

PHH CORP
 Form 424B5
 January 12, 2012

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Amount of Registration Fee(1)
6.00% Senior Notes due 2017	\$250,000,000	100%	\$250,000,000	\$28,650

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended (the "Securities Act"). Pursuant to Rule 457(p) under the Securities Act, \$42,298 of remaining unutilized fees related to the \$2,000,000,000 aggregate principal amount of unsold Mortgage Pass-Through Certificates and Mortgage-Backed Notes registered on January 7, 2008 by PHH Mortgage Capital LLC, the registrant's majority-owned subsidiary, under Registration Statement No. 333-148166 on Form S-3/A was carried forward to be offset against future registration fees that would be payable under Registration Statement No. 333-177723 on Form S-3ASR, filed by the registrant on November 3, 2011. The \$28,650 registration fee relating to the securities offered by this prospectus supplement is hereby offset against the \$42,298 of unutilized registration fees available for offset as of this date. Accordingly, no filing fee is paid herewith, and \$13,648 remains available for future registration fees.

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Filed Pursuant to Rule 424(b)(5)
Registration Statement No. 333-177723

PROSPECTUS SUPPLEMENT
(To prospectus dated November 3, 2011)

\$220,000,000

PHH Corporation

6.00% Convertible Senior Notes due 2017

The notes will bear interest at a rate of 6.00% per annum. We will pay interest on the notes on June 15 and December 15 of each year, beginning June 15, 2012. The notes will mature on June 15, 2017.

Holders may convert their notes at their option on any day prior to the close of business on the "scheduled trading day" (as defined herein) immediately preceding December 15, 2016 only under the following circumstances: (1) during the five business-day period after any five consecutive trading day period (the "measurement period") in which the trading price per note for each day of that measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such day; (2) during any calendar quarter after the calendar quarter ending March 31, 2012, and only during such calendar quarter, if the last reported sale price of our common stock for 20 or more trading days in a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter exceeds 130% of the applicable conversion price in effect on each such trading day; or (3) upon the occurrence of specified corporate events. The notes will be convertible, regardless of the foregoing circumstances, at any time from, and including, December 15, 2016 through the third scheduled trading day immediately preceding the maturity date.

Upon conversion we will pay cash and, if applicable, deliver shares of our common stock based on a "daily conversion value" (as defined herein) calculated on a proportionate basis for each "VWAP trading day" (as defined herein) of the relevant 60 VWAP trading day "observation period" (as defined herein). The initial conversion rate for the notes will be 78.2014 shares of common stock per \$1,000 in principal amount of notes, equivalent to an initial conversion price of approximately \$12.79 per share of common stock. The conversion rate will be subject to adjustment in some events but will not be adjusted for accrued interest. In addition, if a "make-whole fundamental change" (as defined herein) occurs prior to the maturity date of the notes, we will in some cases increase the conversion rate for a holder that elects to convert its notes in connection with such make-whole fundamental change.

Subject to certain exceptions, holders may require us to repurchase for cash all or part of their notes upon a "fundamental change" (as defined herein) at a price equal to 100% of the principal amount of the notes being repurchased plus any accrued and unpaid interest up to, but excluding, the relevant repurchase date. We may not redeem the notes prior to maturity.

The notes will be our senior unsecured obligations and will rank equally with all of our existing and future senior debt and senior to all of our subordinated debt. The notes will be structurally subordinated to all existing and future liabilities of our subsidiaries and will be effectively junior to our future secured indebtedness, if any, to the extent of the underlying collateral. As of September 30, 2011, after giving pro forma effect to the offering of the notes, the Reopening (as defined herein) and the use of proceeds, including the repayment at or prior to maturity of all our outstanding 2012 Convertible Notes (as defined herein), we had approximately \$1.2 billion in outstanding senior unsecured indebtedness which would rank equal in right of payment to the notes. As of September 30, 2011, we had no secured indebtedness but our subsidiaries had approximately \$6.6 billion of liabilities to which the notes would have been structurally subordinated.

For a more detailed description of the notes, see "Description of the Notes."

The notes will be evidenced by one or more global notes deposited with a custodian for and registered in the name of a nominee of The Depository Trust Company. Except as described in this prospectus supplement, beneficial interests in the global note will be shown on, and transfers thereof will be effected only through, records maintained by The Depository Trust Company and its direct and indirect participants

We do not intend to apply for listing of the notes on any securities exchange or for inclusion of the notes in any automated quotation system. Shares of our common stock are traded on the New York Stock Exchange under the symbol "PHH." The last reported sale price of our common stock on January 10, 2012 was \$10.23 per share.

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This investment involves risks. See "Risk Factors" beginning on page S-25 of this prospectus supplement.

	Per Note	Total(2)
Public offering price(1)	100.00%	\$220,000,000
Underwriting discount	3.00%	\$ 6,600,000
Proceeds, before expenses, to us	97.00%	\$213,400,000

(1) Plus accrued interest from January 17, 2012, if settlement occurs after that date.

(2) Assumes no exercise of the underwriters' over-allotment option.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We have granted the underwriters an option to purchase up to an additional \$30,000,000 principal amount of notes, solely to cover over-allotments, within a 30-day period beginning on and including the date of this prospectus supplement, subject to certain limitations. See "Underwriting."

The underwriters expect to deliver the notes through the facilities of The Depository Trust Company against payment in New York, New York on January 17, 2012.

Joint Book-Running Managers

J.P. Morgan

BofA Merrill Lynch

Co-Managers

**Barclays
Capital**

Citigroup

**Deutsche Bank
Securities**
January 10, 2012

**RBC Capital
Markets**

RBS

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the Securities and Exchange Commission (the "SEC") using a "shelf" registration process. Under this shelf registration process, we may, from time to time, offer, issue and sell shares of common stock, shares of preferred stock, debt securities or warrants to purchase common stock, preferred stock or debt securities, or any combination of the foregoing, either individually or as units comprised of one or more of the other securities. In the accompanying prospectus, we provide you with a general description of the securities we may offer from time to time under our shelf registration statement. In this prospectus supplement, we provide you with specific information about the notes that we are selling in this offering. Both this prospectus supplement and the accompanying prospectus include or incorporate by reference important information about us, our debt securities, our common stock and other information you should know before investing. This prospectus supplement also adds, updates and changes information contained in the accompanying prospectus. To the extent that any statement that we make in this prospectus supplement is inconsistent with the statements made in the accompanying prospectus, the statements made in the accompanying prospectus are deemed modified or superseded by the statements made in this prospectus supplement. You should read both this prospectus supplement and the accompanying prospectus as well as additional information described under "Incorporation of Certain Documents by Reference" on page S-iv of this prospectus supplement before investing in the notes.

We have not authorized any dealer, agent or other person to give any information or to make any representation other than those contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus supplement and the accompanying prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the registered securities to which they relate, nor does this prospectus supplement and the accompanying prospectus constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. You should not assume that the information contained in this prospectus supplement or the accompanying prospectus is accurate on any date subsequent to the date set forth on the front of the document or that any information we have incorporated by reference is correct on any date subsequent to the date of the document incorporated by reference (as our business, financial condition, results of operations and prospects may have changed since that date), even though this prospectus supplement and the accompanying prospectus is delivered or securities are sold on a later date.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the information incorporated by reference may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Generally, forward-looking statements are not based on historical facts but instead represent only our current beliefs regarding future events. All forward-looking statements are, by their nature, subject to risks, uncertainties and other factors. Investors are cautioned not to place undue reliance on these forward-looking statements. Such statements may be identified by words such as "expects," "anticipates," "intends," "projects," "estimates," "plans," "may increase," "may fluctuate" and similar expressions or future or conditional verbs such as "will," "should," "would," "may" and "could." Forward-looking statements contained in this prospectus supplement, the accompanying prospectus and the information incorporated by reference include, but are not limited to, statements concerning the following:

- the impact of the adoption of recently issued accounting pronouncements on our financial statements;
- the impact of the risk retention requirements and other provisions of the Dodd-Frank Act;
- future origination volumes and loan margins in the mortgage industry;
- our belief that sources of liquidity will be adequate to fund operations and repayment of upcoming debt maturities;
- our expectation of future income from new client signings;
- our expectation of reinsurance losses and associated reserves; and
- mortgage repurchase and indemnification requests and associated reserves and provisions.

Actual results, performance or achievements may differ materially from those expressed or implied in forward looking statements due to a variety of factors, including but not limited to the factors listed and discussed in "Risk Factors" in this prospectus supplement and those factors described below:

- the effects of continued market volatility or continued economic decline on the availability and cost of our financing arrangements and the value of our assets;
- the effects of a continued decline in the volume of U.S. home sales and home prices, due to adverse economic changes or otherwise, on our Mortgage Production and Mortgage Servicing segments;
- the effects of changes in current interest rates on our business and our financing costs;
- the impact of the failure to maintain our credit ratings, including the impact on our cost of capital and ability to incur new indebtedness or refinance our existing indebtedness, as well as our current or potential customers' assessment of our counterparty credit risk;

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our decisions regarding the use of derivatives related to mortgage servicing rights, if any, and the resulting potential volatility of the results of operations of our Mortgage Servicing segment;

the effects of increases in our actual and projected repurchases of, indemnification given in respect of, or related losses associated with, sold mortgage loans for which we have provided representations and warranties or other contractual recourse to purchasers and insurers of such loans, including increases in our loss severity and reserves associated with such loans;

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the effects of reinsurance claims in excess of projected levels and in excess of reinsurance premiums we are entitled to receive or amounts currently held in trust to pay such claims;

the effects of any significant adverse changes in the underwriting criteria or existence or programs of government sponsored entities, including Fannie Mae and Freddie Mac, including any changes caused by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other actions of the federal government;

the effects of any inquiries and investigations of foreclosure procedures or other servicing activities by attorneys general of certain states and the U.S. Department of Justice, any litigation related to our mortgage servicing activities, or any related fines, penalties and increased costs;

the ability to maintain our status as a government sponsored entity approved seller and servicer, including the ability to continue to comply with the respective selling and servicing guides, including any changes caused by the Dodd-Frank Act;

the effects of any changes to the servicing compensation structure for mortgage servicers pursuant to the programs of government sponsored entities;

changes in laws and regulations, including changes in mortgage and real estate related laws and regulations (including changes caused by the Dodd-Frank Act), status of government sponsored entities and state, federal and foreign tax laws and accounting standards;

the effects of the insolvency of any of the counterparties to our significant customer contracts or financing arrangements or the inability or unwillingness of such counterparties to perform their respective obligations under, or to renew on terms favorable to us, such contracts, or our ability to continue to comply with the terms of our significant customer contracts, including service level agreements;

the effects of competition in our existing and potential future lines of business, including the impact of consolidation within the industries in which we operate and competitors with greater financial resources and broader product lines;

the ability to obtain financing (including refinancing and extending existing indebtedness) on acceptable terms, if at all, to finance our operations or growth strategy, to operate within the limitations imposed by our financing arrangements and to maintain the amount of cash required to service our indebtedness;

the ability to maintain our relationships with our existing clients and to establish relationships with new clients;

the ability to attract and retain key employees;

a deterioration in the performance of assets held as collateral for secured borrowings;

any failure to comply with covenants under our financing arrangements;

the effects of the consolidation of financial institutions and the related impact on the availability of credit;

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the impact of changes in the U.S. financial condition and fiscal and monetary policies, or any actions taken or to be taken by the U.S. Department of the Treasury and the Board of Governors of the Federal Reserve System on the credit markets and the U.S. economy; and

other risks and uncertainties described from time to time in our filings with the SEC.

Forward looking statements speak only as of the date on which they are made. Factors and assumptions discussed above, and other factors not identified above, may have an impact on the continued accuracy of any forward looking statements that we make. Except for our ongoing obligations

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to disclose material information under the federal securities laws, we undertake no obligation to release publicly any revisions to any forward looking statements. For any forward looking statements contained in any document, we claim the protection of the safe harbor for forward looking statements contained in the Private Securities Litigation Reform Act of 1995.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. These reports, proxy statements and other information can be read and copied at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. The SEC maintains an internet site at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding companies that file electronically with the SEC, including us. These reports, proxy statements and other information can also be read at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005 or on our internet site at <http://www.phh.com>. Information on our website is not incorporated into this prospectus supplement or the accompanying prospectus.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

We are "incorporating by reference" certain documents that we have filed with the SEC under the Exchange Act, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus supplement and the accompanying prospectus, except for any information superseded by information contained directly in this prospectus supplement and the accompanying prospectus, or any subsequently filed document deemed incorporated by reference. This prospectus supplement and the accompanying prospectus incorporates by reference the documents set forth below that we have previously filed with the SEC (other than information deemed furnished and not filed in accordance with SEC rules, including Items 2.02 and 7.01 of Form 8-K):

Annual Report on Form 10-K for the year ended December 31, 2010 (the "2010 Form 10-K") (filed with the SEC on February 28, 2011), including portions of our Definitive Proxy Statement on Schedule 14A (filed with the SEC on April 29, 2011) incorporated by reference therein;

Quarterly Reports on Form 10-Q for the quarters ended March 31, 2011 (filed with the SEC on May 4, 2011), June 30, 2011 (filed with the SEC on July 29, 2011 and amended on Form 10-Q/A on August 23, 2011) and September 30, 2011 (the "2011 Third Quarter Form 10-Q") (filed with SEC on November 2, 2011);

Current Reports on Form 8-K filed with the SEC on January 5, 2011, March 4, 2011, March 28, 2011, March 30, 2011, April 6, 2011, May 9, 2011, June 1, 2011, June 13, 2011, June 30, 2011, July 6, 2011, July 7, 2011, July 20, 2011, July 29, 2011, August 17, 2011, September 29, 2011, October 4, 2011, November 1, 2011, November 18, 2011, December 2, 2011, December 8, 2011, December 12, 2011, December 21, 2011, January 3, 2012 and January 9, 2012; and

the descriptions of our common stock set forth in our registration statements filed pursuant to Section 12 of the Exchange Act, and any amendment or report filed for the purpose of updating those descriptions.

Any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus supplement are incorporated herein by reference until completion of the offering; provided, however, that we are not incorporating any information we furnish rather than file. Any statement contained in this prospectus supplement and the accompanying prospectus or in a document incorporated by reference shall be deemed to be modified or superseded to the extent

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that a statement contained in a subsequently filed document modifies or supersedes that statement. Any statement so modified or superseded will not be deemed to constitute a part of this prospectus supplement or the accompanying prospectus except as so modified or superseded. Statements contained in this prospectus supplement or the accompanying prospectus as to the contents of any contract or other document referred to in this prospectus supplement or the accompanying prospectus do not purport to be complete, and, where reference is made to the particular provisions of such contract or other document, such provisions are qualified in all respects by reference to all of the provisions of such contract or other document.

We will provide without charge upon written or oral request to each person, to whom this prospectus supplement and the accompanying prospectus are delivered, a copy of any or all of the documents we incorporate by reference (other than exhibits to those documents unless such exhibits are specifically incorporated by reference as an exhibit in the registration statement of which this prospectus supplement and the accompanying prospectus form a part). Requests should be directed to:

PHH Corporation
3000 Leadenhall Road
Mt. Laurel, NJ 08054
(856) 917-7405
Attention: Investor Relations

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SUMMARY

This summary highlights selected information more fully described elsewhere (or incorporated by reference) in this prospectus supplement and the accompanying prospectus. This summary does not contain all of the information that you should consider before investing in the notes. You should read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein carefully before making any investment decision, especially the risks of investing in the notes discussed in the section entitled "Risk Factors" below and in the incorporated documents.

In this prospectus supplement and the accompanying prospectus, except as otherwise indicated, "PHH," "the Company," "we," "our," and "us" refer to PHH Corporation and its consolidated subsidiaries, and references to "Cendant" and "Cendant Corporation" refer to the successor to Cendant Corporation now known as Avis Budget Group, Inc. All references to the "notes" refer to the 6.00% Convertible Senior Notes due 2017, except as otherwise indicated.

Our Company

We are a leading outsource provider of mortgage production, mortgage servicing and fleet management services. We conduct our business through three operating segments: a Mortgage Production segment, a Mortgage Servicing segment and a Fleet Management Services segment.

Our Mortgage Production segment originates, purchases and sells mortgage loans through PHH Mortgage Corporation and its subsidiaries (collectively, "PHH Mortgage"). This segment focuses primarily on providing private-label mortgage services to financial institutions and real estate brokers throughout the United States. According to Inside Mortgage Finance, as of September 30, 2011, we were one of the top five retail originators of residential mortgages in the United States and the largest non-bank mortgage originator. We leverage three distinct distribution channels: financial institutions outsourcing (73% of 2010 volumes); real estate brokers (25% of 2010 volumes); and corporate relocation (2% of 2010 volumes). We believe that many consumers rely upon the recommendation of a real estate broker or financial advisor when they are in the market for a mortgage; therefore, we benefit from access to a variety of trusted brands within each of our channels, such as Merrill Lynch, Coldwell Banker and Century 21.

We believe that we are the largest outsourcing solution provider of private-label mortgage origination and mortgage servicing for banks and other financial institutions that wish to offer mortgages to clients, but who may not be equipped to handle all aspects of the loan origination process in a cost efficient manner. Our financial institutions outsourcing and real estate broker channels together comprised 98% and 97% of our mortgage origination volumes for the year ended December 31, 2010 and the nine months ended September 30, 2011, respectively. Through our financial institutions outsourcing relationships, we provide full private-label mortgage services to over 30 financial institutions, including Merrill Lynch Credit Corporation ("Merrill Lynch"). We also maintain wholesale and correspondent relationships with a large variety of financial institutions, including credit unions and community banks in this channel. Mortgages generated through our private-label and wholesale and correspondent relationships accounted for 77% of our total originations for the nine months ended September 30, 2011. Our services benefit financial institutions that may not have the scale or the expertise to efficiently originate and service mortgages, but desire to maintain a primary consumer product offering. As a non-bank mortgage originator and servicer, we do not compete with our bank clients, which allows us to service their clients in their name on a private-label basis and without risk of cross-marketing their consumer relationships. Our real estate broker channel primarily revolves around our joint venture and strategic relationship agreement with Realogy Corporation ("Realogy"). Through marketing agreements with Realogy and its franchisees, we are able to conduct business under the names Coldwell Banker Mortgage, Century 21 Mortgage and others. Pursuant to our agreements with Realogy, loan officers of PHH Home Loans, LLC, our indirect majority owned

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subsidiary ("PHH Home Loans"), have exclusive access to the residential real estate offices owned by Realogy. Realogy operates the largest real estate brokerage and franchise business in the United States operating under the Realogy brands, which include Coldwell Banker Real Estate Corporation, Century 21 Real Estate LLC, ERA Franchise Systems, Inc., and Sotheby's International Affiliates, Inc.

Of our \$49.0 billion of total originations in 2010, 23% were fee-based closings and 77% were originated for sale into the secondary market, primarily on a servicing retained basis. During the nine months ended September 30, 2011, we had \$36.3 billion of total originations, with 28% fee-based closings and 72% originated for sale into the secondary market. It is our intent to sell all of the mortgage loans originated by us, and not otherwise retained in our clients' loan investment portfolios, into the secondary market. As such, we do not carry loans on our balance sheet as portfolio investments. Mortgage loans held for sale are generally sold within 60 days of their origination date. During 2010 and the nine months ended September 30, 2011, 95% and 92%, respectively, of our mortgage loans were sold to, or were sold pursuant to programs sponsored by, Fannie Mae, Freddie Mac or Ginnie Mae.

Our Mortgage Servicing segment, which services mortgage loans originated by PHH Mortgage and PHH Home Loans, may purchase mortgage servicing rights from third parties and, from time to time, acts as a servicer for certain clients that own the underlying mortgage servicing rights. A mortgage servicing right is the right to service a loan or pool of loans in exchange for a servicing fee. Mortgage loan servicing primarily consists of collecting loan payments, remitting principal and interest payments to investors, managing escrow funds for the payment of mortgage-related expenses, such as taxes and insurance, and otherwise administering our mortgage loan servicing portfolio. As of September 30, 2011, our total mortgage loan servicing portfolio consisted of loans with an aggregate unpaid principal balance ("UPB") of approximately \$178.1 billion, including approximately \$33.9 billion in aggregate UPB of loans subserviced for others, and the serviced portfolio related to our capitalized servicing portfolio totaled \$144.3 billion. The loans underlying our capitalized servicing portfolio are well diversified geographically, with no state representing more than 12% of the UPB of our capitalized servicing portfolio as of September 30, 2011. In addition, 85% of the UPB of our capitalized servicing portfolio as of September 30, 2011 was comprised of loans underlying mortgage-backed securities guaranteed by, or otherwise serviced on behalf of, Fannie Mae, Freddie Mac and Ginnie Mae. As of September 30, 2011, approximately 79% of the UPB of our capitalized servicing portfolio was originated at FICO scores of 680 or higher, and approximately 52% of the UPB of our capitalized servicing portfolio was originated at FICO scores of 740 or higher. Finally, as of September 30, 2011, 53% of the UPB on our capitalized servicing portfolio was originated since January 1, 2009.

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The table below provides the geographic composition of our capitalized servicing portfolio as of September 30, 2011.

Capitalized Servicing Portfolio by Geography

(In millions)

State	Unpaid Principal Balance(1)	% of Unpaid Principal Balance
California	\$ 17,854	12%
Florida	9,293	6%
New Jersey	8,946	6%
New York	8,444	6%
Texas	6,875	5%
Virginia	6,559	5%
Illinois	5,886	4%
Pennsylvania	5,123	4%
Minnesota	4,812	3%
Georgia	4,427	3%
Others	65,924	46%
Total	\$ 144,143	100%

(1) Excludes Home Equity Lines of Credit.

The table below provides the composition of our capitalized servicing portfolio as of September 30, 2011 by FICO score at origination.

Capitalized Servicing Portfolio by FICO at Origination

(In millions)

FICO Score	Unpaid Principal Balance(1)	% of Unpaid Principal Balance
659 or less	\$ 15,775	11%
660-679	8,937	6%
680-699	11,274	8%
700-719	13,311	9%
720-739	14,146	10%
740+	74,825	52%
Unknown	5,875	4%
Total	\$ 144,143	100%

(1) Excludes Home Equity Lines of Credit.

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The table below provides the composition of our capitalized servicing portfolio as of September 30, 2011 by year of origination.

Capitalized Servicing Portfolio by Year of Origination

(In millions)

Year of Origination	Unpaid Principal Balance(1)	% of Unpaid Principal Balance
2003 and prior	\$ 20,107	14%
2004	8,386	6%
2005	11,161	8%
2006	8,990	6%
2007	11,018	8%
2008	9,161	6%
2009	21,903	15%
2010	33,888	24%
2011	19,529	14%
Total	\$ 144,143	100%

(1) Excludes Home Equity Lines of Credit.

The table below provides the composition of our capitalized servicing portfolio as of September 30, 2011 by interest rate and year of origination.

Capitalized Servicing Portfolio Interest Rate by Year of Origination(2)

(In millions)

Nine Months Ended September 30,	Year Ended December 31,				2007	2006	2005
	2011	2010	2009	2008			
\$ 2,007	\$ 3,245	\$ 2	\$ 160	\$ 438	\$ 376	\$ 306	
13,595	22,453	11,492	224	112	91	127	
2,097	6,781	9,768	3,954	1,151	623	3,472	
23	62	307	3,353	5,559	3,561	2,119	
		12	243	981	1,053	419	
1,807	1,347	322	1,228				

The following table sets forth certain information regarding the ownership of Ambarella's ordinary shares as of March 31, 2013 by: (i) each director and nominee for director; (ii) each of the executive officers named in the Summary Compensation Table (referred to in this Proxy Statement as our named executive officers); (iii) all executive officers and directors of Ambarella as a group; and (iv) all those known by Ambarella to be beneficial owners of more than five percent of its ordinary shares.

Beneficial Owner	Beneficial Ownership(1)	
	Number of Shares	Percent of Total
Benchmark Capital Partners IV, L.P. (2)	3,150,520	11.64%
Entities affiliated with Walden International (3)	3,012,743	11.13%
Matrix Partners VII, L.P. (4)	2,638,363	9.75%
Feng-Ming (Fermi) Wang (5)	1,660,411	6.07%
Leslie Kohn (6)	1,540,966	5.65%
George Laplante (7)	304,920	1.11%
Didier LeGall (8)	501,847	1.84%

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Christopher Day (9)	100,550	*
Chenming Hu (10)	26,666	*
Christopher Paisley (11)	4,999	*
Lip-Bu Tan (12)	3,034,965	11.20%
Andrew Verhalen (13)	2,660,585	9.83%
All executive officers and directors as a group (9 persons) (14)	9,835,909	36.20%

* Less than one percent.

- (1) This table is based upon information supplied by officers, directors, principal shareholders and Schedules 13G filed with the SEC prior to March 31, 2013. Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable, Ambarella believes that each of the shareholders named in this table has sole voting and investment power with respect to the shares indicated as beneficially owned. Applicable percentages are based on 27,064,723 shares outstanding on March 31, 2013, adjusted as required by rules promulgated by the SEC. The information provided in the Schedules 13G report beneficial ownership as of December 31, 2012 and so change of beneficial ownership, if any, between that date and March 31, 2013 is not reflected in the table.
- (2) Consists of 3,150,520 shares held by Benchmark Capital Partners IV, L.P., or BCP IV, as nominee for Benchmark Capital Partners IV, L.P., Benchmark Founders Fund IV, L.P., Benchmark Founders Fund IV-A, L.P., Benchmark Founders Fund IV-B, L.P. and related individuals, or the Benchmark Funds. Benchmark Capital Management Co. IV, L.L.C., or BCMC IV, is the general partner of BCP IV. BCMC IV's managing members are Alexandre Balkanski, Bruce W. Dunlevie, J. William Gurley, Kevin R. Harvey, Robert C. Kagle and Steven M. Spurlock. These individuals may be deemed to have shared voting and investment power over the shares held by the Benchmark Funds. Each of these individuals disclaims beneficial ownership of such shares, except to the extent of such individual's pecuniary interest therein. BCP IV's address is c/o Benchmark Capital Partners, 2480 Sand Hill Road, Suite 200, Menlo Park, CA 94025.
- (3) Consists of 2,820,041 shares held by Pacven Walden Ventures V, L.P.; 64,885 shares held by Pacven Walden Ventures Parallel V-A C.V.; 64,885 shares held by Pacven Walden Ventures Parallel V-B C.V.; 9,784 shares held by Pacven Walden Ventures V Associates Fund, L.P.; 53,148 shares held by Pacven Walden Venture V-QP Associates Fund, L.P. Mr. Lip-Bu Tan, a member of our board of directors, is the sole director of Pacven Walden Management V Co. Ltd., which is the general partner of Pacven Walden Ventures V, L.P., Pacven Walden Ventures Parallel V-A C.V., Pacven Walden Ventures Parallel V-B C.V., Pacven Walden Ventures V Associates Fund, L.P. and Pacven Walden Ventures V-QP Associates Fund, L.P., or Pacven V and affiliated funds. Mr. Tan, Brian Chiang, Hock Voon Loo and Andrew Kau hold shared voting and investment power with respect to the shares held by Pacven V and affiliated funds, all of whom disclaim beneficial ownership of these shares except to the extent of any pecuniary interest therein. The address for Walden International is One California Street, Suite 2800, San Francisco, CA 94111.

- (4) Consists of 2,638,363 shares held by Matrix Partners VII, L.P. Andrew W. Verhalen, a member of our board of directors, is a Managing Member of Matrix VII Management Co., L.L.C., the general partner of Matrix Partners VII, L.P. Mr. Verhalen, by virtue of his management position in Matrix VII Management Co., L.L.C., has sole voting and dispositive power with respect to the shares held by Matrix Partners VII, L.P. Mr. Verhalen disclaims beneficial ownership of these shares, except to the extent of his pecuniary interest in such shares. The address for Matrix Partners, VII, L.P. is Bay Colony Corporate Center, 1000 Winter Street, Suite 4500, Waltham, MA 02451.
- (5) Includes (i) 280,551 shares that Dr. Wang has a right to acquire within 60 days of March 31, 2013 pursuant to outstanding options, (i) 2,083 shares expected to be vested and delivered pursuant to an outstanding restricted stock unit award, (iii) 133,333 shares held by Acorn Hall Irreversible Trust, and (iv) 250,000 shares held by Tutu s Irrevocable Trust.
- (6) Includes (i) 200,551 shares that Mr. Kohn has a right to acquire within 60 days of March 31, 2013 pursuant to outstanding options and (ii) 1,527 shares expected to be vested and delivered pursuant to an outstanding restricted stock unit award.
- (7) Includes (i) 292,420 shares that Mr. Laplante has a right to acquire within 60 days of March 31, 2013 pursuant to outstanding options and (ii) 1,389 shares expected to be vested and delivered pursuant to an outstanding restricted stock unit award.
- (8) Includes (i) 159,625 shares that Dr. LeGall has a right to acquire within 60 days of March 31, 2013 pursuant to outstanding options and (ii) 555 shares expected to be vested and delivered pursuant to an outstanding restricted stock unit award.
- (9) Includes (i) 99,439 shares that Mr. Day has a right to acquire within 60 days of March 31, 2013 pursuant to outstanding options and (ii) 1,111 shares expected to be vested and delivered pursuant to an outstanding restricted stock unit award.
- (10) Consists solely of 26,666 shares that Dr. Hu has a right to acquire within 60 days of March 31, 2013 pursuant to outstanding options.
- (11) Consists solely of 4,999 shares that Mr. Paisley has a right to acquire within 60 days of March 31, 2013 pursuant to outstanding options.
- (12) Includes (i) 22,222 shares that may be acquired pursuant to stock options exercisable within 60 days of March 31, 2013 and (ii) 3,012,743 shares held by Pacven Walden Ventures V, L.P. and affiliated funds. See footnote 3 above. Mr. Tan disclaims beneficial ownership of any shares held by Pacven V and affiliated funds except to the extent of any pecuniary interest therein.
- (13) Includes (i) 22,222 shares held by Mr. Verhalen and (ii) 2,638,363 shares held by Matrix Partners VII, L.P. See footnote 4 above. Mr. Verhalen disclaims beneficial ownership of any shares held by Matrix Partners VII, L.P. except to the extent of any pecuniary interest therein.
- (14) Includes an aggregate of 1,093,138 shares that our directors and executive officers have a right to acquire within 60 days of March 31, 2013 pursuant to outstanding options and restricted stock unit awards.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires Ambarella s directors and executive officers, and persons who own more than ten percent of a registered class of Ambarella s equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of ordinary shares and other equity securities of Ambarella. Officers, directors and greater than ten percent shareholders are required by SEC regulation to furnish Ambarella with copies of all Section 16(a) forms they file. To Ambarella s knowledge, based solely on a review of the copies of the reports furnished to Ambarella and written representations that no other reports were required, during the fiscal year ended January 31, 2013, we believe that our officers, directors and greater than ten percent beneficial owners complied with all applicable Section 16(a) filing requirements.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

In addition to the compensation arrangements with directors and executive officers described elsewhere in this Proxy Statement, the following is a description of each transaction since February 1, 2012 and each currently proposed transaction in which:

Ambarella has been or is to be a participant;

the amount involved exceeds or will exceed \$120,000; and

any of our directors, executive officers or beneficial holders of more than 5% of our ordinary shares, or any immediate family member of or person sharing the household with any of these individuals (other than tenants or employees), had or will have a direct or indirect material interest.

Share Repurchase Agreement

Ambarella entered into a Share Repurchase Agreement on January 10, 2012, pursuant to which the company repurchased ordinary shares from certain of its shareholders at a purchase price of \$10.35 per share. Ambarella repurchased 144,444 ordinary shares from Didier LeGall, Ambarella's Executive Vice President, for an aggregate purchase price of \$1,495,000 and 13,333 ordinary shares from Leslie Kohn, Ambarella's Chief Technical Officer, for an aggregate purchase price of \$138,000. The opportunity to sell ordinary shares to us was made available to all holders of ordinary shares other than our Chief Executive Officer and our Chief Financial Officer.

Indemnification Agreements with Executive Officers and Directors

Ambarella has entered into indemnification agreements with each of its directors and executive officers pursuant to which Ambarella has agreed to indemnify the directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims by reason of their being such a director or officer. These indemnification agreements and Ambarella's memorandum and articles of association will indemnify each of our directors and officers to the fullest extent permitted by applicable Cayman Islands law.

Sales Representative Agreement with WT Microelectronics Co., Ltd.

Ambarella is a party to a Sales Representative Agreement dated January 31, 2011, Amendment No. 1 to the Sales Representative Agreement dated February 1, 2012 and Amendment No. 2 to the Sales Representative Agreement dated October 1, 2012 with WT Microelectronics Co., Ltd., or WT, pursuant to which WT serves a non-exclusive sales representative for Ambarella in all of Asia other than Japan. Wintech Microelectronics Holding Limited and its affiliates, which are related parties of WT Microelectronics Co., Ltd., owned approximately 4.75% of Ambarella's outstanding ordinary shares as of January 31, 2013. Ambarella recognized revenue from WT of approximately \$59.9 million, \$85.7 million and \$77.6 million for the fiscal years ended January 31, 2010, January 31, 2011 and 2012, respectively.

License Agreements with Cadence Design Systems, Inc.

Beginning in fiscal year 2008, Ambarella entered into several software license agreements with Cadence Design Systems, Inc., or Cadence. A member of Ambarella's board of directors, Lip-Bu Tan, is also the Chief Executive Officer, President and a director of Cadence. Ambarella's board of directors has noted that Mr. Tan did not derive any direct or indirect material benefit from such agreements. Ambarella committed to pay \$5.1 million payable in 17 quarterly payments through June 2011. In April 2011, Ambarella committed to pay \$5.1 million for additional licenses payable in 12 quarterly payments through January 2014.

Code of Conduct Policy and Procedures

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In 2012, Ambarella adopted a formal written policy that became effective upon completion of Ambarella's initial public offering that all executive officers, directors, nominees for election as directors, beneficial owners

of more than 5% of our ordinary shares and any member of the immediate family of any of the foregoing persons, are not permitted to enter into a related party transaction in which the aggregate amount involved will or may be expected exceed \$120,000 in any calendar year with Ambarella without the prior consent of Ambarella's audit committee, subject to the pre-approval exceptions described below. If advance approval is not feasible then the related party transaction will be considered at the audit committee's next regularly scheduled meeting. In approving or rejecting any such proposal, the audit committee is to consider the relevant facts and circumstances including, but not limited to, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related party's interest in the transaction. Ambarella's board of directors has delegated to the chair of the audit committee the authority to pre-approve or ratify any request to enter into a transaction with a related party, in which the amount involved is less than \$250,000 and where the chair is not the related party. The audit committee has also reviewed certain types of related party transactions that it has deemed pre-approved even if the aggregate amount involved will exceed \$120,000 including, employment of executive officers, director compensation, certain transactions with other organizations, certain charitable contributions, transactions where all shareholders receive proportional benefits, transactions involving competitive bids, regulated transactions and certain banking-related services.

The transactions described above were entered into prior to the adoption of this policy.

EXECUTIVE COMPENSATION

Compensation Decisions and the Role of the Compensation Committee

The compensation committee of the Board is currently comprised of three independent, non-employee directors, Andrew W. Verhalen, Chenming C. Hu and Lip-Bu Tan. The compensation committee is responsible for the executive compensation programs for our executive officers and reports to the Board on its discussions, decisions and other actions. Typically, our Chief Executive Officer and Chief Financial Officer make recommendations to our compensation committee, attend committee meetings and are involved in the determination of compensation for our executive officers, provided, however, that neither our Chief Executive Officer nor our Chief Financial Officer makes recommendations as to his own compensation. Our Chief Executive Officer and Chief Financial Officer make recommendations to our compensation committee regarding short- and long-term compensation for our executive officers based on our results, an individual executive officer's contribution toward these results and performance toward goal achievement. Our compensation committee then reviews the recommendations and other data and makes recommendations to the Board as to each executive officer's total compensation, as well as each individual compensation component. Our compensation committee's recommendations regarding executive compensation are based on the compensation committee's assessment of the performance of the Company and each individual executive officer, as well as other factors, such as prevailing industry trends. The Board (or the independent members regarding chief executive officer compensation) makes the final decisions regarding executive compensation.

Narrative to Fiscal 2013 Summary Compensation Table

The primary components of compensation for our Chief Executive Officer and our two other most highly compensated executive officers, whom we refer to in this Proxy Statement as the named executive officers, are base salary, cash incentive compensation and equity-based compensation. We do not have a policy on the division of compensation between the primary components. Each of our named executive officers serves on an at-will basis. Their initial base salary is established at the time of hire, and the Board reviews the base salaries annually. With regard to cash incentive compensation, our Board approved the fiscal 2013 cash bonus plan, under which senior management were eligible to receive cash awards upon achievement of certain corporate financial and operational goals. The amounts payable under the annual cash incentive bonus plan are generally calculated as a percentage of the applicable executive's base salary. For fiscal years 2012 and 2013, Dr. Wang's target cash bonus was 50% of his annual base salary, while each of the other named executive officers had a target cash bonus of up to 30% of his annual base salary. Finally, with regard to equity-based compensation, our compensation committee meets periodically to discuss and review the level of equity-based compensation, and to decide whether additional option grants or restricted stock awards are necessary.

Summary Compensation Table for Fiscal 2013

The following table shows for the fiscal years ended January 31, 2013 and 2012, compensation awarded to, paid to or earned by Ambarella's Chief Executive Officer and its two other most highly compensated executive officers as of January 31, 2013, which we refer to in this Proxy Statement as our named executive officers :

Name and Principal Position	Fiscal Year	Salary (\$)	Non-Equity			Total(\$)
			Stock Option Awards (\$)(1)	Restricted Stock Awards (\$)(1)	Incentive Plan Compensation (\$)(2)	
Feng-Ming (Fermi) Wang, <i>Chairman of the Board of</i>	2013	340,000		166,503	210,000	716,503
	2012	300,000	233,500		104,000	637,500
<i>Directors, President and Chief</i>						

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Executive Officer

George Laplante,	2013	320,000		111,009	120,000		551,009
<i>Chief Financial Officer and</i>	2012	270,455	1,607,473		57,500		1,935,428

Secretary

Leslie Kohn,	2013	320,000		122,108	120,000	2,000(3)	564,108
<i>Chief Technical Officer</i>	2012	275,000	186,800		58,000	2,500(3)	522,300

- (1) The dollar amounts in this column do not reflect dollar amounts actually received by our named executive officers. Instead, these amounts represent the aggregate full grant date fair value calculated in accordance with FASB ASC Topic 718 for equity granted during the fiscal years ended January 31, 2013 and 2012. Stock option awards are valued using the Black Scholes option valuation model and the assumptions outlined in Note 9 of our financial statements included in our Annual Report on Form 10-K for the year ended January 31, 2013, as filed with the SEC on April 4, 2013.
- (2) Reflects performance-based cash bonuses paid to our executive officers for performance in fiscal years 2012 and 2013.
- (3) Reflects payments made under our patent incentive program.

Equity Incentive Awards

Historically, equity-based compensation has been our primary long-term incentive compensation component. Our equity-based compensation is intended to retain executive officers through the use of time-based vesting while tying our long-term financial performance and shareholder value creation to the executive officer's financial gain. Prior to fiscal year 2013, all equity awards to executive officers, other than initial sales of founder shares to Dr. Wang and Mr. Kohn, were in the form of stock options granted at fair market value with time-based vesting. In fiscal year 2013, we granted our executive officers only restricted stock unit awards with time-based vesting.

Generally, upon commencement of employment, executives are awarded initial stock option grants carrying a service-based vesting condition, with one-fourth of the shares generally vesting one year from the vesting commencement date and the remaining shares vesting in equal monthly installments over the following 36 months. Historically, our practice has been to review equity awards to existing employees, including our executive officers, after one year of service and annually thereafter and to make additional awards if appropriate. These additional awards to our executive officers generally vest in equal monthly installments over 48 months, subject to continued service. In fiscal year 2013, we granted our executive officers restricted stock unit awards that vest in equal quarterly installments over 48 months, subject to continued service.

The following table presents the restricted stock unit awards granted in fiscal years 2013 to our named executive officers:

Name	Date of Award	Number of Shares
Feng-Ming (Fermi) Wang	8/28/2012	16,667
George Laplante	8/28/2012	11,112
Leslie Kohn	8/28/2012	12,223

Outstanding Equity Awards at Fiscal Year-End

The following table shows certain information regarding outstanding equity awards held by our named executive officers at the end of fiscal year 2013.

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable(1)	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units That Have Not Vested (#)(2)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(3)
Feng-Ming (Fermi) Wang	111,111		2.93	7/9/2018		
	94,904	16,206(4)	6.62	10/28/2019		
	40,276	26,390(5)	8.82	11/2/2020		
	15,740	28,704(6)	8.82	8/29/2021		
					16,667	166,003
George Laplante	288,532(7)		8.82	3/7/2021		
	3,147	5,741(6)	8.82	8/29/2021		
					11,112	110,676
Leslie Kohn	88,888		2.93	7/9/2018		
	56,943	9,723(4)	3.20	7/8/2019		
	29,536	19,352(5)	8.82	11/2/2020		
	12,591	22,964(6)	8.82	8/29/2021		
					12,223	121,741

- (1) Vesting of each stock option is contingent upon the executive officer's continued service.
- (2) The shares subject to each restricted stock unit grant vest over a four-year period commencing on September 15, 2012, with 1/16 of the shares vesting on a quarterly basis; provided that no shares vested until expiration of the 180-day lock-up period following our initial public offering.
- (3) The amounts in this column are calculated using a per share value of \$9.96, the closing market price of our ordinary shares on January 31, 2013.
- (4) The shares subject to the stock option vest over a four-year period commencing on August 1, 2009, with 1/48 of the shares vesting on a monthly basis.
- (5) The shares subject to the stock option vest over a four-year period commencing on August 1, 2010, with 1/48 of the shares vesting on a monthly basis.
- (6) The shares subject to the stock option vest over a four-year period commencing on August 1, 2011, with 1/48 of the shares vesting on a monthly basis.
- (7) The shares subject to the stock option vest over a four-year period based on a total grant amount of 299,643 shares, with 1/4 of the shares vesting on March 7, 2012, and the remainder vesting in 36 equal monthly installments thereafter. The option may be exercised prior to vesting, subject to our right to repurchase any shares that fail to vest prior to a termination of service in accordance with this vesting schedule. As of January 31, 2013, 137,334 of the shares were vested.

Broad Based Employee Benefits

We believe that establishing competitive benefit packages for our employees is an important factor in attracting and retaining highly qualified personnel. Our named executive officers are eligible to participate in all of our employee benefit plans, such as medical, dental, disability, vision, group life and accidental death and dismemberment insurance, our patent incentive program and our 401(k) plan, in each case on the same basis as other U.S.-based salaried employees. We do not offer club memberships, automobile allowances, tickets to sporting events or concerts or other perquisites to any of our named executive officers as that would be inconsistent with our egalitarian corporate culture.

Employee Agreements and Potential Payments upon Termination or Change In Control

Severance Arrangements

Upon a termination of a named executive officer by us other than for cause occurring more than three months before or twelve months following a change of control, subject to the execution of a general release of claims, such named executive officer is entitled to:

the payment of accrued salary and vacation;

payment of a lump sum equal to 100% of the executive officer's then-current annual base salary;

payment of a prorated portion of the executive officer's annual target bonus;

immediate acceleration of twelve months of vesting of outstanding options to the extent such options vest based solely on service to the company over time; and

company-paid premiums for COBRA continuation coverage for up to twelve months after the date of termination.

Change of Control Arrangements

Upon a termination of a named executive officer by us other than for cause or, if such officer resigns for good reason, within three months before or twelve months following a change of control, subject to the execution of a general release of claims, our named executive officers are entitled to:

the payment of accrued salary and vacation;

payment of a lump sum equal to 100% of the executive officer's then-current annual base salary;

payment of a prorated portion of the executive officer's annual target bonus;

immediate acceleration of vesting of 100% of outstanding options to the extent such options vest based solely on services to the company over time; and

company-paid premiums for COBRA continuation coverage for up to 12 months after the date of termination.

In addition to the foregoing benefits, our named executive officers would also receive a gross-up payment if such officer is required to pay excise tax under Section 4999 of the Code, with the amount of such gross-up payment equal to the amount of excise tax.

For purposes of the change of control and severance agreements above, the term "cause" means the occurrence of any of the following events: (i) the executive officer's willful and continued failure to substantially perform the duties of his position (other than failure resulting from the executive officer's complete or partial

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incapacity due to physical or mental illness or impairment); (ii) the executive officer's willful and continued failure to substantially perform the lawful and specific directives of the board of directors, as reasonably determined by the board of directors (other than failure resulting from the executive officer's complete or partial incapacity due to physical or mental illness or impairment); (iii) the executive officer's willful commission of an act of fraud or dishonesty resulting in, or is likely to result in, material economic or financial injury to us; or (iv) the executive officer's willful engagement in illegal conduct that was or is reasonably likely to be materially injurious to us; provided that we have provided to the executive officer any requisite notice in a timely manner and, if permitted to correct the deficiency, the executive officer has failed to do so.

For purposes of the change of control and severance agreements above, change of control means the occurrence of any of the following events: (i) any person becomes the beneficial owner, directly or indirectly, of our securities representing 50% or more of the total voting power represented by our then-outstanding voting securities (except that any change in the ownership of our ordinary shares as a result of a private financing that is approved by the Board will not be considered a change of control); (ii) any person acquires more than 50% of the

value of our assets over a twelve-month period; (iii) the consummation of a merger or consolidation with any other entity, other than a merger or consolidation that would result in our voting securities outstanding immediately prior thereto continuing to represent at least 50% of the total voting power represented by our voting securities or the voting securities of such surviving entity (or its parent) outstanding immediately after such merger or consolidation; or (iv) the replacement of a majority of the Board during any twenty-four month period by directors whose appointment or election is not approved by a majority of the members of the Board prior to the date of the appointment or election.

For purposes of the change of control and severance agreements above, *good reason* means the executive officer's voluntary resignation from all positions such officer holds with us, effective within 90 days after the occurrence of: (i) a reduction by us of the executive officer's base salary or annual target bonus in effect immediately prior to such reduction (other than reductions in connection with similar percentage reductions imposed on all executive-level employees); (ii) a reduction by us of the executive officer's health or welfare benefits in effect immediately prior to such reduction (other than reductions in connection with similar percentage reductions imposed on all executive-level employees); (iii) our requiring the executive officer to move his primary work location to a location that increases his one-way commute by more than 30 miles from our then-current location; (iv) our failure to continue in effect any material compensation or benefit plan or practice in which the executive officer is eligible to participate in immediately prior to the change of control; (v) our failure to obtain the assumption, in all material respects, of the change of control agreement by any of our successors; or, for certain of the executive officers, (vi) a material diminution in such executive officer's authority, duties, responsibilities, title or reporting structure; provided that the executive officer must provide written notice to us of the existence of one of these conditions within 60 days after its initial existence, and we must be provided with a period of 30 days during which we may cure the circumstances giving rise to the condition, in which case no good reason will exist.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides certain information with respect to all of Ambarella's equity compensation plans in effect as of January 31, 2013:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Restricted Stock Units and Rights	Weighted Average Exercise Price of Outstanding Options and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Including Securities Reflected in the first Column)
Equity compensation plans approved by security holders:			
<i>2004 Stock Option Plan (1)</i>	4,504,603(4)	\$ 6.02	0
<i>2012 Equity Incentive Plan (2)</i>	179,152(5)	\$ 7.11	1,134,371
<i>2012 Employee Stock Purchase Plan (3)</i>			460,445
Equity compensation plans not approved by security holders:			
TOTAL:	4,683,755	\$ 6.07	1,594,816

- (1) Our Board of Directors adopted, and our shareholders approved, the 2004 Stock Option Plan, as amended, or 2004 Plan. The 2004 Plan was last amended on August 28, 2012. A total of 4,504,603 ordinary shares are reserved for issuance under the 2004 Plan. As a result of our initial public offering and the adoption of the 2012 Equity Incentive Plan, we no longer grant awards under the 2004 Plan; however, all outstanding options issued pursuant to the 2004 Plan continue to be governed by their existing terms.
- (2) Our Board of Directors adopted, and our shareholders approved, the 2012 Equity Incentive Plan, or 2012 Plan, which became effective in October 2012 in connection with our initial public offering. A total of 1,104,445 ordinary shares were initially authorized for issuance under the 2012 Plan. Shares reserved for issuance under the 2004 Plan that were not subject to outstanding awards at the completion of our initial public offering or which are subject to awards granted under the 2004 Plan and subsequently expire, terminate or are forfeited to us, are added to the 2012 Plan. In addition, the 2012 Plan provides that the number of ordinary shares available for issuance under the 2012 Plan will be increased on the first day of each fiscal year beginning with the 2014 fiscal year, in an amount equal to the least of (i) 3,500,000 ordinary shares, (ii) four and one-half percent (4.5%) of the outstanding ordinary shares on the last day of the immediately preceding fiscal year or (iii) such lesser number of ordinary shares determined by the Board.
- (3) Our Board of Directors adopted, and our shareholders approved, the 2012 Employee Stock Purchase Plan, or ESPP, which became effective in October 2012 in connection with our initial public offering. A total of 460,445 ordinary shares were initially authorized for issuance under the ESPP. The ESPP provides that the number of ordinary shares available for issuance under the ESPP will be increased on the first day of each fiscal year beginning with the 2014 fiscal year, in an amount equal to the least of (i) 1,500,000 ordinary shares, (ii) one and one-quarter percent (1.25%) of the outstanding ordinary shares on the last day of the immediately preceding fiscal year or (iii) such other amount as may be determined by the Board.
- (4) Consists of 338,717 shares granted as restricted stock units and options to purchase 4,165,886 shares.
- (5) Consists of 500 shares granted as restricted stock units and options to purchase 178,652 shares.

REPORT OF THE AUDIT COMMITTEE

The following report of the Audit Committee does not constitute soliciting material and shall not be deemed filed or incorporated by reference into any other filing by Ambarella under the Securities Act of 1933 or the Securities Exchange Act of 1934.

The Audit Committee provides assistance to the Board of Directors in fulfilling its legal and fiduciary obligations in matters involving Ambarella's accounting, auditing, financial reporting, internal control and legal compliance functions by approving the services performed by Ambarella's independent accountants and reviewing their reports regarding Ambarella's accounting practices and systems of internal accounting controls as set forth in a written charter adopted by the Board. Ambarella's management is responsible for preparing Ambarella's financial statements and the independent registered public accountants are responsible for auditing those financial statements. The Audit Committee is responsible for overseeing the conduct of these activities by Ambarella's management and the independent registered public accountants.

In this context, the Audit Committee has met and held discussions with management and the independent registered public accountants. Management represented to the Audit Committee that Ambarella's consolidated financial statements were prepared in accordance with generally accepted accounting principles, and the Audit Committee has reviewed and discussed the consolidated financial statements with management and the independent registered public accountants. The Audit Committee has discussed with the independent registered public accountants matters required to be discussed by Statement on Auditing Standards No. 61, as amended. In addition, the independent registered public accountants provided to the Audit Committee the written disclosures required by Public Company Accounting Oversight Board Rule 3526 (Communication with Audit Committees Concerning Independence) and the Audit Committee and the independent registered public accountants have discussed such accountants' independence from Ambarella and its management. The Audit Committee has discussed with Ambarella's internal and independent registered public accountants, with and without management present, their evaluations of Ambarella's internal accounting controls and the overall quality of Ambarella's financial reporting.

In reliance on the reviews and discussions with management and the independent registered public accountants referred to above, the Audit Committee recommended to the Board, and the Board has approved, the inclusion of the audited financial statements in Ambarella's Annual Report on Form 10-K for the fiscal year ended January 31, 2013, for filing with the SEC.

Christopher B. Paisley (Chairman)

Chenming C. Hu

Andrew W. Verhalen

PROPOSAL 2**RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of the Board of Directors has appointed PricewaterhouseCoopers LLP as Ambarella's independent registered public accounting firm, or independent auditors, for the fiscal year ending January 31, 2014, and has further directed that management submit the appointment of independent auditors for ratification by the shareholders at the Annual Meeting. PricewaterhouseCoopers LLP has audited Ambarella's financial statements since fiscal year 2007. Representatives of PricewaterhouseCoopers LLP are expected to be present at the Annual Meeting. They will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Neither Ambarella's Articles of Association nor other governing documents or law require shareholder ratification of the appointment of PricewaterhouseCoopers LLP as Ambarella's independent auditors. However, the Audit Committee is submitting the appointment of PricewaterhouseCoopers LLP to shareholders for ratification as a matter of good corporate practice. If the shareholders fail to ratify the appointment, the Audit Committee will reconsider whether or not to retain that firm. Even if the appointment is ratified, the Audit Committee in its discretion may direct the appointment of different independent auditors at any time during the year if they determine that such a change would be in the best interests of Ambarella and its shareholders.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting will be required to ratify the appointment of PricewaterhouseCoopers LLP. Abstentions will be counted toward the tabulation of votes cast on proposals presented to the shareholders and will have the same effect as negative votes.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table represents aggregate fees billed to Ambarella by PricewaterhouseCoopers LLP for the fiscal years ended January 31, 2012 and 2013, respectively:

	Fiscal Year Ended	
	January 31,	
	2013	2012
	(\$)	(\$)
Audit Fees (1)	1,310,700	835,379
Audit-Related Fees (2)		
Tax Fees (3)	17,931	17,241
All Other Fees (4)	1,916	8,720
Total Fees	1,330,547	861,340

- (1) *Audit Fees.* The aggregate fees billed for the years ended January 31, 2013 and 2012 were for professional services rendered for the audits of our consolidated financial statements, statutory audits of our subsidiaries, the review of our interim consolidated financial statements, services rendered in connection with registration statements on Form S-1 related to our initial public offering and Form S-8, comfort letters and other matters related to the SEC.
- (2) *Audit-Related Fees.* For the years ended January 31, 2013 and 2012, there were no fees billed by PricewaterhouseCoopers LLP for professional services rendered under *Audit-Related Fees* above.
- (3) *Tax Fees.* The aggregate fees billed for the years ended January 31, 2013 and 2012 were for tax advisory and tax compliance services related to tax research and tax planning services in foreign countries in which we do business.
- (4) *All Other Fees* consists of fees for access to online accounting and tax research software applications and data.

All fees described above were approved by the Audit Committee.

Pre-Approval Policies and Procedures

The Audit Committee has adopted a policy and procedures for the pre-approval of audit and non-audit services rendered by our independent auditors, PricewaterhouseCoopers LLP. The policy generally pre-approves specified services in the defined categories of audit services, audit-related services and tax services up to specified amounts. Pre-approval may also be given as part of the Audit Committee's approval of the scope of the engagement of the independent auditors or on an individual, explicit, case-by-case basis before the independent auditor is engaged to provide each service. The pre-approval of services may be delegated to one or more of the Audit Committee's members, but the decision must be reported to the full Audit Committee at its next scheduled meeting.

The Audit Committee has determined that the rendering of the services described above by PricewaterhouseCoopers LLP is compatible with maintaining the principal accountant's independence.

Vote Required

Ratification of the appointment of PricewaterhouseCoopers LLP requires the affirmative vote of a majority of the shares present and voting at the Annual Meeting in person or by proxy. Unless marked to the contrary, proxies received will be voted FOR ratification of the appointment. In the event ratification is not obtained, the Audit Committee will review its future appointment of our independent registered public accountants.

The Board recommends a vote FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm.

SHAREHOLDER PROPOSALS FOR THE 2014 ANNUAL MEETING OF SHAREHOLDERS

If a shareholder wishes to present a proposal to be included in our Proxy Statement for the 2014 Annual Meeting of Shareholders, the proponent and the proposal must comply with the proxy proposal submission rules of the SEC. One of the requirements is that the proposal be received by the Secretary no later than January 3, 2014. Proposals we receive after that date will not be included in the Proxy Statement. We urge shareholders to submit proposals by Certified Mail Return Receipt Requested.

A shareholder proposal not included in our proxy statement for the 2014 Annual Meeting of Shareholders will be ineligible for presentation at the 2014 Annual Meeting of Shareholders unless the shareholder gives timely notice of the proposal in writing to the Secretary of Ambarella at the principal executive offices of Ambarella. Under our articles of association, in order for a matter to be deemed properly presented by a shareholder, timely notice must be delivered to, or mailed and received by, us not more than one hundred twenty (120) days nor less than ninety (90) days in advance of the one-year anniversary of the date of our proxy statement provided in connection with the previous year's Annual Meeting of shareholders; provided, however, that in the event that we did not hold an Annual Meeting in the prior year or if the date of the Annual Meeting is more than 30 days before or after the anniversary date of the prior year's Annual Meeting, we must receive the shareholder's notice not earlier than the close of business on the 120th day prior to the Annual Meeting and not later than the close of business on the later of 90 days prior to the Annual Meeting and the 10th day after the day we provided such public disclosure of the meeting date.

The shareholder's notice must set forth, as to each proposed matter, the following: (a) a brief description of the business desired to be brought before the meeting and reasons for conducting such business at the meeting; (b) the name and address, as they appear on our books, of the shareholder proposing such business; (c) the class and number of shares of our securities that are beneficially owned by the shareholder; (d) any material interest of the shareholder in such business; and (e) any other information that is required to be provided by such shareholder pursuant to our articles of association or the proxy proposal submission rules of the SEC. The presiding officer of the meeting may refuse to acknowledge any matter not made in compliance with the foregoing procedure.

You may obtain a copy of the current rules for submitting shareholder proposals from the SEC at:

U.S. Securities and Exchange Commission

Division of Corporation Finance

100 F Street, N.E.

Washington, DC 20549

or through the Commission's Internet web site: www.sec.gov. Request SEC Release No. 34-40018, May 21, 1998.

HOUSEHOLDING OF PROXY MATERIALS

To reduce the expense of delivering duplicate proxy materials to shareholders who may have more than one account holding ordinary shares of Ambarella but who share the same address, we have adopted a procedure approved by the SEC called householding. Under this procedure, certain shareholders of record who have the same address and last name will receive only one copy of our proxy materials until such time as one or more of these shareholders notifies us that they want to receive separate copies. This procedure reduces duplicate mailings and saves printing costs and postage fees, as well as natural resources. Shareholders who participate in householding will continue to have access to and utilize separate proxy voting instructions.

If you receive a single set of proxy materials as a result of householding, and you would like to have separate copies of our annual report or proxy statement mailed to you or if you receive multiple copies and would like to receive a single copy, please submit a request to Corporate Secretary, Ambarella, Inc., 3101 Jay Street, Santa Clara, California 95054, and we will promptly send you what you have requested. Shareholders who hold shares in street name may contact their brokerage firm, bank, broker-dealer or other similar organization to request information about householding.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 5, 2013

The notice of annual meeting, proxy statement and annual report are available at <http://www.edocumentview.com/AMBA>.

OTHER MATTERS

The Board of Directors knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

By Order of the Board of Directors

MICHAEL MOREHEAD

General Counsel & Secretary

May 3, 2013

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas.

X

Electronic Voting Instructions

Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

Proxies submitted by the Internet or telephone must be received by 11:59 p.m., Eastern Time, on June 4, 2013.

Vote by Internet

Go to www.investorvote.com/AMBA

Or scan the QR code with your smartphone

Follow the steps outlined on the secure website

Vote by telephone

Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada on a touch tone telephone
Follow the instructions provided by the recorded message

Edgar Filing: PHH CORP - Form 424B5

q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q

A Proposals The Board recommends a vote FOR all listed nominees and FOR Proposal 2.

Election of								
1. Directors:		For	Withhold		For	Withhold		
01 - Chenming C. Hu, Ph.D.		02 - Feng-Ming (Fermi) Wang, Ph.D.		+

		For	Against	Abstain
2. Proposal to ratify the appointment of PricewaterhouseCoopers LLP as Ambarella's independent public accounting firm for the fiscal year ending on January 31, 2014.	

B Non-Voting Items

Change of Address Please print your new address below.

Comments Please print your comments below.

Meeting Attendance
Mark the box to the right ..

if you plan to attend the

Annual Meeting.

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C **Authorized Signatures** This section must be completed for your vote to be counted. **Date and Sign Below**

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) Please print date Signature 1 Please keep signature Signature 2 Please keep signature
below. within the box. within the box.

/ /

q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q

Proxy Ambarella, Inc.

Notice of 2013 Annual Meeting of Shareholders

3101 Jay Street, Santa Clara, CA 95054

Proxy Solicited by Board of Directors for Annual Meeting June 5, 2013

Feng-Ming (Fermi) Wang, George Laplante and Michael Morehead, or any of them, each with the power of substitution, are hereby authorized to represent and vote the shares of the undersigned, with all the powers which the undersigned would possess if personally present, at the Annual Meeting of Shareholders of Ambarella, Inc. to be held on June 5, 2013 at 9:00 a.m. Pacific Time, or at any postponement or adjournment thereof.

This proxy, when properly executed, will be voted in the same manner directed herein. If no such direction is made, this proxy will be voted in accordance with the board's recommendations on the reverse side.

In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting.

(Items to be voted appear on reverse side.)