the same period; for approval of Altisource Portfolio Solutions S.A.'s annual accounts prepared in accordance with Luxembourg GAAP for the year ended December 31, 2013 (the "Luxembourg Annual Accounts") and its consolidated financial statements prepared in accordance with U.S. GAAP including a footnote reconciliation of equity and net income to IFRS for the year ended December 31, 2013 (the "Consolidated Accounts") (together, the "Luxembourg Statutory Accounts"); for receipt and approval of the Directors' reports for the Luxembourg Statutory Accounts; for allocation of the results in the Luxembourg Annual Accounts; for approval, on an advisory basis, of the compensation of Altisource's named executive officers as disclosed in the Proxy Statement ("Say-on-Pay"); for approval of the compensation for the Chairperson of our Compliance Committee; for approval of the discharge of each of the current and past Directors of Altisource Portfolio Solutions S.A. for the performance of their mandate during the year ended December 31, 2013 and with regard to any other business that properly comes before the meeting in accordance with the best judgment of the persons appointed as proxies.

**How to Revoke a Proxy**

Your proxy may be used only at the Annual Meeting of Shareholders and any adjournment or postponement of this meeting 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:

filing written notice with our Corporate Secretary at the following address:

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 or

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

## Who May Vote

Under Luxembourg law, you are entitled to vote at the Annual Meeting of Shareholders or any adjournment or postponement of the Annual Meeting of Shareholders if you are a holder of record of our common stock on the meeting date or, if you hold our common stock through a clearing agency, you are a holder as of midnight, Luxembourg time on the fourteenth day prior to the meeting date. For purposes of establishing those holders to whom proxies will be mailed, our Board of Directors has set a record date and time of the close of business on March 24, 2014. At the close of business on March 24, 2014, there were 22,337,370 shares of common stock issued, outstanding and able to be voted and no other class of equity securities outstanding. Each share of our common stock is entitled to one (1) vote at the Annual Meeting of Shareholders on all matters properly presented.

## Quorum and Voting Information

The presence at the Annual Meeting of Shareholders of holders of a majority of the votes of our common stock entitled to be cast, represented in person or by proxy, will constitute a quorum for the transaction of business at the Annual Meeting of Shareholders. Abstentions and broker "non-votes" will be treated as present for purposes of a quorum.

Assuming a quorum, the five (5) nominees for Director will be elected as Directors of Altisource so long as the votes cast in favor of each such person exceed the votes cast to withhold authority for such person. You may vote in favor of or withhold authority to vote for one (1) or more nominees for Director.

The following proposals will be approved if the votes cast in favor of the action exceed the votes cast opposing the action: the proposal to approve the appointment of Deloitte & Touche LLP to be our independent registered certified public accounting firm for 2014 and Deloitte Audit S.à r.l. to be our certified auditor for all statutory accounts as required by Luxembourg law for the same period; the proposal to approve the Luxembourg Statutory Accounts; the proposal to receive and approve the Directors' reports for the Luxembourg Statutory Accounts; the proposal to allocate the results in the Luxembourg Annual Accounts; the advisory vote to approve the compensation of Altisource's named executive officers as disclosed in the Proxy Statement ("Say-on-Pay"); the proposal to approve the compensation for the Chairperson of our Compliance Committee; the proposal to approve the discharge of each of the current and past Directors of Altisource Portfolio Solutions S.A. for the performance of their mandate during the year ended December 31, 2013 and any other matter properly submitted for your consideration at the Annual Meeting of Shareholders (other than the election of Directors).

Abstentions will not be counted in determining the votes cast in connection with the foregoing matters. Brokers may not vote on behalf of their clients in connection with the proposals regarding the election of Directors and "Say-on-Pay," so any broker "non-votes" will not be counted in determining the votes cast in these proposals. A broker "non-vote" occurs when a shareholder has not provided voting instructions to his or her broker on a non-routine item.

While our Board of Directors intends to carefully consider the shareholder vote resulting from the Say-on-Pay proposal, the final vote will not be binding on us and is advisory in nature.

If the shares you own are held in "street name" by a bank or brokerage firm, your bank or brokerage firm, as the record holder of your shares, is required to vote your shares according to your instructions. To vote your shares, you will need to follow the directions your bank or brokerage firm provides you. You will receive a Notice of Internet Availability of Proxy Materials that will tell you how to access our proxy materials and vote your shares via the Internet. It also will tell you how to request a paper or e-mail copy of our proxy materials. Please contact your bank or brokerage firm for further information. If you are a shareholder of record, you will receive a Proxy Card that will tell you how to vote your shares via the Internet, telephone or mail.



**ELECTION OF DIRECTORS**

(Proposal One)

Our Articles of Association 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 fixed by our Board of Directors.

We are proposing the five (5) nominees listed below for election as Directors at the Annual Meeting of Shareholders for a one (1) year term or until their successors are elected and qualified. 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 of Shareholders, the person or persons appointed as proxies will nominate and vote for a replacement nominee or nominees recommended by our Board of Directors. 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.

**Nominees for Director**

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

Name	Age <sup>(1)</sup>	Director Since	Executive Committee	Audit Committee	Compensation Committee	Nomination/ Governance	
						Compliance Committee <sup>(3)</sup>	Governance Committee
William C. Erbey	64	2009	X <sup>(2)</sup>				X <sup>(2)(4)</sup>
William B. Shepro	45	2009	X				
Roland Müller-Ineichen	53	2009		X <sup>(2)</sup>	X	X	X
Timo Vättö	49	2009		X	X <sup>(2)</sup>	X	X
W. Michael Linn	65	2011		X	X	X <sup>(2)(3)</sup>	X <sup>(2)(4)</sup>

(1) As of March 24, 2014

(2) Committee Chairperson for 2013

(3) The Compliance Committee was established by our Board of Directors in October 2013, and Mr. Linn was appointed as Chairman of the Committee at that time

(4) Mr. Linn resigned as Chairman of the Nomination/Governance Committee in October 2013. Mr. Erbey was appointed to the Committee, and as Chairman of the Committee, in October 2013

The principal occupation for the last five (5) years and additional biographical information of each Director of Altisource is set forth below.

All of our Directors bring to Altisource's Board of Directors a wealth of executive leadership experience derived from their service as executives of large corporations.

**William C. Erbey.** Mr. Erbey was appointed as the Chairman of the Board of Directors of Altisource in July 2009. Mr. Erbey has also served as the Executive Chairman of the Board of Directors of Ocwen Financial Corporation ("Ocwen"), Altisource's former parent company, since September 1996 and as the Chief Executive Officer of Ocwen from January 1988 to October 2010. He served as the President of Ocwen from January 1988 to May 1998. From 1983 to 1985, Mr. Erbey served as a Managing General Partner of The Oxford Financial Group, a private investment partnership that was the predecessor of Ocwen. He is also the founder of Home Loan Servicing Solutions, Ltd. ("HLSS") and has served as its Chairman since December 2010. He has also served as Chairman of the Board of Directors of Altisource Residential Corporation ("Residential") since July 2012 and as Chairman of the Board of Directors of Altisource Asset Management Corporation ("AAMC") since March 2012. From 1975 to 1983, Mr. Erbey served at General Electric Capital Corporation ("GECC") in various capacities, including as the President and Chief Operating Officer of General Electric Mortgage

## Edgar Filing: Altisource Portfolio Solutions S.A. - Form DEF 14A

Insurance Corporation. Mr. Erbey also served as the Program General Manager of GECC's Commercial Financial Services Department and as the President of Acquisition Funding Corporation. He holds a Bachelor of Arts in Economics from Allegheny College and a Master of Business Administration, with distinction, from Harvard University.

Mr. Erbey's extensive experience as the Chairman and Chief Executive Officer of Ocwen, and as the Chairman of HLSS, Residential and AAMC, demonstrates his leadership capability and business acumen. His experience in the mortgage services industry brings valuable financial, operational, strategic and industry expertise to our Board of Directors.

**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 at Ocwen. From 2003 until 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 serves on the Boards of Altisource and certain subsidiaries. He holds a Bachelor of Science in Business from Skidmore College and a Juris Doctorate from the Florida State University College of Law.

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

**Roland Müller-Ineichen.** Mr. Müller-Ineichen was appointed to the Board 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 Citi Group that provides private banking services to High Net Worth Individuals; and of Sberbank (Switzerland) Ltd, based in Zurich, Switzerland, a subsidiary of Sberbank Russia, offering trade finance and corporate banking services. In addition, from May 2010 until 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 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 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 required by NASDAQ listing standards and SEC rules.

**Timo Vättö.** Mr. Vättö was appointed to the Board of Directors of Altisource in August 2009. He is the founder and owner of Vättö Management Services AG, a provider of independent corporate advisory services to corporations, institutional investors and private families, which was founded in November 2008. Mr. Vättö also serves as Chairman of the Board of Directors of Evaluserve Ltd., a privately held global specialist in knowledge processes, which provides multi-time zone, multi-lingual

## Edgar Filing: Altisource Portfolio Solutions S.A. - Form DEF 14A

customized research and analytics services for leading-edge companies worldwide. In addition, he serves as Chairman of the Board of Directors of KYC Exchange Net AG, a privately held company that provides the financial services industry with a secure communication platform for Know Your Customer (KYC) and Customer Due Diligence (CDD) purposes. Previously, Mr. Vättö was employed by Citigroup in Switzerland and the U.S. for almost twenty years in senior client coverage and business head roles within Corporate and Investment Banking, most recently as Head of Swiss Investment Banking. In addition, from 2004 to 2009, Mr. Vättö served as a member of the Board of Directors, including as a member of the Audit Committee, of Citibank (Switzerland) AG, part of Citigroup's Wealth Management Business. Mr. Vättö holds a Master of Science, Economics and Business Administration from the University of Tampere (Finland).

Mr. Vättö's experience with Vättö Management Services AG and Citigroup makes him financially literate and qualifies him as a financial expert as required pursuant to NASDAQ listing standards and SEC rules, and his knowledge of the financial services industry provides the Board of Directors with subject matter expertise.

**W. Michael Linn.** Mr. Linn was appointed to the Board of Altisource in May 2011. Mr. Linn also serves on the Board of Directors and as President and Chief Executive Officer of Greensleeves LLC, where he focuses on increasing the use of alternative energy to power buildings. In addition, he is a private investor in energy-related industries. Mr. Linn previously served on the Board of Directors of Ocwen from August 2002 to May 2008 and as the Executive Vice President of Sales and Marketing of Ocwen from February 2004 to May 2007. He served on the Board of Directors of National Lime and Stone from 1994 through 2012. Prior to joining Ocwen, Mr. Linn served on the Board of Directors and as the Executive Vice President of Sales and Marketing of Solomon Software, Inc., a corporation now owned by Microsoft Corporation. He has also served on the Board of Directors and as President and Chief Executive Officer of Saunders, Inc., a venture backed, privately held financial services and technology solutions company. Mr. Linn holds a Bachelor of Arts from Harvard College and a Master of Business Administration from Harvard University.

Mr. Linn's extensive experience in rolling out emerging technologies and in the development of strategic relationships brings valuable operational, sales and strategic expertise to our Board of Directors. Furthermore, Mr. Linn is financially literate and qualifies as a financial expert as required by NASDAQ listing standards and SEC rules.

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

## BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

### Meetings of the Board of Directors

The Board of Directors plays an active role in overseeing management and representing the interests of the shareholders. Directors are expected to attend all meetings of the Board of Directors, the meetings of committees on which they serve and the Annual Meeting of Shareholders. Directors are also consulted for advice and counsel between formal meetings.

Our Board of Directors held six (6) meetings in 2013. Each incumbent Director attended 100% of these meetings as well as the meetings held by all committees of our Board of Directors on which they served during the period. Although we do not have a formal policy regarding Director attendance at the Annual Meeting of Shareholders, our Directors are expected to attend. All of the incumbent members of our Board of Directors attended our 2013 Annual Meeting of Shareholders.

### Independence of Directors

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

Our Board of Directors annually reviews the direct and indirect relationships that we have 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 Related Shareholder Matters," although our Board of Directors generally believes that stock ownership tends to further align a Director's interests with those of our other shareholders. Our current Board of Directors has determined that Messrs. Erbey, Linn, Müller-Ineichen and Vättö are independent Directors.

### Board Leadership Structure

Our Board of Directors has no fixed policy with respect to the separation of the offices of Chairman of the Board of Directors and Chief Executive Officer. Our Board of Directors retains the discretion to make this determination on a case-by-case basis from time to time as it deems to be in the best interests of the Company and our shareholders at any given time. The Board of Directors currently believes that separating the positions of Chief Executive Officer and Chairman is the best structure to fit the Company's needs. As our Chief Executive Officer, Mr. Shepro is responsible for our day-to-day operations and for formulating and executing our long-term strategies in collaboration with the Board of Directors. As Chairman of the Board of Directors, Mr. Erbey leads the Board and oversees meetings of the Board of Directors and the delivery of information necessary for the Board's informed decision-making.

### 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. A brief description of these committees is provided below.

**Audit Committee.** The Audit Committee of our Board of Directors oversees the relationship with our independent registered certified public accounting firm, reviews and advises our Board of Directors

with respect to reports by our independent registered certified public accounting firm and monitors our compliance with laws and regulations applicable to our operations, including the evaluation of significant matters relating to the financial reporting process and our system of accounting, internal controls, auditing and federal securities law matters and the review of the scope and results of the annual audit conducted by the independent registered certified public accounting firm.

The members of the Audit Committee for 2013 were Messrs. Müller-Ineichen, Linn 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. 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](http://www.altisource.com) and is available in print to any shareholder who requests it. On an annual basis, the Audit Committee reviews and approves its charter. The Committee 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 and any recommendations for amendments. The charter was last reviewed by the Audit Committee in February 2014. The Committee met nine (9) times in 2013. The Committee met in executive session with both the Company's internal and external auditors five (5) times, solely with the Company's internal auditors two (2) times and solely with the Company's external auditors five (5) times in 2013.

**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 human resource and compensation matters relating to our named executive officers. The Compensation Committee reviews with the Chief Executive Officer and Chief Administration Officer and General Counsel and subsequently approves all executive compensation plans, any executive severance or termination arrangements 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 and to recommend changes to these plans to our Board of Directors. The Compensation Committee has authority to administer awards under the 2009 Equity Incentive Plan. The Compensation Committee has the authority to retain independent compensation consultants, counsel or other advisers as it deems necessary in connection with its responsibilities at the Company's expense. In determining whether a compensation consultant, counsel or other adviser is independent, the Compensation Committee considers all factors set forth in SEC rules and the NASDAQ listing standards with respect to adviser independence, as well as any other factors the Compensation Committee deems relevant. The Compensation Committee may request that any of our Directors, officers, employees or other persons attend its meetings to provide advice, counsel or pertinent information as the Committee requests.

In setting the compensation for our Chief Financial Officer in the first quarter of 2013, our Compensation Committee conducted compensation benchmarking with the assistance of its independent compensation consultant, Exequity LLP ("Exequity"). Exequity reviewed the pay level for our Chief Financial Officer compared to pay levels among our peer companies, as analyzed by management, to help identify the competitive positioning of our pay practices. Additionally, our Compensation Committee engaged Exequity in the first quarter of 2014 to ensure that Altisource's peer group for any future compensation benchmarking study is comprised of the most appropriate benchmark companies. Please see "Role of Compensation Consultant" and "Compensation Increase for Our Chief Financial Officer" in our Compensation Discussion and Analysis for further information.

The members of the Compensation Committee for 2013 were Messrs. Vättö, Linn and Müller-Ineichen, with Mr. Vättö serving as the Chairman. Each member of the Compensation Committee is independent

## Edgar Filing: Altisource Portfolio Solutions S.A. - Form DEF 14A

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 feel that their collective achievements and knowledge provide us with extensive diversity in experience, culture and viewpoints. The Corporate Secretary develops the meeting calendar for the year based on committee member availability and other relevant events within our Company calendar. Compensation Committee meeting agendas are generally developed by our Corporate Secretary and our Compensation Committee chairperson. Generally, at the end of each scheduled meeting, all participants other than the Compensation Committee members withdraw from the meeting and the Compensation Committee meets in executive session.

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](http://www.altisource.com) and is available in print to any shareholder who requests it. On an annual basis, the Compensation Committee reviews and approves its charter. The Committee 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 and any recommendations for amendments. The charter was last reviewed by the Compensation Committee in February 2014. The Committee met four (4) times in 2013.

Certain executives are involved in the design and implementation of our executive compensation programs, including the Chief Executive Officer and Chief Administration Officer and General Counsel, who may be present at Compensation Committee meetings, except that the Chief Executive Officer may not be present during any voting or deliberations on his compensation. These executives annually review the performance of each executive officer (other than the Chief Executive Officer, whose performance is reviewed by the Compensation Committee in consultation with the Chairman of the Board without the presence of the Chief Executive Officer) and present their conclusions and recommendations regarding incentive award amounts to the Compensation Committee for its consideration and approval. The Committee can exercise its discretion in accepting, rejecting and/or modifying any such executive compensation recommendations; however, executive compensation matters are generally delegated to the Chief Executive Officer and Chief Administration Officer and General Counsel for development and execution.

**Compensation Committee Interlocks and Insider Participation.** No member of the Compensation Committee was at any time during the 2013 fiscal year or at any other time an officer or employee of the Company, and no member had any relationship with us requiring disclosure under Item 404 of SEC Regulation S-K. None of our named executive officers has served on the Board of Directors or compensation committee of any other entity that has or had one (1) or more named executive officers who served as a member of our Board of Directors or our Compensation Committee during the 2013 fiscal year.

**Compliance Committee.** In October 2013, our Board of Directors established a Compliance Committee. The purpose of the Committee is to (i) establish and oversee the compliance function for the Company and its subsidiaries, including its compliance management system, (ii) oversee the Company's compliance with applicable regulatory requirements and (iii) perform such other duties as may be prescribed pursuant to its charter.

The members of the Compliance Committee are Messrs. Linn, Müller-Ineichen and Vättö. Mr. Linn was appointed Chairman of the Committee upon its formation. Each member of the Compliance Committee is independent as defined in NASDAQ listing standards.

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](http://www.altisource.com) and is available in print to any

shareholder who requests it. On an annual basis, the Compliance Committee will review and approve its charter. The Compliance Committee will also evaluate its performance under its charter and deliver a report to the Board setting forth the results of its evaluation, including an assessment of the adequacy of its charter and any recommendations for amendments. The charter was last reviewed by the Committee in February 2014. The Committee met one (1) time in 2013.

***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 principles and oversees the evaluation of our Board of Directors and our management.

The members of the Nomination/Governance Committee during 2013 were Messrs. Erbey, Linn, Müller-Ineichen and Vättö. In October 2013, Mr. Erbey replaced Mr. Linn as Chairman of the Committee. Each member of our Nomination/Governance Committee is independent as defined in 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](http://www.altisource.com) and is available in print to any shareholder who requests it. On an annual basis, the Nomination/Governance Committee reviews and approves its charter. The Committee 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 and any recommendations for amendments. The charter was last reviewed by the Nomination/Governance Committee in February 2014. The Committee met four (4) times in 2013.

It is the policy of our Nomination/Governance Committee to consider candidates for Director recommended by you, our shareholders. In evaluating all nominees for Director, our Nomination/Governance Committee takes into account the applicable requirements for Directors under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and NASDAQ listing standards. In addition, our Nomination/Governance Committee takes into account Altisource's best interests as well as such factors as knowledge, experience, skills, expertise, diversity and the interplay of the candidate's experience with the background of other members of our Board of Directors.

Pursuant to the Company's Diversity Policy, the Nomination/Governance Committee considers diversity when it recommends Director nominees to the Board of Directors, viewing diversity in an expansive way to include differences in prior work experience, viewpoint, education and skill set. In particular, the Nomination/Governance Committee considers diversity in professional experience, skills, expertise, training, broad-based business knowledge and understanding of the Company's business environment when recommending Director nominees to the Board of Directors, with the objective of achieving a Board with diverse business and educational backgrounds. Board members should have individual backgrounds that, when combined, provide a portfolio of experience and knowledge that will serve the Company's governance and strategic needs. The Nomination/Governance Committee periodically reviews the skills and attributes of Board members within the context of the current make-up of the full Board of Directors as the Nomination/Governance Committee deems appropriate. The Nomination/Governance Committee does not discriminate against candidates for the Board of Directors based on race, color, religion, sex, sexual orientation or national origin.

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.

## Edgar Filing: Altisource Portfolio Solutions S.A. - Form DEF 14A

In evaluating a particular candidate, the Nomination/Governance Committee will consider factors other than the candidate's qualifications including the current composition of the Board of Directors, the balance of management and independent Directors, the need for Audit Committee expertise and the evaluation of other prospective nominees.

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 the nominees after considering the recommendation and report of the Nomination/Governance Committee. Should you recommend a candidate for Director, our Nomination/Governance Committee would evaluate such candidate in the same manner that it evaluates any other nominee. To date, no shareholder or group of shareholders owning more than 5% of our common stock has put forth any Director nominees.

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. You should provide each proposed nominee's name, biographical data and qualifications. 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. For consideration at the 2015 Annual Meeting of Shareholders, we must receive your recommendations by December 8, 2014.

**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 of Directors. Our Board of Directors has authorized the Committee to approve and/or to designate in writing certain individuals to approve ordinary course of business actions that are required to be documented by counterparties but do not require action by the Board of Directors or its committees. Such actions would include approving, signing and executing checks and electronic funds transmissions, dissolving or merging our wholly-owned subsidiaries and performing such other ministerial actions on such terms, conditions and limits as the Committee deems appropriate in its sole discretion. The Executive Committee operates under a written charter, which is approved by our Board of Directors on an annual basis. The charter was last reviewed by the Board of Directors in February 2014. The Committee did not take any formal action in 2013.

### **Corporate Governance Guidelines**

The Corporate Governance Guidelines adopted by our Board of Directors provide guidelines for us and our Board of Directors to ensure effective corporate governance. The Corporate Governance Guidelines cover topics such as Director qualification standards, Board of Directors and committee composition, Director responsibilities, Director access to management and independent advisors, Director compensation, Director orientation and continuing education, management succession and annual performance appraisals 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 our Board of Directors. Our Corporate Governance Guidelines were last reviewed by the Nomination/Governance Committee and the Board of Directors in February 2014. Our Corporate Governance Guidelines are available on our website at [www.altisource.com](http://www.altisource.com) and are 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.



### **Executive Sessions of Independent Directors**

Independent Directors met in executive session without management four (4) times in 2013.

### **Communications with Directors**

If you desire to contact our Board of Directors or any individual Director regarding Altisource, you 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. 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 SEC rules or NASDAQ listing standards. We have also adopted a Code of Ethics for Senior Financial Officers that applies to our Chief Executive Officer, our Chief Financial Officer and our Chief Accounting Officer. Any waivers from the Code of Business Conduct and Ethics for Directors or named executive officers or the Code of Ethics for Senior Financial Officers must be approved by our Board of Directors or the Audit Committee and will be subsequently disclosed when required by SEC rules or NASDAQ listing standards. 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](http://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. 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, either will be posted on our website or otherwise disclosed in accordance with such rules.

### **Risk Management and Oversight Process**

Our Board of Directors and each of its committees are involved in the oversight of the Company's risk management.

The Board of Directors and the Audit Committee monitor Altisource's credit risk, liquidity risk, operational risk, regulatory risk and enterprise risk by regular reviews with management and internal and external auditors. In its periodic meetings with internal and external auditors, the Audit Committee discusses the scope and plan for the internal audit and includes management in its review of accounting and financial controls and assessment of business risks. 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, by regular reviews with 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 its periodic meetings with the external auditors, the Audit Committee discusses the external audit scope, the external auditors' responsibility under the Standards of the Public Company Accounting Oversight Board ("PCAOB"), accounting policies and practices and other required communications. In addition, through regular reviews 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 Board of Directors' role in risk oversight is consistent with the Company's leadership structure, with the Chief Executive Officer and other members of senior management having responsibility for assessing and managing the Company's risk exposure, and our Chairman, the Board of Directors and its committees providing oversight in connection with these efforts.

**BOARD OF DIRECTORS COMPENSATION**

The following table discloses compensation received by each non-management member of our Board of Directors who served as a Director during fiscal year 2013. Our management Director does not receive an annual retainer or any other compensation for his service on the Board of Directors.

Name	Fees Earned Or Paid in Cash	Stock Awards <sup>(1)</sup>	Option Awards	All Other Compensation	Total
Roland Müller-Ineichen	\$61,500	\$78,681	-	-	\$140,181
Timo Vättö	\$59,000	\$78,681	-	-	\$137,681
William C. Erbey	\$100,222	\$78,681	-	-	\$178,903
W. Michael Linn	\$59,153	\$78,681	-	-	\$137,834

(1) At the end of each year of service, non-management Directors who attended an aggregate of at least 75% of all meetings of the Board of Directors and committees on which they served for such year receive an award of Altisource common stock with an aggregate fair market value of \$45,000, as determined on the first day of the service year by the average of the high and low prices of the common stock as reported on the NASDAQ Global Select Market.

**Cash Compensation**

We provide the following cash compensation to our non-management Directors in quarterly installments:

an annual retainer of \$49,000;

an additional \$50,000 to the Chairman of the Board of Directors;

an additional \$12,500 to the Audit Committee chairperson;

an additional \$10,000 to the Compliance Committee chairperson;

an additional \$5,000 to all committee chairpersons (other than the Audit Committee chairperson and the Compliance Committee chairperson) and

an additional \$5,000 to all Audit Committee members.

**Equity Compensation**

At the end of each year of service, non-management Directors who attended an aggregate of at least 75% of all meetings of the Board of Directors and committees on which they served receive an award of shares of common stock of Altisource with an aggregate fair market value of \$45,000 as determined on the first day of the service year by the average of the high and low prices of the common stock as reported on the NASDAQ Global Select Market. Equity compensation is paid for the prior year of service after the annual organizational meeting of the Board of Directors, which immediately follows the Annual Meeting of Shareholders. New non-management directors elected at the Annual Meeting of Shareholders are granted a one (1) time award of 500 shares of common stock, which vests 25% on each anniversary of the award date.

**Other Compensation**

Directors are reimbursed for reasonable travel and other expenses incurred in connection with attending meetings of the Board of Directors and its committees. Under Luxembourg law and our Articles of Association, Directors' compensation is subject to review and adjustment by the shareholders from time to time.

Any 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.

**NAMED EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS**

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

Name <sup>(1)</sup>	Age	Position
Michelle D. Esterman	41	Chief Financial Officer
Kevin J. Wilcox	50	Chief Administration Officer and General Counsel

(1)

All information set forth herein is as of March 24, 2014

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

**Michelle D. Esterman.** Ms. Esterman serves as Chief Financial Officer of Altisource. Before joining Altisource in March 2012, she served as Senior Manager, Audit & Enterprise Risk Services, for Deloitte & Touche LLP since 2003 and in various positions within Deloitte & Touche LLP from 1996 to 2003, including a two year rotation with Deloitte Touche Tohmatsu. 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.

Prior to hiring Ms. Esterman, the Company determined that her employment with Deloitte & Touche LLP presented no independence issues that could prevent her from assuming the position of Chief Financial Officer of the Company.

**Kevin J. Wilcox.** Mr. Wilcox serves as Chief Administration Officer and General Counsel of Altisource. Before joining Altisource in August 2009, he served as Executive Vice President, Chief Administration Officer and Corporate Secretary for Ocwen since May 2008. Mr. Wilcox previously served as the Senior Vice President of Human Resources and Corporate Services. 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 Doctorate from the Florida State University College of Law.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS  
AND RELATED SHAREHOLDER MATTERS**

**Beneficial Ownership of Common Stock**

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

each Director and named executive officer of Altisource;

all Directors and named executive officers of Altisource as a group and

all persons known by Altisource to own beneficially 5% or more of the outstanding common stock.

The table is based upon information supplied to us by Directors, executive officers and principal shareholders and filings under the Exchange Act. Unless otherwise indicated, the address of all persons below is: 40, avenue Monterey, L-2163 Luxembourg City, Grand Duchy of Luxembourg.

**Shares Beneficially Owned as of March 24, 2014<sup>(1)</sup>**

Name of Beneficial Owner:	Amount	Percent
Neuberger Berman Group LLC <sup>(2)</sup>	2,086,872	9.34%
FMR LLC <sup>(3)</sup>	1,351,682	6.05%
Entities Affiliated with Luxor Capital Group, LP <sup>(4)</sup>	1,229,032	5.50%
<b>Directors and Named Executive Officers:</b>		
William C. Erbey <sup>(5)</sup>	6,809,683	29.34%
Michelle D. Esterman <sup>(6)</sup>	21,939	*
Roland Müller-Ineichen <sup>(7)</sup>	13,837	*
W. Michael Linn <sup>(8)</sup>	18,273	*
William B. Shepro <sup>(9)</sup>	508,599	2.23%
Timo Vättö <sup>(10)</sup>	9,837	*
Kevin J. Wilcox <sup>(11)</sup>	311,478	1.38%
All Directors and Named Executive Officers as a Group (7 persons)	7,693,646	32.02%

\*

Less than 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. 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 by the named executive officers or Directors.

(2)

Based on information contained in a Schedule 13G/A filed jointly with the SEC on February 12, 2014 by Neuberger Berman Group LLC, Neuberger Berman LLC, Neuberger Berman Management LLC and Neuberger Berman Equity Funds ("Neuberger"). Includes 2,086,872 shares as to which shared voting and dispositive power is claimed. Neuberger's address is 605 Third Avenue, New York, New York 10158.

(3)

Based on information contained in a Schedule 13G/A filed with the SEC on February 14, 2014 by FMR LLC ("FMR"). Includes 2,526 shares as to which sole voting power and 1,351,682 shares as to which sole dispositive power is claimed. FMR's address is 245 Summer Street, Boston, Massachusetts 02210.

## Edgar Filing: Altisource Portfolio Solutions S.A. - Form DEF 14A

- (4) Based on the information contained in a Schedule 13G/A filed with the SEC on February 14, 2014, includes 408,624 shares beneficially owned by Luxor Capital Partners, LP (the "Onshore Fund"); 129,726 shares beneficially owned by Luxor Wavefront, LP (the "Wavefront Fund"); 640,447 shares beneficially owned by Luxor Capital Partners Offshore Master Fund, LP (the "Offshore Master Fund") and, potentially, Luxor Capital Partners Offshore, Ltd. (the "Offshore Feeder Fund"); 12,474 shares beneficially owned by Luxor Spectrum Offshore Master Fund, LP (the "Spectrum Master Fund") and potentially Luxor Spectrum Offshore, Ltd. (the "Spectrum Feeder Fund"); 1,229,032 shares beneficially owned by Luxor Capital Group, LP ("Luxor Capital Group"), and potentially Luxor Management, LLC ("Luxor Management") and Christian Leone (37,761 of which are held in a Separately Managed Account) and 1,229,032 shares beneficially owned by LCG Holdings, LLC ("LCG Holdings") and potentially Christian Leone. All reporting entities report shared voting and dispositive power with respect to all shares beneficially owned. The business address of each of the Onshore Fund, the Wavefront Fund, Luxor Capital Group, Luxor Management, LCG Holdings and Mr. Leone is 1114 Avenue of the Americas, 29th Floor, New York, New York 10036. The business address of each of the Offshore Master Fund, the Offshore Feeder Fund, the Spectrum Master Fund and the Spectrum Feeder Fund is c/o Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.
- (5) Includes options to acquire 873,501 shares which are exercisable on or within 60 days after March 24, 2014. Includes 5,935,932 shares held by Salt Pond Holdings, LLC, a United States Virgin Islands limited liability company, of which the members are William C. Erbey and his spouse, E. Elaine Erbey; FF Plaza Limited Partnership, a Delaware partnership, of which the partners are Mr. and Mrs. Erbey and Delaware Permanent Corporation, a Delaware corporation wholly owned by Mr. Erbey; and Erbey Holding Corporation, a Delaware corporation, wholly owned by Mr. Erbey. Includes 250 shares of unvested restricted common stock, subject to forfeiture until vested.
- (6) Consists of options to acquire 21,939 shares which are exercisable on or within 60 days after March 24, 2014.
- (7) Includes 250 shares of unvested restricted common stock, subject to forfeiture until vested.
- (8) Includes (a) 2,338 shares held by Brown's Valley Development Co, LP, a limited partnership in which Mr. Linn is a 99% partner; (b) 3,019 shares held by Stella-Rowan CO LP, a limited partnership in which Mr. Linn's spouse, Elizabeth S. Linn, is a 99% partner; (c) 400 shares held by Mr. Linn's minor child(ren) or adult children sharing the same household; (d) 2,000 shares held by W M Linn Trust; (e) 176 shares held by the William Michael Linn, Roth IRA; (f) 315 shares held by the Elizabeth S. Linn, Roth IRA and (g) 224 shares held by William M. Linn, Simple IRA. Includes 250 shares of unvested restricted common stock, subject to forfeiture until vested.
- (9) Includes options to acquire 483,716 shares which are exercisable on or within 60 days after March 24, 2014. Includes 24,883 shares held by the William B. Shepro Revocable Trust. Mr. and Mrs. William B. Shepro share voting and dispositive power with respect to these shares.
- (10) Includes 250 shares of unvested restricted common stock, subject to forfeiture until vested.
- (11) Includes options to acquire 310,746 shares which are exercisable on or within 60 days after March 24, 2014.

**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.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted average exercise price of outstanding options, warrants and rights<sup>(1)</sup></b>	<b>Number of securities remaining available for future issuance under equity compensation plans</b>
Equity compensation plans approved by security holders	2,591,239	\$18.33	2,643,377

(1) The calculation of the weighted average exercise price does not include restricted stock awards that may be issued to our Directors who attend an aggregate of at least 75% of all meetings of the Board of Directors and committees on which they serve during the service year. See "Board of Directors Compensation" for more information.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires our named executive officers, Directors and persons who own more than 10% of our common stock to file reports of ownership and changes in ownership with the SEC. Named executive officers, Directors and greater than 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 2013.

**COMPENSATION DISCUSSION AND ANALYSIS**

**Introduction, Philosophy and Objectives**

We believe an effective executive compensation program aligns executives' interests with shareholders by rewarding performance that achieves or exceeds specific financial targets and strategic goals designed to improve shareholder value. We seek to provide our executives with long-term incentive opportunities that promote consistent, high-level financial performance and individual service longevity. The Compensation Committee evaluates both performance and compensation annually to ensure that we maintain our ability to attract and retain superior employees in key positions and that compensation provided to key employees remains competitive relative to the compensation paid to similarly situated executives of our peer companies. To achieve these objectives, we generally believe executive compensation packages should include both cash and equity-based compensation that rewards performance as measured against established goals.

This compensation discussion and analysis provides information regarding the following:

- compensation programs for our Chief Executive Officer, Chief Financial Officer and Chief Administration Officer and General Counsel;
- overall objectives of our compensation program and what it is designed to reward;
- each element of compensation that we provide and
- the reasons for the compensation decisions we have made regarding these individuals.

Our named executive officers for 2013 are:

<b>Name</b>	<b>Position</b>
William B. Shepro	Chief Executive Officer
Kevin J. Wilcox	Chief Administration Officer and General Counsel
Michelle D. Esterman	Chief Financial Officer

**Role of Executive Officers in Compensation Decisions**

Certain executives are involved in the design and implementation of our executive compensation programs including the Chief Executive Officer and Chief Administration Officer and General Counsel, who are typically present at Compensation Committee meetings, except that the Chief Executive Officer may not be present during any voting or deliberations on his or her compensation. These executives annually review the performance of each executive officer (other than the Chief Executive Officer, whose performance is reviewed by the Compensation Committee in consultation with the Chairman of the Board without the presence of the Chief Executive Officer) and present their conclusions and recommendations regarding incentive award amounts to the Compensation Committee for its consideration and approval. The Committee can exercise its discretion in accepting, rejecting and/or modifying any such executive compensation recommendations; however, executive compensation matters are generally delegated to the Chief Executive Officer and Chief Administration Officer and General Counsel for development and execution.

**Role of Compensation Consultant**

To further the objectives of our compensation program, in the first quarter of 2013 our Compensation Committee conducted an analysis of the compensation level of our Chief Financial Officer in conjunction with Exequity, the Committee's independent compensation consultant, pursuant to the Compensation Committee's continuing engagement with Exequity. As part of its analysis, Exequity provided research and presented information to the Committee related to compensation trends and "best practices" in executive compensation among the then-current peer group companies in a similar line of business and of similar size to Altisource. Executive compensation data and other resources

## Edgar Filing: Altisource Portfolio Solutions S.A. - Form DEF 14A

reviewed by Exequity set the foundation for the Committee's review and analysis of executive compensation levels. Please see "Compensation Increase for Our Chief Financial Officer" for information on the peer group companies the Compensation Committee used in its analysis of our Chief Financial Officer's compensation.

Additionally, in the first quarter of 2014, the Compensation Committee engaged Exequity to conduct an analysis to ensure that Altisource's peer group for any future compensation benchmarking is comprised of the most appropriate benchmark companies.

As part of its analysis, Exequity provided research and presented information to the Committee related to appropriate peer group companies for Altisource, taking into consideration many factors, including industry, company size (based on revenues, market capitalization and number of employees), recent growth, similarities in product and service offerings, financial results and operational complexity. To ensure all relevant companies were considered, Exequity's analysis started by casting a wide net for all public companies whose compensation details are publicly available and who are classified as operating in similar industries. This initial list was then filtered and refined based on a reasonable matching to a combination of the factors described above.

The resulting group of 18 peer companies includes 10 of the 14 companies included in Altisource's prior peer group, which remain relevant based on the stated parameters, and an additional 8 companies, as follows.

Companies from Altisource's prior peer group:

CoreLogic, Inc.

Equifax, Inc.

Exlservice Holdings, Inc.

FleetCor Technologies, Inc.

Genpact Ltd.

iGATE Corp.

Lender Processing Services, Inc.

Nationstar Mortgage Holdings, Inc.

Virtusa Corp.

WEX, Inc.

New peer companies:

Global Cash Access Holdings, Inc

Heartland Payment Systems, Inc.

Jack Henry & Associates Inc.

PRGX Global, Inc.

Stewart Information Services Corp.

Sykes Enterprises, Inc.

Syntel, Inc.

Walter Investment Management Corp.



## Edgar Filing: Altisource Portfolio Solutions S.A. - Form DEF 14A

Based on its consideration of the various factors as set forth in SEC rules and NASDAQ listing standards, the Compensation Committee determined that Exequity is independent and that Exequity's work raised no conflict of interest.

### **Employment Agreements**

As required by Luxembourg law, Altisource has entered into employment agreements with William B. Shepro, our Chief Executive Officer, Kevin J. Wilcox, our Chief Administration Officer and General Counsel and Michelle D. Esterman, our Chief Financial Officer. The employment terms continue

indefinitely until the executive's separation from the Company. The agreements provide for a base salary and annual incentive compensation based on the satisfaction of relevant performance criteria. In addition, the executives may receive benefits such as health care or a contributory retirement plan. Altisource reimburses each executive for reasonable costs properly incurred by such executive in the course of his or her employment with the Company including, without limitation, reimbursement of relocation expenses and the provision of certain allowances as described in the Executive Compensation section below.

In order to terminate the agreement, each party must provide notice in accordance with the time periods set forth in article L.124-1 of the Luxembourg Labor Code. In the event of the executive's termination by the Company for "cause" ("*motifs graves*"), no notice is required. In addition, in the event that the executive's employment is terminated by the Company without "cause" or, in some instances, the executive resigns for "good reason," the executive will receive severance benefits. Furthermore, the executive may be entitled to receive redundancy payments in accordance with article L.124-7 of the Luxembourg Labor Code upon certain terminations.

The agreements also provide for a covenant to maintain our confidential information and to enter into an intellectual property agreement. In addition, the executive is bound by non-competition and non-solicitation covenants for a minimum period of one (1) year following the termination of the agreement. The agreements are governed, interpreted and performed by and in accordance with the laws of the Grand Duchy of Luxembourg.

### **Elements of Compensation**

The current compensation package for our named executive officers consists of base salary and annual incentive compensation. This compensation structure was developed in order to provide each named executive officer with a competitive salary while emphasizing an incentive compensation element that is tied to the achievement of corporate goals and strategic initiatives as well as individual performance. We believe that the following elements of compensation are appropriate in light of our performance, industry, current challenges and environment.

**Base Salary.** Base salaries for our named executive officers are established based on individual qualifications and job responsibilities while taking into account compensation levels at similarly situated companies in our peer group for similar positions.

Base salaries of the named executive officers are reviewed annually during the performance appraisal process with adjustments made based on market information, internal review of the executive officer's compensation in relation to other officers, individual performance of the executive officer and corporate performance. Salary levels are also considered upon a promotion or other change in job responsibility. Salary adjustment recommendations are based on our overall performance and an analysis of compensation levels necessary to maintain and attract quality personnel. The Compensation Committee sets the base salary for the Chief Executive Officer and approves the base salaries for all other named executive officers.

**2013 Annual Incentive Compensation.** Pursuant to an annual incentive plan, a participant can earn cash, restricted stock and stock option awards as determined by the Compensation Committee. The plan provides the Compensation Committee and our management with the authority to establish incentive award guidelines which are further discussed below.

Each named executive officer has a targeted annual cash incentive award that is expressed as a percentage of his or her annual cash total target compensation. In 2013, 40-60% of total annual cash target compensation was payable only upon achievement of certain minimum Company and individual performance levels. The appropriate targeted percentage varies based upon the nature and scope of each named executive officer's responsibilities. The table below reflects the percentage of each named

Edgar Filing: Altisource Portfolio Solutions S.A. - Form DEF 14A

executive officer's target total annual cash compensation that was allocated to each of base salary and incentive compensation in 2013 and each named executive officer's actual total annual cash compensation that was allocated to each of base salary and incentive compensation in 2013:

Name	Base Salary	Incentive	Base Salary	Incentive
	% of Target Total Annual Cash Compensation in 2013	% of Target Total Annual Cash Compensation in 2013	% of Actual Total Annual Cash Compensation in 2013	% of Actual Total Annual Cash Compensation in 2013
William B. Shepro	40%	60%	35%	65%
Kevin J. Wilcox	50%	50%	44%	56%
Michelle D. Esterman	61%	39%	54%	46%

Our annual incentive-based cash compensation is structured to motivate executives to achieve pre-established key performance indicators by rewarding the executives for such achievement. This is accomplished by utilizing a balanced scorecard methodology which incorporates multiple financial and non-financial performance indicators developed through our annual strategic planning process to enhance Company performance and long-term shareholder value. This corporate scorecard is approved annually by the Compensation Committee and/or the full Board of Directors and is utilized by the Compensation Committee as a factor to determine the appropriate amount of incentive compensation to be paid to the Chief Executive Officer and other executive officers. During development of the corporate scorecard each year, the Compensation Committee considers the level of difficulty associated with attainment of each goal in the scorecard. The intent of the Compensation Committee is to establish the target goal at a level that is challenging to achieve. For 2013, our corporate scorecard was approved by our Board of Directors at its meeting on February 12, 2013. Certain amendments to our corporate scorecard were approved by our Board of Directors at subsequent Board of Directors meetings.

Our corporate scorecard for 2013, as amended, and corresponding achievement levels are detailed below:

**2013 Corporate Scorecard Elements**

Element	Threshold	Achievement Levels		
		Target	Outstanding	Level Achieved
Achieve Service Revenue Target	\$504.2 million	\$593.2 million	\$682.2 million	\$662.1 million - Target
Achieve Earnings Per Share ("EPS") Target	\$3.60 diluted EPS	\$4.24 diluted EPS	\$4.88 diluted EPS	\$5.19 diluted EPS - Outstanding
Successfully complete the key Strategic Initiatives of the Company	See Strategic Initiatives below	See Strategic Initiatives below	See Strategic Initiatives below	See Strategic Initiatives below

## Strategic Initiatives

Element	Levels of Achievement			Level Achieved
	Threshold	Target	Outstanding	
1. Improve REO timelines and maintain quality	Achieve predetermined threshold level timelines	Achieve predetermined target level timelines	Achieve predetermined outstanding level timelines	Above Target at 110% <sup>(1)</sup>
2. Implement insurance services strategy	As determined by the Board of Directors	As determined by the Board of Directors	As determined by the Board of Directors	Outstanding
3. Improve default services and maintain quality	Achieve predetermined threshold levels	Achieve predetermined target levels	Achieve predetermined outstanding levels	Below Threshold <sup>(2)</sup>
4. Implement assisted short sales program	Achieve predetermined threshold levels	Achieve predetermined target levels	Achieve predetermined outstanding levels	Target
5. Expand assisted deed in lieu program as an alternative to foreclosure	As determined by the Board of Directors	As determined by the Board of Directors	As determined by the Board of Directors	Target
6. Launch Hubzu® Direct-to-Broker and the Direct-to-Consumer sale business with new customers	Achieve predetermined threshold levels	Achieve predetermined target levels	Achieve predetermined outstanding levels	Below Threshold
7. Expand origination services footprint	Achieve predetermined threshold levels	Achieve predetermined target levels	Achieve predetermined outstanding levels	Threshold
8. Expand accounts receivable management business	Achieve predetermined threshold levels	Achieve predetermined target levels	Achieve predetermined outstanding levels	Outstanding
9-14. Complete Technology Services strategic projects	Achieve predetermined threshold levels	Achieve predetermined target levels	Achieve predetermined outstanding levels	Threshold <sup>(3)</sup>
15. Complete strategic hiring	Achieve predetermined threshold levels	Achieve predetermined target levels	Achieve predetermined outstanding levels	Target

(1) Achievement of this initiative includes bonus percentages associated with sequential improvement in quarterly timeline metrics

(2) One out of four metrics of this initiative was achieved at outstanding, and three were achieved at below threshold, for an achievement level at 37.5%

(3) Two out of six of these initiatives were achieved at outstanding, one was achieved at Target and three were achieved at below threshold, for an achievement level at 66.7%

**Strategic Initiatives**

<b>Element</b>	<b>Levels of Achievement</b>			<b>Level Achieved</b>
	<b>Threshold</b>	<b>Target</b>	<b>Outstanding</b>	
<i>16. Maintain compliance with regulatory requirements</i>	<i>Achieve predetermined threshold levels</i>	<i>Achieve predetermined target levels</i>	<i>Achieve predetermined outstanding levels</i>	<i>Outstanding</i>
<i>17. Implement corporate strategic projects</i>	<i>As determined by the Board of Directors</i>	<i>As determined by the Board of Directors</i>	<i>As determined by the Board of Directors</i>	<i>Outstanding</i>
<i>18. Improve procure-to-pay processes and systems</i>	<i>Achieve predetermined threshold levels</i>	<i>Achieve predetermined target levels</i>	<i>Achieve predetermined outstanding levels</i>	<i>Outstanding</i>
<i>19. Improve investor communications</i>	<i>As determined by the Board of Directors</i>	<i>As determined by the Board of Directors</i>	<i>As determined by the Board of Directors</i>	<i>Outstanding</i>

The incentive award for our Chief Executive Officer is structured so that compensation opportunities are related to (i) the Company's performance versus the objectives established in the corporate scorecard (80%) and (ii) a performance appraisal (20%). The incentive awards of our other named executive officers are structured so that compensation opportunities are related to (i) performance within the corporate, business unit or support unit scorecard as expressly assigned in each executive's scorecard (80%) (of which 50% or more is weighted on Corporate Financial Objectives) and (ii) a performance appraisal (20%).

The components in each scorecard are weighted individually based on relevance to the ultimate financial performance of the Company and the importance of the achievement to the success of our corporate strategy. Within each component of the scorecard, there are three (3) established levels of achievement: threshold, target and outstanding. Each level of achievement is tied to a relative point on a percentage scale which indicates the executive officer's level of goal achievement within each component of the scorecard. Achieving the threshold level of achievement will earn the executive officer 50% of the target incentive compensation tied to such goal; the target level of achievement will earn the executive officer 100% of the target incentive compensation tied to such goal and the outstanding level of achievement will earn the executive officer 150% of the target incentive compensation tied to such goal. Any achievement below the threshold level will not entitle the executive to compensation for the associated goal.

## Edgar Filing: Altisource Portfolio Solutions S.A. - Form DEF 14A

The goals and initiatives are further cascaded down through the organization to all of our incentive-eligible employees in their personal scorecards which are tied to performance against goals that are directly linked to corporate profitability and the achievement of our corporate strategic initiatives. The scorecards are communicated to all incentive-eligible employees by the Human Resources Department or the employee's immediate supervisor and are available to employees in our performance management tracking system. Performance against such scorecards is reviewed with senior management on a monthly basis through monthly business reviews and after the end of each year. This incentive compensation structure is intended to align the goals of our incentive-eligible employees with the overall success of the Company, while establishing clear performance standards within their respective business or support units.

The 2013 personal scorecards for our Chief Executive Officer and other named executive officers and their corresponding levels of achievement are as follows:

Name	%	2013 Scorecard	Levels of Achievement			
		Elements	Threshold	Target	Outstanding	Level Achieved
William B. Shepro	20%	Achieve Service Revenue Target	\$504.2 million	\$593.2 million	\$682.2 million	\$662.1 million
	30%	Achieve EPS Target	\$3.60 diluted EPS	\$4.24 diluted EPS	\$4.88 diluted EPS	\$5.19 diluted EPS
	30%	Successfully complete the key strategic initiatives of the Company	Weighted Average of 60% for Strategic Initiatives 1,2, 3,4,5,6,7,8,9,10, 11,12,13,14,15,16,17	Weighted Average of 80% for Strategic Initiatives 1,2, 3,4,5,6,7,8,9,10, 11,12,13,14,15,16,17	Weighted Average of 100% for Strategic Initiatives 1,2, 3,4,5,6,7,8,9,10, 11,12,13,14,15,16,17	Achievement of 100%
Kevin J. Wilcox	20%	Achieve Service Revenue Target	\$504.2 million	\$593.2 million	\$682.2 million	\$662.1 million
	30%	Achieve EPS Target	\$3.60 diluted EPS	\$4.24 diluted EPS	\$4.88 diluted EPS	\$5.19 diluted EPS
	30%	Successfully complete the key strategic initiatives of the Company	See Strategic Initiatives 2,4,5,7,8, 15,16,17,18	See Strategic Initiatives 2,4,5,7,8, 15,16,17,18	See Strategic Initiatives 2,4,5,7,8, 15,16,17,18	Weighted Average Achievement of 125%
Michelle D. Esterman	20%	Achieve Service Revenue Target	\$504.2 million	\$593.2 million	\$682.2 million	\$662.1 million
	30%	Achieve EPS Target	\$3.60 diluted EPS	\$4.24 diluted EPS	\$4.88 diluted EPS	\$5.19 diluted EPS
	30%	Successfully complete the key strategic initiatives of the Company	See Strategic Initiatives 15,17,18,19	See Strategic Initiatives 15,17,18,19	See Strategic Initiatives 15,17,18,19	Weighted Average Achievement of 137.50%

As noted above, the Chief Executive Officer and other named executive officers have 20% of their incentive compensation determined by their performance appraisal for the service year. Each of our named executive officers performs a self-assessment as to his or her performance against his or her goals for the applicable year. Our Chief Executive Officer utilizes these assessments, as well as his own observations, to prepare a written performance appraisal for each of the other executive officers. These performance appraisals rate performance based on objective criteria related to two key factors: (i) the executive's ability to improve and develop their organization throughout the year and (ii) the executive's strategic contributions to the direction of the Company.

## Edgar Filing: Altisource Portfolio Solutions S.A. - Form DEF 14A

The Chief Executive Officer's scorecard performance and personal performance appraisal are determined by the Compensation Committee in consultation with the Chairman taking into consideration whether the Company's performance and corresponding incentive results present a fair representation of the Chief Executive Officer's performance.

For our executives other than the Chief Executive Officer, the Chief Executive Officer, in conjunction with the Chief Administration Officer and General Counsel, presents the personal scorecard performance and the performance appraisal scores to the Compensation Committee and makes recommendations as to the incentive compensation for each executive officer. The Compensation Committee evaluates the recommendations in light of the Company's overall performance and the executive's business unit or support unit's performance and makes the final compensation award determinations for each executive. Annual incentive compensation is paid to our executives and other incentive-eligible employees following this determination. For 2013, incentive compensation was awarded accordingly. Please see the Summary Compensation Table under "Executive Compensation" for the actual amounts awarded in 2013.

### **Compensation Increase for Our Chief Financial Officer**

As disclosed in the Company's proxy statement in connection with the Company's 2013 Annual Meeting of Shareholders, in the first quarter of 2013, our Compensation Committee most recently conducted compensation benchmarking with the assistance of its compensation consultant, Exequity. Exequity assisted the Compensation Committee in reviewing the compensation levels for the Chief Financial Officer. Exequity reviewed the pay level for the Chief Financial Officer compared to pay levels among our peer companies, as analyzed by management, to help identify the competitive positioning of our pay practices.

In order to provide a robust array of pay benchmarking data, Exequity reviewed executive pay among two sets of companies:

A primary peer group of 14 companies with similar operational dynamics as Altisource, but which includes companies larger than Altisource (revenues ranging from \$278 million \$3.8 billion). This peer group consists of the following companies: CoreLogic, Inc., Equifax, EXL Service Holdings Inc., First American Financial Corporation, Fleetcor Technologies Inc., Genpact Ltd., Highwoods Properties Inc., iGate, Lenders Processing Services, Nationstar Mortgage Holdings, TNS Inc., Virtusa Corp., WP Carey & Co LLC and Wright Express.

A secondary peer group of 8 of the 14 above companies (revenues ranging between \$278 million \$780 million) that excluded the peer companies with considerably greater annual revenues than Altisource. This peer group consists of the following companies: EXL Service Holdings Inc., Fleetcor Technologies Inc., Highwoods Properties Inc., iGate, Nationstar Mortgage Holdings, TNS Inc., Virtusa Corp., WP Carey & Co LLC and Wright Express.

All information was obtained from publicly available proxy disclosures and included base salary, annual incentive compensation and long-term incentive compensation.

Based on the benchmarking analyses, performance, retention and other relevant considerations, the Compensation Committee reviewed recommendations and determined the appropriate base salary and annual incentive compensation target for the Chief Financial Officer in the first quarter of 2013.

Please see "Role of Compensation Consultant" for further information regarding our use of an independent compensation consultant.



## Edgar Filing: Altisource Portfolio Solutions S.A. - Form DEF 14A

The Board of Directors approved the following increase to the base salary of the Chief Financial Officer, effective as of March 1, 2013:

Officer	Previous Base Salary (\$)	New Base Salary (\$)	Resulting Base Salary Increase (%)
Michelle D. Esterman, Chief Financial Officer	\$282,900	\$315,000	11

The Board of Directors determined that the ratio of the base compensation and the incentive compensation to the total compensation would remain the same. The target incentive compensation for the Chief Financial Officer was therefore increased by the same percentage as the base salary:

Officer	Previous Target Incentive Compensation (\$)	New Target Incentive Compensation (\$)	Resulting Target Incentive Compensation Increase (%)
Michelle D. Esterman, Chief Financial Officer	\$184,000	\$210,000	14

Ms. Esterman's employment contract was amended accordingly.

**Statutory Compensation Increases.** Under article L.223-1 of the Luxembourg Labor Code, all compensation owed pursuant to an employment agreement is required to be adapted based upon the cost of living index in the Grand Duchy of Luxembourg. On October 1, 2013, there was a required two and a half percent (2.5%) increase in compensation pursuant to this law. The base salaries for our named executive officers and the incentive compensation for the Chief Executive Officer and the Chief Administration Officer and General Counsel were adjusted accordingly.

**2014 Annual Incentive Compensation.** Generally, at the first Board of Directors meeting of the fiscal year, the Compensation Committee approves the corporate scorecard and annual incentive components for the Chief Executive Officer and other executives for the upcoming year. The Company's 2014 key performance indicators have been developed and were approved by the Board of Directors by unanimous written consent on December 14, 2013 and ratified at the February 11, 2014 Board of Directors meeting.

The corporate scorecard for 2014 includes achieving an overall revenue target, achieving business segment specific revenue and pre-tax income targets and achieving an earnings per share target. In addition, the corporate scorecard provides for successful completion of strategic initiatives established to enhance long-term corporate and shareholder value.

The 2014 corporate strategic initiatives relate to:

- Improving performance through operational effectiveness and efficiency
- Diversifying revenue and customer base
- Developing, implementing and scaling new services and next generation technologies
- Maintaining compliance
- Enhancing investor communications

### Setting Compensation Levels

We believe our executive compensation programs are effectively designed and working well in alignment with the interests of our shareholders and are instrumental to achieving our business strategy. In determining executive compensation for fiscal year 2013, our Compensation Committee considered the overwhelming shareholder support that the Say-on-Pay proposal received at our May 18,

## Edgar Filing: Altisource Portfolio Solutions S.A. - Form DEF 14A

2011 Annual Meeting of Shareholders. As a result, our Compensation Committee continued to apply the same effective principles and philosophy it has used in previous years in determining executive compensation and will continue to consider shareholder concerns and feedback in the future, including the results of the Say-on-Pay proposal being presented to shareholders pursuant to this proxy statement. Following the 2014 Annual Meeting of Shareholders, the next Say-on-Pay vote will occur at the 2017 Annual Meeting of Shareholders.

From time to time, the Company conducts benchmarking on Chief Executive Officer and other named executive officer compensation among peer companies of comparable size, industry, location and similar attributes that may compete with Altisource for qualified management talent.

### **Equity Incentive Plan**

The Compensation Committee, in cooperation with senior management, implemented the 2009 Equity Incentive Plan, which was approved by our shareholders in 2009 in connection with our separation from Ocwen. The purpose of the 2009 Equity Incentive Plan is to provide additional incentives to key employees to make extraordinary contributions to the Company, to assist with the retention of key employees and to align the interests of our employees with the interests of our shareholders. The 2009 Equity Incentive Plan is administered by the Compensation Committee and authorizes the award of restricted stock, options, stock appreciation rights, stock purchase rights or other equity-based awards to our employees. Options awarded under the 2009 Equity Incentive Plan may be either "incentive stock options" as defined in Section 422 of the United States Internal Revenue Code of 1986, as amended, or nonqualified stock options, as determined by the Compensation Committee.

Each award granted under the 2009 Equity Incentive Plan is evidenced by a written award agreement between the participant and us, which describes the award and states the terms and conditions to which the award is subject. If any shares subject to award are forfeited or if any award terminates, expires or lapses without being exercised, shares of common stock subject to such award will again be available for future awards.

Based upon a review of current outstanding awards, and finding that these awards adequately met the objectives of our compensation philosophy, no equity awards were granted to our named executive officers pursuant to the 2009 Equity Incentive Plan during the 2013 fiscal year.

### **Stock Ownership Policies**

Although we do not have stock ownership requirements, our philosophy is that equity ownership by our Directors and executives is important to attract, motivate, retain and align their interests with the interests of our shareholders. The Compensation Committee believes that the Company's equity incentive plans are adequate to achieve this philosophy. We also maintain a management directive detailing our trading window period policy for Directors, executive officers and other employees and our insider trading policy.

### **Other Compensation**

The Compensation Committee's policy with respect to other employee benefit plans is to provide benefits to our employees, including our executive officers, that are comparable to benefits offered by companies of a similar size and circumstance to ours. A competitive comprehensive benefit program is essential to achieving the goal of attracting and retaining highly qualified employees.

### **Potential Payments upon Termination or Change of Control**

Below is a description of the amounts payable to each named executive officer assuming the executive's employment had terminated under various scenarios, or a change of control had occurred, on

## Edgar Filing: Altisource Portfolio Solutions S.A. - Form DEF 14A

December 31, 2013 (the last business day of fiscal year 2013). Due to the number of factors that affect the nature and amount of any benefits under the various scenarios, actual amounts paid or distributed may be different.

As noted above, our Chief Executive Officer, Chief Financial Officer and Chief Administration Officer and General Counsel have entered into employment agreements with the Company. Under these agreements, if employment is terminated by the executive's retirement or disability, as defined therein, the Company will pay all standard relocation costs to relocate the officer to the United States. If the Company terminates the employment of the officer other than for "cause" ("*motifs graves*") and, in some instances, where employment is terminated for "good reason" by the officer, the Company is obligated to make a cash payment of between four and twelve months' salary. In the case of the Chief Executive Officer and Chief Administration Officer and General Counsel, the Company will be obligated to pay one (1) year's target incentive compensation in such instance. Additionally, in the event that the Company terminates the employment of the officer other than for "cause" after October 1 of the service year and before incentives are paid for the prior service year, the officer is entitled to receive incentive compensation for such service year. In these instances, the Company will also pay all standard relocation costs to relocate the officer to the United States. If the officer is terminated by the Company for "cause," the Company may terminate without notice and with no liability to make any further payment to the executive, other than amounts accrued and unpaid at the date of termination.

All named executive officers have options granted pursuant to the 2009 Equity Incentive Plan. A portion of the options vest over time in equal installments (the "Service-Based Options"), and the remaining options will vest based on applicable Company performance (the "Market-Based Options"). Upon termination of an executive officer's employment other than for cause, the executive officer would be entitled to retain any vested portion of prior equity awards granted as well as any unvested Market-Based Options where the vesting hurdles have already been achieved. Additionally, upon termination of an executive officer's employment without cause or upon his or her retirement, the executive officer would be entitled to retain unvested Market-Based Options where the vesting hurdles are achieved within ninety (90) days of the termination. Generally, for termination not due to death, disability or retirement, the executive officer has six (6) months within which to exercise stock options pursuant to our stock option agreements. Any portion of an equity award not vested will be forfeited in any circumstance unless alternate arrangements are made in the discretion of the Compensation Committee. Furthermore, pursuant to each stock option agreement, upon termination of an executive for cause, all outstanding stock options awarded pursuant to such stock option agreement are forfeited.

Certain of the stock option agreements provide for accelerated vesting as set forth below. Upon a named executive officer's retirement, disability, death, termination by the Company without "cause" or termination by the named executive officer for "good reason," (each as defined in the applicable stock option agreement) all Service-Based Options will immediately vest. Additionally, pursuant to these certain agreements, if there is a "change of control event," as defined in the applicable stock option agreement, all options, including Service-Based Options and Market-Based Options, will vest.

## Edgar Filing: Altisource Portfolio Solutions S.A. - Form DEF 14A

The following table estimates and summarizes the potential payments and benefits, other than the benefits ordinarily available to all employees, that each of our named executive officers would have received if their employment had been terminated on December 31, 2013 under each of the circumstances described below.

	William B. Shepro	Kevin J. Wilcox	Michelle D. Esterman
<b>Death</b>			
Accelerated vesting of options	\$2,022,450 <sup>(1)</sup>	\$1,011,225 <sup>(1)</sup>	\$1,073,536 <sup>(1)</sup>
<b>Disability</b>			
Accelerated vesting of options	\$2,022,450 <sup>(1)</sup>	\$1,011,225 <sup>(1)</sup>	\$1,073,536 <sup>(1)</sup>
<b>Resignation by the named executive officer</b>			
Severance Payment	\$46,125 <sup>(2)</sup>	\$36,302 <sup>(2)</sup>	\$26,906 <sup>(2)</sup>
<b>Termination by the Company other than for "cause"</b>			
Severance Payment	\$645,750 <sup>(3)</sup>	\$508,229 <sup>(3)</sup>	\$161,438 <sup>(4)</sup>
Incentive Compensation	\$1,849,078 <sup>(5)</sup>	\$980,887 <sup>(5)</sup>	-
Accelerated vesting of options	\$2,022,450 <sup>(1)</sup>	\$1,011,225 <sup>(1)</sup>	\$1,073,536 <sup>(1)</sup>
<b>Termination by the named executive officer for "good reason" with ninety (90) days notice, and failure by the Company to correct such "good reason" within ninety (90) days</b>			
Severance Payment	\$645,750 <sup>(3)</sup>	\$508,229 <sup>(3)</sup>	-
Incentive Compensation	\$1,849,078 <sup>(5)</sup>	\$980,887 <sup>(5)</sup>	-
Accelerated vesting of options	\$2,022,450 <sup>(1)</sup>	\$1,011,225 <sup>(1)</sup>	-
<b>Change of Control</b>			
Accelerated vesting of options	\$10,112,250 <sup>(6)</sup>	\$5,056,125 <sup>(6)</sup>	\$3,936,136 <sup>(6)</sup>

- (1) Additionally, upon the occurrence of this event, Mr. Shepro would receive \$1,529,885, Mr. Wilcox would receive \$764,943 and Ms. Esterman would receive \$1,101,037, based on the accelerated vesting of AAMC and Residential options received in connection with the spin-off transactions completed on December 21, 2012.
- (2) Represents one month base salary as required under Luxembourg law
- (3) Represents one year base salary as provided under the respective employment agreement, plus an additional two months base salary as required under Luxembourg law
- (4) Represents four months base salary as provided under Ms. Esterman's employment agreement, the receipt of which is contingent upon Ms. Esterman's execution of a Separation Agreement with the Company, plus an additional two months base salary as required under Luxembourg law
- (5) Represents one year of target incentive compensation, plus actual incentive compensation that would have been earned for service year 2013
- (6) Additionally, upon the occurrence of this event, Mr. Shepro would receive \$7,649,425, Mr. Wilcox would receive \$3,824,713 and Ms. Esterman would receive \$3,332,551, based on the accelerated vesting of AAMC and Residential options received in connection with the spin-off transactions completed on December 21, 2012.

**Report of the Compensation Committee**

The Compensation Committee of the Board of Directors has reviewed and discussed the Compensation Discussion and Analysis included on pages 20 through 31 of this proxy statement with management.

Based on the review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

April 7, 2014

**Compensation Committee:**

Timo Vättö, Chairman

W. Michael Linn, Director

Roland Müller-Ineichen, Director

32

---

## EXECUTIVE COMPENSATION

## Summary Compensation Table

The following table discloses compensation received by our Chief Executive Officer, our Chief Administration Officer and General Counsel and our Chief Financial Officer for fiscal years 2011, 2012 and 2013.

Name and Principal Position	Year	Salary <sup>(1)</sup>	Stock Awards <sup>(2)</sup>	Option Awards <sup>(3)(4)</sup>	Non-Equity Incentive Compensation <sup>(5)</sup>	All Other Compensation <sup>(6)</sup>	Total
<b>William B. Shepro</b> Chief Executive Officer	2011	\$455,888	-	-	\$854,789	\$274,584	\$1,585,261
	2012	\$488,487	\$172,228	-	\$1,099,095	\$385,512	\$2,145,322
	2013	\$543,375 <sup>(7)</sup>	-	-	\$1,018,828	\$329,781 <sup>(8)</sup>	\$1,891,984
<b>Kevin J. Wilcox</b> Chief Administration Officer and General Counsel	2011	\$375,437	-	-	\$425,182	\$131,143	\$931,762
	2012	\$395,686	\$86,114	-	\$569,788	\$236,419	\$1,288,007
	2013	\$427,656 <sup>(9)</sup>	-	-	\$545,262	\$171,729 <sup>(10)</sup>	\$1,144,647
<b>Michelle D. Esterman</b> Chief Financial Officer <sup>(11)</sup>	2011	n/a	n/a	n/a	n/a	n/a	n/a
	2012	\$223,564	\$51,670	\$1,009,418	\$218,012	\$82,553	\$1,585,217
	2013	\$311,619 <sup>(12)</sup>	-	-	\$269,938	\$73,153 <sup>(13)</sup>	\$654,710

(1) Represents amounts earned in corresponding year.

(2) Represents the grant date fair value of restricted common stock in AAMC, our former subsidiary, (the "AAMC Restricted Stock") granted to our named executive officers on December 11, 2012. We determined the grant date fair value of these stock awards using a Monte Carlo simulation valuation methodology.

(3) For awards of options, the amount disclosed represents the aggregate grant date fair value computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718. We estimated the grant date fair value of stock option awards in 2012 using a Black-Scholes option-pricing model and a binomial option pricing model utilizing the following assumptions:

Performance Year	Service-Based Awards - Black-Scholes Option Pricing Model				
	Expected Volatility (%)	Expected Dividend Yield (%)	Exercise Price (\$)	Risk-Free Interest Rate (%)	Expected Term in Years
2011	-	-	-	-	-
2012	35%	-	\$63.43	1.17%	6.25
2013	-	-	-	-	-

Performance Year	Market-Based Awards - Binomial Option Pricing Model				
	Expected Volatility (%)	Expected Dividend Yield (%)	Exercise Price (\$)	Risk-Free Interest Rate (%)	Contract Term in Years
2011	-	-	-	-	-
2012	35%	-	\$63.43	0.09% - 2.04%	14
2013	-	-	-	-	-

(4) Outstanding Altisource stock options were adjusted to reflect the distribution of AAMC and Residential stock to Altisource shareholders in two spin-off transactions completed on December 21, 2012. All holders of Altisource stock option awards, including AAMC and

## Edgar Filing: Altisource Portfolio Solutions S.A. - Form DEF 14A

Residential employees and those who remained with Altisource after the spin-off transactions, received the following:

New AAMC stock options to acquire the number of shares of AAMC equal to the product of (a) the number of Altisource stock options held on the date of the spin-off of AAMC and (b) the distribution ratio of one (1) share of AAMC common stock for every ten (10) shares of Altisource common stock;

New Residential stock options to acquire the number of shares of Residential equal to the product of (a) the number of Altisource stock options held on the date of the spin-off of Residential and (b) the distribution ratio of one (1) share of Residential common stock for every three (3) shares of Altisource common stock and

Adjusted Altisource stock options for the same number of shares of Altisource common stock with a reduced exercise price per stock option.

We determined the exercise price of the new Residential and AAMC stock options and the adjusted Altisource stock options in a manner so that the fair value of the adjusted Altisource stock award and the new Residential and AAMC stock options immediately following the spin-offs was equivalent to the fair value of such Altisource stock award immediately prior to the spin-offs. No incremental share-based compensation was recognized as a result of this adjustment.

- (5) Consists of the cash portion of annual incentive compensation related to performance measures satisfied in the year indicated and awarded in the first quarter of the following year. Includes, in the case of our Chief Executive Officer and Chief Administration Officer and General Counsel, the two and one half percent (2.5%) increase in incentive compensation for 2013 due to the Luxembourg statutory compensation increases, as described in our Compensation Discussion and Analysis.
- (6) Consists of contributions by Altisource to each executive officer for housing allowances, personal use of company car(s), education allowances, goods and services allowances, travel allowances, medical benefits and tax-related allowances as detailed below.
- (7) Mr. Shepro's annual base salary was \$540,000 from January 1, 2013 through September 30, 2013 and \$553,500 from October 1, 2013 through December 31, 2013.
- (8) Includes \$114,533 for housing allowance, \$15,387 for personal use of two company cars, \$58,024 for education allowance, \$23,666 for goods and services allowance, \$33,370 for travel allowance, \$32,676 for medical benefits, \$39,900 of estimated 2013 tax payments and \$12,225 for tax preparation services.
- (9) Mr. Wilcox's annual base salary was \$425,000 from January 1, 2013 through September 30, 2013 and \$435,625 from October 1, 2013 through December 31, 2013.
- (10) Includes \$105,415 for housing allowance, \$3,383 for personal use of a company car, \$23,666 for goods and services allowance, \$12,942 for medical benefits, \$14,098 of estimated 2013 tax payments and \$12,225 for tax preparation services.
- (11) Ms. Esterman joined the Company as Chief Financial Officer effective March 12, 2012.
- (12) Ms. Esterman's annual base salary was \$282,900 from January 1, 2013 through February 28, 2013, \$315,000 from March 1, 2013 through September 30, 2013 and \$322,875 from October 1, 2013 through December 31, 2013.
- (13) Includes \$30,890 for housing allowance, \$5,640 for personal use of a company car, \$7,964 for travel allowance, \$7,575 for tax preparation services and a \$21,084 tax equalization allowance for 2012 earnings.

**Grants of Plan Based Awards for 2013**

The following table provides information related to non-equity incentive plan compensation pursuant to our annual incentive compensation for the individuals named in the Summary Compensation Table.

Name	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards <sup>(1)</sup>		
	Threshold	Target	Maximum
William B. Shepro <sup>(2)</sup>	\$611,297	\$815,063	\$1,222,595
Kevin J. Wilcox <sup>(2)</sup>	\$320,742	\$427,656	\$641,484
Michelle D. Esterman	\$154,250	\$205,667	\$308,501

(1) These amounts represent the possible non-equity compensation that may have been earned by each respective executive officer in 2013 under the different achievement levels presented on their personal scorecards.

(2) Amounts reflect the two and one half percent (2.5%) increase in incentive compensation due to the Luxembourg statutory compensation increases, as discussed in our Compensation Discussion and Analysis.



**Outstanding Equity Awards at Fiscal Year-End**

The following table provides information regarding outstanding equity awards as of December 31, 2013 for the individuals named in the Summary Compensation Table.

Name	Option Awards		Option Exercise Price <sup>(3)</sup>	Option Expiration Date	
	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable <sup>(1)</sup>			
William B. Shepro <sup>(4)</sup>	6,026		\$9.19	1/31/2015	
	13,230		\$11.02	1/31/2016	
	9,459		\$13.58	5/10/2017	
	68,751		\$9.14	7/14/2018	
	137,500		\$9.14	7/14/2018	
	68,750		\$9.14	7/14/2018	
	45,000	15,000 <sup>(5)</sup>	\$23.80	5/19/2020	
	90,000	30,000 <sup>(6)</sup>	\$23.80	5/19/2020	
	30,000 <sup>(7)</sup>	\$23.80	5/19/2020		
Kevin J. Wilcox <sup>(4)</sup>	5,948		\$11.02	1/31/2016	
	8,130		\$13.58	5/10/2017	
	51,667		\$9.14	7/14/2018	
	103,334		\$9.14	7/14/2018	
	51,667		\$9.14	7/14/2018	
	22,500	7,500 <sup>(5)</sup>	\$23.80	5/19/2020	
	45,000	15,000 <sup>(6)</sup>	\$23.80	5/19/2020	
	15,000 <sup>(7)</sup>	\$23.80	5/19/2020		
Michelle D. Esterman <sup>(4)</sup>			14,625 <sup>(8)</sup>	\$60.76	3/12/2022
	3,656	10,969 <sup>(9)</sup>		\$60.76	3/12/2022
	14,626	14,624 <sup>(10)</sup>		\$60.76	3/12/2022

(1) Options awarded where the performance hurdles have been achieved but remain subject to additional Service-Based criteria.

(2) Options awarded where the performance hurdles have not been achieved.

(3) The exercise price of each outstanding stock option of Altisource was adjusted to reflect the value of Residential and AAMC common stock distributed to Altisource shareholders in connection with the spin-off transactions completed on December 21, 2012. Additionally, in connection with the spin-off transactions, each of our named executive officers received new AAMC stock options and new Residential stock options in amounts proportional to the number of Altisource stock options held on the date of the spin-off transactions, as further described in footnote 4 to our Summary Compensation Table.

(4) A one-time AAMC Restricted Stock award was granted to our named executive officers pursuant to the Altisource Asset Management Corporation 2012 Equity Incentive Plan on December 11, 2012. Mr. Shepro received 29,216 shares of AAMC Restricted Stock with a market value as of December 31, 2013 of \$27,170,880. Mr. Wilcox received 14,608 shares of AAMC Restricted Stock with a market value as of December 31, 2013 of \$13,585,440. Ms. Esterman received 8,765 shares of AAMC Restricted Stock with a market value as of December 31, 2013 of \$8,151,450. Awards vest in accordance with a vesting schedule (over a four-year period) if the market value of



## Edgar Filing: Altisource Portfolio Solutions S.A. - Form DEF 14A

AAMC's stock meets the established market value and other criteria, which were met on January 11, 2013 (first 25%), April 26, 2013 (next 50%) and May 21, 2013 (remaining 25%).

- (5) Options vest on May 19, 2014.
- (6) Options vest on December 6, 2014.
- (7) Options vest in two (2) equal installments on July 2, 2014 and July 2, 2015.
- (8) 25% of options vest upon Altisource achieving a stock price of \$182.28 and an annual rate of return of 25% over the exercise price with the balance vesting 25% each subsequent anniversary thereof.
- (9) Options vest in three (3) equal installments on March 12, 2014, March 12, 2015 and March 12, 2016.
- (10) Options vest in two (2) equal installments on October 24, 2014 and October 24, 2015.

### Option Exercises

The following table provides information regarding the exercise of stock options during the fiscal year ended December 31, 2013 for our named executive officers:

Name	No. Shares Acquired on Exercise	Value Realized on Exercise <sup>(1)</sup>
William B. Shepro	7,969	\$1,046,033
William B. Shepro	1,993	\$271,970
William B. Shepro	6,025	\$847,798
Kevin J. Wilcox	2,996	\$393,263
Kevin J. Wilcox	749	\$102,211
Kevin J. Wilcox	4,798	\$675,143

- (1) Based on the actual market price of the Company's common stock at the time the stock options were exercised.

**APPOINTMENT OF  
INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM**  
(Proposal Two)

The Audit Committee of our Board of Directors has appointed Deloitte & Touche LLP to be our independent registered certified public accounting firm for the year ending December 31, 2014 and Deloitte Audit S.à r.l. to be our certified auditor for all statutory accounts as required by Luxembourg law for the same period (together "Deloitte"). The Audit Committee has further recommended that such appointment be submitted for approval by our shareholders at the Annual Meeting of Shareholders.

Representatives of Deloitte will be present at the Annual Meeting of Shareholders, will be given the opportunity to make a statement, if they so desire, and will be available to respond to appropriate questions from you.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU  
VOTE "FOR" THE APPOINTMENT OF DELOITTE & TOUCHE LLP AS THE INDEPENDENT  
REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM FOR 2014 AND DELOITTE AUDIT S.À R.L.  
AS THE CERTIFIED AUDITOR FOR ALL STATUTORY ACCOUNTS AS REQUIRED BY  
LUXEMBOURG LAW FOR THE SAME PERIOD**

**Report of the Audit Committee**

The Audit Committee of the Board of Directors has:

Reviewed and discussed with management Altisource's audited financial statements as of and for the year ended December 31, 2013;

Discussed with Deloitte & Touche LLP, Altisource's independent registered certified public accounting firm, the matters required to be discussed under PCAOB standards and

Received and reviewed the written disclosures and the letter required by the applicable requirements of the PCAOB regarding the independent registered certified public accounting firm's communications with the Audit Committee concerning independence and discussed with Deloitte & Touche LLP their independence.

In reliance on the review and discussion referred to above, the Committee recommended to the Board of Directors that the audited financial statements be included in Altisource's annual report on Form 10-K for the year ended December 31, 2013.

**Audit Committee:**

Roland Müller-Ineichen, Chairman

W. Michael Linn, Director

Timo Vättö, Director

April 7, 2014

**Deloitte & Touche LLP Fees**

The following table shows the aggregate fees billed to Altisource for professional services by Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates in fiscal years 2012 and 2013:

<b>Category</b>	<b>2012</b>	<b>2013</b>
Audit Fees	\$ 1,299,347	\$ 1,366,866
Audit-Related Fees	\$ 223,763	\$ 466,520
Tax Fees	\$ 417,131	\$ 303,874
All Other Fees	-	-

<b>Total</b>	<b>\$ 1,940,241</b>	<b>\$ 2,137,260</b>
--------------	---------------------	---------------------

**Audit Fees.** This category includes the aggregate fees and expenses billed for professional services rendered for the audits of Altisource's consolidated financial statements for fiscal years 2012 and 2013, for the reviews of the financial statements included in Altisource's quarterly reports on Form 10-Q during fiscal years 2012 and 2013 and for services that are normally provided by the independent registered certified public accounting firm and affiliates in connection with statutory and regulatory filings or engagements for the relevant fiscal year.

**Audit-Related Fees.** This category includes the aggregate fees billed in fiscal years 2012 and 2013 for audit-related services by the independent registered certified public accounting firm that are reasonably related to the performance of the audits or reviews of the financial statements and are not reported above under "Audit Fees" and generally consist of fees for other attest engagements under professional auditing standards, internal control-related matters, audits of employee benefit plans and due diligence. The 2012 Audit-Related Fees represent billings related to the audits of the financial statements of Residential and AAMC included on Form 10 in connection with their spin-offs from Altisource.

**Tax Fees.** This category includes the aggregate fees billed in fiscal years 2012 and 2013 for professional services rendered by the independent registered certified public accounting firm for tax compliance, tax planning and tax advice.

**All Other Fees.** This category includes the aggregate fees billed in fiscal years 2012 and 2013 for products and services provided by the independent registered certified public accounting firm that are not reported above under "Audit Fees," "Audit-Related Fees" or "Tax Fees."

The Audit Committee considered the compatibility of the non-audit-related services provided by and fees paid to Deloitte & Touche LLP in fiscal years 2012 and 2013 and determined that such services and fees are compatible with the independence of Deloitte & Touche LLP.

The Audit Committee is required to pre-approve the audit and non-audit services performed by the independent registered certified public accounting firm in order to assure that the provision of such services does not impair the independent registered certified public accounting firm's independence. Unless a type of service to be provided by the independent registered certified public accounting firm has received general pre-approval, it will require specific pre-approval by the Audit Committee. In fiscal years 2012 and 2013, all fees associated with the independent registered certified public accounting firm's services were pre-approved by the Audit Committee.

Representatives from Deloitte & Touche LLP will be present at the Annual Meeting of Shareholders, will be given the opportunity to make a statement, if they desire to do so, and will be available to respond to questions from shareholders.

**Audit Committee Pre-Approval Policy**

The Audit Committee may delegate pre-approval authority to one or more of its members. The member or members to whom such authority is delegated shall report any pre-approval decisions to the Audit Committee at its next scheduled meeting. The Audit Committee does not delegate its responsibilities to pre-approve services performed by the independent auditor to management.

**APPROVAL OF THE COMPANY'S ANNUAL ACCOUNTS  
PREPARED IN ACCORDANCE WITH LUXEMBOURG GAAP FOR  
THE YEAR ENDED DECEMBER 31, 2013,  
AND ITS CONSOLIDATED FINANCIAL STATEMENTS  
PREPARED IN ACCORDANCE WITH U.S. GAAP INCLUDING A FOOTNOTE  
RECONCILIATION OF EQUITY AND NET INCOME TO IFRS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

(Proposal Three)

Pursuant to Luxembourg law, the Luxembourg Statutory Accounts must be submitted each year to shareholders for approval at the Annual Meeting of Shareholders.

The Luxembourg Annual Accounts are prepared in accordance with Luxembourg GAAP and consist of a balance sheet, a profit and loss account and the notes for Altisource. There is no statement of movements in equity or statement of cash flows included in the Luxembourg Annual Accounts under Luxembourg GAAP. Profits earned by the subsidiaries of Altisource are not included in the Luxembourg Annual Accounts unless such amounts are distributed to Altisource. The Luxembourg Annual Accounts as of and for the year ended December 31, 2013, show Total Assets of \$295.8 million and a profit for the year then ended of \$97.7 million.

The Consolidated Accounts are prepared in accordance with U.S. GAAP, including a footnote reconciliation of equity and net income to IFRS, and consist of a balance sheet, statement of operations, statement of changes in stockholders' equity, statement of cash flows and the accompanying notes. The Consolidated Accounts present the financial position and results of operations for Altisource and all of its subsidiaries as if the individual entities were a single company. As of December 31, 2013, the Consolidated Accounts show IFRS Total Equity of \$168.9 million and IFRS Net Income of \$138.7 million for the year then ended.

Pursuant to Luxembourg law, following shareholder approval of the Luxembourg Statutory Accounts, such accounts must be filed with the Luxembourg trade registry as public documents. If Altisource does not receive shareholder approval of the Luxembourg Statutory Accounts, we cannot make this filing.

Altisource's Luxembourg Statutory Accounts will be available to shareholders from April 21, 2014 until the conclusion of the Annual Meeting of Shareholders at Altisource's registered office.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS  
THAT YOU VOTE "FOR" THE APPROVAL OF THE LUXEMBOURG STATUTORY ACCOUNTS**

**RECEIPT AND APPROVAL OF THE DIRECTORS' REPORTS FOR THE  
LUXEMBOURG STATUTORY ACCOUNTS**

(Proposal Four)

Under Luxembourg law, the Board of Directors is required to prepare annual Directors' reports for the Luxembourg Statutory Accounts (the "Directors' Reports"). The Directors' Reports present the Luxembourg Statutory Accounts for the relevant fiscal year, provide an explanation as to the results and certain other required Company matters and propose the allocation of such results to the shareholders.

The Directors' Reports for the Luxembourg Statutory Accounts will be available to shareholders from April 21, 2014 until the conclusion of the Annual Meeting of Shareholders at Altisource's registered office. Following shareholder approval of the Luxembourg Statutory Accounts, the Directors' Reports will be filed with the Luxembourg trade registry as public documents.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU  
VOTE "FOR" THE RECEIPT AND APPROVAL OF THE DIRECTORS' REPORTS FOR  
THE LUXEMBOURG STATUTORY ACCOUNTS**



**ALLOCATION OF THE RESULTS  
IN THE LUXEMBOURG ANNUAL ACCOUNTS**

(Proposal Five)

Each year, the shareholders of Altisource are required to approve the allocation of Altisource's results as determined by the Luxembourg Annual Accounts.

Luxembourg law requires that at least 5% of the net profits, if any, for the Luxembourg Annual Accounts be allocated to a legal reserve; provided, however that an allocation ceases to be compulsory when the legal reserve reaches 10% of the share capital of Altisource, but again becomes compulsory when the reserve amount falls below this threshold.

The Board of Directors proposes that the shareholders of the Company approve the allocation of the Company's results as follows:

Year Ended December 31, 2013

No allocation to the legal reserve, as the legal reserve reached the maximum required 10% of the share capital of Altisource in 2012, and no further allocation to the legal reserve was required in 2013 and

An allocation of the 2013 profit of \$97.7 million to profit brought forward.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS  
THAT YOU VOTE "FOR" THE  
ALLOCATION OF THE RESULTS IN THE LUXEMBOURG ANNUAL ACCOUNTS**

**ADVISORY VOTE ON EXECUTIVE COMPENSATION**  
**"SAY-ON-PAY"**  
(Proposal Six)

As required Pursuant to Section 14A of the Securities Exchange Act, the Company is presenting this proposal, which gives shareholders the opportunity to approve or not approve our pay program for named executive officers.

As described in detail in our Compensation Discussion and Analysis, our executive compensation programs are designed to attract, incent and retain our named executive officers, who are critical to our success. Pursuant to these programs, the Company seeks to reward the named executive officers for achieving strategic business goals. Please read the Compensation Discussion and Analysis for additional details about our executive compensation programs, including information about the fiscal year 2013 compensation of our named executive officers. Accordingly, we will ask our shareholders to vote "FOR" the following resolution at the Annual Meeting:

**"RESOLVED**, that the Company's shareholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company's Proxy Statement for the 2014 Annual Meeting of Shareholders pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, the Summary Compensation Table and the other related tables and disclosures and any related material disclosed in this Proxy Statement."

While our Board of Directors intends to carefully consider the shareholder vote resulting from this proposal, the final vote will not be binding on us and is advisory in nature. The frequency that an advisory vote on executive compensation will be presented to the Company's shareholders is every three years, and the next such advisory vote will be held at the 2017 Annual Meeting of Shareholders.

You may vote for or against the approval of the compensation of the Company's named executive officers as disclosed in the Compensation Discussion and Analysis, the compensation tables and the related disclosures contained in the Proxy Statement.

**APPROVAL OF THE COMPENSATION FOR  
THE COMPLIANCE COMMITTEE CHAIRPERSON**

(Proposal Seven)

Luxembourg law requires the Company to submit proposed changes in Director compensation to our shareholders for approval.

In October 2013, our Board of Directors established a Compliance Committee which is responsible for (i) establishing and overseeing the compliance function for the Company and its subsidiaries, including its compliance management system and (ii) overseeing compliance with applicable laws, rules and regulations, including applicable consumer financial protection laws and regulations.

The Compensation Committee of our Board of Directors has recommended an annual cash retainer for the chairperson of the Compliance Committee in the amount of \$10,000; such compensation to be prorated for a chairperson serving less than a full one-year term. The proposed compensation was approved by our Board of Directors on November 12, 2013, subject to ratification at the 2014 Annual Meeting of Shareholders. We are proposing that such compensation be approved.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS  
THAT YOU VOTE "FOR" THE APPROVAL OF THE COMPENSATION FOR THE  
CHAIRPERSON OF OUR COMPLIANCE COMMITTEE**

**DISCHARGE OF EACH OF THE CURRENT AND PAST DIRECTORS OF  
ALTISOURCE PORTFOLIO SOLUTIONS S.A.  
FOR THE PERFORMANCE OF THEIR MANDATE DURING THE  
YEAR ENDED DECEMBER 31, 2013**

(Proposal Eight)

Pursuant to Luxembourg law, after the approval of the Luxembourg Statutory Accounts (as discussed in Proposal Three above), the shareholders of Altisource are required to vote on whether to discharge Altisource's Directors for the performance of their mandate during the relevant fiscal year. If the shareholders grant the discharge of Directors for the relevant fiscal year, shareholders will not be able to initiate a liability claim against such Directors in connection with the performance of their mandate for the relevant fiscal year. However, such discharge will not be valid in certain instances as specified in Article 75 of the Luxembourg Law of 10 August 1915 on commercial companies, as amended. For fiscal year 2013, Altisource believes no such instances have occurred.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE  
DISCHARGE OF EACH OF THE CURRENT AND PAST DIRECTORS OF ALTISOURCE PORTFOLIO  
SOLUTIONS S.A. FOR THE PERFORMANCE OF THEIR MANDATE DURING THE YEAR ENDED  
DECEMBER 31, 2013**

## BUSINESS RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The Board of Directors has adopted policies and procedures for review, approval and monitoring of transactions involving Altisource and related persons (Directors and named executive officers or their immediate family members or shareholders owning 5% or greater of the Company's outstanding stock) within our written Code of Business Conduct and Ethics which is available at [www.altisource.com](http://www.altisource.com). These policies and procedures are not limited to related person transactions that meet the threshold for disclosure under the relevant SEC rules, as they broadly cover any situation in which a conflict of interest may arise.

Any situation that potentially qualifies as a conflict of interest is to be immediately disclosed to the head of internal audit and/or the General Counsel to assess the nature and extent of any concern as well as the appropriate next steps. The head of internal audit and/or the General Counsel will notify the Chairman of the Board of Directors if any such situation requires approval of the Board of Directors. Related persons are required to obtain the prior written approval of the Audit Committee of the Board of Directors before participating in any transaction or situation that may pose a conflict of interest. In considering a transaction, the Audit Committee will consider all relevant factors including (i) whether the transaction is in the best interests of Altisource; (ii) alternatives to the related party transaction; (iii) whether the transaction is on terms comparable to those available to third parties; (iv) the potential for the transaction to lead to an actual or apparent conflict of interest and any safeguards imposed to prevent such actual or apparent conflicts and (v) the overall fairness of the transaction to Altisource. The Committee will periodically monitor any approved transactions to ensure that there are no changed circumstances that would render it advisable for the Company to amend or terminate the transaction.

As of December 31, 2013, Mr. Erbey, our Chairman, owns or controls 26% of Altisource's common stock, 13% of Ocwen's common stock and 27% of AAMC's common stock. Therefore, transactions between the Company and each of Ocwen and AAMC are related party transactions. As of December 31, 2013, Mr. Erbey owns or controls 1% of HLSS's common stock and 5% of Residential's common stock; however, at certain points during the course of 2013, Mr. Erbey owned or controlled more than 10% of Residential's common stock. The Company is treating all transactions between the Company and each of HLSS and Residential during 2013 as related party transactions.

### Ocwen

For the year ended December 31, 2013, the Company generated segment revenue from Ocwen of \$424.0 million for Mortgage Services, \$27.6 million for Financial Services and \$50.5 million for Technology Services. Services provided to Ocwen during such periods included residential property valuation, real estate asset management and sales, trustee management services, property inspection and preservation, closing and insurance services, charge-off mortgage collections, core technology back office support and multiple business technology services and license fees for the Company's REALSuite of products. The Company provided all services at rates it believes to be comparable to market rates. Altisource derived 65% of its revenues in 2013 from Ocwen or the loan servicing portfolio managed by Ocwen, and Ocwen derived less than 1% of its revenues in 2013 from Altisource.

For the year ended December 31, 2013, the Company billed Ocwen \$2.6 million, and Ocwen billed the Company \$2.9 million for services provided under support services agreements.

On December 27, 2012, the Company loaned \$75.0 million to Ocwen under an unsecured term loan agreement. Interest payments were due quarterly. The interest rate at December 31, 2012 was 8.25%, and interest income related to this loan was \$0.8 million for the year ended December 31, 2013. On February 15, 2013, Ocwen fully repaid the term loan and all accrued and unpaid interest to Altisource, and the term loan was terminated.

## Edgar Filing: Altisource Portfolio Solutions S.A. - Form DEF 14A

On March 29, 2013, Altisource purchased from Ocwen certain diversified fee-based businesses of Homeward Residential, Inc. for an aggregate purchase price of approximately \$75.8 million in cash, after a working capital and net income adjustment.

On March 31, 2013, Altisource sold to Ocwen its 49% equity interest in Correspondent One S.A. for \$12.6 million.

On April 12, 2013, Altisource purchased from Ocwen the Residential Capital, LLC diversified fee-based businesses for \$128.8 million.

Altisource's relationship with Ocwen was contemplated at the time of the separation and was implemented prior to the adoption of the related party transaction policy and procedure discussed above.

### HLSS, Residential and AAMC

For the year ended December 31, 2013, Altisource billed (i) HLSS \$0.7 million, (ii) Residential \$2.6 million and (iii) AAMC less than \$0.1 million for services provided under its respective services agreements with each of these companies. In 2013, Altisource derived less than 1% of its revenues from HLSS, less than 1% of its revenues from Residential and less than 1% of its revenues from AAMC.

## SHAREHOLDER PROPOSALS

Any proposal which a shareholder desires to have included in our proxy materials relating to our next Annual Meeting of Shareholders, which is scheduled to be held on May 20, 2015, must be received at our registered office no later than December 8, 2014. All shareholder proposals for the 2015 Annual Meeting of Shareholders should be directed to our Corporate Secretary at Altisource Portfolio Solutions S.A., 40, avenue Monterey, L-2163 Luxembourg City, Grand Duchy of Luxembourg. We recommend that you send any shareholder proposal by certified mail, return-receipt requested.

For any proposal that is not submitted for inclusion in the proxy statement for the 2015 Annual Meeting of Shareholders, but is instead sought to be presented directly at the 2015 Annual Meeting of Shareholders, SEC rules permit management to vote proxies in its discretion if we:

- (1) receive notice of the proposal before the close of business on February 23, 2015 and advise shareholders in the 2015 proxy statement about the nature of the matter and how management intends to vote on such matter or
- (2) do not receive notice of the proposal prior to the close of business on February 23, 2015.

Notice of intent to present a proposal at the 2015 Annual Meeting of Shareholders should be directed to our Corporate Secretary at Altisource Portfolio Solutions S.A., 40, avenue Monterey, L-2163 Luxembourg City, Grand Duchy of Luxembourg.

We did not receive notice of any shareholder proposals relating to the 2014 Annual Meeting of Shareholders. At the 2014 Annual Meeting of Shareholders, our management may exercise discretionary authority when voting on any properly presented shareholder proposal that is not included as an agenda item in this proxy statement.

## ANNUAL REPORTS

A copy of our annual report to shareholders on Form 10-K for the year ended December 31, 2013 was made available to shareholders on February 13, 2014. The annual report can be found on our website [www.altisource.com](http://www.altisource.com) under Investor Relations.

## Edgar Filing: Altisource Portfolio Solutions S.A. - Form DEF 14A

We will furnish without charge to each person whose proxy is solicited and to any beneficial owner entitled to vote at the meeting, on written request, a copy of our annual report on Form 10-K for the year ended December 31, 2013, required to be filed by us with the SEC under the Exchange Act. Such requests should be directed to Investor Relations, Altisource Portfolio Solutions S.A., 40, avenue Monterey, L-2163 Luxembourg City, Grand Duchy of Luxembourg.

### OTHER MATTERS

Proxies will be solicited on behalf of the Board of Directors by mail or electronic means, and we will pay the solicitation costs. Copies of the annual report for 2013 and this proxy statement will be made available to brokers, dealers, banks and voting trustees, or their nominees, for the purpose of soliciting proxies from beneficial owners. In addition to solicitations by mail or electronic means, our Directors, officers and employees may solicit proxies personally or by telephone without additional compensation.

The shares represented by all valid proxies received by phone, by Internet or by mail will be voted in the manner specified. Where specific choices are not indicated, except with respect to broker "non-votes," the shares represented by all valid proxies received will be voted: (1) for the nominees for Director named earlier in this proxy statement; (2) for the approval of the selection of the independent auditor; (3) for the approval of Altisource Portfolio Solutions S.A.'s Luxembourg Statutory Accounts; (4) for the proposal to receive and approve the Directors' reports for the Luxembourg Statutory Accounts; (5) for the proposal to allocate the results in the Luxembourg Annual Accounts; (6) for the approval of executive compensation as disclosed in the proxy statement; (7) for the approval of the compensation for the Chairperson of our Compliance Committee and (8) for the approval of the discharge of each of the current and past Directors of Altisource Portfolio Solutions S.A. for the performance of their mandate during the year ended December 31, 2013. Should any matter not described above be properly presented at the meeting, the persons named in the proxy form will vote in accordance with their judgment.

If you are the beneficial owner, but not the record holder of shares of our common stock and have requested a copy of this proxy statement, your broker, bank or other nominee may only deliver one (1) copy of this proxy statement and our 2013 annual report to multiple shareholders who share an address unless that nominee has received contrary instructions from one (1) or more of the shareholders. Shareholders at an address to which a single copy of this proxy statement and our 2013 annual report was sent may request a separate copy by contacting Investor Relations, Altisource Portfolio Solutions S.A., 40, avenue Monterey, L-2163 Luxembourg City, Grand Duchy of Luxembourg, or by calling our Investor Relations department at +352 2469 7950. Beneficial owners sharing an address who are receiving multiple copies and who wish to receive a single copy of the materials in the future will need to contact their broker, bank or other nominee to request that only a single copy of each document be mailed to all shareholders at the shared address.

This proxy statement and our 2013 annual report may be viewed online on our website under Investor Relations-Financial Information at <http://ir.altisource.com/financials.cfm>. In addition, this proxy statement and our 2013 annual report are available at [www.proxyvote.com](http://www.proxyvote.com). If you are a shareholder of record, you can elect to access future annual reports and proxy statements electronically by following the instructions provided if you vote by Internet or by telephone, as instructed on your proxy card. If you choose this option, you will receive a notice by mail listing the website locations, and your choice will remain in effect until you notify us by mail that you wish to resume mail delivery of these documents. If you hold your common stock through a bank, broker or another holder of record, refer to the information provided by that entity for instructions on how to elect this option.















QuickLinks

[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 21, 2014](#)

[ALTISOURCE PORTFOLIO SOLUTIONS S.A. PROXY STATEMENT ANNUAL MEETING OF SHAREHOLDERS](#)

[ELECTION OF DIRECTORS \(Proposal One\)](#)

[OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" EACH OF THE NOMINEES FOR DIRECTOR](#)

[BOARD OF DIRECTORS AND CORPORATE GOVERNANCE](#)

[BOARD OF DIRECTORS COMPENSATION](#)

[NAMED EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS](#)

[SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND RELATED SHAREHOLDER MATTERS](#)

[Shares Beneficially Owned as of March 24, 2014<sup>\(1\)</sup>](#)

[COMPENSATION DISCUSSION AND ANALYSIS](#)

[EXECUTIVE COMPENSATION](#)

[APPOINTMENT OF INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM \(Proposal Two\)](#)

[APPROVAL OF THE COMPANY'S ANNUAL ACCOUNTS PREPARED IN ACCORDANCE WITH LUXEMBOURG GAAP FOR THE YEAR ENDED DECEMBER 31, 2013, AND ITS CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH U.S. GAAP INCLUDING A FOOTNOTE RECONCILIATION OF EQUITY AND NET INCOME TO IFRS FOR THE YEAR ENDED DECEMBER 31, 2013 \(Proposal Three\)](#)

[RECEIPT AND APPROVAL OF THE DIRECTORS' REPORTS FOR THE LUXEMBOURG STATUTORY ACCOUNTS \(Proposal Four\)](#)

[ALLOCATION OF THE RESULTS IN THE LUXEMBOURG ANNUAL ACCOUNTS \(Proposal Five\)](#)

[ADVISORY VOTE ON EXECUTIVE COMPENSATION "SAY-ON-PAY" \(Proposal Six\)](#)

[APPROVAL OF THE COMPENSATION FOR THE COMPLIANCE COMMITTEE CHAIRPERSON \(Proposal Seven\)](#)

[DISCHARGE OF EACH OF THE CURRENT AND PAST DIRECTORS OF ALTISOURCE PORTFOLIO SOLUTIONS S.A. FOR THE PERFORMANCE OF THEIR MANDATE DURING THE YEAR ENDED DECEMBER 31, 2013 \(Proposal Eight\)](#)

[BUSINESS RELATIONSHIPS AND RELATED PARTY TRANSACTIONS](#)

[SHAREHOLDER PROPOSALS](#)

[ANNUAL REPORTS](#)

[OTHER MATTERS](#)