

Altisource Portfolio Solutions S.A.
Form DEF 14A
April 03, 2012

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

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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

5) Total fee paid:

Fee paid previously with preliminary materials.

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 3, 2012

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 offices of the Company located at 291, route d Arlon, L-1150 Luxembourg City, Grand Duchy of Luxembourg on Wednesday, May 16, 2012, 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

291 Route d Arlon, L-1150 Luxembourg | +352 246 7900

ALTISOURCE PORTFOLIO SOLUTIONS S.A.

291, route d Arlon

L-1150 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 16, 2012**

NOTICE

Our Annual Meeting of Shareholders will be held:

Date: Wednesday, May 16, 2012

Time: 9:00 a.m., Central European Time

Location: Altisource Portfolio Solutions S.A.

291, route d Arlon

L-1150 Luxembourg City

Grand Duchy of Luxembourg

PURPOSE

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, 2012 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 a share repurchase program whereby Altisource Portfolio Solutions S.A. may repurchase outstanding shares of its common stock within certain limits;

To approve Altisource Portfolio Solutions S.A.'s annual accounts prepared in accordance with Luxembourg GAAP (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 (the Consolidated Accounts), in each case for the year ended December 31, 2011 (together the Luxembourg Statutory Accounts);

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To receive and approve the Directors' reports on the Luxembourg Statutory Accounts for the year ended December 31, 2011;

To allocate the results of the year ended December 31, 2011;

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, 2011; 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 15, 2012 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.

The proxy statement for our 2012 Annual Meeting of Shareholders and our annual report to shareholders on Form 10-K for the year ended December 31, 2011 are available on our website at www.altisource.com under Investor Relations. 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 on the Luxembourg Statutory Accounts and the statutory auditor's report on the Consolidated Accounts will be available for inspection from April 15, 2012 at Altisource Portfolio Solutions S.A.'s registered office.

By Order of the Board of Directors,

Kevin J. Wilcox

Secretary
April 3, 2012

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 3, 2012 as a holder of common stock of Altisource Portfolio Solutions S.A. because our Board of Directors is soliciting your proxy to be used at our Annual Meeting of Shareholders and at any adjournment of this meeting. The Annual Meeting of Shareholders will be held at our offices located at 291, route d Arlon, L-1150 Luxembourg City, Grand Duchy of Luxembourg on Wednesday, May 16, 2012, 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 Portfolio Solutions S.A. (Altisource or the Company) and do not revoke it prior to its use, it will be voted in accordance with your instructions. If no contrary instructions are given, other than as discussed below with respect to broker non-votes , 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 2012 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 a share repurchase program whereby Altisource may repurchase outstanding shares of its common stock within certain limits; for approval of the Company s annual accounts prepared in accordance with Luxembourg GAAP (the Luxembourg Annual Accounts) and the Company s consolidated financial statements prepared in accordance with U.S. GAAP including a footnote reconciliation of equity and net income to IFRS (the Consolidated Accounts), in each case for the year ended December 31, 2011 (together the Luxembourg Statutory Accounts); for receipt and approval of the Directors reports on the Luxembourg Statutory Accounts for the year ended December 31, 2011; for allocation of the results of the year ended December 31, 2011; for approval of the discharge of each of the current and past Directors of Altisource for the performance of their mandate during the year ended December 31, 2011; 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 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.

291, route d Arlon

L-1150 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

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You are entitled to vote at the Annual Meeting of Shareholders or any adjournment of the Annual Meeting of Shareholders if you are a holder of record of our common stock at the close of business on March 15, 2012. At the close of business on March 15, 2012, there were 23,320,637 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. Abstentions and broker non-votes will be treated as present for purposes of a quorum.

Quorum and Voting Information

The presence at the Annual Meeting of Shareholders 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.

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 2012 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 a share repurchase program whereby Altisource may repurchase outstanding shares of its common stock within certain limits; the proposal to approve the Company's annual accounts prepared in accordance with Luxembourg GAAP and the Company's consolidated financial statements prepared in accordance with U.S. GAAP including a footnote reconciliation of equity and net income to IFRS, in each case for the year ended December 31, 2011; the proposal to receive and approve the Directors' reports on the Luxembourg Statutory Accounts for the year ended December 31, 2011; the proposal to allocate the results of the year ended December 31, 2011; the proposal to approve the discharge of each of the current and past Directors of Altisource for the performance of their mandate during the year ended December 31, 2011; 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. A broker non-vote occurs when a shareholder has not provided voting instructions to the broker on a non-routine item. Other than with respect to the approval of our independent registered accounting firm, in the event of a broker non-vote, brokers may not vote on behalf of their clients on the above proposals.

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 material. Please contact your bank or brokerage firm for further information.

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 ⁽¹⁾	Director Since	Executive Committee	Audit Committee	Compensation Committee	Nomination/Governance Committee
William C. Erbey	62	2009	X ⁽²⁾			X ⁽²⁾⁽³⁾
William B. Shepro	42	2009	X			
Roland Müller-Ineichen	51	2009		X ⁽²⁾	X	X
Timo Vättö	47	2009		X	X ⁽²⁾	X
W. Michael Linn	63	2011		X	X	X ⁽³⁾

⁽¹⁾ As of March 15, 2012

⁽²⁾ Committee Chairman for 2011

⁽³⁾ Mr. Erbey served as Committee Chairman in 2011. In 2012, Mr. Linn replaced Mr. Erbey on the Nomination/Governance Committee and now serves as Chairman.

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

All 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. He has served as the 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 and Chairman of Home Loan Servicing Solutions, Ltd., formed in December 2010 to acquire mortgage servicing assets. From 1975 to 1983, Mr. Erbey served at General Electric Capital Corporation in various capacities, including as President and Chief Operating Officer of General Electric Mortgage Insurance Corporation, Program and General Manager of the Commercial Financial Services Department and President of Acquisition Funding Corporation. He holds a Bachelor of Arts in Economics from Allegheny College and a Master of Business Administration from Harvard University.

Mr. Erbey's extensive experience as the Chairman and Chief Executive Officer of Ocwen demonstrates his leadership capability and business acumen. His experience in the mortgage services industry brings valuable financial, operational and strategic 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. He previously served as President of Global Servicing Solutions, LLC, a joint venture between Ocwen and Merrill Lynch, from 2003 until 2009. 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 and operational insights.

Roland Müller-Ineichen. Mr. Müller-Ineichen was appointed to the Board of Directors of Altisource in July 2009. He also serves on the Board of Directors of Bank Arner S.A., a provider of private banking services based in Lugano, Switzerland and on the Board of Directors of SWA Swiss Auditors AG, a private company based in Freienbach, Switzerland that provides auditing and consulting services for financial institutions in Switzerland. Mr. Müller-Ineichen most recently served as a Partner with KPMG Switzerland and KPMG Europe LLP where he served as lead partner on the 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 banking and financial services 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. 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 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 SEC rules and The NASDAQ Stock Market (NASDAQ) listing standards.

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. 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 the client franchise management and business origination functions for 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 as required pursuant to NASDAQ listing standards 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 Directors of Altisource in May 2011. Mr. Linn also serves on the Board of Directors and as President and Chief Executive Officer of Greensleeves LLC since July 2007 where he focuses on increasing the use of alternative energy to power buildings. In addition, he serves on the Board of Directors of National Lime & Stone and 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. 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 graduated from Harvard College in 1970 with a Bachelor of Arts and earned a Master of Business Administration from Harvard Business School in 1973.

Mr. Linn's experience evaluating and designing management information and control systems for Fortune 500 Corporations and for the U.S. Government and his service as a senior officer and member of the Board of Directors of a leading provider of accounting and management control software makes him financially literate as required pursuant to NASDAQ listing standards. His extensive management and prior Board of Directors experience as well as his expertise with emerging technologies and in the development of strategic relationships bring valuable operational sales and strategic expertise to our Board of Directors.

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 2011. Each incumbent Director attended at least 75% 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 2011 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 the 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 such 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. Müller-Ineichen, Vättö and Linn 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 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 2011 were Ms. Andresen-Kienz⁽¹⁾ and Messrs. Linn⁽²⁾, Müller-Ineichen and Vättö. 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. Furthermore, our Board of Directors has determined that Mr. Müller -Ineichen possesses accounting or related financial management expertise within the meaning of the NASDAQ listing standards and qualifies as an audit committee financial expert 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 and is available in print to any shareholder who requests it. Annually, the Audit Committee reviews and approves its charter. The charter was last reviewed and approved by the Audit Committee in February 2012. This Committee met seven (7) times in 2011.

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 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 for the administration of awards under the 2009 Equity Incentive Plan. The Compensation Committee has the authority to retain independent counsel or other advisers as it deems necessary in connection with its responsibilities at our expense. The Compensation Committee may request that any of our Directors, officers or employees, or other persons attend its meetings to provide advice, counsel or pertinent information as the Committee requests.

The members of the Compensation Committee for 2011 were Ms. Andresen-Kienz⁽¹⁾ and Messrs. Linn⁽²⁾, Müller-Ineichen and Vättö. Each member of the Compensation Committee is independent as defined by NASDAQ listing standards. 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 Chairman. The Compensation Committee generally meets in executive session at each scheduled meeting.

Our Compensation Committee operates under a written charter approved by our Board of Directors, a copy of which is available on our website at www.altisource.com and is available in print to any shareholder who requests it. This Committee met five (5) times in 2011. On an annual basis, the Compensation Committee evaluates its performance under its charter to ensure that it appropriately addresses the matters that are within the scope of Committee responsibility. When necessary, the Compensation Committee recommends amendments to its charter to the Board of Directors for approval. The charter was last reviewed by the Compensation Committee in March 2012, and an immaterial amendment which deletes a reference to the 2010 Annual Meeting of Shareholders was recommended to the Board of Directors for approval and subsequently approved by the Board of Directors.

Certain executives are involved in the design and implementation of our executive compensation programs, including the Chief Executive Officer and Chief Administration Officer, who may be present at Compensation Committee meetings. These executives annually review the performance of each executive officer (other than the Chief Executive Officer whose performance is reviewed by the Compensation Committee with consultation of the Chairman) 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 for development and execution.

⁽¹⁾ Ms. Andresen-Kienz was a member of this Committee through May 18, 2011.

⁽²⁾ Mr. Linn was a member of this Committee from May 18, 2011.

Compensation Committee Interlocks and Insider Participation. No member of the Compensation Committee was at any time during the 2011 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 2011 fiscal year.

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 for 2011 were Messrs. Erbey, Müller-Ineichen and Vättö. In 2012, Mr. Linn replaced Mr. Erbey on the Committee and now serves as Chairman. Each member of our Nomination/Governance Committee is independent as defined in the NASDAQ listing standards.

Our Nomination/Governance Committee operates under a written charter approved by our Board of Directors, a copy of which is available on our website at www.altisource.com and is available in print to any shareholder who requests it. Annually, the Nomination/Governance Committee reviews and approves its charter. The charter was last reviewed and approved by the Nomination/Governance Committee in March 2012. This Committee met four (4) times in 2011.

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, and the NASDAQ listing standards. In addition, our Nomination/Governance Committee takes into account our 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.

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., 291, route d Arlon, L-1150 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 2013 Annual Meeting of Shareholders, we must receive your recommendations by December 4, 2012.

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.

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 appraisal 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 are available on our website at www.altisource.com and are available to any shareholder who requests them by writing to our Corporate Secretary at Altisource Portfolio Solutions S.A., 291, route d Arlon, L-1150 Luxembourg City, Grand Duchy of Luxembourg.

Executive Sessions of Non-Management Directors

Non-management Directors met in executive session without management five (5) times in 2011.

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., 291, route d Arlon, L-1150 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 the NASDAQ rules. Any waivers from the Code of Business Conduct and Ethics for Directors or named executive officers must be approved by our Board of Directors or a Board committee and must be promptly disclosed to you. We have also adopted a Code of Ethics for Senior Financial Officers that applies to our Chief Executive Officer and our Chief Financial Officer. The Code of Business Conduct and Ethics and the Code of Ethics for Senior Financial Officers are available on our website at www.altisource.com and are available to any shareholder who requests a copy by writing to our Corporate Secretary at 291, route d Arlon, L-1150 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 the rules of the SEC or NASDAQ, will be posted on our website.

Risk Management and Oversight Process

Our Board of Directors and each of its committees are involved in overseeing risk associated with the Company. The Board of Directors and the Audit Committee monitor Altisource's credit risk, liquidity risk, regulatory risk, operational 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, assessment of business risks and legal and ethical 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. The Board of Directors and the Nomination/Governance Committee monitor the Company's governance and succession risks by regular reviews with management. The Board of Directors and the Compensation Committee monitor the Company's compensation policies and related risks by regular reviews with management. 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 the Chairman, the Board of Directors and its committees providing oversight in connection with these efforts.

BOARD OF DIRECTORS COMPENSATION

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

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

The following table discloses compensation received by each non-management member of our Board of Directors who served as a Director during fiscal year 2011. Our management Directors do not receive an annual retainer or any other compensation for their service on the Board of Directors.

Name	Fees Earned Or		All Other Compensation	Total
	Paid in Cash ⁽¹⁾	Stock Awards ⁽²⁾⁽³⁾		
Roland Müller-Ineichen	\$ 58,500	\$ 61,990		\$ 120,490
Timo Vättö	\$ 56,000	\$ 61,990		\$ 117,990
Silke Andresen-Kienz ⁽⁴⁾	\$ 18,750	\$ 45,000		\$ 63,750
William C. Erbey	\$ 101,000	\$ 61,990		\$ 162,990
W. Michael Linn ⁽⁵⁾	\$ 36,000	\$ 16,990		\$ 52,990

⁽¹⁾ The cash portion of Directors' compensation increased by \$9,000 at the Annual Meeting of Shareholders on May 18, 2011. Compensation for service for January through April is calculated based upon the original retainer of \$40,000 annually and May through December is calculated at \$49,000 annually.

⁽²⁾ Non-management Directors who attend an aggregate of at least 75% of all meetings of the Board of Directors and Committees, on which they serve, annually receive an award of Altisource common stock with an aggregate fair market value of \$45,000 as determined by the average of the high and low prices of the common stock as reported on NASDAQ on the first day of the service year.

⁽³⁾ Beginning at the Annual Meeting of Shareholders in 2011, each new non-management Director elected to our Board of Directors receives a one (1) time award of 500 shares of common stock. These shares vest 25% a year on each anniversary of the award date. At the Annual Meeting of Shareholders in 2011, this one-time award, with an aggregate fair market value of \$16,990, was awarded to each non-management Director newly elected or re-elected to our Board of Directors.

⁽⁴⁾ Silke Andresen-Kienz did not seek re-election to our Board of Directors in May 2011. As such, she did not serve as a Director after May 2011.

⁽⁵⁾ W. Michael Linn was elected to our Board of Directors in May 2011.

Other Compensation

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. 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.

As part of Director compensation, non-management Directors receive shares of common stock of Altisource with a fair market value of \$45,000.

Fair Market Value is defined as the average of the high and low prices of the common stock as reported on NASDAQ on the first day of the service year. 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. Shares will be awarded if the Director attends an aggregate of at least 75% of all meetings of the Board of Directors and committees thereof of which the Director is a member during the service year. New non-management directors elected at the Annual Meeting of Shareholders are granted a one (1) time award of 500 shares of common stock. These shares vest 25% a year on each anniversary of the award date.

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. There are no arrangements or understandings between us and any person for election as our named executive officer. 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 ⁽¹⁾	Age	Position
Michelle D. Esterman	39	Chief Financial Officer
Kevin J. Wilcox	48	Chief Administration Officer and General Counsel

⁽¹⁾ All information set forth herein is as of March 15, 2012.

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