

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 1-34354

ALTISOURCE PORTFOLIO SOLUTIONS S.A.

(Exact name of Registrant as specified in its Charter)

Luxembourg

(State or other jurisdiction of incorporation or organization)

98-0554932

(I.R.S. Employer Identification No.)

**40, avenue Monterey
L-2163 Luxembourg
Grand Duchy of Luxembourg**

(Address of principal executive offices) (Zip Code)

(352) 24 69 79 00

(Registrant's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company (as defined in Rule 12b-2 of the Exchange Act):

Large accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of July 20, 2015, there were 18,736,479 outstanding shares of the registrant's shares of beneficial interest (excluding 6,676,269 shares held as treasury stock).

Table of Contents
ALTISOURCE PORTFOLIO SOLUTIONS S.A.
FORM 10-Q

		Page
<u>PART I — Financial Information</u>		
<u>Item 1</u>	<u>Interim Condensed Consolidated Financial Statements (Unaudited)</u>	
	<u>Condensed Consolidated Balance Sheets</u>	<u>3</u>
	<u>Condensed Consolidated Statements of Operations</u>	<u>4</u>
	<u>Condensed Consolidated Statements of Equity</u>	<u>5</u>
	<u>Condensed Consolidated Statements of Cash Flows</u>	<u>6</u>
	<u>Notes to Condensed Consolidated Financial Statements</u>	<u>7</u>
<u>Item 2</u>	<u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>26</u>
<u>Item 3</u>	<u>Quantitative and Qualitative Disclosures about Market Risk</u>	<u>45</u>
<u>Item 4</u>	<u>Controls and Procedures</u>	<u>45</u>
<u>PART II — Other Information</u>		
<u>Item 1</u>	<u>Legal Proceedings</u>	<u>46</u>
<u>Item 1A</u>	<u>Risk Factors</u>	<u>46</u>
<u>Item 2</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>47</u>
<u>Item 6</u>	<u>Exhibits</u>	<u>48</u>
<u>SIGNATURES</u>		<u>49</u>

PART I. FINANCIAL INFORMATION

Item 1. Interim Condensed Consolidated Financial Statements (Unaudited)

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)

ASSETS	June 30, 2015	December 31, 2014
Current assets:		
Cash and cash equivalents	\$ 130,079	\$ 161,361
Accounts receivable, net	116,766	112,183
Prepaid expenses and other current assets	19,087	23,567
Deferred tax assets, net	4,987	4,987
Total current assets	270,919	302,098
Premises and equipment, net	126,637	127,759
Goodwill	90,851	90,851
Intangible assets, net	227,369	245,246
Other assets	20,232	22,267
Total assets	\$ 736,008	\$ 788,221
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 79,118	\$ 111,766
Current portion of long-term debt	5,945	5,945
Deferred revenue	9,012	9,829
Other current liabilities	13,133	13,227
Total current liabilities	107,208	140,767
Long-term debt, less current portion	563,993	582,669
Deferred tax liabilities, net	2,699	2,694
Other non-current liabilities	13,205	20,648
Commitments, contingencies and regulatory matters (Note 20)		
Equity:		
Common stock (\$1.00 par value; 25,413 shares authorized and issued and 18,737 outstanding as of June 30, 2015; 25,413 shares authorized and issued and 20,279 outstanding as of December 31, 2014)	25,413	25,413
Additional paid-in capital	92,824	91,509
Retained earnings	415,914	367,967
Treasury stock, at cost (6,676 shares as of June 30, 2015 and 5,134 shares as of December 31, 2014)	(486,556)	(444,495)
Altisource equity	47,595	40,394
Non-controlling interests	1,308	1,049
Total equity	48,903	41,443
Total liabilities and equity	\$ 736,008	\$ 788,221

See accompanying notes to condensed consolidated financial statements.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Revenue	\$ 268,321	\$ 296,072	\$ 508,803	\$ 535,341
Cost of revenue	168,159	183,999	340,985	331,804
Gross profit	100,162	112,073	167,818	203,537
Selling, general and administrative expenses	43,975	49,021	96,381	92,555
Income from operations	56,187	63,052	71,437	110,982
Other income (expense), net:				
Interest expense	(7,195)	(4,784)	(14,355)	(9,560)
Other than temporary impairment loss on HLSS equity securities	—	—	(3,285)	—
Gain on sale of and dividends from HLSS equity securities	1,431	—	1,431	—
Other income (expense), net	821	(43)	824	4
Total other income (expense), net	(4,943)	(4,827)	(15,385)	(9,556)
Income before income taxes and non-controlling interests	51,244	58,225	56,052	101,426
Income tax provision	(4,398)	(3,493)	(4,798)	(6,548)
Net income	46,846	54,732	51,254	94,878
Net income attributable to non-controlling interests	(896)	(631)	(1,606)	(1,146)
Net income attributable to Altisource	<u>\$ 45,950</u>	<u>\$ 54,101</u>	<u>\$ 49,648</u>	<u>\$ 93,732</u>
Earnings per share:				
Basic	<u>\$ 2.35</u>	<u>\$ 2.45</u>	<u>\$ 2.50</u>	<u>\$ 4.20</u>
Diluted	<u>\$ 2.22</u>	<u>\$ 2.24</u>	<u>\$ 2.38</u>	<u>\$ 3.84</u>
Weighted average shares outstanding:				
Basic	<u>19,571</u>	<u>22,089</u>	<u>19,870</u>	<u>22,301</u>
Diluted	<u>20,669</u>	<u>24,166</u>	<u>20,830</u>	<u>24,415</u>
Transactions with related parties included above:				
Revenue	See Note 3	\$ 179,027	See Note 3	\$ 324,585
Cost of revenue	See Note 3	9,554	See Note 3	16,842
Selling, general and administrative expenses	See Note 3	(489)	See Note 3	(731)

See accompanying notes to condensed consolidated financial statements.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(in thousands)

	Altisource Equity					Non-controlling interests	Total
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock, at cost			
Shares							
Balance, December 31, 2013	25,413	\$ 25,413	\$ 89,273	\$ 239,561	\$ (197,548)	\$ 1,042	\$ 157,741
Net income	—	—	—	93,732	—	1,146	94,878
Distributions to non-controlling interest holders	—	—	—	—	—	(1,207)	(1,207)
Share-based compensation expense	—	—	1,130	—	—	—	1,130
Exercise of stock options	—	—	—	(2,932)	3,571	—	639
Repurchase of shares	—	—	—	—	(80,702)	—	(80,702)
Balance, June 30, 2014	25,413	\$ 25,413	\$ 90,403	\$ 330,361	\$ (274,679)	\$ 981	\$ 172,479
Balance, December 31, 2014	25,413	\$ 25,413	\$ 91,509	\$ 367,967	\$ (444,495)	\$ 1,049	\$ 41,443
Net income	—	—	—	49,648	—	1,606	51,254
Distributions to non-controlling interest holders	—	—	—	—	—	(1,347)	(1,347)
Share-based compensation expense	—	—	1,315	—	—	—	1,315
Exercise of stock options	—	—	—	(1,701)	1,904	—	203
Repurchase of shares	—	—	—	—	(43,965)	—	(43,965)
Balance, June 30, 2015	25,413	\$ 25,413	\$ 92,824	\$ 415,914	\$ (486,556)	\$ 1,308	\$ 48,903

See accompanying notes to condensed consolidated financial statements.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Six months ended June 30,	
	2015	2014
Cash flows from operating activities:		
Net income	\$ 51,254	\$ 94,878
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	18,432	13,375
Amortization of intangible assets	17,877	19,573
Goodwill impairment	—	37,473
Other than temporary impairment loss on HLSS equity securities	3,285	—
Gain on sale of and dividends from HLSS equity securities	(1,431)	—
Change in the fair value of acquisition related contingent consideration	(7,346)	(37,924)
Share-based compensation expense	1,315	1,130
Bad debt expense	2,143	4,250
Gain on early extinguishment of debt	(1,114)	—
Amortization of debt discount	255	90
Amortization of debt issuance costs	585	483
Deferred income taxes	5	462
Loss on disposal of fixed assets	20	98
Changes in operating assets and liabilities:		
Accounts receivable	(6,726)	(24,510)
Prepaid expenses and other current assets	4,480	(5,131)
Other assets	1,338	(2,089)
Accounts payable and accrued expenses	(28,557)	21,319
Other current and non-current liabilities	(1,008)	(11,950)
Net cash provided by operating activities	54,807	111,527
Cash flows from investing activities:		
Additions to premises and equipment	(21,421)	(30,522)
Purchase of HLSS equity securities	(29,966)	—
Proceeds received from sale of and dividends from HLSS equity securities	28,112	—
Other investing activities	(4)	(294)
Net cash used in investing activities	(23,279)	(30,816)
Cash flows from financing activities:		
Repayment of long-term debt	(17,701)	(1,986)
Proceeds from stock option exercises	203	639
Purchase of treasury stock	(43,965)	(80,702)
Distributions to non-controlling interests	(1,347)	(1,207)
Net cash used in financing activities	(62,810)	(83,256)
Net decrease in cash and cash equivalents	(31,282)	(2,545)
Cash and cash equivalents at the beginning of the period	161,361	130,429
Cash and cash equivalents at the end of the period	\$ 130,079	\$ 127,884
Supplemental cash flow information:		
Interest paid	\$ 13,345	\$ 9,074
Income taxes paid, net	3,490	1,561
Non-cash investing and financing activities:		
Decrease in payables for purchases of premises and equipment	\$ (4,091)	\$ (3,339)
Decrease in acquisition of businesses from subsequent working capital true-ups	—	(3,711)

See accompanying notes to condensed consolidated financial statements.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements

NOTE 1 — ORGANIZATION AND BASIS OF PRESENTATION**Description of Business**

Altisource Portfolio Solutions S.A., together with its subsidiaries (which may be referred to as “Altisource,” the “Company,” “we,” “us” or “our”), is a premier marketplace and transaction solutions provider for the real estate, mortgage and consumer debt industries. Altisource’s proprietary business processes, vendor and electronic payment management software and behavioral science-based analytics improve outcomes for marketplace participants.

We are incorporated under the laws of Luxembourg and are publicly traded on the NASDAQ Global Select Market under the symbol “ASPS.”

We conduct our operations through three reportable segments: Mortgage Services, Financial Services and Technology Services. In addition, we report our corporate related expenditures and eliminations separately (see Note 21 for a description of our business segments).

Basis of Presentation

The unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Securities and Exchange Commission (“SEC”) Regulation S-X. Accordingly, these financial statements do not include all of the information and notes required by GAAP for complete consolidated financial statements. In the opinion of management, the interim data includes all normal recurring adjustments considered necessary to fairly state the results for the interim periods presented. The preparation of interim condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of our interim condensed consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Intercompany and inter-segment transactions and accounts have been eliminated in consolidation. Certain prior year amounts reported by the Mortgage Services and Technology Services segments have been reclassified to conform with the current year presentation.

The Mortgage Partnership of America, L.L.C. (“MPA”), a wholly-owned subsidiary of Altisource, serves as the manager of Best Partners Mortgage Cooperative, Inc. doing business as the Lenders One® mortgage cooperative (“Lenders One”). MPA provides services to Lenders One under a management agreement that ends on December 31, 2025. The management agreement between MPA and Lenders One, pursuant to which MPA is the management company of Lenders One, represents a variable interest in a variable interest entity. MPA is the primary beneficiary of Lenders One as it has the power to direct the activities that most significantly impact Lenders One’s economic performance and the right to receive benefits from Lenders One. As a result, Lenders One is presented in the accompanying condensed consolidated financial statements on a consolidated basis with the interests of the members reflected as non-controlling interests. As of June 30, 2015, Lenders One had total assets of \$3.1 million and total liabilities of \$1.8 million. As of December 31, 2014, Lenders One had total assets of \$7.7 million and total liabilities of \$6.7 million.

In September 2014, Best Partners Mortgage Brokers Cooperative, Inc. was launched, doing business as the Wholesale One™ Mortgage Cooperative (“Wholesale One”), for the wholesale mortgage industry. Wholesale One assists mortgage brokers and other third party originators with tools to improve their businesses. In April 2015, Best Partners Residential Investor Cooperative, Inc. was launched, doing business as the Residential Investor One™ cooperative (“Residential Investor One”). Residential Investor One was formed to deliver savings and efficiencies to individual and institutional residential real estate investors. MPA provides services to both Wholesale One and Residential Investor One under management agreements that end on July 8, 2039 (with automatic renewals for three successive five year periods) and March 12, 2040 (with automatic renewals for three successive five year periods), respectively. Such management agreements between MPA and the respective cooperative, together with the membership agreements that each of the members sign with the respective cooperative upon joining, represent variable interests in variable interest entities. MPA is the primary beneficiary of Wholesale One and Residential Investor One as it has the power to direct the activities that most significantly impact the economic performance of Wholesale One and Residential Investor One and the right to receive benefits from Wholesale One and Residential Investor One. As a result, Wholesale One and Residential Investor One are presented in the accompanying condensed consolidated financial statements on a consolidated basis with the

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

interests of the members reflected as non-controlling interests. Neither Wholesale One nor Residential Investor One has commenced significant operations as of June 30, 2015.

These interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in our Form 10-K for the year ended December 31, 2014, filed with the SEC on March 2, 2015, which contains a summary of our significant accounting policies. Certain footnote detail in the Form 10-K is omitted from the information included herein.

Fair Value Measurements

Fair value is defined as an exit price, representing the amount that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three-tier hierarchy for inputs used in measuring fair value, which prioritizes the inputs used in the methodologies of measuring fair value for assets and liabilities, is as follows:

Level 1 — Quoted prices in active markets for identical assets and liabilities

Level 2 — Observable inputs other than quoted prices included in Level 1

Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of assets or liabilities.

Financial assets and financial liabilities are classified based on the lowest level of input that is significant to the fair value measurements. Our assessment of the significance of a particular input to the fair value measurements requires judgment, and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy.

Future Adoption of New Accounting Pronouncements

In May 2014, Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers*. This standard establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The core principle of the new standard is an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This new standard will be effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Early adoption is permitted, although not prior to annual reporting periods beginning after December 15, 2016. The Company is currently evaluating the impact this new guidance may have on its results of operations and financial position.

In February 2015, FASB issued ASU No. 2015-02, *Consolidation: Amendments to the Consolidation Analysis*. This standard addresses the consolidation of certain legal entities relative to current requirements under GAAP of a reporting entity to consolidate another legal entity in situations in which the reporting entity’s contractual rights do not give it the ability to act primarily on its own behalf, the reporting entity does not hold a majority of the legal entity’s voting rights or the reporting entity is not exposed to a majority of the legal entity’s economic benefits or obligations. This standard will be effective for annual reporting periods beginning after December 15, 2015, including interim periods within that reporting period. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the standard in an interim period, any adjustments should be reflected as of the beginning of the year that includes that interim period. The Company is currently evaluating the impact this new guidance may have on its results of operations and financial position.

In April 2015, FASB issued ASU No. 2015-03, *Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*. This revised standard changes the presentation of debt issuance costs in financial statements. Under the ASU, an entity presents such costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. This standard will be effective for annual reporting periods beginning after December 15, 2015, including interim periods within that reporting period. Early adoption is permitted for financial statements that have not been previously issued. The Company does not expect the adoption of this standard to have a material impact on its results of operations or financial position.

NOTE 2 — CUSTOMER CONCENTRATION

Ocwen Financial Corporation and its subsidiaries (“Ocwen”) is our largest customer. Ocwen purchases certain mortgage services and technology services from us under the terms of the master services agreements and amendments to the master services agreements (collectively, the “Service Agreements”) with terms extending through August 2025. The Service Agreements, among other things, contain a “most favored nation” provision and the parties to the Service Agreements have the right to renegotiate

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

pricing. The Service Agreements also prohibit Ocwen from establishing fee-based businesses that would directly or indirectly compete with Altisource's services with respect to the Homeward Residential, Inc. and Residential Capital, LLC portfolios. In addition, Ocwen purchases certain origination services from Altisource under an agreement that extends through January 2017. We settle amounts with Ocwen on a daily, weekly or monthly basis depending upon the nature of the service and when the service is provided.

Revenue from Ocwen primarily consists of revenue earned directly from Ocwen and revenue earned from the loans serviced by Ocwen when Ocwen designates us as the service provider. Revenue from Ocwen as a percentage of segment and consolidated revenue was as follows:

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Mortgage Services	62%	65%	63%	67%
Financial Services	19%	28%	22%	27%
Technology Services	57%	41%	52%	39%
Consolidated revenue	59%	59%	59%	60%

For the six months ended June 30, 2015 and 2014, we generated revenue from Ocwen of \$301.0 million and \$319.8 million, respectively (\$159.6 million and \$175.1 million for the second quarter of 2015 and 2014, respectively). Services provided to Ocwen during such periods and reported in the Mortgage Services segment included real estate asset management and sales, residential property valuation, trustee management services, property inspection and preservation and insurance services. Services provided to Ocwen and reported in the Financial Services segment included charge-off mortgage collections. Services provided to Ocwen and reported in the Technology Services segment included IT infrastructure management and software applications including our software platforms. As of June 30, 2015, accounts receivable from Ocwen totaled \$42.1 million, \$27.7 million of which is billed and \$14.4 million of which is unbilled (see Note 7).

We earn additional revenue related to the portfolios serviced by Ocwen when a party other than Ocwen selects Altisource as the service provider. For the six months ended June 30, 2015 and 2014, we recognized revenue of \$108.0 million and \$133.1 million respectively (\$54.5 million and \$78.4 million for the second quarter of 2015 and 2014, respectively), related to the portfolios serviced by Ocwen when a party other than Ocwen selected Altisource as the service provider. These amounts are not included in arriving at revenue from Ocwen as a percentage of revenue in the table above.

NOTE 3 — TRANSACTIONS WITH RELATED PARTIES

Through January 16, 2015, William C. Erbey served as our Chairman as well as the Executive Chairman of Ocwen and Chairman of each of Home Loan Servicing Solutions, Ltd. ("HLSS"), Altisource Residential Corporation ("Residential") and Altisource Asset Management Corporation ("AAMC"). Effective January 16, 2015, Mr. Erbey stepped down as the Executive Chairman of Ocwen and Chairman of each of Altisource, HLSS, Residential and AAMC and is no longer a member of the Board of Directors for any of these companies. Consequently, these companies are no longer related parties of Altisource, as defined by FASB Accounting Standards Codification ("ASC") Topic 850, *Related Party Disclosures*. The disclosures in this note are limited to the periods that each of Ocwen, HLSS, Residential and AAMC were related parties of Altisource.

Ocwen

Revenue

For the six months ended June 30, 2014 and second quarter of 2014, we generated revenue from Ocwen of \$319.8 million and \$175.1 million, respectively. For the period from January 1, 2015 through January 16, 2015, we estimate that we generated revenue from Ocwen of \$22.9 million. Services provided to Ocwen during such periods included real estate asset management and sales, residential property valuation, trustee management services, property inspection and preservation, insurance services, charge-off mortgage collections, IT infrastructure management and software applications including our software platforms. As of December 31, 2014, accounts receivable from Ocwen totaled \$37.4 million, \$22.8 million of which is billed and \$14.6 million of which is unbilled (see Note 7).

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

We record revenue we earn from Ocwen under the Service Agreements at rates we believe to be comparable market rates as we believe they are consistent with the fees we charge to other customers and/or fees charged by our competitors for comparable services.

Cost of Revenue and Selling, General and Administrative Expenses

At times, we use Ocwen's contractors and/or employees to support Altisource related services. Ocwen generally bills us for these contractors and/or employees based on their fully-allocated cost. Additionally, through March 31, 2015, we purchased certain data relating to Ocwen's servicing portfolio in connection with a Data Access and Services Agreement. Based upon our previously provided notice, the Data Access and Services Agreement was terminated effective March 31, 2015. For the six months ended June 30, 2014 and second quarter of 2014, Ocwen billed us \$16.8 million and \$9.6 million, respectively, for these items. For the period from January 1, 2015 through January 16, 2015, we estimate that we incurred \$1.9 million of expenses related to these items. These amounts are reflected as a component of cost of revenue in the condensed consolidated statements of operations.

We provide certain other services to Ocwen and Ocwen provides certain other services to us in connection with Support Services Agreements. Prior to January 1, 2015, these services included such areas as human resources, vendor management, vendor oversight, corporate services, facilities related services, quality assurance, quantitative analytics, tax and treasury. Billings for these services were generally based on the fully-allocated cost of providing the service based on an estimate of the time and expense of providing the service or estimates thereof. For the six months ended June 30, 2014 and the second quarter of 2014, we billed Ocwen \$2.2 million and \$1.2 million, respectively, for these items. In addition, for the six months ended June 30, 2014 and the second quarter of 2014, Ocwen billed us \$2.4 million and \$1.2 million, respectively, for these items. Of the January 2015 billings to Ocwen, we estimate that \$0.1 million relates to the period from January 1, 2015 through January 16, 2015. Of the January 2015 billings from Ocwen, we estimate that \$0.3 million relates to the period from January 1, 2015 through January 16, 2015. These amounts are reflected as a component of selling, general and administrative expenses in the condensed consolidated statements of operations.

As of December 31, 2014, accounts payable and accrued expenses payable to Ocwen totaled \$11.6 million (see Note 12).

HLSS

Prior to April 2015, HLSS was a publicly traded company whose primary objective was the acquisition of mortgage servicing rights and related servicing advances, loans held for investment and other residential mortgage related assets. We provided HLSS certain finance, human resources, tax and facilities services and sold information technology services to HLSS under a support services agreement. For the six months ended June 30, 2014 and second quarter of 2014, we billed HLSS \$0.4 million and \$0.2 million, respectively. These amounts are immaterial for the period from January 1, 2015 through January 16, 2015. These amounts are reflected as a reduction of selling, general and administrative expenses in the condensed consolidated statements of operations. As of December 31, 2014, accounts receivable from HLSS was \$0.1 million (see Note 7).

Residential and AAMC

Residential and AAMC were separated from Altisource on December 21, 2012 and their equity was distributed to our shareholders on December 24, 2012, and they are each separate publicly traded companies. Residential is engaged in the acquisition and ownership of single family rental assets. Their primary sourcing strategy to acquire these assets includes purchase of sub-performing and non-performing mortgages as well as single family homes at or following the foreclosure sale. They pursue opportunities to acquire single family rental assets throughout the United States as long as such assets meet their desired property characteristics and provide acceptable long term returns. AAMC's primary business is to provide asset management and certain corporate governance services to institutional investors. Currently, its primary client is Residential.

For purposes of governing certain ongoing relationships between Altisource, Residential and AAMC, we entered into certain agreements with Residential and AAMC. We have agreements, which extend through 2027, to provide Residential with renovation management, lease management, property management and real estate owned asset management services. In addition, we have agreements with Residential and AAMC to provide services such as finance, human resources, facilities, technology and insurance risk management. Further, we have separate agreements for certain services related to income tax matters, trademark licenses and technology products and services.

For the six months ended June 30, 2014 and the second quarter of 2014, we generated revenue from Residential of \$4.7 million and \$3.9 million, respectively, under these services agreements. For the period from January 1, 2015 through January 16, 2015, we estimate that we generated revenue from Residential of \$1.0 million. These amounts are reflected in revenue in the condensed

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

consolidated statements of operations. This excludes revenue from services we provide to Residential's loans serviced by Ocwen where we are retained by Ocwen. That revenue is included in Ocwen related party revenue for the six months ended June 30, 2014 and the second quarter of 2014. As of December 31, 2014, accounts receivable from Residential was \$11.3 million (see Note 7).

For the six months ended June 30, 2014 and the second quarter of 2014, we billed AAMC \$0.6 million and \$0.3 million, respectively, under these services agreements. Of these amounts, less than \$0.1 million in each period is reflected in revenue in the condensed consolidated statements of operations. For the six months ended June 30, 2014 and the second quarter of 2014, \$0.5 million and \$0.3 million, respectively, is reflected as a component of selling, general and administrative expenses in the condensed consolidated statements of operations. These amounts are immaterial for the period from January 1, 2015 through January 16, 2015. As of December 31, 2014, accounts receivable from AAMC was \$0.1 million (see Note 7).

NOTE 4 — ACQUISITIONS

Mortgage Builder Acquisition

On September 12, 2014, we acquired certain assets and assumed certain liabilities of Mortgage Builder Software, Inc. ("Mortgage Builder") pursuant to a Purchase and Sale Agreement dated July 18, 2014 (the "Purchase and Sale Agreement"). Mortgage Builder is a provider of residential mortgage loan origination and servicing software systems. Pursuant to the terms of the Purchase and Sale Agreement, we paid \$15.7 million at closing in cash (net of closing working capital adjustments). Additionally, the Purchase and Sale Agreement provides for the payment of up to \$7.0 million in potential additional consideration (the "MB Earn-Out") based on Adjusted Revenue (as defined in the Purchase and Sale Agreement) in the three consecutive 12-month periods following closing. At closing, we estimated the fair value of the MB Earn-Out to be \$1.6 million determined based on the present value of future estimated MB Earn-Out payments. The Mortgage Builder acquisition is not material in relation to the Company's results of operations or financial position.

The preliminary allocation of the purchase price is as follows:

(in thousands)

Cash	\$	726
Accounts receivable, net		1,120
Prepaid expenses		38
Premises and equipment, net		553
Software		1,509
Trademarks and trade names		209
Customer relationship		4,824
Goodwill		9,135
		<u>18,114</u>
Accounts payable and accrued expenses		(881)
Purchase price	\$	<u>17,233</u>

Owners Acquisition

On November 21, 2014, we acquired certain assets and assumed certain liabilities of Owners Advantage, LLC ("Owners"). Owners is a self-directed online real estate marketplace. We paid \$19.8 million at closing in cash plus contingent consideration of up to an additional \$7.0 million over two years ("Owners Earn Out"), based on Adjusted Revenue (as defined in the purchase agreement). At closing, we estimated the fair value of the Owners Earn Out to be \$1.9 million determined based on the present value of future estimated Owners Earn Out payments. The Owners acquisition is not material in relation to the Company's results of operations or financial position.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

The preliminary allocation of the purchase price is as follows:

(in thousands)

Accounts receivable, net	\$	41
Prepaid expenses		32
Software		501
Trademarks and trade names		1,431
Goodwill		19,775
		21,780
Accounts payable		(41)
Purchase price	\$	21,739

NOTE 5 — FAIR VALUE

Fair Value Measurements on a Recurring Basis

In accordance with FASB ASC Topic 805, *Business Combinations*, the liability for contingent consideration is reflected at fair value and adjusted each reporting period with the change in fair value recognized in earnings. Liabilities for acquisition related contingent consideration were recorded in connection with the acquisitions of Equator, LLC (“Equator”) in 2013 and Mortgage Builder and Owners in 2014. As of June 30, 2015 and December 31, 2014, the fair value of acquisition related contingent consideration was \$3.8 million and \$11.6 million, respectively (see Note 14). We measure the liabilities for acquisition related contingent consideration using Level 3 inputs as they are determined based on the present value of future estimated payments, which included sensitivities pertaining to discount rates and financial projections.

In the second quarter of 2015, we paid the former owners of Equator \$0.5 million to extinguish any liability for Equator related contingent consideration (“Equator Earn Out”). In connection with this settlement, we reduced the liability for the Equator Earn Out to \$0 and recognized a \$7.6 million increase in earnings. This is reflected as a reduction in selling, general and administrative expenses in the condensed consolidated statements of operations (see Note 17).

During the second quarter of 2014, the fair value of the Equator Earn Out was reduced by \$37.9 million with a corresponding increase in earnings based on management’s revised estimates that expected earnings of Equator were lower than projected at the time of acquisition. The reduction in fair value was recorded in the second quarter of 2014 and is reflected as a reduction of selling, general and administrative expenses in the condensed consolidated statements of operations (see Note 17).

There were no transfers between different levels during the periods presented.

Fair Value of Financial Instruments

The following table presents the carrying amount and estimated fair value of financial instruments held by the Company at June 30, 2015 and December 31, 2014 that are not carried at fair value. The fair values are estimated using market information and what the Company believes to be appropriate valuation methodologies under GAAP:

(in thousands)	Carrying amount	June 30, 2015			December 31, 2014			
		Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 130,079	\$ 130,079	\$ —	\$ —	\$ 161,361	\$ 161,361	\$ —	\$ —
Restricted cash	3,026	3,026	—	—	3,022	3,022	—	—
Long-term debt	572,571	—	511,020	—	591,543	—	467,319	—

Our financial assets and liabilities primarily include cash and cash equivalents, restricted cash and long-term debt. Cash and cash equivalents and restricted cash are carried at amounts that approximate their fair value due to the short-term nature of these instruments and were measured using Level 1 inputs. The fair value of our long-term debt is based on quoted market prices. We

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

do not believe that there is an active market for our debt, based on the frequency of trading. Therefore, the quoted prices are considered Level 2 inputs.

NOTE 6 — AVAILABLE FOR SALE SECURITIES - INVESTMENT IN HLSS

From March 10, 2015 to March 17, 2015, we purchased 1.6 million shares of HLSS common stock in the open market for \$30.0 million (1,613,125 shares at an average price per share of \$18.58). This investment was classified as available for sale. Unrealized gains and losses on available for sale securities are reflected in other comprehensive income, unless there is an impairment that is other than temporary. In the event that a decline in market value is other than temporary, we record a charge to earnings and a new cost basis in the investment is established.

On April 6, 2015, HLSS completed the sale of substantially all of its assets to New Residential Investment Corp. (“NRZ”) and adopted a plan of complete liquidation and dissolution. Accordingly, we determined that our investment in HLSS was other than temporarily impaired and we recognized an other than temporary impairment loss on HLSS equity securities of \$3.3 million during the three months ended March 31, 2015.

This amount reflected the difference between the cost and fair value of the HLSS equity securities as of March 31, 2015 (based on 1,613,125 shares at \$16.54 per share).

During April 2015, we received liquidating dividends and other dividends from HLSS totaling \$20.4 million. Between April 22, 2015 and April 29, 2015, we sold all of our 1.6 million shares of HLSS common stock in the open market for \$7.7 million (1,613,125 shares at an average price per share of \$4.75).

As a result of these transactions, we recognized a net loss of \$1.9 million for the six months ended June 30, 2015 (no comparative amount for the six months ended June 30, 2014) and a gain of \$1.4 million for the second quarter of 2015 (no comparative amount for the second quarter of 2014) in connection with our investment in HLSS.

NOTE 7 — ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consists of the following:

<i>(in thousands)</i>	June 30, 2015	December 31, 2014
Billed	\$ 75,896	\$ 73,532
Unbilled	65,407	61,326
	141,303	134,858
Less: allowance for doubtful accounts	(24,537)	(22,675)
Total	<u>\$ 116,766</u>	<u>\$ 112,183</u>

Unbilled receivables consist primarily of asset management and default management services for which we recognize revenues over the service delivery period but bill following completion of the service. We also include in unbilled receivables amounts that are earned during a month and billed in the following month.

NOTE 8 — PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

<i>(in thousands)</i>	June 30, 2015	December 31, 2014
Maintenance agreements, current portion	\$ 5,642	\$ 6,367
Income taxes receivable	2,814	5,258
Prepaid expenses	5,484	6,989
Other current assets	5,147	4,953
Total	<u>\$ 19,087</u>	<u>\$ 23,567</u>

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

NOTE 9 — PREMISES AND EQUIPMENT, NET

Premises and equipment, net consist of the following:

<i>(in thousands)</i>	June 30, 2015	December 31, 2014
Computer hardware and software	\$ 158,937	\$ 140,799
Office equipment and other	32,870	36,032
Furniture and fixtures	13,305	12,231
Leasehold improvements	35,026	34,069
	240,138	223,131
Less: accumulated depreciation and amortization	(113,501)	(95,372)
Total	\$ 126,637	\$ 127,759

Depreciation and amortization expense amounted to \$18.4 million and \$13.4 million for the six months ended June 30, 2015 and 2014, respectively (\$9.6 million and \$7.2 million for the second quarter of 2015 and 2014, respectively), and is included in cost of revenue for operating assets and in selling, general and administrative expenses for non-operating assets in the accompanying condensed consolidated statements of operations.

NOTE 10 — GOODWILL AND INTANGIBLE ASSETS, NET

Goodwill

The following is a summary of goodwill by segment:

<i>(in thousands)</i>	Mortgage Services	Financial Services	Technology Services	Total
Balance, June 30, 2015 and December 31, 2014	\$ 32,733	\$ 2,378	\$ 55,740	\$ 90,851

During the second quarter of 2015, management evaluated goodwill and determined that there were no impairments.

During the second quarter of 2014, management evaluated and determined that Equator goodwill should be tested for impairment as a result of the decline in the fair value of the Equator Earn Out (see Note 5). Consequently, we initiated a quantitative two-step goodwill impairment test by comparing the carrying value of the net assets of Equator to its fair value based on a discounted cash flow analysis. Based on our assessment, we determined that the fair value of Equator was less than its carrying value and goodwill was impaired. Consequently, we recorded an impairment loss of \$37.5 million in the second quarter of 2014, which is reflected as a component of selling, general and administrative expenses in the condensed consolidated statements of operations (see Note 17).

Intangible Assets, net

Intangible assets, net consist of the following:

<i>(in thousands)</i>	Weighted average estimated useful life (in years)	Gross carrying amount		Accumulated amortization		Net book value	
		June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Definite lived intangible assets:							
Trademarks and trade names	13	\$ 13,889	\$ 13,889	\$ (5,999)	\$ (5,016)	\$ 7,890	\$ 8,873
Customer related intangible assets	10	289,308	289,308	(95,610)	(79,606)	193,698	209,702
Operating agreement	20	35,000	35,000	(9,479)	(8,604)	25,521	26,396
Intellectual property	10	300	300	(40)	(25)	260	275
Total		\$ 338,497	\$ 338,497	\$ (111,128)	\$ (93,251)	\$ 227,369	\$ 245,246

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

Amortization expense for definite lived intangible assets was \$17.9 million and \$19.6 million for the six months ended June 30, 2015 and 2014, respectively (\$9.0 million and \$10.1 million for the second quarter of 2015 and 2014, respectively). Expected annual definite lived intangible asset amortization for 2015 through 2019 is \$38.0 million, \$34.6 million, \$30.4 million, \$26.5 million and \$23.3 million, respectively.

NOTE 11 — OTHER ASSETS

Other assets consist of the following:

<i>(in thousands)</i>	June 30, 2015	December 31, 2014
Security deposits, net	\$ 6,000	\$ 7,277
Debt issuance costs, net	7,281	8,099
Maintenance agreements, non-current portion	2,888	3,324
Restricted cash	3,026	3,022
Other	1,037	545
Total	\$ 20,232	\$ 22,267

NOTE 12 — ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accounts payable and accrued expenses consist of the following:

<i>(in thousands)</i>	June 30, 2015	December 31, 2014
Accounts payable	\$ 10,207	\$ 28,280
Income taxes payable	6,139	7,643
Accrued expenses - general	29,267	31,693
Accrued salaries and benefits	33,505	44,150
Total	\$ 79,118	\$ 111,766

Other current liabilities consist of the following:

<i>(in thousands)</i>	June 30, 2015	December 31, 2014
Book overdrafts	\$ 6,814	\$ 4,788
Other	6,319	8,439
Total	\$ 13,133	\$ 13,227

NOTE 13 — LONG-TERM DEBT

Long-term debt consists of the following:

<i>(in thousands)</i>	June 30, 2015	December 31, 2014
Senior secured term loan	\$ 572,571	\$ 591,543
Less: unamortized discount, net	(2,633)	(2,929)
Net long-term debt	569,938	588,614
Less: current portion	(5,945)	(5,945)
Long-term debt, less current portion	\$ 563,993	\$ 582,669

On November 27, 2012, Altisource Solutions S.à r.l., a wholly-owned subsidiary of the Company, entered into a senior secured term loan agreement with Bank of America, N.A., as administrative agent, and certain lenders. The Company and certain wholly-owned subsidiaries are guarantors of the term loan (collectively, the "Guarantors"). We subsequently amended the senior secured

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

term loan agreement to increase the principal amount of the senior secured term loan and, among other changes, re-establish the \$200.0 million incremental term loan facility accordion, lower the interest rate, extend the maturity date by approximately one year and increase the maximum amount of Restricted Junior Payments (as defined in the senior secured term loan agreement; other capitalized terms, unless defined herein, are defined in the senior secured term loan agreement). As of June 30, 2015, \$569.9 million, net of unamortized discount of \$2.6 million, was outstanding under the senior secured term loan agreement, as amended, compared to \$588.6 million, net of unamortized discount of \$2.9 million, as of December 31, 2014.

After giving effect to the third amendment entered into on August 1, 2014, the term loan must be repaid in equal consecutive quarterly principal installments of \$1.5 million, which commenced on September 30, 2014, with the balance due at maturity. All amounts outstanding under the senior secured term loan agreement will become due on the earlier of (i) December 9, 2020 and (ii) the date on which the loans are declared to be due and owing by the administrative agent at the request (or with the consent) of the Required Lenders upon the occurrence of any event of default under the senior secured term loan agreement.

In addition to the scheduled principal payments, the term loan is (with certain exceptions) subject to mandatory prepayment upon issuances of debt, casualty and condemnation events and sales of assets, as well as from a percentage of Consolidated Excess Cash Flow if the leverage ratio is greater than 3.00 to 1.00. No mandatory prepayments were owed for the six months ended June 30, 2015.

In June 2015, the Company repurchased a portion of its senior secured term loan with a par value of \$16.0 million at a 9% discount, recognizing a net gain of \$1.1 million on the early extinguishment of a portion of the debt. The net gain is included in other income (expense), net in the condensed consolidated statements of operations.

The term loan bears interest at rates based upon, at our option, the Adjusted Eurodollar Rate or the Base Rate. Adjusted Eurodollar Rate loans bear interest at a rate per annum equal to the sum of (i) the greater of (x) the Adjusted Eurodollar Rate for the applicable interest period and (y) 1.00% plus (ii) a 3.50% margin. Base Rate loans bear interest at a rate per annum equal to the sum of (i) the greater of (x) the Base Rate and (y) 2.00% plus (ii) a 2.50% margin. The interest rate at June 30, 2015 was 4.50%.

Term loan payments are guaranteed by the Guarantors and are secured by a pledge of all equity interests of certain subsidiaries as well as a lien on substantially all of the assets of Altisource Solutions S.à r.l. and the Guarantors, subject to certain exceptions.

The senior secured term loan agreement includes covenants that restrict or limit, among other things, our ability to: create liens and encumbrances; incur additional indebtedness; sell, transfer or dispose of assets; make Restricted Junior Payments including share repurchases; change lines of business; amend material debt agreements or other material contracts; engage in certain transactions with affiliates; enter into sale/leaseback transactions; grant negative pledges or agree to such other restrictions relating to subsidiary dividends and distributions; make changes to its fiscal year and engage in mergers and consolidations.

The senior secured term loan agreement contains certain events of default, including (i) failure to pay principal when due or interest or any other amount owing on any other obligation under the senior secured term loan agreement within five days of becoming due, (ii) material incorrectness of representations and warranties when made, (iii) breach of covenants, (iv) failure to pay principal or interest on any other debt that equals or exceeds \$40.0 million when due, (v) default on any other debt that equals or exceeds \$40.0 million that causes, or gives the holder or holders of such debt the ability to cause, an acceleration of such debt, (vi) occurrence of a Change of Control, (vii) bankruptcy and insolvency events, (viii) entry by a court of one or more judgments against us in an amount in excess of \$40.0 million that remain unbonded, undischarged or unstayed for a certain number of days after the entry thereof, (ix) the occurrence of certain ERISA events and (x) the failure of certain Loan Documents to be in full force and effect. If any event of default occurs and is not cured within applicable grace periods set forth in the senior secured term loan agreement or waived, all loans and other obligations could become due and immediately payable and the facility could be terminated.

At June 30, 2015, debt issuance costs were \$7.3 million, net of \$3.0 million of accumulated amortization. At December 31, 2014, debt issuance costs were \$8.1 million, net of \$2.2 million of accumulated amortization. Debt issuance costs are included in other assets in the accompanying condensed consolidated balance sheets.

Interest expense on the term loans, including amortization of debt issuance costs and the net debt discount, totaled \$14.4 million and \$9.6 million for the six months ended June 30, 2015 and 2014, respectively (\$7.2 million and \$4.8 million for the second quarter of 2015 and 2014, respectively).

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

NOTE 14 — OTHER NON-CURRENT LIABILITIES

Other non-current liabilities consist of the following:

<i>(in thousands)</i>	June 30, 2015	December 31, 2014
Acquisition related contingent consideration	\$ 3,770	\$ 11,616
Other non-current liabilities	9,435	9,032
Total	<u>\$ 13,205</u>	<u>\$ 20,648</u>

NOTE 15 — SHAREHOLDERS' EQUITY AND SHARE-BASED COMPENSATION**Stock Repurchase Plan**

On May 20, 2015, our shareholders approved a new stock repurchase program, which replaced the previous stock repurchase program. Under the new program, we are authorized to purchase up to 3.0 million shares of our common stock, based on a limit of 15% of the outstanding shares of common stock on the date of approval, in the open market, at a minimum price of \$1.00 per share and a maximum price of \$500.00 per share. This is in addition to amounts previously purchased under the prior programs. We purchased 1.6 million shares of our common stock at an average price of \$28.02 per share during the six months ended June 30, 2015 and 0.7 million shares at an average price of \$109.00 per share during the six months ended June 30, 2014 (1.4 million shares at an average price of \$28.57 per share for the second quarter of 2015 and 0.4 million shares at an average price of \$108.24 per share for the second quarter of 2014). As of June 30, 2015, approximately 2.0 million shares of common stock remain available for repurchase under the new program. Our senior secured term loan limits the amount we can spend on share repurchases and may prevent repurchases in certain circumstances. As of June 30, 2015, approximately \$220 million was available to repurchase our common stock under our senior secured term loan.

Share-Based Compensation

We issue share-based awards in the form of stock options and certain other equity-based awards for certain employees and officers. We recorded share-based compensation expense of \$1.3 million and \$1.1 million for the six months ended June 30, 2015 and 2014, respectively (\$0.9 million and \$0.5 million for the second quarter of 2015 and 2014, respectively). As of June 30, 2015, estimated unrecognized compensation costs related to share-based awards amounted to \$14.1 million, which we expect to recognize over a weighted average remaining requisite service period of approximately 2.41 years.

Stock Options

Outstanding share-based compensation currently consists primarily of stock option grants that are a combination of service-based and market-based options.

Service-Based Options. These options are granted at fair value on the date of grant. The options generally vest over three or four years with equal annual cliff-vesting and expire on the earlier of ten years after the date of grant or following termination of service. A total of 1.3 million service-based awards were outstanding at June 30, 2015.

Market-Based Options. These option grants have two components, each of which vests only upon the achievement of certain criteria. The first component, which we refer to internally as "ordinary performance" grants, consists of two-thirds of the market-based grant and begins to vest if the stock price is at least double the exercise price, as long as the stock price realizes a compounded annual gain of at least 20% over the exercise price. The remaining third of the market-based options, which we refer to internally as "extraordinary performance" grants, begins to vest if the stock price is at least triple the exercise price, as long as the stock price realizes a compounded annual gain of at least 25% over the exercise price. The vesting schedule for all market-based awards is 25% upon achievement of the criteria and the remaining 75% in three equal annual installments. A total of 2.0 million market-based awards were outstanding at June 30, 2015.

The Company granted 0.7 million stock options (at a weighted average exercise price of \$23.17 per share) and less than 0.1 million stock options (at a weighted average exercise price of \$105.11 per share) during the six months ended June 30, 2015 and June 30, 2014, respectively.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

The fair value of the service-based options was determined using the Black-Scholes option pricing model and the fair value of the market-based options was determined using a lattice (binomial) model. The following assumptions were used to determine the fair value as of the grant date:

	Six months ended June 30, 2015		Six months ended June 30, 2014
	Black-Scholes	Binomial	Black-Scholes
Risk-free interest rate (%)	1.50 - 1.78	0.02 - 2.26	1.80
Expected stock price volatility (%)	55.06 - 57.60	55.06 - 57.60	37.57
Expected dividend yield	—	—	—
Expected option life (in years)	6.00 - 6.25	—	6.25
Contractual life (in years)	—	13.00 - 14.00	—
Fair value	\$10.01 - \$16.05	\$9.91 - \$16.13	\$41.79

The following table summarizes the weighted average grant date fair value of stock options granted, the total intrinsic value of stock options exercised and the grant date fair value of stock options that vested during the period presented:

<i>(in thousands, except per share amounts)</i>	Six months ended June 30,	
	2015	2014
Weighted average grant date fair value of options granted per share	\$ 12.49	\$ 41.79
Intrinsic value of options exercised	176	4,124
Grant date fair value of options that vested during the period	530	950

The following table summarizes the activity related to our stock options:

	Number of options	Weighted average exercise price	Weighted average contractual term <i>(in years)</i>	Aggregate intrinsic value <i>(in thousands)</i>
Outstanding at December 31, 2014	2,601,892	\$ 21.21	4.44	\$ 47,805
Granted	710,410	23.17		
Exercised	(21,984)	9.19		
Forfeited	(30,031)	64.66		
Outstanding at June 30, 2015	3,260,287	21.45	5.22	46,119
Exercisable at June 30, 2015	2,281,382	14.34	3.49	40,448

Other Share-Based Awards

The Company's other share-based awards consist of restricted shares and Equity Appreciation Rights ("EARs").

The restricted shares are service-based awards that vest over one to four years with either annual cliff-vesting, vesting of all of the restricted shares at the end of the vesting period or vesting beginning after two years of service. Restricted shares are granted at fair value on the date of grant. The Company granted 0.2 million restricted shares (at a weighted average price of \$19.06 per share) during the six months ended June 30, 2015 (no comparative amount for the six months ended June 30, 2014). A total of 0.3 million service-based restricted shares were outstanding at June 30, 2015.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

The following table summarizes the activity related to our restricted shares:

	Number of restricted shares
Outstanding at December 31, 2014	26,224
Granted	243,438
Issued	(2,836)
Outstanding at June 30, 2015	266,826

EARs provide participating employees of certain divisions of the Company with the potential to receive a percentage of the increase in the value of the applicable division during the term of the EARs. The Company has established EAR plans for three divisions: Consumer Analytics, Document Solutions and Marketplace Solutions. These EAR plans allow for the issuance of EARs representing up to 15% of each of these divisions. The EARs consist of service-based awards and performance-based awards. Service-based EARs vest in equal installments on the first, second, third and fourth anniversaries of the grant date. Performance-based EARs begin to vest on the date certain performance criteria are achieved by the applicable division of the Company. EARs are granted at fair value on the date of grant.

The participating employee will have the opportunity at certain times specified in the award agreement to exercise EARs that have vested and in exchange will receive share equivalency units, the number of which will be based on the increase in value of the division and the amount of EARs awarded to the participating employee. After a holding period of six months and one day, the Company, the applicable division or an affiliate of the Company may redeem the share equivalency units for a payment equal to the then fair market value of the share equivalency units. At the Company's option, the share equivalency units may be redeemed for cash, shares of Altisource's common stock, a subordinated note payable or, under certain circumstances where the division has been converted into a company form, shares of that company. Upon the occurrence of certain corporate transactions, including the sale of the division, a qualified initial public offering of the equity of the division or a spin-off of the division, the Company will have the right to repurchase and cancel any redeemed share equivalency units or shares of the division that have been issued in payment of redeemed share equivalency units, and the applicable plan administrator will have the discretion to adjust the terms of the applicable division equity appreciation rights plan and any outstanding EARs.

The Company granted EARs with a total grant date fair value of \$0.2 million during the second quarter of 2015 (no comparative amount for the second quarter of 2014) related to the Company's Consumer Analytics, Document Solutions, and Marketplace Solutions divisions, representing the right to potentially receive 1.0% of an increase in the value of such divisions. The Company intends to issue additional EARs to employees of these divisions. 25% of these EARs are service-based and 75% of these EARs are performance-based.

Share-based compensation expense for stock options, restricted shares and EARs is recorded net of estimated forfeiture rates ranging from 0% to 10%.

NOTE 16 — COST OF REVENUE

Cost of revenue principally includes payroll and employee benefits associated with personnel employed in customer service and operations roles, fees paid to external providers related to the provision of services, reimbursable expenses, technology and telecommunications expenses as well as depreciation and amortization of operating assets. The components of cost of revenue were as follows:

(in thousands)	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Compensation and benefits	\$ 64,890	\$ 63,121	\$ 134,216	\$ 115,771
Outside fees and services	54,822	71,365	108,069	124,193
Reimbursable expenses	30,830	32,276	62,786	61,071
Technology and telecommunications	10,355	11,849	22,248	20,690
Depreciation and amortization	7,262	5,388	13,666	10,079
Total	\$ 168,159	\$ 183,999	\$ 340,985	\$ 331,804

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

NOTE 17 — SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses include payroll for personnel employed in executive, finance, law, compliance, human resources, vendor management, risk, sales and marketing roles. This category also includes occupancy costs, professional fees and depreciation and amortization on non-operating assets. The components of selling, general and administrative expenses were as follows:

<i>(in thousands)</i>	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Compensation and benefits	\$ 13,636	\$ 11,111	\$ 26,399	\$ 20,100
Occupancy related costs	10,047	9,496	20,701	18,807
Amortization of intangible assets	8,986	10,107	17,877	19,573
Professional services	6,639	2,808	14,629	6,790
Marketing costs	5,920	7,667	11,273	12,784
Depreciation and amortization	2,344	1,741	4,766	3,296
Change in the fair value of Equator Earn Out	(7,591)	(37,924)	(7,591)	(37,924)
Goodwill impairment	—	37,473	—	37,473
Other	3,994	6,542	8,327	11,656
Total	\$ 43,975	\$ 49,021	\$ 96,381	\$ 92,555

NOTE 18 — OTHER INCOME (EXPENSE), NET

Other income (expense), net consists of the following:

<i>(in thousands)</i>	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Gain on early extinguishment of debt	\$ 1,114	\$ —	\$ 1,114	\$ —
Interest income	31	14	62	26
Other, net	(324)	(57)	(352)	(22)
Total	\$ 821	\$ (43)	\$ 824	\$ 4

NOTE 19 — EARNINGS PER SHARE

Basic earnings per share ("EPS") is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the assumed conversion of all dilutive securities using the treasury stock method.

Basic and diluted EPS are calculated as follows:

<i>(in thousands, except per share data)</i>	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Net income attributable to Altisource	\$ 45,950	\$ 54,101	\$ 49,648	\$ 93,732
Weighted average common shares outstanding, basic	19,571	22,089	19,870	22,301
Dilutive effect of stock options and restricted shares	1,098	2,077	960	2,114
Weighted average common shares outstanding, diluted	20,669	24,166	20,830	24,415
Earnings per share:				
Basic	\$ 2.35	\$ 2.45	\$ 2.50	\$ 4.20
Diluted	\$ 2.22	\$ 2.24	\$ 2.38	\$ 3.84

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

For the six months ended June 30, 2015 and 2014, 0.7 million options and less than 0.1 million options, respectively, that were anti-dilutive have been excluded from the computation of diluted EPS (0.7 million options and less than 0.1 million options for the second quarter of 2015 and 2014, respectively). These options were anti-dilutive because their exercise price was greater than the average market price of our common stock. Also excluded from the computation of diluted EPS for the six months ended June 30, 2015 and 2014 are 0.3 million options and 0.1 million options, respectively (0.3 million options and 0.1 million options for the second quarter of 2015 and 2014, respectively), granted for shares that are issuable upon the achievement of certain market and performance criteria related to our common stock price and an annualized rate of return to investors that have not yet been met.

NOTE 20 — COMMITMENTS, CONTINGENCIES AND REGULATORY MATTERS

Litigation

From time to time, we are involved in legal and administrative proceedings arising in the course of our business. We record a liability for these matters if an unfavorable outcome is probable and the amount of loss can be reasonably estimated, including expected insurance coverage. For proceedings where the reasonable estimate of loss is a range, we record a best estimate of loss within the range.

On September 8, 2014, the West Palm Beach Firefighter's Pension Fund filed a putative securities class action suit against Altisource and certain of its officers and directors in the United States District Court for the Southern District of Florida alleging violations of the Securities Exchange Act of 1934 and Rule 10b-5 with regard to disclosures concerning pricing and transactions with related parties that allegedly inflated Altisource share prices. The court subsequently appointed the Pension Fund of the International Union of Painters and Allied Trades District Council 35 and the Annuity Fund of the International Union of Painters and Allied Trades District Council 35 as Lead Plaintiffs. On January 30, 2015, Lead Plaintiffs filed an amended class action complaint which adds Ocwen Financial Corporation as a defendant, and seeks a determination that the action may be maintained as a class action on behalf of purchasers of the Company's securities between April 25, 2013 and December 21, 2014 and an unspecified amount of damages. Altisource intends to vigorously defend this lawsuit and moved to dismiss it on March 23, 2015.

On February 11, 2015, W.A. Sokolowski, an alleged shareholder of Ocwen Financial Corporation, filed an amended shareholder derivative complaint in the United States District Court for the Southern District of Florida against Ocwen Financial Corporation, certain of its officers and directors, Altisource and other companies. The suit seeks recovery of an unspecified amount of damages for alleged breaches of fiduciary duty by Ocwen's current and former officers and directors, which were allegedly aided and abetted by Altisource and other defendants. Ocwen has moved to stay this action, and if the litigation proceeds, Altisource intends to vigorously defend the lawsuit.

On March 26, 2015, Robert Moncavage, an alleged shareholder of Ocwen Financial Corporation, filed an amended shareholder derivative complaint in the Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, Florida against Ocwen Financial Corporation, certain of its current and former officers and directors, Altisource and other companies. The suit seeks recovery of an unspecified amount of damages for alleged breaches of fiduciary duty by Ocwen's current and former officers and directors, which were allegedly aided and abetted by Altisource and other defendants. Ocwen has moved to stay this action, and if the litigation proceeds, Altisource intends to vigorously defend the lawsuit.

Altisource is unable to predict the outcomes of these lawsuits or reasonably estimate the potential loss, if any, arising from the suits, given that a motion to dismiss was filed but has not yet been adjudicated in the first case, motions to stay have been filed in the second and third cases, discovery has not commenced in any of the cases and significant legal and factual issues remain to be determined in all three cases.

In addition to the matters referenced above, we are involved in legal actions in the course of our business, some of which seek monetary damages. We do not believe that the outcome of these proceedings, both individually and in the aggregate, will have a material impact on our financial condition, results of operations or cash flows.

Regulatory Matters

Our business is subject to regulation and oversight by federal, state and local governmental authorities. We periodically receive subpoenas, civil investigative demands or other requests for information from regulatory agencies in connection with their regulatory or investigative authority. We are currently responding to such inquiries from federal and state agencies relating to certain aspects of our business. We believe it is premature to predict the potential outcome or to estimate any potential financial impact in connection with these inquiries.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

Ocwen Related Matters

Ocwen is our largest customer and 59% of our revenue for the six months ended June 30, 2015 (59% of our revenue for the second quarter of 2015) was recorded from Ocwen. Additionally, 21% of our revenue for the six months ended June 30, 2015 (20% of our revenue for the second quarter of 2015) was earned on the portfolios serviced by Ocwen, when a party other than Ocwen selects Altisource as the service provider. Ocwen has been and is subject to a number of pending federal and state regulatory investigations, inquiries and requests for information that have or could result in adverse regulatory actions against Ocwen. For example, as a result of various regulatory actions, Ocwen is (i) subject to an independent auditor's review of compliance with California servicing laws and has agreed not to obtain any new servicing rights in California until the regulator is satisfied with future document requests, (ii) operating under the oversight of an on-site operations monitor imposed by the New York Department of Financial Services ("NYDFS"), which is assessing the adequacy and effectiveness of Ocwen's operations, including information technology systems, (iii) required to perform benchmarking pricing studies for transactions with related parties, which are subject to periodic review by the monitor imposed by the NYDFS and (iv) subject to requirements under an agreement with the Consumer Finance Protection Bureau and various states attorneys general and agencies that imposed specific servicing guidelines and oversight by an independent national monitor, who is investigating the reliability of information Ocwen has provided. In addition to these matters, Ocwen continues to be subject to other regulatory investigations, inquiries and requests for information and pending legal proceedings, and Ocwen may become subject to future federal and state regulatory investigations, inquiries and requests for information, any of which could also result in adverse regulatory or other actions against Ocwen.

In connection with HLSS' sale of substantially all of its assets to NRZ on April 6, 2015, Ocwen and HLSS/NRZ amended their agreement to, among other things, eliminate HLSS/NRZ's ability to transfer servicing away from Ocwen for a servicer rating downgrade for two years (unless HLSS/NRZ determine in good faith that a trustee, or other party entitled to terminate, intends to terminate Ocwen as the servicer). The amendment also extends the term of the initial six-year agreements by up to an additional two years. NRZ owns the right to approximately 77% of Ocwen's non-government-sponsored enterprise ("non-GSE") servicing rights.

If Ocwen is not able to increase its servicer ratings prior to the expiration of the suspension of the HLSS/NRZ rights to transfer servicing, HLSS/NRZ could choose to transfer servicing away from Ocwen pursuant to its contract. Further, certain bondholders of Ocwen-serviced residential mortgage-backed securities ("RMBS") have alleged that Ocwen, as servicer of certain mortgage-backed securities trusts, defaulted on these servicing agreements. Bondholders of RMBS may attempt to replace Ocwen as servicer as a result of such ratings downgrades or the alleged defaults.

The foregoing may have significant and varied effects on Ocwen's business and our continuing relationships with Ocwen. For example, Ocwen may be required to alter the way it conducts business, including the parties it contracts with for services (including information technology services), it may be required to seek changes to its existing pricing structure with us or otherwise, it may lose or sell some or all of its non-GSE servicing rights or subservicing arrangements or may lose one or more of its state servicing licenses. Additional regulatory actions may impose additional restrictions on or require changes in Ocwen's business that would require it to sell assets or change its business operations. Any or all of these effects could result in our eventual loss of Ocwen as a customer or a reduction in the volume of services they purchase from us or the loss of other customers.

If any of the following events occurred, Altisource's revenue would be significantly lower and our results of operations would be materially adversely affected, including from the impairment or write-off of goodwill, intangible assets, property and equipment, other assets and accounts receivable:

- Altisource loses Ocwen as a customer or there is a significant reduction in the volume of services they purchase from us
- Ocwen loses or sells a significant portion or all of its non-GSE servicing rights or subservicing arrangements
- Ocwen loses its state servicing licenses in states with a significant number of loans in Ocwen's servicing portfolio
- The contractual relationship between Ocwen and Altisource changes significantly or there are significant changes to our pricing to Ocwen for services from which we generate material revenue

Management cannot predict the outcome of the Ocwen related matters or the impact they may have on Altisource. However, in the event these Ocwen related matters materially negatively impact Altisource, we believe the impact to Altisource would occur over an extended period of time and the variable nature of our cost structure allows us to realign our cost structure in line with remaining revenue.

In this regard, we have a plan that allows us to efficiently execute on this realignment. We believe that transfers of Ocwen's servicing rights to a successor servicer(s) would take an extended period of time because of the approval required from many parties, including regulators, rating agencies, RMBS trustees, lenders and others. During this period of time, we believe we would

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

continue to generate revenue from the services we provide to the portfolio. Additionally, we have several growth initiatives that focus on diversifying and growing our revenue and customer base. Our major growth initiatives include:

- Attracting new clients to our comprehensive default related businesses
- Growing our origination services and technology businesses
- Expanding our innovative online real estate marketplaces
- Growing our property management and renovation services businesses

We have an established sales and marketing strategy to support each of these initiatives.

Management believes our plans, together with current liquidity and cash flows from operations will be sufficient to meet working capital, capital expenditures, debt service and other cash needs for at least the next year. However, there can be no assurance that our plans would be successful or our operations would be profitable.

Escrow and Trust Balances

We hold customers' assets in escrow and trust accounts at various financial institutions pending completion of certain real estate activities. We also hold cash in trust accounts at various financial institutions where contractual obligations mandate maintaining dedicated bank accounts for Financial Services collections. These amounts are held in escrow and trust accounts for limited periods of time and are not included in the condensed consolidated balance sheets. Amounts held in escrow and trust accounts were \$67.0 million and \$62.5 million at June 30, 2015 and December 31, 2014, respectively.

NOTE 21 — SEGMENT REPORTING

Our business segments are based upon our organizational structure, which focuses primarily on the services offered, and are consistent with the internal reporting used by our Chief Executive Officer (our Chief Operating Decision Maker) to evaluate operating performance and to assess the allocation of our resources.

We classify our businesses into three reportable segments. The *Mortgage Services* segment provides services that span the mortgage and real estate lifecycle and are typically outsourced by loan servicers, loan originators, investors and other sellers of single family homes. The *Financial Services* segment provides collection and customer relationship management services primarily to debt originators and servicers (e.g., credit card, auto lending, retail credit and mortgage) and the utility, insurance and hotel industries. The *Technology Services* segment provides a portfolio of software, data analytics and infrastructure management services that support the efficient and compliant management of mortgage and real estate activities and marketplace transactions across the lifecycle. In addition, *Corporate Items and Eliminations* include eliminations of transactions between the reportable segments, interest expense and costs related to corporate support functions including executive, finance, law, compliance, human resources, vendor management, risk, sales and marketing. Intercompany transactions primarily consist of information technology infrastructure services.

Financial information for our segments is as follows:

<i>(in thousands)</i>	Three months ended June 30, 2015				
	Mortgage Services	Financial Services	Technology Services	Corporate Items and Eliminations	Consolidated Altisource
Revenue	\$ 197,361	\$ 23,389	\$ 55,992	\$ (8,421)	\$ 268,321
Cost of revenue	112,710	15,537	47,423	(7,511)	168,159
Gross profit (loss)	84,651	7,852	8,569	(910)	100,162
Selling, general and administrative expenses	25,228	4,588	(345)	14,504	43,975
Income (loss) from operations	59,423	3,264	8,914	(15,414)	56,187
Other income (expense), net	23	2	(18)	(4,950)	(4,943)
Income (loss) before income taxes and non-controlling interests	\$ 59,446	\$ 3,266	\$ 8,896	\$ (20,364)	\$ 51,244

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

Three months ended June 30, 2014					
(in thousands)	Mortgage Services	Financial Services	Technology Services	Corporate Items and Eliminations	Consolidated Altisource
Revenue	\$ 222,216	\$ 25,476	\$ 57,111	\$ (8,731)	\$ 296,072
Cost of revenue	129,411	16,058	46,414	(7,884)	183,999
Gross profit (loss)	92,805	9,418	10,697	(847)	112,073
Selling, general and administrative expenses	23,503	4,773	7,502	13,243	49,021
Income (loss) from operations	69,302	4,645	3,195	(14,090)	63,052
Other income (expense), net	80	12	(106)	(4,813)	(4,827)
Income (loss) before income taxes and non-controlling interests	<u>\$ 69,382</u>	<u>\$ 4,657</u>	<u>\$ 3,089</u>	<u>\$ (18,903)</u>	<u>\$ 58,225</u>
Six months ended June 30, 2015					
(in thousands)	Mortgage Services	Financial Services	Technology Services	Corporate Items and Eliminations	Consolidated Altisource
Revenue	\$ 374,367	\$ 45,743	\$ 107,962	\$ (19,269)	\$ 508,803
Cost of revenue	227,514	30,640	100,146	(17,315)	340,985
Gross profit (loss)	146,853	15,103	7,816	(1,954)	167,818
Selling, general and administrative expenses	45,789	9,303	6,970	34,319	96,381
Income (loss) from operations	101,064	5,800	846	(36,273)	71,437
Other income (expense), net	19	(10)	(17)	(15,377)	(15,385)
Income (loss) before income taxes and non-controlling interests	<u>\$ 101,083</u>	<u>\$ 5,790</u>	<u>\$ 829</u>	<u>\$ (51,650)</u>	<u>\$ 56,052</u>
Six months ended June 30, 2014					
(in thousands)	Mortgage Services	Financial Services	Technology Services	Corporate Items and Eliminations	Consolidated Altisource
Revenue	\$ 398,647	\$ 49,761	\$ 103,960	\$ (17,027)	\$ 535,341
Cost of revenue	232,648	30,671	83,746	(15,261)	331,804
Gross profit (loss)	165,999	19,090	20,214	(1,766)	203,537
Selling, general and administrative expenses	42,676	9,436	14,117	26,326	92,555
Income (loss) from operations	123,323	9,654	6,097	(28,092)	110,982
Other income (expense), net	128	11	(122)	(9,573)	(9,556)
Income (loss) before income taxes and non-controlling interests	<u>\$ 123,451</u>	<u>\$ 9,665</u>	<u>\$ 5,975</u>	<u>\$ (37,665)</u>	<u>\$ 101,426</u>
Total assets:					
(in thousands)	Mortgage Services	Financial Services	Technology Services	Corporate Items and Eliminations	Consolidated Altisource
June 30, 2015	\$ 277,759	\$ 53,286	\$ 244,978	\$ 159,985	\$ 736,008
December 31, 2014	313,550	56,096	250,059	168,516	788,221

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

Our services are provided to customers primarily located in the United States. Premises and equipment, net consist of the following, by country:

<i>(in thousands)</i>	June 30, 2015	December 31, 2014
United States	\$ 88,273	\$ 88,274
India	24,756	27,082
Luxembourg	10,753	9,059
Philippines	2,855	3,344
Total	<u>\$ 126,637</u>	<u>\$ 127,759</u>

NOTE 22 — SUBSEQUENT EVENT

On July 17, 2015, we acquired CastleLine Holdings, LLC (“CastleLine”), a specialty risk management and insurance services firm, for \$37.1 million. The purchase price is comprised of \$12.3 million of cash at acquisition, \$10.5 million of cash payable over the next four years and \$14.3 million of the Company’s common shares, or 495 thousand shares. A portion of the consideration to the founders is contingent on future employment. With the acquisition of CastleLine, Altisource strengthens its origination related offerings with products and services focused on mitigating risk in the origination, underwriting, purchase and securitization of residential mortgages. The CastleLine acquisition is not material in relation to the Company’s results of operations or financial position.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's discussion and analysis of financial condition and results of operations ("MD&A") is a supplement to the accompanying interim condensed consolidated financial statements and is intended to provide a reader of our financial statements with a narrative from the perspective of management on our businesses, current developments, financial condition, results of operations and liquidity. Our MD&A should be read in conjunction with our Form 10-K for the year ended December 31, 2014 filed with the Securities and Exchange Commission ("SEC") on March 2, 2015.

FORWARD-LOOKING STATEMENTS

Certain statements in this Form 10-Q regarding anticipated financial outcomes, business and market conditions, outlook and other similar statements related to Altisource's future financial and operational performance are "forward-looking statements" made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by the use of terminology such as "anticipate," "intend," "expect," "may," "could," "should," "would," "plan," "estimate," "believe," "predict," "potential" or "continue" or the negative of these terms and other comparable terminology. Forward-looking statements are not guarantees of future performance and involve a number of assumptions, risks and uncertainties that could cause actual results to differ materially. The following are examples of such items and are not intended to be all inclusive:

- assumptions related to the sources of liquidity and the adequacy of financial resources;
- assumptions about our ability to grow our business;
- assumptions about our ability to improve margins;
- expectations regarding collection rates and placements in our Financial Services segment;
- assumptions regarding the impact of seasonality;
- estimates regarding the calculation of our effective tax rate; and
- estimates regarding our reserves and valuations.

Important factors that could cause actual results to differ materially from those suggested by the forward-looking statements include, but are not limited to, the risks discussed in the "Risk Factors" section of our Form 10-K for the year ended December 31, 2014 and include the following:

- if, as a result of difficulties faced by Ocwen Financial Corporation and its subsidiaries ("Ocwen"), we were to lose Ocwen as a customer or there is a significant reduction in the volume of services they purchase from us;
- our ability to retain our existing customers, expand relationships and attract new customers;
- the level of loan delinquencies and charge-offs;
- the level of origination volume;
- technology failures;
- the trend toward outsourcing;
- our ability to raise debt;
- our ability to retain our directors, executive officers and key personnel; and
- our ability to comply with and burdens imposed by governmental regulations, taxes and policies and any changes in such regulations, taxes and policies.

We caution you not to place undue reliance on these forward-looking statements as they reflect our view only as of the date of this report. We are under no obligation (and expressly disclaim any obligation) to update or alter any forward-looking statements

contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

OVERVIEW

Our Business

When we refer to “we,” “us,” “our,” the “Company” or “Altisource” we mean Altisource Portfolio Solutions S.A., a Luxembourg société anonyme, or public limited company, and its wholly-owned subsidiaries.

We are a premier marketplace and transaction solutions provider for the real estate, mortgage and consumer debt industries. Altisource’s proprietary business processes, vendor and electronic payment management software and behavioral science-based analytics improve outcomes for marketplace participants.

We classify our businesses into the following three reportable segments:

Mortgage Services: Provides services that span the mortgage and real estate lifecycle and are typically outsourced by loan servicers, loan originators, investors and other sellers and buyers of single family homes. We provide most of these services primarily for loan portfolios serviced by Ocwen. We also have longstanding relationships with commercial banks, insurance companies and mortgage bankers. Within the Mortgage Services segment, we provide the following services:

Asset management - Asset management services principally include property preservation, property inspection, real estate owned (“REO”) asset management, the Hubzu® and Owners.com® consumer real estate portals and real estate brokerage services. We also provide property management, lease management and renovation management services for single family rental properties.

Insurance services - Insurance services include an array of insurance services including pre-foreclosure, REO and refinance title searches, title insurance agency services, settlement and escrow services and loss draft claims processing. Prior to the November 11, 2014 discontinuation, we provided insurance program management and insurance brokerage services for REO and lender placed insurance companies.

Residential property valuation - Residential property valuation services principally include traditional appraisal products through our licensed appraisal management company and alternative valuation products, some of which are through our network of real estate professionals. We generally provide these services for residential loan servicers, residential lenders and investors in single family homes.

Default management services - Default management services principally include foreclosure trustee services for loan servicers and non-legal processing and related services for and under the supervision of foreclosure, bankruptcy and eviction attorneys.

Origination management services - Origination management services principally include Mortgage Partnership of America, L.L.C. (“MPA”) and our contract underwriting and quality control businesses. MPA serves as the manager of Best Partners Mortgage Cooperative, Inc., doing business as the Lenders One® Mortgage Cooperative (“Lenders One”), a national alliance of independent mortgage bankers that provides its members with education and training along with revenue enhancing, cost reducing and market share expanding opportunities. We provide other origination related services in the residential property valuation business and insurance services businesses. In September 2014, Best Partners Mortgage Brokers Cooperative, Inc. was launched, doing business as the Wholesale One™ Mortgage Cooperative (“Wholesale One”), for the wholesale mortgage industry. Wholesale One assists mortgage brokers and other third party originators with tools to improve their businesses. In April 2015, Best Partners Residential Investor Cooperative, Inc. was launched, doing business as the Residential Investor One™ cooperative (“Residential Investor One”). Residential Investor One was formed to deliver savings and efficiencies to individual and institutional residential real estate investors.

Financial Services: Provides collection and customer relationship management services primarily to debt originators and servicers (e.g., credit card, auto lending, retail credit and mortgage) and the utility, insurance and hotel industries. Within the Financial Services segment, we provide the following services:

Asset recovery management - Asset recovery management principally includes post-charge-off debt collection services on a contingency fee basis.

Customer relationship management - Customer relationship management principally includes customer care, technical support and early stage collections services as well as insurance call center services and administrative support.

Technology Services: Provides a portfolio of software, data analytics and infrastructure management services that support the efficient and compliant management of mortgage and real estate activities and marketplace transactions across the mortgage and real estate lifecycles. We currently provide our information technology ("IT") infrastructure management services to Ocwen, Altisource Residential Corporation ("Residential") and Altisource Asset Management Corporation ("AAMC") through managed services agreements, and our other segments in a shared services model. Our software and analytics solutions primarily include REALSuite™, Equator® and Mortgage Builder® software solutions, as described briefly below:

The REALSuite platform provides a fully integrated set of software applications and technologies that manage the end-to-end lifecycle for residential and commercial mortgage loan servicing including the automated management and payment of a distributed network of vendors.

REALServicing® - An enterprise residential mortgage loan servicing platform that offers an efficient and compliant platform for loan servicing including default administration. This solution spans the loan servicing lifecycle from loan boarding to satisfaction including automation for collections, borrower communications, payment processing and reporting. We also offer the REALSynergy® enterprise commercial loan servicing system.

REALResolution™ - A technology platform that provides servicers with an automated default management and home retention solution for delinquent and defaulted loans.

REALTrans® - A patented electronic services marketplace platform that automates and simplifies vendor selection, ordering, tracking and fulfilling of vendor provided services principally related to real estate and mortgage marketplaces. This technology solution, whether accessed through the web or integrated into existing business processing applications, connects to a marketplace of services through a single platform and delivers an efficient method for managing a large scale network of vendors.

REALRemit® - A patented electronic invoicing and payment system that provides vendors with the ability to submit invoices electronically, provides payors with the ability to automatically adjudicate invoices according to compliance rules and for electronic payments to be fulfilled subject to approval review rules and workflows.

REALDoc® - An automated document management platform that consists of three primary modules: REALDoc Capture, which converts document images into processable data, indexes documents and provides customizable workflows based on data attributes; REALDoc Correspondence, which provides a scalable correspondence generation, management and delivery platform; and REALDoc Vault, which provides a scalable and distributed storage platform and secure document viewer.

REALAnalytics™ - A data analytics and delivery platform that utilizes advanced econometric modeling and behavioral economics to assist mortgage and real estate service providers in optimizing risk management, value measurement, loss mitigation and consumer behavior outcomes across the mortgage and real estate lifecycle.

Equator - Includes the EQ Workstation®, EQ Marketplace®, EQ Midsource® and EQ Portal™ platforms and can be used separately or together as an end-to-end solution. EQ Workstation provides comprehensive, end-to-end workflow and transaction services to manage real estate and foreclosure related activities. EQ Marketplace provides a coordinated means of purchasing a variety of real estate services from vendors including real estate brokerage, title, closing, inspection and valuation. EQ Midsource allows users of EQ Workstation to outsource all or specific components of real estate related activities. EQ Portal provides realtors direct access to process real estate transactions with secure exchange of data and documents along with realtor marketing, training and certification.

Mortgage Builder - Includes the Architect®, Surveyance®, Colonnade® and LoanXEngine™ technologies, which are software solutions for mortgage banks, community banks, credit unions and other financial institutions. The Architect platform is a cloud based all-inclusive origination platform that manages loans from prequalification through interim servicing and delivery. The Surveyance platform is a mobile origination solution that provides originators with the ability to service their clients remotely. The Colonnade platform is a loan servicing solution and the LoanXEngine platform provides customer relationship management and product pricing and eligibility solutions.

Corporate Items and Eliminations: Includes interest expense and costs related to corporate support functions including executive, finance, law, compliance, human resources, vendor management, risk, sales and marketing, and also includes eliminations of transactions between the reportable segments. Corporate Items and Eliminations also include the cost of facilities until approximately 40% of the facilities are occupied by the business unit(s), at which time costs are charged to the business unit(s).

We classify revenue in three categories: service revenue, revenue from reimbursable expenses and non-controlling interests. In evaluating our performance, we focus on service revenue. Service revenue consists of amounts attributable to our fee-based services. Reimbursable expenses and non-controlling interests are pass-through items for which we earn no margin. Reimbursable expenses consist of amounts we incur on behalf of our customers in performing our fee-based services, but we pass such costs directly on to our customers without any additional markup. Non-controlling interests represent the earnings of Lenders One, a consolidated entity not owned by Altisource, and are included in revenue and reduced from net income to arrive at net income attributable to Altisource.

Stock Repurchase Plan

On May 20, 2015, our shareholders approved a new stock repurchase program, which replaced the previous stock repurchase program. Under the new program, we are authorized to purchase up to 3.0 million shares of our common stock, based on a limit of 15% of the outstanding shares of common stock on the date of approval, in the open market, at a minimum price of \$1.00 per share and a maximum price of \$500.00 per share. This is in addition to amounts previously purchased under the prior programs. We purchased 1.6 million shares of our common stock at an average price of \$28.02 per share during the six months ended June 30, 2015 and 0.7 million shares at an average price of \$109.00 per share during the six months ended June 30, 2014 (1.4 million shares at an average price of \$28.57 per share for the second quarter of 2015 and 0.4 million shares at an average price of \$108.24 per share for the second quarter of 2014). As of June 30, 2015, approximately 2.0 million shares of common stock remain available for repurchase under the new program. Our senior secured term loan limits the amount we can spend on share repurchases and may prevent repurchases in certain circumstances. As of June 30, 2015, approximately \$220 million was available to repurchase our common stock under our senior secured term loan.

Altisource's Vision and Growth Initiatives

Altisource provides a suite of mortgage, real estate and consumer debt services, leveraging our technology and global operations. Our relationship with Ocwen provided a foundation on which we built our business and Ocwen, as our largest customer, remains an important priority for us. Leveraging the services we have built through Ocwen and other relationships, Altisource is focused on becoming the premier provider of real estate and mortgage marketplaces to a diversified customer base. Within the real estate and mortgage markets, we are facilitating transactions related to home sales, home rentals, home maintenance, mortgage origination and mortgage servicing.

While we expect our revenue from Ocwen's servicing portfolio to decline in the future, we believe we have opportunities to continue to build our business from our revenue and diversification initiatives. Ocwen remains a very important component of our business, and we believe that its existing non-government-sponsored enterprise ("non-GSE") portfolio provides continuing long-term revenue for Altisource. Recognizing the importance of further diversifying our customer base, we have increased our focus on our strategic growth initiatives. Our strategic growth initiatives are:

Mortgage market:

- attract new clients to our comprehensive default related businesses
- grow our origination services and technologies

Real estate market:

- expand our innovative online real estate marketplace
- grow our property management and renovation services business

Ocwen Related Matters

Revenue from Ocwen represents 59% of consolidated revenue for the six months ended June 30, 2015 (59% of consolidated revenue for the second quarter of 2015). Additionally, 21% of consolidated revenue for the six months ended June 30, 2015 (20% of consolidated revenue for the second quarter of 2015) was earned on the portfolios serviced by Ocwen, when a party other than Ocwen selects Altisource as the service provider.

Ocwen has been and is subject to a number of pending federal and state regulatory investigations, inquiries and requests for information that have or could result in adverse regulatory actions against Ocwen. Also, Ocwen may become subject to future federal and state regulatory investigations, inquiries and requests for information, any of which could also result in adverse regulatory or other actions against Ocwen (see Note 20 to the condensed consolidated financial statements). Management cannot predict the outcome of the Ocwen related matters or the impact they may have on Altisource. However, in the event these Ocwen related matters materially negatively impact Altisource, we believe the impact to Altisource would occur over an extended period of time and the variable nature of our cost structure allows us to realign our cost structure in line with remaining revenue.

In this regard, we have a plan that allows us to efficiently execute on this realignment. We believe that transfers of Ocwen's servicing rights to a successor servicer(s) would take an extended period of time because of the approval required from many parties, including regulators, rating agencies, residential mortgage-backed securities trustees, lenders and others. During this period of time, we believe we would continue to generate revenue from the services we provide to the portfolio. Additionally, we have several growth initiatives that focus on diversifying and growing our revenue and customer base. Our major growth initiatives are described in Altisource's Vision and Growth Initiatives section above. We have an established sales and marketing strategy to support each of these initiatives.

Management believes our plans, together with current liquidity and cash flows from operations will be sufficient to meet working capital, capital expenditures, debt service and other cash needs for at least the next year. However, there can be no assurance that our plans would be successful or our operations would be profitable.

Factors Affecting Comparability

The following items may impact the comparability of our results:

- The average number of loans serviced by Ocwen on REALServicing was 2.3 million for the six months ended June 30, 2015 compared to 2.1 million for the six months ended June 30, 2014 (2.2 million for the second quarter of 2015 and 2.3 million for the second quarter of 2014). The average number of delinquent non-GSE loans serviced by Ocwen on REALServicing was 295 thousand for the six months ended June 30, 2015 compared to 359 thousand for the six months ended June 30, 2014 (279 thousand for the second quarter of 2015 and 350 thousand for the second quarter of 2014);
- In the second quarter of 2015, we paid the former owners of Equator, LLC ("Equator") \$0.5 million to extinguish any liability for Equator related contingent consideration ("Equator Earn Out"). In connection with this settlement, we reduced the liability for the Equator Earn Out to \$0 and recognized a \$7.6 million increase in earnings;
- In the second quarter of 2015, we repurchased a portion of our senior secured term loan with a par value of \$16.0 million at a 9% discount, recognizing a net gain of \$1.1 million;
- In the first quarter of 2015, we recognized an other than temporary impairment loss of \$3.3 million on our investment in Home Loan Servicing Solutions, Ltd. ("HLSS") equity securities. In the second quarter of 2015, we recognized a gain of \$1.4 million related to the sale of, and liquidating and other dividends received from, our investment in HLSS. This resulted in a net reduction to our earnings of \$1.9 million for the six months ended June 30, 2015;
- We terminated the Data Access and Services Agreement with Ocwen effective March 31, 2015;
- On November 21, 2014, we acquired certain assets and assumed certain liabilities of Owners Advantage, LLC ("Owners"), a leading self-directed online real estate marketplace, for an initial purchase price of \$19.8 million plus contingent earn out consideration of up to an additional \$7.0 million over two years, subject to Owners achieving annual performance targets;
- In the fourth quarter of 2014, we discontinued our lender placed insurance brokerage line of business;
- On September 12, 2014, we completed the acquisition of certain assets and assumed certain liabilities of Mortgage Builder Software, Inc. ("Mortgage Builder"), a provider of mortgage loan origination and servicing software systems, for an initial purchase price of \$15.7 million plus contingent earn out consideration of up to an additional \$7.0 million over three years, subject to Mortgage Builder achieving annual performance targets; and
- On August 1, 2014, we amended our senior secured term loan agreement and increased our borrowings by \$200.0 million to \$594.5 million. Interest expense totaled \$14.4 million and \$9.6 million for the six months ended June 30, 2015 and 2014, respectively (\$7.2 million and \$4.8 million for the second quarter of 2015 and 2014, respectively).

CONSOLIDATED RESULTS OF OPERATIONS
Summary Consolidated Results

The following is a discussion of our consolidated results of operations for the periods indicated. For a more detailed discussion of the factors that affected the results of our business segments in these periods, see "Segment Results of Operations" below.

The following table sets forth information regarding our results of operations:

(in thousands, except per share data)	Three months ended June 30,			Six months ended June 30,		
	2015	2014	% Increase (decrease)	2015	2014	% Increase (decrease)
Service revenue						
Mortgage Services	\$ 165,674	\$ 189,349	(13)	\$ 310,055	\$ 336,498	(8)
Financial Services	23,350	25,436	(8)	45,663	49,693	(8)
Technology Services	55,992	57,111	(2)	107,962	103,960	4
Eliminations	(8,421)	(8,731)	(4)	(19,269)	(17,027)	13
Total service revenue	236,595	263,165	(10)	444,411	473,124	(6)
Reimbursable expenses	30,830	32,276	(4)	62,786	61,071	3
Non-controlling interests	896	631	42	1,606	1,146	40
Total revenue	268,321	296,072	(9)	508,803	535,341	(5)
Cost of revenue	168,159	183,999	(9)	340,985	331,804	3
Gross profit	100,162	112,073	(11)	167,818	203,537	(18)
Selling, general and administrative expenses	43,975	49,021	(10)	96,381	92,555	4
Income from operations	56,187	63,052	(11)	71,437	110,982	(36)
Other income (expense), net:						
Interest expense	(7,195)	(4,784)	50	(14,355)	(9,560)	50
Other than temporary impairment loss on HLSS equity securities	—	—	N/M	(3,285)	—	N/M
Gain on sale of and dividends from HLSS equity securities	1,431	—	N/M	1,431	—	N/M
Other income (expense), net	821	(43)	N/M	824	4	N/M
Total other income (expense), net	(4,943)	(4,827)	2	(15,385)	(9,556)	61
Income before income taxes and non-controlling interests	51,244	58,225	(12)	56,052	101,426	(45)
Income tax provision	(4,398)	(3,493)	26	(4,798)	(6,548)	(27)
Net income	46,846	54,732	(14)	51,254	94,878	(46)
Net income attributable to non-controlling interests	(896)	(631)	42	(1,606)	(1,146)	40
Net income attributable to Altisource	\$ 45,950	\$ 54,101	(15)	\$ 49,648	\$ 93,732	(47)
Margins:						
Gross profit/service revenue	42%	43%		38%	43%	
Income from operations/service revenue	24%	24%		16%	23%	
Earnings per share:						
Basic	\$ 2.35	\$ 2.45	(4)	\$ 2.50	\$ 4.20	(40)
Diluted	\$ 2.22	\$ 2.24	(1)	\$ 2.38	\$ 3.84	(38)

N/M — not meaningful.

Revenue

We recognized service revenue of \$444.4 million for the six months ended June 30, 2015, a 6% decrease compared to the six months ended June 30, 2014 (\$236.6 million for the second quarter of 2015, a 10% decrease compared to the second quarter of 2014). The decline in service revenue was primarily due to the discontinuation of the lender placed insurance brokerage line of business in the fourth quarter of 2014, fewer property valuation services referrals, lower mortgage charge-off collections and lower

Equator revenue from the full amortization of acquisition related deferred revenue in 2014. These declines were partially offset by revenue expansion in the asset management services businesses primarily from growth in the number of non-Ocwen homes and Ocwen REO sold on Hubzu, a higher percentage of homes sold through auction and increased REALSuite software sales.

Certain of our revenues are impacted by seasonality. More specifically, Mortgage Services' revenue is impacted by REO sales and lawn maintenance, which tend to be at their lowest level during the fall and winter months and highest during the spring and summer months. Financial Services' asset recovery management revenue tends to be higher in the first quarter, as borrowers may utilize tax refunds and bonuses to pay debts, and generally declines throughout the rest of the year.

Cost of Revenue and Gross Profit

Cost of revenue principally includes payroll and employee benefits associated with personnel employed in customer service and operations roles, fees paid to external providers related to the provision of services, reimbursable expenses, technology and telecommunications expenses and depreciation and amortization of operating assets.

We recognized cost of revenue of \$341.0 million for the six months ended June 30, 2015, a 3% increase compared to the six months ended June 30, 2014 (\$168.2 million for the second quarter of 2015, a 9% decrease compared to the second quarter of 2014). The increase in cost of revenue for the six months ended June 30, 2015 is primarily attributable to increased compensation and benefits, partially offset by lower outside fees and services cost. The decrease in cost of revenue for the second quarter of 2015 is primarily attributable to lower outside fees and services cost. Compensation and benefits increased for the six months ended June 30, 2015 primarily due to increased headcount and related benefits, contractor costs and severance costs incurred in connection with cost reduction initiatives implemented during the first half of 2015. Outside fees and services cost decreased for the six months ended June 30, 2015 and the second quarter of 2015 primarily due to the termination of the Data Access and Services Agreement with Ocwen, as of March 31, 2015 and lower costs in 2015 due to prior year costs incurred to build and develop our insurance services business. Recognizing that our service revenue from Ocwen is not expected to grow in the near term due to challenges faced by Ocwen in late 2014 and early 2015, we developed and executed on a plan that included eliminating certain non-revenue generating businesses, reducing vendor costs and eliminating staff. During the six months ended June 30, 2015, we recognized severance expense of \$4.3 million related to the elimination of staff (\$0.3 million during the second quarter of 2015).

Gross profit decreased to \$167.8 million, representing 38% of service revenue, for the six months ended June 30, 2015 compared to \$203.5 million, representing 43% of service revenue, for the six months ended June 30, 2014 (decreased to \$100.2 million, representing 42% of service revenue, for the second quarter of 2015 compared to \$112.1 million, representing 43% of service revenue for the second quarter of 2014). Gross profit as a percentage of service revenue for the six months ended June 30, 2015 was lower, particularly in the first quarter of 2015, due largely to lower revenue from Mortgage Services' higher gross profit margin businesses and higher compensation and benefits costs without corresponding revenue growth principally within the Technology Services segment. Following the implementation of our cost reduction initiatives in the first quarter of 2015 and the termination of the Data Access and Services Agreement with Ocwen as of March 31, 2015, along with seasonally higher revenue our gross profit margin improved in the second quarter of 2015.

Selling, General and Administrative Expenses and Income from Operations

Selling, general and administrative expenses ("SG&A") includes payroll for personnel employed in executive, finance, law, compliance, human resources, vendor management, risk, sales and marketing roles. This category also includes occupancy costs, professional fees and depreciation and amortization of intangible assets.

We recognized SG&A of \$96.4 million for the six months ended June 30, 2015, a 4% increase compared to the six months ended June 30, 2014 (\$44.0 million for the second quarter of 2015, a 10% decrease compared to the second quarter of 2014). The increase for the six months ended June 30, 2015 is driven primarily by an increase in legal costs related to legal and regulatory matters, an increase in compensation and benefits costs from an expansion of certain support functions and severance costs incurred in connection with the cost reduction initiatives. These costs were partially offset by the second quarter of 2015 settlement of the Equator Earn Out which resulted in a reduction in SG&A of \$7.6 million. The decrease for the second quarter of 2015 is driven primarily by the benefit resulting from the Equator Earn Out settlement discussed above, partially offset by an increase in compensation and benefits costs, severance costs and higher legal costs related to regulatory and litigation matters also discussed above.

During the second quarter of 2014, the Equator Earn Out was reduced by \$37.9 million with a corresponding increase in earnings. As a result of the adjustment in the fair value of the Equator contingent consideration and based on our preliminary assessment,

in the second quarter of 2014 we estimated that the Equator goodwill was impaired and recorded an impairment loss of \$37.5 million.

The following table presents the impact of the change in the fair value of the Equator Earn Out and Equator goodwill impairment for the second quarter of 2014 and for the six months ended June 30, 2014 and are included in SG&A in the condensed consolidated statements of operations:

(in thousands)

Change in the fair value of Equator Earn Out	\$	(37,924)
Goodwill impairment		37,473
	\$	(451)

Income from operations decreased to \$71.4 million, representing 16% of service revenue, for the six months ended June 30, 2015 compared to \$111.0 million, representing 23% of service revenue, for the six months ended June 30, 2014 (decreased to \$56.2 million, representing 24% of service revenue, for the second quarter of 2015 compared to \$63.1 million, representing 24% of service revenue, for the second quarter of 2014). The decrease in operating income margin for the six months ended June 30, 2015 is primarily driven by the lower first quarter 2015 gross profit margin and higher first quarter 2015 SG&A, as discussed above. The operating margins for the second quarter of 2015 returned to 2014 levels as we realigned our costs in line with revenue in connection with our cost reduction initiatives and recognized a benefit from the Equator Earn Out settlement, as discussed above.

Other Income (Expense), net

Other income (expense), net principally includes interest expense, interest income, an other than temporary impairment loss on HLSS equity securities, dividends and gain on sale of HLSS equity securities and a gain on the early extinguishment of debt. Interest expense was \$14.4 million for the six months ended June 30, 2015, an increase of \$4.8 million compared to the six months ended June 30, 2014 (\$7.2 million for the second quarter of 2015, an increase of \$2.4 million compared to the second quarter of 2014), resulting from the additional \$200.0 million senior secured term loan borrowings on August 1, 2014.

During the first quarter of 2015, we purchased 1.6 million shares of HLSS common stock in the open market for \$30.0 million (1,613,125 shares at an average price per share of \$18.58). This investment was classified as available for sale. Based on HLSS' sale of substantially all of its assets and plan of complete liquidation and dissolution on April 6, 2015, we determined that our investment in HLSS was other than temporarily impaired. Accordingly, we recognized an other than temporary impairment loss of \$3.3 million during the first quarter of 2015. This amount reflected the difference between the cost and fair value of the HLSS equity securities as of March 31, 2015.

During the second quarter of 2015, we received liquidating dividends and other dividends from HLSS totaling \$20.4 million and sold all of our 1.6 million shares of HLSS common stock in the open market for \$7.7 million (1,613,125 shares at an average price per share of \$4.75).

As a result of these transactions, we recognized a net loss of \$1.9 million for the six months ended June 30, 2015 (no comparative amount for the six months ended June 30, 2014) and a gain of \$1.4 million for the second quarter of 2015 (no comparative amount for the second quarter of 2014) in connection with our investment in HLSS.

In June 2015, we repurchased a portion of our senior secured term loan with a par value of \$16.0 million at a 9% discount, recognizing a net gain of \$1.1 million on the early extinguishment of a portion of the debt.

Income Tax Provision

We recognized an income tax provision of \$4.8 million for the six months ended June 30, 2015 compared to \$6.5 million for the six months ended June 30, 2014 (\$4.4 million and \$3.5 million for the second quarter of 2015 and 2014, respectively). Our effective tax rate was 8.6% and 6.5% for the six months ended June 30, 2015 and June 30, 2014, respectively (8.6% and 6.0% for the second quarter of 2015 and 2014, respectively). Our effective tax rate differs from the Luxembourg statutory tax rate of 29.2% primarily due to the effect of certain deductions in Luxembourg from a tax ruling, which expires in 2019 unless extended or renewed, and the mix of income and losses with varying tax rates in multiple taxing jurisdictions. Our consolidated effective income tax rate for financial reporting purposes may change periodically due to changes in enacted tax rates, fluctuations in the mix of income earned from our domestic and international operations and our ability to utilize net operating loss and tax credit carryforwards.

SEGMENT RESULTS OF OPERATIONS

The following section provides a discussion of pre-tax results of operations of our business segments. Transactions between segments are accounted for as third party arrangements for purposes of presenting segment results of operations. Intercompany transactions primarily consist of IT infrastructure services. We reflect these as service revenue in the Technology Services segment and technology and telecommunications expense within cost of revenue and SG&A in the segment receiving the services.

Financial information for our segments is as follows:

	Three months ended June 30, 2015				
(in thousands)	Mortgage Services	Financial Services	Technology Services	Corporate Items and Eliminations	Consolidated Altisource
Revenue					
Service revenue	\$ 165,674	\$ 23,350	\$ 55,992	\$ (8,421)	\$ 236,595
Reimbursable expenses	30,791	39	—	—	30,830
Non-controlling interests	896	—	—	—	896
	197,361	23,389	55,992	(8,421)	268,321
Cost of revenue	112,710	15,537	47,423	(7,511)	168,159
Gross profit (loss)	84,651	7,852	8,569	(910)	100,162
Selling, general and administrative expenses	25,228	4,588	(345)	14,504	43,975
Income (loss) from operations	59,423	3,264	8,914	(15,414)	56,187
Other income (expense), net	23	2	(18)	(4,950)	(4,943)
Income (loss) before income taxes and non-controlling interests	\$ 59,446	\$ 3,266	\$ 8,896	\$ (20,364)	\$ 51,244
Margins:					
Gross profit/service revenue	51%	34%	15%	N/M	42%
Income from operations/service revenue	36%	14%	16%	N/M	24%

N/M — not meaningful.

	Three months ended June 30, 2014				
(in thousands)	Mortgage Services	Financial Services	Technology Services	Corporate Items and Eliminations	Consolidated Altisource
Revenue					
Service revenue	\$ 189,349	\$ 25,436	\$ 57,111	\$ (8,731)	\$ 263,165
Reimbursable expenses	32,236	40	—	—	32,276
Non-controlling interests	631	—	—	—	631
	222,216	25,476	57,111	(8,731)	296,072
Cost of revenue	129,411	16,058	46,414	(7,884)	183,999
Gross profit (loss)	92,805	9,418	10,697	(847)	112,073
Selling, general and administrative expenses	23,503	4,773	7,502	13,243	49,021
Income (loss) from operations	69,302	4,645	3,195	(14,090)	63,052
Other income (expense), net	80	12	(106)	(4,813)	(4,827)
Income (loss) before income taxes and non-controlling interests	\$ 69,382	\$ 4,657	\$ 3,089	\$ (18,903)	\$ 58,225
Margins:					
Gross profit/service revenue	49%	37%	19%	N/M	43%
Income from operations/service revenue	37%	18%	6%	N/M	24%

N/M — not meaningful.

Six months ended June 30, 2015

<i>(in thousands)</i>	Mortgage Services	Financial Services	Technology Services	Corporate Items and Eliminations	Consolidated Altisource
Revenue					
Service revenue	\$ 310,055	\$ 45,663	\$ 107,962	\$ (19,269)	\$ 444,411
Reimbursable expenses	62,706	80	—	—	62,786
Non-controlling interests	1,606	—	—	—	1,606
	374,367	45,743	107,962	(19,269)	508,803
Cost of revenue	227,514	30,640	100,146	(17,315)	340,985
Gross profit (loss)	146,853	15,103	7,816	(1,954)	167,818
Selling, general and administrative expenses	45,789	9,303	6,970	34,319	96,381
Income (loss) from operations	101,064	5,800	846	(36,273)	71,437
Other income (expense), net	19	(10)	(17)	(15,377)	(15,385)
	101,083	5,790	829	(51,650)	56,052
Income (loss) before income taxes and non-controlling interests					
Margins:					
Gross profit/service revenue	47%	33%	7%	N/M	38%
Income from operations/service revenue	33%	13%	1%	N/M	16%

N/M — not meaningful.

Six months ended June 30, 2014

<i>(in thousands)</i>	Mortgage Services	Financial Services	Technology Services	Corporate Items and Eliminations	Consolidated Altisource
Revenue					
Service revenue	\$ 336,498	\$ 49,693	\$ 103,960	\$ (17,027)	\$ 473,124
Reimbursable expenses	61,003	68	—	—	61,071
Non-controlling interests	1,146	—	—	—	1,146
	398,647	49,761	103,960	(17,027)	535,341
Cost of revenue	232,648	30,671	83,746	(15,261)	331,804
Gross profit (loss)	165,999	19,090	20,214	(1,766)	203,537
Selling, general and administrative expenses	42,676	9,436	14,117	26,326	92,555
Income (loss) from operations	123,323	9,654	6,097	(28,092)	110,982
Other income (expense), net	128	11	(122)	(9,573)	(9,556)
	123,451	9,665	5,975	(37,665)	101,426
Income (loss) before income taxes and non-controlling interests					
Margins:					
Gross profit/service revenue	49%	38%	19%	N/M	43%
Income from operations/service revenue	37%	19%	6%	N/M	23%

N/M — not meaningful.

Mortgage Services
Revenue

Revenue by service line was as follows:

<i>(in thousands)</i>	Three months ended June 30,			Six months ended June 30,		
	2015	2014	% Increase (decrease)	2015	2014	% Increase (decrease)
Service revenue:						
Asset management services	\$ 114,435	\$ 105,948	8	\$ 204,019	\$ 180,673	13
Insurance services	24,837	49,684	(50)	48,479	84,649	(43)
Residential property valuation	13,994	23,908	(41)	33,441	51,104	(35)
Default management services	7,074	5,554	27	13,768	11,391	21
Origination management services	5,334	4,255	25	10,348	8,681	19
Total service revenue	165,674	189,349	(13)	310,055	336,498	(8)
Reimbursable expenses:						
Asset management services	27,835	30,975	(10)	57,838	58,137	(1)
Insurance services	1,833	867	111	3,182	1,516	110
Default management services	1,087	362	200	1,628	1,279	27
Origination management services	36	32	13	58	71	(18)
Total reimbursable expenses	30,791	32,236	(4)	62,706	61,003	3
Non-controlling interests	896	631	42	1,606	1,146	40
Total revenue	\$ 197,361	\$ 222,216	(11)	\$ 374,367	\$ 398,647	(6)

We recognized service revenue of \$310.1 million for the six months ended June 30, 2015, an 8% decrease compared to the six months ended June 30, 2014 (\$165.7 million for the second quarter of 2015, a 13% decrease compared to the second quarter of 2014), primarily due to the discontinuation of the lender placed insurance brokerage line of business in the fourth quarter of 2014 and fewer property valuation services referrals. These declines were partially offset by revenue expansion in the asset management services businesses primarily from growth in the number of non-Ocwen homes and Ocwen REO sold on Hubzu and a higher percentage of homes sold through auction.

Certain of our Mortgage Services businesses are impacted by seasonality. REO sales and lawn maintenance services within the asset management services business are generally lowest during the fall and winter months and highest during the spring and summer months.

Cost of Revenue and Gross Profit

Cost of revenue consists of the following:

<i>(in thousands)</i>	Three months ended June 30,			Six months ended June 30,		
	2015	2014	% Increase (decrease)	2015	2014	% Increase (decrease)
Compensation and benefits	\$ 20,199	\$ 19,200	5	\$ 41,004	\$ 34,652	18
Outside fees and services	54,129	70,268	(23)	106,722	122,550	(13)
Reimbursable expenses	30,791	32,236	(4)	62,706	61,003	3
Technology and telecommunications	6,663	7,061	(6)	15,337	13,265	16
Depreciation and amortization	928	646	44	1,745	1,178	48
Cost of revenue	\$ 112,710	\$ 129,411	(13)	\$ 227,514	\$ 232,648	(2)

Cost of revenue for the six months ended June 30, 2015 of \$227.5 million decreased by 2% compared to the six months ended June 30, 2014 (\$112.7 million for the second quarter of 2015, a 13% decrease compared to the second quarter of 2014), primarily due to the decrease in outside fees and services partially offset by an increase in compensation and benefits costs. The decrease in outside fees and services was primarily due to the termination of the Data Access and Services Agreement with Ocwen effective March 31, 2015 and non-recurring costs in 2014 related to the development of our insurance business. Compensation and benefits

costs increased in the second quarter of 2014 to support growth in certain of our Mortgage Services businesses and our growth initiatives. In connection with our cost reduction initiatives during the six months ended June 30, 2015, we recognized severance expense in the Mortgage Services segment of \$1.1 million related to the elimination of staff.

Gross profit decreased to \$146.9 million, representing 47% of service revenue, for the six months ended June 30, 2015 compared to \$166.0 million, representing 49% of service revenue, for the six months ended June 30, 2014 (decreased to \$84.7 million, representing 51% of service revenue, for the second quarter of 2015 compared to \$92.8 million, representing 49% of service revenue, for the second quarter of 2014). Gross profit as a percentage of service revenue decreased for the six months ended June 30, 2015 primarily due to service revenue mix with no revenue in 2015 from the higher margin lender placed insurance brokerage business, partially offset by reduced outside fees and services from the termination of the Data Access and Services Agreement with Ocwen. Gross profit as a percentage of service revenue for the second quarter of 2015 increased as the termination of the Data Access and Services Agreement with Ocwen was effective for the full quarter, partially offset by revenue mix.

Our margins can vary substantially depending upon service revenue mix.

Selling, General and Administrative Expenses and Income from Operations

SG&A expenses consist of the following:

(in thousands)	Three months ended June 30,			Six months ended June 30,		
	2015	2014	% Increase (decrease)	2015	2014	% Increase (decrease)
Compensation and benefits	\$ 629	\$ 449	40	\$ 1,167	\$ 691	69
Professional services	3,568	1,424	151	8,110	2,471	228
Occupancy related costs	2,803	2,505	12	5,403	4,883	11
Amortization of intangible assets	6,779	7,411	(9)	13,217	14,496	(9)
Depreciation and amortization	600	466	29	1,154	893	29
Marketing costs	4,349	7,621	(43)	8,283	12,623	(34)
Other/allocations from Corp.	6,500	3,627	79	8,455	6,619	28
Selling, general and administrative expenses	\$ 25,228	\$ 23,503	7	\$ 45,789	\$ 42,676	7

SG&A for the six months ended June 30, 2015 of \$45.8 million increased by 7% compared to the six months ended June 30, 2014 (\$25.2 million for the second quarter of 2015, a 7% increase compared to the second quarter of 2014), primarily driven by an increase in legal and regulatory related costs. This increase was partially offset by lower Hubzu marketing costs as we continue to optimize our marketing spend.

Income from operations decreased to \$101.1 million, representing 33% of service revenue, for the six months ended June 30, 2015 compared to \$123.3 million, representing 37% of service revenue, for the six months ended June 30, 2014 (decreased to \$59.4 million, representing 36% of service revenue for the second quarter of 2015 compared to \$69.3 million, representing 37% of service revenue, for the second quarter of 2014). The decrease in operating income margin is primarily the result of the lower gross profit margins and higher legal and regulatory related costs, partially offset by lower Hubzu marketing costs, as discussed above. Operating income margins for the second quarter of 2015 were slightly lower than the same period in 2014 from higher gross profit margins offset by higher legal and regulatory related costs.

Financial Services
Revenue

Revenue by service line was as follows:

(in thousands)	Three months ended June 30,			Six months ended June 30,		
	2015	2014	% Increase (decrease)	2015	2014	% Increase (decrease)
Service revenue:						
Customer relationship management	\$ 13,789	\$ 13,334	3	\$ 25,185	\$ 26,309	(4)
Asset recovery management	9,561	12,102	(21)	20,478	23,384	(12)
Total service revenue	23,350	25,436	(8)	45,663	49,693	(8)
Reimbursable expenses:						
Asset recovery management	39	40	(3)	80	68	18
Total reimbursable expenses	39	40	(3)	80	68	18
Total revenue	\$ 23,389	\$ 25,476	(8)	\$ 45,743	\$ 49,761	(8)

We recognized service revenue of \$45.7 million for the six months ended June 30, 2015, an 8% decrease compared to the six months ended June 30, 2014 (\$23.4 million for the second quarter of 2015, an 8% decrease compared to the second quarter of 2014), primarily due to lower mortgage charge-off collections driven by a decline in referrals. For the six months ended June 30, 2015, the customer relationship management revenue declined primarily due to lower business from an existing customer, due to its vendor diversification initiatives, partially offset by the addition of a new customer. The increase in customer relationship management revenue for the second quarter of 2015 is primarily the result of the addition of a new customer and expansion of services provided to existing clients.

Certain of our Financial Services businesses are impacted by seasonality. Revenue in the asset recovery management business tends to be higher in the first quarter, as borrowers may utilize tax refunds and bonuses to pay debts, and generally declines throughout the rest of the year.

Cost of Revenue and Gross Profit

Cost of revenue consists of the following:

(in thousands)	Three months ended June 30,			Six months ended June 30,		
	2015	2014	% Increase (decrease)	2015	2014	% Increase (decrease)
Compensation and benefits	\$ 11,967	\$ 12,049	(1)	\$ 22,954	\$ 23,088	(1)
Outside fees and services	733	888	(17)	1,430	1,705	(16)
Reimbursable expenses	39	40	(3)	80	68	18
Technology and telecommunications	2,332	2,727	(14)	5,240	5,167	1
Depreciation and amortization	466	354	32	936	643	46
Cost of revenue	\$ 15,537	\$ 16,058	(3)	\$ 30,640	\$ 30,671	—

Cost of revenue for the six months ended June 30, 2015 of \$30.6 million remained flat compared to the six months ended June 30, 2014 (\$15.5 million for the second quarter of 2015, a 3% decrease compared to the second quarter of 2014). The decrease in cost of revenue for the second quarter of 2015 was primarily due to lower technology and telecommunications costs resulting from the implementation of cost savings initiatives in 2015.

Gross profit decreased to \$15.1 million, representing 33% of service revenue, for the six months ended June 30, 2015 compared to \$19.1 million, representing 38% of service revenue, for the six months ended June 30, 2014 (decreased to \$7.9 million, representing 34% of service revenue, for the second quarter of 2015 compared to \$9.4 million, representing 37% of service revenue, for the second quarter of 2014). Gross profit margin decreased primarily due to revenue mix as revenue declined in the higher margin mortgage charge-off collections business.

Selling, General and Administrative Expenses and Income from Operations

SG&A expenses consist of the following:

<i>(in thousands)</i>	Three months ended June 30,			Six months ended June 30,		
	2015	2014	% Increase (decrease)	2015	2014	% Increase (decrease)
Compensation and benefits	\$ 208	\$ 176	18	\$ 221	\$ 330	(33)
Professional services	428	363	18	639	606	5
Occupancy related costs	1,951	1,857	5	3,846	3,685	4
Amortization of intangible assets	945	1,454	(35)	2,072	2,908	(29)
Depreciation and amortization	635	375	69	1,214	669	81
Other/allocations from Corp.	421	548	(23)	1,311	1,238	6
Selling, general and administrative expenses	<u>\$ 4,588</u>	<u>\$ 4,773</u>	(4)	<u>\$ 9,303</u>	<u>\$ 9,436</u>	(1)

SG&A for the six months ended June 30, 2015 of \$9.3 million decreased by 1% compared to the six months ended June 30, 2014 (\$4.6 million for the second quarter of 2015, a 4% decrease compared to the second quarter of 2014). The decrease is primarily due to the decrease in amortization of intangible assets, partially offset by an increase in depreciation and amortization expense from 2014 leasehold improvements in connection with facility relocations.

Income from operations decreased to \$5.8 million, representing 13% of service revenue, for the six months ended June 30, 2015 compared to \$9.7 million, representing 19% of service revenue, for the six months ended June 30, 2014 (decreased to \$3.3 million, representing 14% of service revenue, for the second quarter of 2015 compared to \$4.6 million, representing 18% of service revenue, for the second quarter of 2014). The decrease in operating income as a percentage of service revenue is primarily the result of lower gross profit margins as discussed above.

Technology Services

Revenue

Revenue by service line was as follows:

<i>(in thousands)</i>	Three months ended June 30,			Six months ended June 30,		
	2015	2014	% Increase (decrease)	2015	2014	% Increase (decrease)
Service revenue:						
Software services	\$ 38,587	\$ 39,426	(2)	\$ 71,211	\$ 74,029	(4)
IT infrastructure services	17,405	17,685	(2)	36,751	29,931	23
Total revenue	<u>\$ 55,992</u>	<u>\$ 57,111</u>	(2)	<u>\$ 107,962</u>	<u>\$ 103,960</u>	4

We recognized service revenue of \$108.0 million for the six months ended June 30, 2015, a 4% increase compared to the six months ended June 30, 2014 (\$56.0 million for the second quarter of 2015, a 2% decrease compared to the second quarter of 2014). The increase for the six months ended June 30, 2015 is primarily due to an increase in IT infrastructure services revenue, which is typically billed on a cost plus basis. Costs in the IT infrastructure business were higher than the same period in 2014 as we were investing in support of our growth; however, we reduced these investments during the second quarter of 2015 to better align our costs with revenue. Within the software services business, lower Equator revenue from the full amortization of acquisition related deferred revenue in 2014 was partially offset by an increase in REALSuite development revenue and a higher number of loans serviced by Ocwen on REALServicing. For the second quarter of 2015, both the software services and IT infrastructure services revenues decreased slightly compared to the second quarter of 2014 from a decrease in Equator revenues and lower related IT infrastructure costs, largely offset by increased REALSuite development revenue.

For segment presentation purposes, revenue from services provided by Technology Services to our other reportable segments is eliminated in consolidation. This inter-segment revenue is included as revenue in the Technology Services segment and as technology and telecommunications expense, a component of cost of revenue and SG&A, in our other reportable segments.

Cost of Revenue and Gross Profit

Cost of revenue consists of the following:

(in thousands)	Three months ended June 30,			Six months ended June 30,		
	2015	2014	% Increase (decrease)	2015	2014	% Increase (decrease)
Compensation and benefits	\$ 32,724	\$ 31,872	3	\$ 70,258	\$ 58,031	21
Outside fees and services	13	—	N/M	13	—	N/M
Technology and telecommunications	8,818	10,154	(13)	18,890	17,457	8
Depreciation and amortization	5,868	4,388	34	10,985	8,258	33
Cost of revenue	\$ 47,423	\$ 46,414	2	\$ 100,146	\$ 83,746	20

N/M - not meaningful.

Cost of revenue for the six months ended June 30, 2015 of \$100.1 million increased by 20% compared to the six months ended June 30, 2014 (\$47.4 million for the second quarter of 2015, a 2% increase compared to the second quarter of 2014). The increase was primarily due to increases in compensation and benefits costs and depreciation and amortization expenses. A portion of the increase in costs relates to the September 2014 acquisition of Mortgage Builder. The remaining increase relates to businesses we have been investing in to support our growth; however, we reduced these investments during the second quarter of 2015 to better align our costs with revenue. The decrease in technology and telecommunications costs for the second quarter of 2015 is the result of the implementation of cost savings initiatives. Recognizing that our service revenue from Ocwen is not expected to grow in the near term due to challenges faced by Ocwen, in late 2014 and early 2015, we developed and executed on a plan that included eliminating certain non-revenue generating businesses, reducing vendor costs and eliminating staff. Cost of revenue increased slightly for the second quarter of 2015 compared to the second quarter of 2014 as we benefited from the implementation of our cost savings initiatives. During the six months ended June 30, 2015, we recognized severance expense in the Technology Services segment of \$3.1 million related to the elimination of staff (\$0.3 million for the second quarter of 2015).

Gross profit decreased to \$7.8 million, representing 7% of service revenue, for the six months ended June 30, 2015 compared to \$20.2 million, representing 19% of service revenue, for the six months ended June 30, 2014 (decreased to \$8.6 million, representing 15% of service revenue, for the second quarter of 2015 compared to \$10.7 million, representing 19% of service revenue, for the second quarter of 2014). Gross profit margins for the six months ended June 30, 2015 decreased primarily due to service revenue mix, as lower margin IT infrastructure service revenue increased. In addition, gross profit margins for both the six months ended June 30, 2015 and the second quarter of 2015 were impacted by lower Equator revenue from the full amortization of acquisition related deferred revenue in 2014 and higher costs, as described above.

Selling, General and Administrative Expenses and Income from Operations

SG&A expenses consist of the following:

(in thousands)	Three months ended June 30,			Six months ended June 30,		
	2015	2014	% Increase (decrease)	2015	2014	% Increase (decrease)
Compensation and benefits	\$ 755	\$ 1,531	(51)	\$ 1,633	\$ 2,473	(34)
Professional services	255	127	101	438	214	105
Occupancy related costs	3,350	2,861	17	7,129	5,494	30
Amortization of intangible assets	1,262	1,242	2	2,588	2,169	19
Depreciation and amortization	529	326	62	840	646	30
Change in the fair value of Equator Earn Out	(7,591)	(37,924)	(80)	(7,591)	(37,924)	(80)
Goodwill impairment	—	37,473	(100)	—	37,473	(100)
Other/allocation from Corp.	1,095	1,866	(41)	1,933	3,572	(46)
Selling, general and administrative expenses	\$ (345)	\$ 7,502	(105)	\$ 6,970	\$ 14,117	(51)

SG&A for the six months ended June 30, 2015 of \$7.0 million decreased by 51% compared to the six months ended June 30, 2014 (\$0.3 million for the second quarter of 2015, a 105% decrease compared to the second quarter of 2014). The decrease is primarily

due to the second quarter of 2015 settlement of the Equator Earn Out which resulted in a reduction in SG&A of \$7.6 million and lower bad debt expense. The decrease was partially offset by an increase in occupancy related costs driven by facility expansions and relocations.

Income from operations decreased to \$0.8 million, representing 1% of service revenue, for the six months ended June 30, 2015 compared to \$6.1 million, representing 6% of service revenue, for the six months ended June 30, 2014 (increased to \$8.9 million, representing 16% of service revenue, for the second quarter of 2015 compared to \$3.2 million, representing 6% of service revenue, for the second quarter of 2014). Income from operations as a percentage of service revenue decreased for the six months ended June 30, 2015 primarily due to the decline in gross profit margin, partially offset by recognition of the change in fair value of the Equator Earn Out, as discussed above. Income from operations as a percentage of service revenue increased for the second quarter of 2015 primarily due to the settlement of the Equator Earn Out, as discussed above.

Corporate Items and Eliminations

Corporate Items and Eliminations include interest expense, other than temporary impairment loss on HLSS equity securities, dividends and gain on sale of HLSS equity securities, gain on early extinguishment of debt and costs related to corporate support functions including executive, finance, law, compliance, human resources, vendor management, risk, sales and marketing. It also includes eliminations of transactions between the reportable segments.

Corporate costs consist of the following:

(in thousands)	Three months ended June 30,			Six months ended June 30,		
	2015	2014	% Increase (decrease)	2015	2014	% Increase (decrease)
Compensation and benefits	\$ 12,044	\$ 8,955	34	\$ 23,378	\$ 16,606	41
Professional services	2,388	894	167	5,442	3,499	56
Occupancy related costs	1,943	2,273	(15)	4,323	4,745	(9)
Depreciation and amortization	580	574	1	1,558	1,088	43
Marketing costs	1,480	10	N/M	2,782	28	N/M
Other/allocations to segments	(3,931)	537	N/M	(3,164)	360	N/M
Selling, general and administrative expenses	14,504	13,243	10	34,319	26,326	30
Other expense, net	4,950	4,813	3	15,377	9,573	61
Total corporate costs	\$ 19,454	\$ 18,056	8	\$ 49,696	\$ 35,899	38

N/M - not meaningful.

Corporate costs for the six months ended June 30, 2015 of \$49.7 million increased by 38% compared to the six months ended June 30, 2014 (\$19.5 million for the second quarter of 2015, an 8% increase compared to the second quarter of 2014) primarily due to higher compensation and benefits costs, legal and compliance costs related to regulatory and litigation matters, interest expense and a loss on HLSS equity securities, partially offset by the allocation of the costs incurred at certain new support groups to the segments. We incurred higher compensation and benefits costs as we expanded certain corporate functions, strengthening our sales and marketing functions. In addition, we incurred \$0.6 million of severance costs in connection with cost reduction initiatives implemented during the six months ended June 30, 2015 (\$0.1 million for the second quarter of 2015).

Interest expense for the six months ended June 30, 2015 of \$14.4 million increased by 50% compared to the six months ended June 30, 2014 (\$7.2 million for the second quarter of 2015, a 50% increase compared to the second quarter of 2014), resulting from the additional \$200.0 million senior secured term loan borrowings on August 1, 2014.

During the first quarter of 2015, we purchased 1.6 million shares of HLSS common stock in the open market for \$30.0 million (1,613,125 shares at an average price per share of \$18.58). This investment was classified as available for sale. Based on HLSS' sale of substantially all of its assets and plan of complete liquidation and dissolution on April 6, 2015, we determined that our investment in HLSS was other than temporarily impaired. Accordingly, we recognized an other than temporary impairment loss of \$3.3 million during the first quarter of 2015. This amount reflected the difference between the cost and fair value of the HLSS equity securities as of March 31, 2015.

During the second quarter of 2015, we received liquidating dividends and other dividends from HLSS totaling \$20.4 million and sold all of our 1.6 million shares of HLSS common stock in the open market for \$7.7 million (1,613,125 shares at an average price per share of \$4.75).

As a result of these transactions, we recognized a net loss of \$1.9 million for the six months ended June 30, 2015 (no comparative amount for the six months ended June 30, 2014) and a gain of \$1.4 million for the second quarter of 2015 (no comparative amount for the second quarter of 2014) in connection with our investment in HLSS.

In June 2015, we repurchased a portion of our senior secured term loan with a par value of \$16.0 million at a 9% discount, recognizing a net gain of \$1.1 million on the early extinguishment of debt.

Intercompany revenue that is eliminated in consolidation increased for the six months ended June 30, 2015 compared to the six months ended June 30, 2014 and decreased for the second quarter of 2015 compared to the second quarter of 2014. These intercompany transactions primarily consisted of IT infrastructure services. While the expenses are recognized in the Mortgage Services and Financial Services segments above, the elimination of these expenses is reflected in Corporate Items and Eliminations.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Our primary source of liquidity is cash flows from operations. We seek to deploy excess cash generated in a disciplined manner. Principally, we intend to use excess cash to develop complementary services and businesses that we believe will generate attractive margins in line with our core capabilities and strategy. We may consider business acquisitions and other opportunities that may arise from time to time. From January 2015 through June 2015, we used \$61.7 million to repurchase Altisource common stock, repurchase a portion of the senior secured term loan and make contractual repayments of our senior secured term loan.

Our relationship with Ocwen is subject to a number of risks and uncertainties that could result in changes to our relationship and have an adverse effect on our liquidity. We intend to closely monitor the Ocwen related uncertainties and to modify our business plan as needed in response. As a result of these uncertainties, we intend to closely monitor our cash and cash equivalents position throughout 2015. Based on market conditions, we may continue repurchasing our common stock and/or our debt if we believe conditions are favorable.

Senior Secured Term Loan

On November 27, 2012, Altisource Solutions S.à r.l., a wholly-owned subsidiary of the Company, entered into a senior secured term loan agreement with Bank of America, N.A., as administrative agent, and certain lenders. The Company and certain wholly-owned subsidiaries are guarantors of the term loan. We subsequently amended the senior secured term loan agreement to increase the principal amount of the senior secured term loan and, among other changes, re-establish the \$200.0 million incremental term loan facility accordion, lower the interest rate, extend the maturity date by approximately one year and increase the maximum amount of Restricted Junior Payments (as defined in the senior secured term loan agreement; other capitalized terms, unless defined herein, are defined in the senior secured term loan agreement). The lenders of the senior secured term loan, as amended, have no obligation to provide any such additional debt under the accordion provision. As of June 30, 2015, \$569.9 million, net of unamortized discount of \$2.6 million, was outstanding under the senior secured term loan agreement, as amended, compared to \$588.6 million, net of unamortized discount of \$2.9 million, as of December 31, 2014.

After giving effect to the third amendment entered into on August 1, 2014, the term loan must be repaid in equal consecutive quarterly principal installments of \$1.5 million, which commenced on September 30, 2014, with the balance due at maturity. All amounts outstanding under the senior secured term loan agreement will become due on the earlier of (i) December 9, 2020 and (ii) the date on which the loans are declared to be due and owing by the administrative agent at the request (or with the consent) of the Required Lenders upon the occurrence of any event of default under the senior secured term loan agreement. However, if leverage ratios exceed 3.00 to 1.00, a percentage of cash flows must be used to repay principal. No mandatory prepayments were required for the six months ended June 30, 2015. The interest rate as of June 30, 2015 was 4.50%.

In June 2015, the Company repurchased a portion of its senior secured term loan with a par value of \$16.0 million at a 9% discount, recognizing a net gain of \$1.1 million on the early extinguishment of a portion of the debt. The net gain is included in other income (expense), net in the condensed consolidated statements of operations.

The debt covenants in the senior secured term loan agreement limit, among other things, our ability to incur additional debt, pay dividends and repurchase stock. In the event we require additional liquidity, our ability to obtain it may be limited by the senior secured term loan.

Cash Flows

The following table presents our cash flows for the six months ended June 30:

<i>(in thousands)</i>	2015	2014	% Increase (decrease)
Net income adjusted for non-cash items	\$ 85,280	\$ 133,888	(36)
Changes in operating assets and liabilities	(30,473)	(22,361)	(36)
Net cash flows provided by operating activities	54,807	111,527	(51)
Net cash flows used in investing activities	(23,279)	(30,816)	24
Net cash flows used in financing activities	(62,810)	(83,256)	25
Decrease in cash and cash equivalents	(31,282)	(2,545)	N/M
Cash and cash equivalents at beginning of period	161,361	130,429	24
Cash and cash equivalents at end of period	\$ 130,079	\$ 127,884	2

N/M — not meaningful.

Cash Flows from Operating Activities

Cash flows from operating activities generally consist of the cash effects of transactions and events that enter into the determination of net income. For the six months ended June 30, 2015, we generated cash flows from operating activities of \$54.8 million, or approximately \$0.12 for every dollar of service revenue (\$0.30 for every dollar of service revenue for the second quarter of 2015) compared to cash flows from operating activities of \$111.5 million, or approximately \$0.24 for every dollar of service revenue for the six months ended June 30, 2014 (\$0.29 for every dollar of service revenue for the second quarter of 2014). The decrease in cash flows from operations for the six months ended June 30, 2015 compared to the six months ended June 30, 2014 is principally driven by lower first quarter 2015 net income, after adding back depreciation and amortization including amortization of intangible assets, and unfavorable working capital changes. Changes in working capital for the six months ended June 30, 2015 compared to the six months ended June 30, 2014 were principally due to a decrease in accounts payable and accrued expenses due to the timing of payments, including higher annual incentive compensation payments.

Operating cash flows per service revenue dollar can be negatively impacted because of the nature of some of our services. Certain services are performed immediately following or shortly after the referral, but the collection of the receivable does not occur until a specific event occurs (e.g., the foreclosure is complete, the REO asset is sold, etc.) and our cash flows from operations may be negatively impacted when comparing one interim period to another.

Cash Flows from Investing Activities

Cash flows from investing activities include capital expenditures of \$21.4 million and \$30.5 million for the six months ended June 30, 2015 and 2014, respectively, primarily related to facility build-outs and investments in IT infrastructure and the development of certain software applications. In addition, from March 10, 2015 to March 17, 2015, we purchased 1.6 million shares of HLSS common stock in the open market for \$30.0 million. During April 2015, we received liquidating dividends and other dividends from HLSS totaling \$20.4 million. Between April 22, 2015 and April 29, 2015, we sold all of our 1.6 million shares of HLSS common stock in the open market for \$7.7 million. Cash proceeds from the dividends and sale of the HLSS common stock totaled \$28.1 million during the second quarter of 2015.

Cash Flows from Financing Activities

Cash flows from financing activities for the six months ended June 30, 2015 and 2014 include activity associated with share repurchases, debt repurchases and repayments, stock option exercises and payments to non-controlling interests. During the six months ended June 30, 2015 and 2014, we spent \$44.0 million and \$80.7 million, respectively, to repurchase our common stock. During the six months ended June 30, 2015 and 2014, we repurchased and repaid \$17.7 million and \$2.0 million, respectively, of the borrowings under the senior secured term loan, including the repurchase of a portion of our senior secured term loan with a par value of \$16.0 million at a 9% discount. Stock option exercises provided proceeds of \$0.2 million and \$0.6 million for the six

months ended June 30, 2015 and 2014, respectively. Distributions to non-controlling interests were \$1.3 million and \$1.2 million for the six months ended June 30, 2015 and 2014, respectively.

Liquidity Requirements after June 30, 2015

On September 12, 2014, we acquired Mortgage Builder. The Mortgage Builder purchase agreement provides for the payment of up to \$7.0 million in potential additional consideration based on Adjusted Revenue (as defined in the purchase agreement). We have estimated the fair value of the Mortgage Builder potential additional consideration to be \$1.7 million as of June 30, 2015. The amount ultimately paid will depend on Mortgage Builder's Adjusted Revenue in the three consecutive 12-month periods following closing.

On November 21, 2014, we acquired Owners. The Owners purchase agreement provides for a payment of up to \$7.0 million of potential additional consideration based on Adjusted Revenue (as defined in the purchase agreement) earned in the two consecutive 12-month periods following closing. We have estimated the fair value of the Owners contingent consideration to be \$2.1 million as of June 30, 2015. The amount ultimately paid will depend on Owners' Adjusted Revenue earned in the two consecutive 12-month periods following closing.

On July 17, 2015, we acquired CastleLine Holdings, LLC, a specialty risk management and insurance services firm, for \$37.1 million. The purchase price is comprised of \$12.3 million of cash at acquisition, \$10.5 million of cash payable over the next four years and \$14.3 million of the Company's common shares, or 495 thousand shares. A portion of the consideration to the founders is contingent on future employment.

During the third quarter of 2015, we expect to distribute \$0.9 million to the Lenders One members representing non-controlling interests and repay \$1.5 million of the senior secured term loan.

We believe that we will generate sufficient cash flows from operations to fund capital expenditures and required debt and interest payments for the next twelve months.

Contractual Obligations, Commitments and Contingencies

For the six months ended June 30, 2015, there were no significant changes to our contractual obligations from those identified in our Form 10-K for the fiscal year ended December 31, 2014, other than those that occur in the normal course of business. See also Note 20 to the interim condensed consolidated financial statements.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND RECENT ACCOUNTING PRONOUNCEMENT

We prepare our interim condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"). In applying many of these accounting principles, we need to make assumptions, estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses in our interim condensed consolidated financial statements. We base our estimates and judgments on historical experience and other assumptions that we believe are reasonable under the circumstances. These assumptions, estimates and judgments, however, are often subjective. Actual results may be negatively affected based on changing circumstances. If actual amounts are ultimately different from our estimates, the revisions are included in our results of operations for the period in which the actual amounts become known.

Our critical accounting policies are described in the MD&A section of our Form 10-K for the year ended December 31, 2014 filed with the SEC on March 2, 2015. Those policies have not changed during the six months ended June 30, 2015.

Future Adoption of New Accounting Pronouncements

In May 2014, Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers*. This standard establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The core principle of the new standard is an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This new standard will be effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Early adoption is permitted, although not prior to annual reporting periods beginning after December 15, 2016. The Company is currently evaluating the impact this new guidance may have on its results of operations and financial position.

In February 2015, FASB issued ASU No. 2015-02, *Consolidation: Amendments to the Consolidation Analysis*. This standard addresses the consolidation of certain legal entities relative to current requirements under GAAP of a reporting entity to consolidate another legal entity in situations in which the reporting entity's contractual rights do not give it the ability to act primarily on its own behalf, the reporting entity does not hold a majority of the legal entity's voting rights or the reporting entity is not exposed to a majority of the legal entity's economic benefits or obligations. This standard will be effective for annual reporting periods beginning after December 15, 2015, including interim periods within that reporting period. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the standard in an interim period, any adjustments should be reflected as of the beginning of the year that includes that interim period. The Company is currently evaluating the impact this new guidance may have on its results of operations and financial position.

In April 2015, FASB issued ASU No. 2015-03, *Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*. This revised standard changes the presentation of debt issuance costs in financial statements. Under the ASU, an entity presents such costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. This standard will be effective for annual reporting periods beginning after December 15, 2015, including interim periods within that reporting period. Early adoption is permitted for financial statements that have not been previously issued. The Company does not expect the adoption of this standard to have a material impact on its results of operations or financial position.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market Risk

Our financial market risk consists primarily of interest rate and foreign currency exchange risk.

Interest Rate Risk

As of June 30, 2015, the interest rate charged on the senior secured term loan was 4.50%. The interest rate is calculated based on the Adjusted Eurodollar Rate (as defined in the senior secured term loan agreement) with a minimum floor of 1.00% plus 3.50%.

Based on the principal amount outstanding at June 30, 2015, a one percentage point increase in the Eurodollar Rate would increase our annual interest expense by approximately \$1.6 million, based on the June 30, 2015 Adjusted Eurodollar Rate. There would be no change in our annual interest expense if there was a one percentage point decrease in the Eurodollar Rate.

Foreign Currency Exchange Risk

We are exposed to currency risk from potential changes in currency values of our foreign currency denominated expenses, assets, liabilities and cash flows. Our most significant foreign currency exposure relates to the Indian rupee. Based on expenses incurred in Indian rupees during the six months ended June 30, 2015, a one percentage point increase or decrease in value of the Indian rupee in relation to the United States dollar would increase or decrease our annual expenses by approximately \$1.2 million.

Item 4. Controls and Procedures

a) Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this quarterly report. Based on such evaluation, such officers have concluded that our disclosure controls and procedures as of the end of the period covered by this quarterly report were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and to ensure that such information is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

b) Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in the Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during the quarter ended June 30, 2015, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are involved in legal and administrative proceedings arising in the course of our business. We record a liability for these matters if an unfavorable outcome is probable and the amount of loss can be reasonably estimated, including expected insurance coverage. For proceedings where the reasonable estimate of loss is a range, we record a best estimate of loss within the range.

On September 8, 2014, the West Palm Beach Firefighter's Pension Fund filed a putative securities class action suit against Altisource and certain of its officers and directors in the United States District Court for the Southern District of Florida alleging violations of the Securities Exchange Act of 1934 and Rule 10b-5 with regard to disclosures concerning pricing and transactions with related parties that allegedly inflated Altisource share prices. The court subsequently appointed the Pension Fund of the International Union of Painters and Allied Trades District Council 35 and the Annuity Fund of the International Union of Painters and Allied Trades District Council 35 as Lead Plaintiffs. On January 30, 2015, Lead Plaintiffs filed an amended class action complaint which adds Ocwen Financial Corporation as a defendant, and seeks a determination that the action may be maintained as a class action on behalf of purchasers of the Company's securities between April 25, 2013 and December 21, 2014 and an unspecified amount of damages. Altisource intends to vigorously defend this lawsuit and moved to dismiss it on March 23, 2015.

On February 11, 2015, W.A. Sokolowski, an alleged shareholder of Ocwen Financial Corporation, filed an amended shareholder derivative complaint in the United States District Court for the Southern District of Florida against Ocwen Financial Corporation, certain of its officers and directors, Altisource and other companies. The suit seeks recovery of an unspecified amount of damages for alleged breaches of fiduciary duty by Ocwen's current and former officers and directors, which were allegedly aided and abetted by Altisource and other defendants. Ocwen has moved to stay this action, and if the litigation proceeds, Altisource intends to vigorously defend the lawsuit.

On March 26, 2015, Robert Moncavage, an alleged shareholder of Ocwen Financial Corporation, filed an amended shareholder derivative complaint in the Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, Florida against Ocwen Financial Corporation, certain of its current and former officers and directors, Altisource and other companies. The suit seeks recovery of an unspecified amount of damages for alleged breaches of fiduciary duty by Ocwen's current and former officers and directors, which were allegedly aided and abetted by Altisource and other defendants. Ocwen has moved to stay this action, and if the litigation proceeds, Altisource intends to vigorously defend the lawsuit.

Altisource is unable to predict the outcomes of these lawsuits or reasonably estimate the potential loss, if any, arising from the suits, given that a motion to dismiss was filed but has not yet been adjudicated in the first case, motions to stay have been filed in the second and third cases, discovery has not commenced in any of the cases and significant legal and factual issues remain to be determined in all three cases.

In addition to the matters referenced above, we are involved in legal actions in the course of our business, some of which seek monetary damages. We do not believe that the outcome of these proceedings, both individually and in the aggregate, will have a material impact on our financial condition, results of operations or cash flows.

Regulatory Matters

Our business is subject to regulation and oversight by federal, state and local governmental authorities. We periodically receive subpoenas, civil investigative demands or other requests for information from regulatory agencies in connection with their regulatory or investigative authority. We are currently responding to such inquiries from federal and state agencies relating to certain aspects of our business. We believe it is premature to predict the potential outcome or to estimate any potential financial impact in connection with these inquiries.

Item 1A. Risk Factors

As of the date of this filing, there have been no material changes in our risk factors from those disclosed in Part I, Item 1A, of our Form 10-K for the year ended December 31, 2014 filed with the SEC on March 2, 2015.

Item 2. Unregistered Sales of Equity Securities and Use of ProceedsEquity securities repurchased by us:

The following table presents information related to our repurchases of our equity securities during the three months ending June 30, 2015:

Period	Total number of shares purchased ⁽¹⁾	Weighted average price paid per share	Total number of shares purchased as part of publicly announced plans or programs ⁽²⁾	Maximum number of shares that may yet be purchased under the plans or programs ⁽³⁾
Common stock:				
April 1 – 30, 2015	138,389	\$ 24.37	138,389	831,249
May 1 – 31, 2015	681,000	29.00	681,000	2,576,831
June 1 – 30, 2015	579,294	29.08	579,294	1,997,537
	<u>1,398,683</u>	<u>\$ 28.57</u>	<u>1,398,683</u>	<u>1,997,537</u>

⁽¹⁾ May include shares withheld from employees to satisfy tax withholding obligations that arose from the exercise of stock options.

⁽²⁾ On February 28, 2014, our shareholders authorized a share repurchase program that replaced the prior program and authorized us to purchase up to 3.4 million shares of our common stock in the open market. On May 20, 2015, our shareholders authorized a new share repurchase program that replaces the prior program and authorizes us to purchase up to 3.0 million shares of our common stock in the open market.

Item 6. Exhibits

- 10.1 Form of Cash Retention Award Agreement (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on April 21, 2015)
- 10.2 Form of Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K filed on April 21, 2015)
- * 10.3 Form of Non-Qualified Stock Option Award Agreement
- * 10.4 Consumer Analytics Division Equity Appreciation Rights Plan, made effective as of May 19, 2015
- * 10.5 Document Solutions Division Equity Appreciation Rights Plan, made effective as of May 19, 2015
- * 10.6 Marketplace Solutions Division Equity Appreciation Rights Plan, made effective as of May 19, 2015
- * 10.7 Consumer Analytics Division Equity Appreciation Rights Award Agreement between the Company and Mark J. Hynes, dated May 19, 2015
- * 10.8 Document Solutions Division Equity Appreciation Rights Award Agreement between the Company and Mark J. Hynes, dated May 19, 2015
- * 10.9 Marketplace Solutions Division Equity Appreciation Rights Agreement between the Company and Mark J. Hynes, dated May 19, 2015
- * 31.1 Section 302 Certification of the Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a)
- * 31.2 Section 302 Certification of the Chief Financial Officer pursuant to Exchange Act Rule 13a-14(a)
- * 32.1 Certification by the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- * 101 Pursuant to Rule 405 of Regulation S-T, the following financial information from the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2015 is formatted in XBRL interactive data files: (i) Condensed Consolidated Balance Sheets at June 30, 2015 and December 31, 2014; (ii) Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2015 and 2014; (iii) Condensed Consolidated Statements of Equity for the six months ended June 30, 2015 and 2014; (iv) Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2015 and 2014; and (v) Notes to Condensed Consolidated Financial Statements.

* Filed herewith

NON-QUALIFIED STOCK OPTION AWARD AGREEMENT

THIS NON-QUALIFIED STOCK OPTION AWARD AGREEMENT (the "Agreement") is made as of [Grant Date] (the "Grant Date"), between Altisource Portfolio Solutions S.A., a Luxembourg société anonyme ("Altisource" and, together with its subsidiaries and affiliates, the "Company"), and [Full Name of Employee (including middle initial if available)], an employee of the Company (the "Employee").

WHEREAS, the Company desires, by affording the Employee an opportunity to purchase shares of its common stock, par value \$1.00 per share ("Shares"), to further the objectives of the Company's 2009 Equity Incentive Plan (the "2009 Plan").

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, and intending to be legally bound hereby, the parties hereto have agreed, and do hereby agree, as follows:

1. OPTION GRANT

The Company hereby grants to the Employee, pursuant to and subject to the 2009 Plan, the right and option to purchase all or any part of an aggregate [Number of options] Shares from the Company for a purchase price of \$[Strike Price] per share (the "Strike Price"), on the terms and conditions set forth in this Agreement (the "Options").

2. OPTION TERM

The term of the Options shall begin on the Grant Date and will continue for a period of ten (10) years from the Grant Date, unless earlier terminated pursuant to exercise or as provided in Section 5 below.

3. VESTING OF OPTIONS

A. Subject to the provisions of Sections 5 and 6 below, the Options shall vest in three (3) equal annual increments, as follows. One-third (1/3) of the Options shall vest on each anniversary of the Grant Date commencing on the first anniversary of the Grant Date continuing until all Options are vested.

B. Accelerated Vesting

Notwithstanding the vesting schedule provided in Section 3, Subsection A above, if the Employee's employment is terminated by reason of (a) death or Disability or (b) Retirement, then the Options shall vest and shall become immediately exercisable in full on the date of such termination; provided, however, that the Employee's right to such accelerated vesting is subject to the requirement that the Employee has been employed with the Company for a period of at least two (2) years on the date of death or Disability, or three (3) years on the date of Retirement, unless otherwise determined by the Company in its sole discretion.

C. General

The Employee shall have none of the rights of a stockholder with respect to any of the Shares subject to the Options until such Shares shall be issued in the Employee's name or the name of the Employee's designee following the exercise of the Options.

4. METHOD OF OPTION EXERCISE

A. Subject to the terms and conditions of this Agreement, the Options may be exercised by written notice to the Company at its executive offices to the attention of the Corporate Secretary of the Company (the "Secretary"). Such notice shall state the election to exercise the Options, shall state the number of shares in respect of which it is being exercised (the "Purchased Shares") and shall be signed by the person or persons so exercising the Options. In no case may the Options be exercised as to less than fifty (50) Shares at any one time (or the remaining Shares then purchasable under the Options, if less than fifty (50) Shares) or for a fractional Share. Except as provided in Section 5 below, the Options may not be exercised unless the Employee shall, at the time of the exercise, be an employee of the Company. During the Employee's lifetime, only the Employee or the Employee's guardian or legal representative may exercise the Options.

- B. Such notice shall be accompanied by (i) a personal check payable to the order of the Company for payment of the full purchase price of the Purchased Shares, (ii) delivery to the Company of the number of Shares duly endorsed for transfer and owned by the Employee that have an aggregate Fair Market Value equal to the aggregate purchase price of the Purchased Shares or (iii) payment therefor made in such other manner as may be acceptable to the Company on such terms as may be determined by the Compensation Committee of the Board of Directors (the "Committee"). "Fair Market Value" shall have the meaning given to that term in the 2009 Plan. In addition to and at the time of payment of the purchase price, the person exercising the Options shall pay to the Company the full amount of any federal and state withholding or other taxes applicable to the taxable income of such person resulting from such exercise in cash unless the Committee in its sole discretion shall permit such taxes to be paid in Shares. Such payment may also be made in the form of payroll withholding, at the election of the option holder. The Company shall issue the Shares of the said Purchased Shares as soon as practicable after receipt of the notice and all required payments by the person or persons exercising the Options as provided in Section 4, Subsection A above. Unless the person or persons exercising the Options shall otherwise direct the Company in writing, such Shares shall be registered in the name of the person or persons so exercising the Options and shall be delivered as aforesaid to or upon the written order of the person or persons exercising the Options.
- C. In the event the Options shall be exercised, pursuant to Sections 3 and 5 hereof, by any person or persons other than the Employee, such notice shall be accompanied by appropriate proof of the derivative right of such person or persons to exercise the Options.
- D. The date of exercise of the Options shall be the date on which the notice, the documents and all payments required under this Section 4 are received by or arranged with the Secretary. If such notice is received after the market closes, the following trading day will be considered the date of exercise. All Shares that shall be purchased upon the exercise of the Options as provided herein shall be fully paid and non-assessable.
- E. The Company may require the Employee to exercise the Options electronically through the Shareworks system or any other online system pursuant to the procedures set forth therein as determined by the Company in its sole discretion.
- F. The Company may amend the procedures set forth in Section 4, Subsections A through E in its sole discretion.

5. **TERMINATION OF OPTIONS**

The Options may not be exercised to any extent after termination of the Options in one of the ways, whichever first occurs, set forth below in this Section 5.

- A. The Options shall terminate upon the exercise of such Options in the manner provided in this Agreement and the 2009 Plan, whether or not the Shares are ultimately delivered.
- B. Except as may otherwise be provided in Section 5, Subsection C below for the earlier termination of the Options, the Options and all rights and obligations thereunder shall expire ten (10) years after the Grant Date.
- C. If, prior to exercise, expiration, surrender or cancellation of the Options, the Employee's employment terminates, the Options shall terminate in accordance with the 2009 Plan except as follows:
 - (1) by reason of Disability or Retirement, then the Options shall terminate (a) five (5) years after the date of such termination of employment or (b) the end of the Option's term, whichever occurs first. In the event of the death of the Employee after such termination of employment, the Options shall terminate on the earlier to occur of: (i) three (3) years after the date of the Employee's death; or (ii) the end of the Option's term, during which period the Options may be exercised by the person or persons to whom the Employee's rights shall pass by will or by the applicable laws of descent or distribution.
 - (2) by reason of death, then the Options shall terminate (a) three (3) years after the date of the Employee's death or (b) the end of the Option's term, whichever occurs first, during which period the Options may be exercised at any time by the person or persons to whom the Employee's rights shall pass by will or by the applicable laws of descent or distribution.

- (3) by reason of termination of employment by the Company for Cause or termination of employment by the Employee, then all Options shall terminate on such date of termination of employment.
- (4) by reason of termination of employment by the Company without Cause, then all unvested Options shall terminate on the date of such termination of employment and all vested Options shall terminate on (a) the six (6) month anniversary of the date of such termination of employment or (b) the end of the Option's term, whichever occurs first.

D. The Employee's right to retain any Options following termination of employment under this Section 5 is subject in all cases to the requirement that the Employee has been employed with the Company for a period of at least two (2) years on the date of such termination of employment, or three (3) years in the case of Retirement, unless otherwise determined by the Company in its sole discretion.

6. **CONDITIONS UPON TERMINATION OF EMPLOYMENT**

- A. For a period of two (2) years following the Employee's departure from the Company, the Employee shall not (A) engage, either directly or indirectly, in any manner or capacity as advisor, principal, agent, partner, officer, director, employee, member of any association or otherwise, in any business or activity which is at the time competitive with any business or activity conducted by the Company, (B) solicit, directly or indirectly, any employee of the Company to leave the employ of the Company for employment, hire or engagement as an independent contractor elsewhere, (C) in any way interfere with the relationship between any customer, supplier, licensee or business relation of the Company or (D) share, reveal or utilize any Confidential Information of the Company except as otherwise expressly permitted by Company.
- B. For a period of two (2) years following the Employee's departure from the Company, the Employee shall be available at reasonable times for consultations at the request of the Company's management with respect to phases of the business with which the Employee was actively connected during the Employee's employment, but such consultations shall not be required to be performed during usual vacation periods or periods of illness or other incapacity or without reasonable compensation and cost reimbursement.
- C. The Employee acknowledges that the Company would not have awarded the Options granted to the Employee under this Agreement absent the Employee's agreement to be bound by the covenants made in this Section 6.
- D. In the event that the Employee fails to comply with any of the promises made in this Section 6, then in addition to and not in limitation of any and all other remedies available to the Company at law or in equity (a) the Options, to the extent then unexercised, whether vested or unvested, will be immediately forfeited and cancelled and (b) the Employee will be required to immediately deliver to the Company an amount (in cash or in Shares) equal to the market value (on the date of exercise) of any Shares acquired on exercise of the Options less the exercise price paid for such Shares (the "Share Value") to the extent such Shares were acquired by the Employee upon exercise of the Options at any time from 180 days prior to the earlier of (i) the date of termination of employment or (ii) the date the Employee fails to comply with any promise made in this Section 6, to 180 days after the date when the Company learns that the Employee has not complied with any such promise. The Employee will deliver such Share Value amount (either in cash or in Shares) to the Company on such terms and conditions as may be required by the Company. The Company will be entitled to enforce this repayment obligation by all legal means available, including, without limitation, to set off the Share Value amount and any other damage amount against any amount that might be owed to the Employee by the Company.
- E. The Employee further acknowledges that in the event that the covenants made in this Section 6 are not fulfilled, the damage to the Company would be irreparable. The Company, in addition to any other remedies available to it, including, without limitation, the remedies set forth in Section 6, Subsection (D) above, shall be entitled to injunctive relief against the Employee's breach or threatened breach of said covenants.
- F. Any determination by the Board of Directors with regard to Section 6, Subsections (D) and (E) shall be conclusive.

7. **ADJUSTMENT UPON CHANGES IN STOCK; CHANGE OF CONTROL/RESTRUCTURING EVENT**

- A. Except to the extent governed by Section 7, Subsection (B) below, if there shall be any change in the Shares subject to the Options granted hereunder, through merger, consolidation, reorganization, recapitalization, stock dividend, stock split, spin off of one or more subsidiaries or other change in the corporate structure, appropriate

adjustments shall be made by the Board of Directors in its discretion (or if the Company is not the surviving company in any such transaction, the Board of Directors of the surviving company - with the Board of Directors of the Company and the surviving company collectively referred to in this Section 7 as the "Board") in the aggregate number and kind of shares subject to the 2009 Plan and the number and kind of shares and the price per share subject to the Options. Without limiting the generality of the foregoing, in the event of a restructuring or transaction resulting in some or all of the Company's Shares being convertible into equity of a separate company, the Board shall have the authority to replace outstanding Options with any one or more of the following: (A) adjusted options of the Company; (B) adjusted options on the equity of the separate company; and (C) a combination of adjusted options on the shares of both the Company and the separate company, all as the Board sees as equitable. In the event of any such option adjustment and/or conversion, the Board shall attempt to reasonably approximate the aggregate value of the Employee's outstanding Options under this Agreement. For the avoidance of doubt, in the event Employee remains employed with the separate company that results from a restructuring or transaction covered by this Section 7, for purposes of this Agreement, the Employee will be deemed to remain employed as if the Employee continued employment with the Company such that the employment termination provisions applicable to Options shall not be invoked unless and until the Employee's employment with such separate company shall terminate.

- B. If a Change of Control/Restructuring Event occurs, the acquiring person or entity shall have the right to cancel the Options in exchange for a payment equal to the then intrinsic value of the Options as determined by the Board, effective as of the Change of Control/Restructuring Date or to allow the Options to continue in full force and effect in accordance with the terms hereof. If the Options are to remain in place following such Change of Control/Restructuring Event, the Board shall have the right in its discretion to make appropriate adjustments in the aggregate number and kind of Shares and the price per Share subject to the Options. Such discretions shall include the authority to replace outstanding Options with any one or more of the following: (a) adjusted options of the Company; (b) adjusted options on the equity of any separate company surviving such Change of Control/Restructuring event; and (c) a combination of adjusted options on the shares of both the Company and the separate company, as such Board sees as equitable. In the event of any such option adjustment and/or conversion, such Board shall attempt to reasonably approximate the aggregate value of the Employee's outstanding Options under this Agreement.

8. NON-TRANSFERABILITY OF OPTIONS

The Options shall not be transferable otherwise than by will or by the applicable laws of descent and distribution. More particularly (but without limiting the generality of the foregoing), the Options may not be assigned, transferred (except as aforesaid), pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Options contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the Options, shall be null and void and without effect.

9. PAYMENT OF EXPENSES AND COMPLIANCE WITH LAWS

The Company shall at all times during the term of the Options reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of this Agreement, shall pay all original issue and/or transfer taxes with respect to the issue and/or transfer of Shares pursuant hereto and all other fees and expenses necessarily incurred by the Company in connection therewith and will from time to time use its best efforts to comply with all laws and regulations which, in the opinion of counsel for the Company, shall be applicable thereto.

10. DEFINITIONS

- A. As used herein, the term "Cause" shall mean, as reasonably determined by the Board of Directors (excluding the Employee, if the Employee is then a member of the Board of Directors) either (i) any willful or grossly negligent conduct (including but not limited to fraud or embezzlement) committed by the Employee in connection with the Employee's employment by the Company which conduct in the reasonable determination of the Board of Directors has had or will have a material detrimental effect on the Company's business or (ii) the Employee's conviction of, or entering into a plea of *nolo contendere* to, a felony involving fraud or embezzlement, whether or not committed in the course of the Employee's employment with the Company.
- B. As used herein, "Change of Control/Restructuring Date" shall mean either the date (i) which includes the "closing" of the transaction which makes a Change of Control/Restructuring Event effective if the Change of Control/Restructuring Event is made effective through a transaction which has a "closing" or (ii) a Change of

Control/Restructuring Event is reported in accordance with applicable law as effective to the Securities and Exchange Commission if the Change of Control/Restructuring Event is made effective other than through a transaction which has a "closing."

- C. As used herein, a "Change of Control/Restructuring Event" shall mean (i) the acquisition by any person or entity, or two or more persons and/or entities acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934), of outstanding shares of voting stock of the Company at any time if after giving effect to such acquisition, and as a result of such acquisition, such person(s) or entity(ies) own more than fifty percent (50%) of such outstanding voting stock, (ii) the sale in one or more transactions of substantially all of the Company's assets to any person or entity, or two or more persons and/or entities acting in concert, or (iii) the merger, consolidation or similar transaction resulting in a reduction of the interest in the Company's stock of the pre-transaction stockholders to less than fifty percent (50%) of the post-transaction ownership. To the extent the Employee's employment agreement conflicts with the Change of Control/Restructuring Event definition set forth in the immediately preceding sentence, the Employee's employment agreement will govern.
- D. As used herein, the term "Confidential Information" shall mean all information relating to Company, including any of its subsidiaries, customers, vendors, and affiliates, of any kind whatsoever; know-how; experience; expertise; business plans; ways of doing business; business results or prospects; financial books, data and plans; pricing; supplier information and agreements; investor or lender data and information; business processes (whether or not the subject of a patent), computer software and specifications therefore; leases; and any and all agreements entered into by Company or its affiliates and any information contained therein; database mining and marketing; customer relationship management programs; any technical, operating, design, economic, client, customer, consultant, consumer or collector related data and information, marketing strategies or initiatives and plans which at the time or times concerned is either capable of protection as a trade secret or is considered to be of a confidential nature regardless of form. Confidential Information shall not include: (i) information that is or becomes generally available to the public other than as a result of a disclosure in breach of this Agreement, (ii) information that was available on a non-confidential basis prior to the date hereof or becomes available from a person other than the Company who was not otherwise bound by confidentiality obligations to the Company and was not otherwise prohibited from disclosing the information or (iii) Confidential Information that is required by law to be disclosed, in which case, Employee will provide the Company with notice of such obligation immediately to allow the Company to seek such intervention as it may deem appropriate to prevent such disclosure including and not limited to initiating legal or administrative proceedings prior to disclosure.
- E. As used herein, the term "Disability" shall mean a physical or mental impairment which, as reasonably determined by the Board of Directors, renders the Employee unable to perform the essential functions of his employment with the Company, even with reasonable accommodation that does not impose an undue hardship on the Company, for more than one hundred and eighty (180) days in any twelve (12) month period, unless a longer period is required by federal or state law, in which case that longer period would apply.
- F. As used herein, the term "Retirement" shall mean termination (other than by reason of death or Disability) of the Employee's employment with the Company or one of its subsidiaries pursuant to and in accordance with a plan or program of the Company or subsidiary applicable to the Employee provided, however, that for purposes of this Agreement only, the Employee must have attained the age of sixty (60) and been an employee of the Company for not less than three (3) years as of the date of termination of employment by reason of Retirement.

11. AMENDMENT

In the event that the Board of Directors shall amend the 2009 Plan under the provisions of Section 9 of the 2009 Plan and such amendment shall modify or otherwise affect the subject matter of this Agreement, this Agreement shall, to that extent, be deemed to be amended by such amendment to the 2009 Plan. The Company shall notify the Employee in writing of any such amendment to the 2009 Plan and this Agreement as soon as practicable after its approval. Notwithstanding any other provision of this Agreement or the 2009 Plan, the Employee's Options under this Agreement may not be amended in a way that materially diminishes the value of the Options without the Employee's consent to the amendment.

12. CONSTRUCTION

In the event of any conflict between the 2009 Plan and this Agreement, the provisions of the 2009 Plan shall control. This Agreement shall be governed in all respects by the laws of the State of Georgia. No provision of this Agreement shall limit in any way whatsoever any right that the Company may otherwise have to terminate the employment of the Employee at any time.

If any provision of this Agreement is held to be unenforceable, then this provision will be deemed amended to the extent necessary to render the otherwise unenforceable provision, and the rest of the Agreement, valid and enforceable. If a court declines to amend this Agreement as provided herein, the invalidity or unenforceability of any particular provision thereof shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision had been omitted.

13. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Company and the Employee and supersedes all other discussions, correspondence, representations, understandings and agreements between the parties, with respect to the subject matter hereof.

14. HEADINGS

The headings of the sections of this Agreement are inserted for convenience only and shall not be deemed a part hereof.

15. CONFIRMING INFORMATION

By accepting this Agreement, either through electronic means or by providing a signed copy, the Employee (i) acknowledges and confirms that the Employee has read and understood the 2009 Plan and the Agreement and (ii) acknowledges that acceptance through electronic means is equivalent to doing so by providing a signed copy.

16. WAIVER AND RELEASE BY EMPLOYEE

AS A CONDITION PRECEDENT TO AND IN CONSIDERATION FOR THE COMPANY MAKING THIS AWARD, THE EMPLOYEE IRREVOCABLY WAIVES AND FOREVER RELEASES ANY AND ALL EXISTING CLAIMS TO ANY EQUITY-BASED COMPENSATION (INCLUDING ANY EQUITY APPRECIATION AWARDS, RIGHTS OR OPTIONS) ALLOCATED, ASSIGNED OR OTHERWISE ATTRIBUTED TO THE EMPLOYEE PRIOR TO THE GRANT DATE PURPORTING TO GIVE THE EMPLOYEE THE RIGHT TO BENEFIT FROM OR PARTICIPATE IN THE APPRECIATION OR INCREASE IN VALUE OF, OR PROFITS OR DIVIDENDS FROM, ANY DIVISION, BUSINESS UNIT OR OTHER SUB-DIVISION OF THE COMPANY OR ANY SUBSIDIARY OF ALTISOURCE, INCLUDING WITHOUT LIMITATION, ANY PLAN TITLED OR STRUCTURED AS A DIVISION EQUITY APPRECIATION RIGHTS PLAN, BUSINESS UNIT EQUITY APPRECIATION RIGHTS PLAN, SHADOW STOCK PLAN, OR PROFIT SHARING PLAN. FOR PURPOSES OF CLARIFICATION, THE FOREGOING WAIVER AND RELEASE SHALL NOT APPLY TO ANY STOCK OPTION OR RESTRICTED STOCK AWARD FOR ALTISOURCE COMMON STOCK ISSUED PURSUANT TO THE 2009 PLAN, INCLUDING ANY RIGHTS IN STOCK OF OTHER COMPANIES RESULTING THEREFROM.

I hereby agree to and accept the terms of this Agreement.

Employee

[Full Name of Employee (including middle initial if available)]

Altisource Portfolio Solutions S.A.

By: _____
Name: William B. Shepro
Title: Chief Executive Officer

Attested by: _____
Name: Kevin J. Wilcox
Title: Chief Administration Officer

**CONSUMER ANALYTICS DIVISION
EQUITY APPRECIATION RIGHTS PLAN**

INTRODUCTION

WHEREAS, Altisource Solutions S.à r.l., a Luxembourg private limited liability company (société à responsabilité limitée), having its registered office at 40, avenue Monterey, L-2163 Luxembourg and registered with the Luxembourg register of commerce and companies under number B 147268 (the “Parent,” and together with its subsidiaries and Affiliates, “Altisource”), desires to motivate and retain executives and employees of the Consumer Analytics division of the Parent (the “Division”) as well as executives and employees of Affiliates providing services to the Division; and

WHEREAS, pursuant to the authority of the 2009 Equity Incentive Plan (the “ASPS Plan”) of Altisource Portfolio Solutions S.A., a Luxembourg public limited liability company (société anonyme), having its registered office at 40, avenue Monterey, L-2163 Luxembourg and registered with the Luxembourg register of commerce and companies under number B 72391 (“ASPS”), and the approval of the Board of Directors of ASPS or the Compensation Committee of the Board of Directors of ASPS (collectively, the “Board”) the Board of Managers of the Parent has duly authorized the adoption of this Consumer Analytics Division Equity Appreciation Rights Plan (the “Plan”) pursuant to which Parent may from time to time award rights to participate in any increase in value of the Division (“Equity Appreciation Rights”) to Participants (as defined below).

NOW, THEREFORE, Parent hereby adopts this Plan pursuant to which it may award Equity Appreciation Rights pursuant to Article III below, on the terms and conditions described herein and in the applicable Award Agreement (as defined in Section 3.1 below).

**ARTICLE I
ADMINISTRATION OF THE PLAN**

Section 1.1 Administrator. The Plan shall be administered by the Board, or its specified designees to the extent of the authority properly delegated to them (each, the “Administrator”), which shall have complete discretion and authority to interpret and construe the Plan and any awards of Equity Appreciation Rights issued hereunder pursuant to Award Agreements, to decide all questions of eligibility and benefits (including underlying factual determinations), and to adjudicate all claims and disputes. The determination of the Administrator on any and all matters pertaining directly or indirectly to the Plan, any Equity Appreciation Rights issued or repurchased pursuant to the Plan, and/or any Award Agreement shall be final, binding and conclusive on all interested parties.

Section 1.2 Administrative Rules. Subject to the provisions of this Plan, the Administrator may in its sole and absolute discretion:

- (a) adopt, amend and rescind rules and regulations relating to the Plan;
- (b) determine the terms and provisions of the respective awards of Equity Appreciation Rights, including provisions defining or otherwise relating to (i) the duration of the awards, (ii) the effect of termination of employment on continued benefits under the Plan, and (iii) the effect of any approved leaves of absence on the rights to benefits under the Plan;
- (c) make all determinations necessary or advisable for administering the Plan, including but not limited to those associated with any payment terms and conditions set forth under Article V of the Plan, as well as any Appreciation Value, Base Value and Fair Market Value relative to any award; and
- (d) correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any Award Agreement in the manner and to the extent it shall deem expedient to carry the Plan or Award Agreement into effect, and it shall be the sole and final judge of such expediency (clauses (a)-(d) hereof, the “Administrative Rules”).

For the avoidance of doubt, the determination of the Administrator on matters pertaining to the Administrative Rules (including any and all discretionary actions and interpretations of the Plan and any Award Agreements) may in all cases be made in the best interests of Altisource on a consolidated basis, and shall in all cases be final, binding, and conclusive on all interested parties.

Section 1.3 Administrator Determinations. No one acting as the Administrator (or any designee of the Administrator, including without limitation any Board member, Manager or other designee of the Board) nor anyone acting solely

or with others as Administrator shall be liable, with respect to the Plan or any Award Agreement, for any act, whether of commission or omission, taken by any other member or by any officer, agent, manager, or employee of the Parent or the Division and any one or more direct or indirect Subsidiaries or Affiliates (as each such term is defined below) of the Parent or the Division, or all, now or hereafter existing or, excepting circumstances involving his or her own intentional or willful misconduct as the same is determined by a court of competent jurisdiction in a final order or judgment that is not subject to further appeal, for anything done or omitted to be done by such person. No one acting as the Administrator (including without limitation any Board member, Manager or other designee of the Board) or anyone acting solely or with others as Administrator shall have any fiduciary duties to any Participants under this Plan or the Award Agreements or in connection with the transactions contemplated hereby and thereby.

Section 1.4 Certain Definitions. The following terms shall have the meanings set forth below:

“*Affiliate*” means, with respect to any specified Person, any other Person that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person (with the term “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as used with respect to any Person, meaning the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by agreement or otherwise).

“*Appreciation Value*” means the accrual value of an (i.e., one) Exercised Right, as determined in accordance with Section 5.2 of the Plan.

“*Base Value*” means, for each Participant, the Fair Market Value of an (i.e., one) equity unit of the Division, as specified in a Participant’s Award Agreement, as determined by the Board as of the Grant Date (as specified in the Participant’s Award Agreement) of the Equity Appreciation Right.

“*Beneficiary*” means the person or entity designated by the Participant, in a form approved by the Division, to succeed to the Participant’s rights under an Award Agreement or to receive payment or settlement under an award after the Participant’s death.

“*Company*” means any corporate or other entity formed at any time to hold the business or businesses comprising the Division. If a company is formed subsequent to the date of this Plan, all references to the Division shall be deemed references to the Company, and all references to the Board or Managers shall include the Board and Managers of the Company.

“*Exercise Notice*” means a written notice to Parent pursuant to Section 5.1 hereof with respect to Exercised Rights.

“*Fair Market Value*” means the fair market value of any property (including Equity Appreciation Rights and Share Equivalency Units), in all cases as reasonably determined by the Administrator, as of a given time and as frequently as the Administrator determines, based on any valuation methodology, facts and circumstances it considers relevant, including but not limited to taking into account or modifying (i) any businesses, operations, liabilities, or other financial circumstances (whether or not directly associated with the Division) of ASPS or any of its Affiliates or Subsidiaries; and/or (ii) any valuation report, whether or not by an independent party, that the Administrator may, but shall not be required to, obtain, which value when used to determine the Fair Market Value of the Division, shall be reduced to the extent of any excess of total pre-tax loss over pre-tax income of the Division as determined by the Administrator in its sole discretion for the period commencing on the Grant Date (as defined in the Participant’s Award Agreement) and ending on the date the Fair Market Value determination is made, if any.

“*Person*” means any individual, partnership, corporation, association, limited liability company, trust, joint venture, unincorporated organization or entity, or any government, governmental department or agency or political subdivision thereof.

“*Public Offering*” means a firm commitment underwritten public offering of common equity (or such equity securities as the Administrator determines most closely approximates common equity) of the Company pursuant to an effective registration statement under the Securities Act (or similar registration statement if conducted in a jurisdiction other than the United States), other than pursuant to a registration statement on Form S-4 or Form S-8 or any similar or successor form.

“*Qualified IPO*” means the first Public Offering of common equity (or such equity securities as the Administrator determines most closely approximates common equity) of the Company, underwritten on a firm commitment basis by a nationally recognized underwriter, pursuant to an effective registration statement under the Securities Act, as amended, or similar rules of a non-U.S. jurisdiction.

“*Sale of the Division*” means (i) a sale (in a single transaction or in a series of related transactions) to any non-Affiliated Person or Persons pursuant to which such Person or Persons acquire all or substantially all of the assets of the Division, or (ii) if

a Company has been formed, a sale, disposition or other transfer of any units of equity interests in the Company for value, or all or substantially all of the assets of the Company (in a single transaction or in a series of related transactions, whether separately or as part of a transaction involving another division or divisions, business unit or assets of Altisource) to any non-Affiliated Person or Persons pursuant to which such Person or Persons acquire more than 50% of the voting equity interests of the Company (whether by merger, consolidation, sale or transfer of membership interests, reorganization, recapitalization or otherwise) or (iii) a corporate inversion or similar transaction whereby the Division or Company would be deemed to have acquired a third party.

“*Share Equivalency Units*” mean equity equivalent units in the Division that are valued similar to Equity Appreciation Rights of the Division.

“*Share Equivalency Unit Notice*” means a notice with respect to Share Equivalency Units issued pursuant to [Section 5.1](#) hereof to Participant following an Exercise Notice.

“*Share Equivalency Unit Value*” means an amount equal to the Fair Market Value of an (i.e., one) Exercised Right as of the most recent Valuation Date before the Payment Date.

“*Subsidiary*” means any Person that is controlled by, either directly or indirectly, the Division or Parent (or other specified Person) (with the term “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as used with respect to any Person, meaning the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by agreement or otherwise).

“*Valuation Date*” means any date or dates that the Administrator shall in its sole and absolute discretion designate; provided that (i) the Administrator may not designate a Valuation Date retroactively, and (ii) unless the Administrator decides otherwise before the end of a calendar year in which the Plan is effective, the last day of such year shall be a Valuation Date.

“*Window Period*” means a period of twenty-eight (28) days following the Administrator’s written notice to Participants following any Valuation Date, or such other period as the Administrator shall in its sole and absolute discretion decide.

Section 1.5 [Other Definitions](#). Each of the following terms is defined in the Section set forth opposite such term:

<u>Term</u>	<u>Section</u>
Administrative Rule	1.2(d)
Administrator	1.1
Aggregate Approved Sale Consideration	5.5(b)
Altisource	Introduction
Approved Sale	5.5(a)
ASPS	Introduction
ASPS Plan	Introduction
Award Agreement	3.1
Board	Introduction
Division	Introduction
Drag-Along Right	5.5(a)
Equity Appreciation Rights	Introduction
Exercised Rights	5.1
Individual Representation	5.5(b)
Offer Date	5.1
Parent	Introduction
Participant	3.1
Payment Date	5.3
Plan	Introduction
Rejection Date	5.3
Relative FMV Amount	5.5(b)

ARTICLE II
EQUITY APPRECIATION RIGHTS AVAILABLE FOR ISSUANCE

Section 2.1 **Number of Equity Appreciation Rights Issuable**. A pool of 15,000,000 Equity Appreciation Rights shall be reserved for issuance under the Plan, which number shall automatically be reduced upon the exchange of Equity Appreciation Rights for Share Equivalency Units (as defined below) pursuant to **Article V** hereof by an amount equal to the aggregate number of Exercised Rights (as defined below) exchanged in such transaction. The pool of 15,000,000 Equity Appreciation Rights initially represents 15% of the right to the increase in the value of the Division over the Base Value.

Section 2.2 **Increase in Rights Issuable**. The Board may, from time to time in its discretion, increase the number of Equity Appreciation Rights available for issuance under the Plan, within the limits of Luxembourg law. Nothing in this Plan shall be construed as to give any Participant any pre-emptive, subscription or similar rights, nor shall Participants be entitled to adjustments (e.g., additional Equity Appreciation Rights to prevent dilution) to the extent the number of Equity Appreciation Rights (or similar rights) available for issuance under the Plan (or any other ASPS or Company equity incentive plan or other grant) is increased.

ARTICLE III
ELIGIBILITY AND PARTICIPATION UNDER THE PLAN

Section 3.1 **Grant of Awards: Eligibility**. Awards of Equity Appreciation Rights may be granted by the Administrator to any employee, manager, officer or director of Altisource that is selected by the Administrator to participate in the Plan, and may be conditioned on payment to the Division of a designated price for the Equity Appreciation Rights. Each award of Equity Appreciation Rights granted pursuant to the Plan shall be evidenced by an Award Agreement, executed by the Parent and the Altisource employee, manager, officer, or director (the "*Participant*") to whom the award is granted (an "*Award Agreement*"), specifying the number of Equity Appreciation Rights awarded to the Participant and incorporating such terms as the Administrator shall deem necessary or desirable.

Section 3.2 **Effect of Adoption**. The adoption of the Plan shall not be deemed to give any person a right to be granted Equity Appreciation Rights under the Plan except as explicitly set forth in an Award Agreement.

ARTICLE IV
VESTING OF AWARDS GRANTED UNDER THE PLAN

Section 4.1 **Vesting**. The Equity Appreciation Rights granted to a Participant under this Plan (and any associated cash or share-based dividends except to the extent an Award Agreement provides otherwise) shall "*Vest*" (as such term is defined in the applicable Award Agreement with the Participant) in accordance with the terms and conditions set forth in the applicable Award Agreement with the Participant. The Administrator shall have sole and absolute discretion to determine whether or not, when, and the extent to which a Participant has Vested under any Award Agreement. Notwithstanding the fact that any Equity Appreciation Right has become Vested, no Participant may sell, assign or transfer any Equity Appreciation Right, other than as provided herein or in the applicable Award Agreement.

Section 4.2 **No Right to Employment**. Nothing in this Plan, nor any grant of Equity Appreciation Rights hereunder, shall confer upon any Participant any right to continue in the employ of Altisource or interfere in any way with the right of Altisource to terminate a Participant's employment at any time, and nothing contained herein shall be deemed a waiver or modification of any provision contained in any other agreement between a Participant and Altisource (including the Division, the Parent and ASPS).

ARTICLE V
PAYMENT RIGHTS AND OBLIGATIONS

Section 5.1 **Exercise Rights**. At any time within a Window Period after the date on which a Participant has Vested in an Equity Appreciation Right (and before its expiration or forfeiture) pursuant to the terms of an applicable Award Agreement, the Participant may provide an Exercise Notice setting forth the number of Vested Equity Appreciation Rights that the Participant is irrevocably offering to have the Parent or the Division redeem (the "*Exercised Rights*") in exchange for payment pursuant to the terms and conditions of Section 5.2 below. The Parent may require the Participant to submit an Exercise Notice for the Exercised Rights electronically through the Shareworks system or any other online system pursuant to the procedures set forth therein as determined by the Parent in its sole discretion. The business day on which the Parent receives an Exercise Notice (whether or not

submitted electronically) shall be the “Offer Date” for such Exercised Rights. Within fourteen (14) calendar days of the Offer Date, the Parent will provide the Participant with a Share Equivalency Unit Notice, stating the number of Share Equivalency Units that Participant is entitled to as a result of the Exercise Notice. The Participant shall be entitled to a number of Share Equivalency Units equal to the aggregate Appreciation Value (determined as set forth in Section 5.2 below) of the Exercised Rights divided by the Fair Market Value of one Equity Appreciation Right as of the most recent Valuation Date prior to the Offer Date.

Section 5.2 Determination of Appreciation Value. The Appreciation Value for each Exercised Right shall be determined by the Administrator and shall equal the Fair Market Value of an Exercised Right minus the Base Value of the Exercised Right. The aggregate Appreciation Value shall be determined by multiplying the Appreciation Value of an Exercised Right by the total number of the Exercised Rights.

Section 5.3 Payment of Share Equivalency Unit Value. Subject to the terms and conditions set forth in this Article V, on the date six months and one day after any Offer Date for any Exercised Rights (the “Payment Date”), the Division (or Parent or an Affiliate, as applicable) shall redeem the Share Equivalency Units that Participant holds by paying the Participant an amount equal to the Share Equivalency Unit Value multiplied by the number of Share Equivalency Units that Participant is entitled to as set forth in the applicable Share Equivalency Unit Notice received by Participant. Payment of the aggregate Share Equivalency Unit Value to which Participant is entitled under this Section 5.3 shall be made on or after the Payment Date in one or more of the following forms, which form will be selected by the Administrator in its sole discretion:

(a) Cash payable by wire transfer of immediately available funds to an account designated by the Participant to the Division in writing;

(b) That number of shares of common stock of ASPS pursuant to the ASPS Plan (or any successor plan as may be approved by Altisource shareholders) determined by dividing the aggregate payment due by the average of the high and low trading price of the ASPS common stock on the first trading day following Payment Date; or

(c) If a Company has been formed, that number of common shares of the Company or such equity securities of the Company as the Board determines most closely approximates common equity determined by dividing the aggregate payment due by the Fair Market Value of a share or equity security as determined by the Board.

In the case of clauses (b) or (c) above, cash will be paid for any fractional share or security otherwise issuable to Participant.

Notwithstanding the foregoing, if any payment to be made under this Section 5.3 would, in the Administrator’s determination at its sole discretion, materially impair or jeopardize the ability of the Division, the Parent, ASPS or any of their respective Affiliates to meet current or projected cash-flow needs and/or liquidity needs, to limit ASPS shareholder dilution, to avoid a pro-forma breach of any covenants in any of their credit agreements or other financing documents, or to operate as a going concern, then the Administrator may in its discretion reject the Participant’s offer made pursuant to the Exercise Notice (with respect to all or part of the Equity Appreciation Rights) at any time before the tentative Payment Date (the “Rejection Date”), in which event the Participant’s Equity Appreciation Rights subject to the rejected Exercise Notice shall be reinstated according to the same terms and conditions in effect immediately before the Offer Date and the Participant may not present the Parent with another Exercise Notice with respect to the rejected Exercised Rights during the period between the Rejection Date and the six-month anniversary of the Rejection Date (the “Post-Rejection Period”). To the extent payment to be made under this Section 5.3 would jeopardize the ability of the Division, the Parent, ASPS or any of their respective Affiliates to meet current or projected cash-flow needs and/or liquidity needs, to limit ASPS shareholder dilution, to avoid a pro-forma breach of any covenants in any of their credit agreements or other financing documents, or to operate as a going concern, the Administrator may on the Payment Date (in lieu of rejecting a Participant’s offer made pursuant to the Exercise Notice) provide the Participant with a subordinated promissory note in the principal amount equal to the above-referenced payment and bearing simple interest at a rate equal to the then current three-month LIBOR, in a form approved by the lenders of ASPS or any of its Affiliates (or other source of applicable financing) and containing reasonable terms designed to avoid any covenant breach or insolvency during the period of such delayed payment.

If the payment is to be made in ASPS common stock pursuant to clause (b) above or in Company common shares or equity pursuant to clause (c) above, as a condition to a Participant’s receiving such equity, such Participant will sign ASPS’ or the Company’s equity holders agreement, if applicable, and otherwise agree to comply with other restrictions applicable to analogous equity holders of ASPS or the Company, as the case may be, if requested by the Administrator.

The following is an example of the calculations required by Sections 5.1 through 5.3 hereof.

Assume a participant with 10 Vested Equity Appreciation Rights granted with a Base Value of \$1.00 per Equity Appreciation Right provides an Exercise Notice, entitling the Participant to Share Equivalency Units.

Assume each exercised Equity Appreciation Right has a Fair Market Value of \$10.00 as provided by the Board.

The aggregate value of the Exercised Rights would be 10 multiplied by \$9.00 (the difference between the Exercised Right Fair Market Value of \$10.00 and the Base Value of \$1.00), or \$90.00. Divide that by the Fair Market Value of one Exercised Right of \$10.00, yielding 9 Share Equivalency Units.

The participant would then hold the 9 Share Equivalency Units for six months and one day. The Section 5.3 payment would be equal to the then determined Fair Market Value of the Exercised Right as of the most recent Valuation Date. Assume this Fair Market Value to be \$12.00 per Exercised Right. Consequently, the payment would be \$108.00, based on 9 Share Equivalency Units times the then value of \$12.00 per unit. The aggregate payment pursuant to Section 5.3 would be \$108.

Section 5.4 Appraisal Rights. Notwithstanding anything herein to the contrary, each of the Participants hereby waives any appraisal rights or similar rights that such Participant may be entitled to under Luxembourg law or other applicable law with respect to the Shares subject to a Participant's Equity Appreciation Rights and to such Equity Appreciation Rights.

Section 5.5 Drag-Along Right.

(a) Drag-Along Right Generally. Subject to the other provisions of this Section 5.5, if a Company has been formed and Participant holds common shares or other equity securities in the Company pursuant to a payment made under Section 5.3(c), and at any time thereafter the Parent or ASPS proposes to sell any or all of its respective shares of stock (or equivalent equity interest) in the Company, the Parent or ASPS, as applicable, shall have the right (the "Drag-Along Right") in its sole discretion to deliver notice to the Company that the Parent or ASPS desires the Company and/or the Participants to enter into agreements with one or more Persons that would result in such sale of the Parent's or ASPS's shares in the Company (an "Approved Sale"), whereupon all Participants and the Company shall consent to and raise no objections against the Approved Sale, and each Participant shall, and by entry into an Award Agreement agrees to, sell all or any portion of his or her shares or securities in the Company as is required by Parent or ASPS, on the terms and conditions approved by the Parent or ASPS. Subject to the other provisions of this Section 5.5, all Participants and the Company shall take all necessary and desirable actions in connection with the consummation of the Approved Sale, including the execution of such agreements and such instruments and other actions reasonably necessary to (i) provide the representations, warranties, indemnities, covenants, conditions, escrow agreements and other provisions and agreements relating to such Approved Sale; and (ii) to effectuate the allocation and distribution of the aggregate consideration upon the Approved Sale as set forth below.

(b) Notice of Approved Sale. Subject to applicable securities laws and regulations and confidentiality requirements, the Company shall provide each Participant with written notice of any Approved Sale at least ten (10) days prior to the consummation thereof, which notice shall specify the terms and conditions of the Approved Sale as well as the Relative FMV Amount of the shares or securities that such Participant is required to sell in the Approved Sale. "Relative FMV Amount" means, with respect to any Participant, the quotient determined by the Administrator by dividing (i) the Fair Market Value of such Participant's shares or securities by (ii) the aggregate consideration received by the Parent or ASPS, as applicable, any other selling Stockholders, all Participants and any other selling entities in the Approved Sale (the "Aggregate Approved Sale Consideration").

(c) Consideration for Approved Sale. Subject to any escrow, holdbacks or similar mechanisms in the Approved Sale as well as any Vesting requirements of the Plan or an Award Agreement, upon the consummation of an Approved Sale, each Participant shall receive (or have the right to receive) from the acquiring entity (or from such other entity as may be provided in the definitive documentation governing such Approved Sale) a percentage of the Aggregate Approved Sale Consideration equal to his, her or its Relative FMV Amount in consideration for the sale of his or her shares or securities in the Company.

(d) Representations, Warranties and Indemnities. In the event that the Participants are required to provide any representations, warranties or indemnities in connection with an Approved Sale (other than representations, warranties and indemnities provided concerning each Participant's valid ownership of his or her shares or securities in the Company, free of all liens and encumbrances, enforceability and each Participant's authority, power, and right to enter into and consummate agreements relating to such Approved Sale without violating applicable law or any other agreement (collectively, the "Individual Representations")), then each Participant shall not be liable, on a several or joint basis, for more than his, her or its Relative FMV Amount of any liability for misrepresentation or indemnity (except in respect of the Individual Representations) and such liability shall not exceed the total aggregate consideration received by such Participant in respect of the Approved Sale.

(e) Proxy and Power of Attorney. Each Participant hereby grants, or in connection with entry into an Award Agreement will grant, an irrevocable proxy and power of attorney to each of the Division, the Parent and ASPS with respect to any shares or other securities he or she holds in the Company to take all necessary actions and execute and deliver all documents deemed necessary and appropriate by either of the Division, the Parent or ASPS to effectuate the consummation of any Approved

Sale on terms that are consistent with the provisions of this [Section 5.5](#). The Participants hereby agree to indemnify, defend and hold each of the Company, the Parent and ASPS harmless (severally in accordance with their respective Relative FMV Amounts, as defined in the applicable Award Agreements with the Participants, and not jointly and severally) against all liability, loss or damage, together with all reasonable costs and expenses (including reasonable legal fees and expenses), relating to or arising from the invalidity of the proxy and power of attorney granted hereby or the Participant's actions taken to contest the validity of such proxy and power of attorney.

Section 5.6 [Administrator Discretion Upon Sale of the Division or Qualified IPO](#). Notwithstanding anything herein or in an Award Agreement to the contrary, as of or in connection with a Sale of the Division or Qualified IPO, the Administrator shall have the ability, at its sole discretion, to accelerate the Vesting and/or transferability of any Equity Participation Rights or to terminate or amend the Plan and any Equity Participation Rights or Share Equivalency Units as necessary consistent with the terms of, and to facilitate, the Sale of the Division or Qualified IPO. Furthermore and notwithstanding anything herein or in an Award Agreement to the contrary, as of or in connection with a Sale of the Division or Qualified IPO, the Administrator shall have the ability, at its sole discretion, to redeem any Equity Appreciation Rights or Share Equivalency Units, without any consideration due to the Participant holding such Equity Appreciation Rights.

Section 5.7 [Discretionary Put Option Right for Participants](#). The Administrator may expressly provide in an Award Agreement that the Parent or the Division will purchase back from a Participant all or some of the Equity Appreciation Rights or Share Equivalency Units issued pursuant to an Award Agreement. The terms and conditions of such a put option right for any Participant shall be determined by the Administrator in its discretion.

ARTICLE VI MISCELLANEOUS

Section 6.1 [No Rights as a Member](#). A Participant shall have no distribution, voting, or any other rights as a member or stockholder of the Division, the Company or any of its Subsidiaries or Affiliates as a result of participation in the Plan or with respect to any Equity Appreciation Rights, whether Vested or not Vested.

Section 6.2 [Unfunded Plan](#). The Plan is unfunded. Neither the Division nor any of its parents, Subsidiaries or Affiliates (including the Parent and ASPS) shall segregate any assets in connection with or as a result of the Plan. The rights of a Participant to benefits under this Plan shall be solely those of a general, unsecured creditor of the Division and Parent.

Section 6.3 [Amendment; Termination of Plan](#). While the Parent's intent is to pay Participants' benefits according to the provisions of the Plan, the Administrator may unilaterally amend, modify, suspend, eliminate or terminate, in whole or in part, any or all provisions of the Plan or any Award Agreement. Subject to [Section 6.4](#), no such amendment, modification, suspension, elimination or termination of the Plan may materially and adversely affect any right of any Participant that arises on a Payment Date occurring prior to the effective date of such amendment, modification, change, suspension, elimination or termination of the Plan without such Participant's written consent.

Section 6.4 [No Limitation on Corporate Actions; Adjustments for Recapitalizations, Mergers, Acquisitions and other Transactions](#). This Plan and the Equity Appreciation Rights granted hereunder shall have no effect on the Division's capital structure, and shall not affect the right of the Parent, ASPS, the Division or any of their respective Subsidiaries or Affiliates to reclassify, recapitalize, issue equity or otherwise change its capital or debt structure or to merge, consolidate, convey any or all of its assets, dissolve, liquidate, wind up or otherwise reorganize. The Administrator shall have the discretion to make adjustments to the Plan and the awards made hereunder to reflect any changes that the Administrator deems appropriate as a result of any Sale of the Division, Qualified IPO, business combination, acquisition, recapitalization, reclassification, merger, consolidation, reorganization, stock dividend, stock split, spin off of one or more divisions or subsidiaries or similar transaction affecting the Equity Appreciation Rights, which adjustments may include, without limitation, the exchange of Equity Appreciation Rights or Share Equivalency Units for equity. Upon the occurrence of any such events, the Administrator may make appropriate adjustments to the Equity Appreciation Rights to avoid inequitable dilution or enlargement of award values or rights in connection with any such event, taking into account a Fair Market Value or other valuation of the Division (as determined by the Administrator in its sole discretion based on any facts and circumstances it considers relevant). For the avoidance of doubt, the Equity Appreciation Rights are subject to the dilutive impact of equity issuances (including a Qualified IPO) or other costs of capital made in connection with acquisitions or capital raises. Further, in recognition that the Division is a business division of Parent and is one member of a consolidated group of companies, the Division or Parent may take or refrain from taking actions or otherwise effect transactions that are in the best interest of the consolidated group and/or the stockholders of Parent that may not be the same actions or transactions that would be taken by the Division if it were not affiliated with Parent or part of a consolidated group, and no Participant shall have any rights, as a holder of Equity Appreciation Rights or any shares of stock issued pursuant to the Plan, as a result of such action, inaction, or transaction.

Section 6.5 Anti-Alienation. No right or interest to or in any Equity Appreciation Right, rights under Article V to payment or other benefit to a Participant shall be assignable or transferred by such Participant except by will or the laws of descent and distribution or except as set forth herein upon Equity Appreciation Rights being issued pursuant to an Award Agreement, and subject to Luxembourg law. No right, benefit or interest of a Participant hereunder shall be subject to anticipation, alienation, sale, assignment, grant of usufruct, encumbrance, charge, pledge, hypothecation or set off in respect of any claim, debt or obligation, or to execution, attachment, levy or similar process, or assignment by operation of law without the prior written consent of the Parent, and subject to Luxembourg law. Any attempt, voluntarily or involuntarily, to effect any action specified previously in this Section shall, to the fullest extent permitted by law, be null, void and of no effect; *provided, however*, that this provision shall not preclude a Participant from designating one or more Beneficiaries to receive any amount that may be payable to such Participant under the Plan after his or her death and shall not preclude the legal representatives of a Participant's estate from assigning any right hereunder to the person or persons entitled thereto under his or her will, or, in the case of intestacy, to the person or persons entitled thereto under the laws of intestacy applicable to his or her estate.

Section 6.6 Certain Tax Matters. To the extent the Division or Parent determines that a Participant is required to pay any federal, state or local taxes (or other required withholdings or taxes) by reason of any Equity Appreciation Rights awarded hereunder being treated at any point as wages or being included in such Participant's gross income, the Parent shall be permitted to require the Participant, promptly upon the request by the Parent, to pay to the Parent (or any of its Affiliates) any such amounts as may be required by law to be withheld by the Parent (or such Affiliate) or cause the Parent to deduct any such amounts from any payment otherwise due from the Parent to the Participant (including wage and bonus payments). The Administrator's determination of the Fair Market Value of the Equity Appreciation Rights for such purposes, and its calculation of the amount of taxes to be withheld, shall be binding on the Participant. Any such withheld amounts shall be treated for purposes of the Plan and any Award Agreement as having been paid to the Participant.

Section 6.7 Code Section 409A. With respect only to each Participant who is a U.S. taxpayer at any time from the Grant Date of an Award through its settlement pursuant to Article V above, this Plan (including any grant of Equity Appreciation Rights and any Award Agreement made hereunder) is intended to be exempt from Code Section 409A pursuant to its short-term deferral rule, and, accordingly, to the maximum extent permitted, this Plan shall with respect to such Participant be interpreted and be administered to be in accordance therewith. To the extent necessary to achieve such exemption from Code Section 409A, the Administrator may amend or modify this Plan pursuant to Section 6.3. Each amount to be paid or benefit to be provided to such a Participant pursuant to this Plan that constitutes deferred compensation subject to Code Section 409A shall be construed as a separate identified payment for purposes of Code Section 409A. Notwithstanding anything to the contrary in this Plan, to the extent that any payments to be made upon such a Participant's separation from service would result in the imposition of any individual penalty tax imposed under Code Section 409A, the payment shall instead be made on the first business day after the earlier of (i) the date that is six months following such Participant's separation from service and (ii) such Participant's death.

Section 6.8 Conflicts with ASPS Plan. Should there be any conflict between the terms of this Plan and the ASPS Plan, the terms of this Plan shall govern except as otherwise required by law.

Section 6.9 Notices. All notices and other communications under this Plan and/or an Award Agreement shall be in writing and shall be given in the manner set forth below (or at such other address a party may specify by like notice).

(a) If to the Division or Parent, by first-class mail, certified or registered with return receipt requested or hand delivery acknowledged in writing by the recipient personally, and such notice shall be deemed to have been duly given three days after mailing or immediately upon duly acknowledged hand delivery to the respective persons named below:

Altisource Solutions S.à r.l.
40, avenue Monterey
L-2163 Luxembourg
Attn: Board of Managers

With a copy to: Kevin.Wilcox@altisource.lu

(b) If to a Participant, to the Participant's address as set forth in the applicable Award Agreement, by first-class mail, certified or registered with return receipt requested, or by hand delivery, and such notice shall be deemed to have been duly given three days after mailing or immediately upon hand delivery to the Participant.

Section 6.10 Successors. The rights and obligations under this Plan and any Award Agreement shall inure to the benefit of, and shall be binding upon the Division, Parent and their successors and assigns, and, subject to Section 6.5, the Participants and their respective beneficiaries and legal representatives.

Section 6.11 Headings; Severability. Headings appearing in this Plan and any Award Agreement are for convenience only and shall not be deemed to explain, limit or amplify the provisions hereof. The invalidity or unenforceability of any particular provision of this Plan or any Award Agreement shall not affect the other provisions hereof or thereof, and this Plan and/or such Award Agreement shall be construed in all respects as if the invalid or unenforceable provision were omitted.

Section 6.12 Effective Date. The Plan shall become effective upon the effective date of the first Equity Appreciation Right award granted hereunder.

Section 6.13 Governing Law. THIS PLAN, AND ANY DISPUTES BETWEEN THE PARENT AND ANY PARTICIPANT, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE GRAND DUCHY OF LUXEMBOURG, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW UNLESS OTHERWISE PROVIDED IN THE APPLICABLE AWARD AGREEMENT.

Section 6.14 Jurisdiction; Venue; Waiver of Jury Trial. BY ACCEPTANCE OF ANY AWARD MADE UNDER THIS PLAN AND UNLESS OTHERWISE PROVIDED IN THE APPLICABLE AWARD AGREEMENT, A PARTICIPANT HEREBY AGREES THAT ANY AND ALL DISPUTES BETWEEN THE PARTIES HERETO WHICH MAY ARISE PURSUANT TO THIS PLAN OR ANY AWARD MADE HEREUNDER WILL BE HEARD EXCLUSIVELY AND DETERMINED BEFORE AN APPROPRIATE COURT LOCATED IN THE GRAND DUCHY OF LUXEMBOURG, AND THE PARENT AND EACH PARTICIPANT SUBMITS ITSELF AND ITS PROPERTY TO THE EXCLUSIVE JURISDICTION OF THE FOREGOING COURTS WITH RESPECT TO SUCH DISPUTES. BY ACCEPTANCE OF ANY AWARD MADE UNDER THIS PLAN, A PARTICIPANT HEREBY (I) WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE COURTS REFERRED TO ABOVE ON THE GROUNDS OF INCONVENIENT FORUM OR OTHERWISE AS REGARDS ANY AND ALL DISPUTES BETWEEN THE PARTICIPANT AND THE PARENT WHICH MAY ARISE PURSUANT TO THIS PLAN OR ANY AWARD MADE HEREUNDER, (II) WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE IN THE COURTS REFERRED TO ABOVE FOR ANY DISPUTE BETWEEN THE PARTIES HERETO WHICH MAY ARISE PURSUANT TO THIS PLAN AND ANY AWARD MADE HEREUNDER, AND (III) AGREES THAT A JUDGMENT OR ORDER OF ANY COURT REFERRED TO ABOVE IN CONNECTION WITH ANY AND ALL DISPUTES BETWEEN THE PARTICIPANT AND THE PARENT WHICH MAY ARISE PURSUANT TO THIS PLAN OR ANY AWARD MADE HEREUNDER IS CONCLUSIVE AND BINDING ON IT AND MAY BE ENFORCED AGAINST IT IN THE COURTS OF ANY OTHER JURISDICTION. EACH PARTICIPANT WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY, AND AGREES THAT ANY SUCH SUIT, ACTION OR OTHER PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

**DOCUMENT SOLUTIONS DIVISION
EQUITY APPRECIATION RIGHTS PLAN**

INTRODUCTION

WHEREAS, Altisource Solutions S.à r.l., a Luxembourg private limited liability company (société à responsabilité limitée), having its registered office at 40, avenue Monterey, L-2163 Luxembourg and registered with the Luxembourg register of commerce and companies under number B 147268 (the “Parent,” and together with its subsidiaries and Affiliates, “Altisource”), desires to motivate and retain executives and employees of the Document Solutions division of the Parent (the “Division”) as well as executives and employees of Affiliates providing services to the Division; and

WHEREAS, pursuant to the authority of the 2009 Equity Incentive Plan (the “ASPS Plan”) of Altisource Portfolio Solutions S.A., a Luxembourg public limited liability company (société anonyme), having its registered office at 40, avenue Monterey, L-2163 Luxembourg and registered with the Luxembourg register of commerce and companies under number B 72391 (“ASPS”), and the approval of the Board of Directors of ASPS or the Compensation Committee of the Board of Directors of ASPS (collectively, the “Board”) the Board of Managers of the Parent has duly authorized the adoption of this Document Solutions Division Equity Appreciation Rights Plan (the “Plan”) pursuant to which Parent may from time to time award rights to participate in any increase in value of the Division (“Equity Appreciation Rights”) to Participants (as defined below).

NOW, THEREFORE, Parent hereby adopts this Plan pursuant to which it may award Equity Appreciation Rights pursuant to Article III below, on the terms and conditions described herein and in the applicable Award Agreement (as defined in Section 3.1 below).

**ARTICLE I
ADMINISTRATION OF THE PLAN**

Section 1.1 Administrator. The Plan shall be administered by the Board, or its specified designees to the extent of the authority properly delegated to them (each, the “Administrator”), which shall have complete discretion and authority to interpret and construe the Plan and any awards of Equity Appreciation Rights issued hereunder pursuant to Award Agreements, to decide all questions of eligibility and benefits (including underlying factual determinations), and to adjudicate all claims and disputes. The determination of the Administrator on any and all matters pertaining directly or indirectly to the Plan, any Equity Appreciation Rights issued or repurchased pursuant to the Plan, and/or any Award Agreement shall be final, binding and conclusive on all interested parties.

Section 1.2 Administrative Rules. Subject to the provisions of this Plan, the Administrator may in its sole and absolute discretion:

- (a) adopt, amend and rescind rules and regulations relating to the Plan;
- (b) determine the terms and provisions of the respective awards of Equity Appreciation Rights, including provisions defining or otherwise relating to (i) the duration of the awards, (ii) the effect of termination of employment on continued benefits under the Plan, and (iii) the effect of any approved leaves of absence on the rights to benefits under the Plan;
- (c) make all determinations necessary or advisable for administering the Plan, including but not limited to those associated with any payment terms and conditions set forth under Article V of the Plan, as well as any Appreciation Value, Base Value and Fair Market Value relative to any award; and
- (d) correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any Award Agreement in the manner and to the extent it shall deem expedient to carry the Plan or Award Agreement into effect, and it shall be the sole and final judge of such expediency (clauses (a)-(d) hereof, the “Administrative Rules”).

For the avoidance of doubt, the determination of the Administrator on matters pertaining to the Administrative Rules (including any and all discretionary actions and interpretations of the Plan and any Award Agreements) may in all cases be made in the best interests of Altisource on a consolidated basis, and shall in all cases be final, binding, and conclusive on all interested parties.

Section 1.3 Administrator Determinations. No one acting as the Administrator (or any designee of the Administrator, including without limitation any Board member, Manager or other designee of the Board) nor anyone acting solely

or with others as Administrator shall be liable, with respect to the Plan or any Award Agreement, for any act, whether of commission or omission, taken by any other member or by any officer, agent, manager, or employee of the Parent or the Division and any one or more direct or indirect Subsidiaries or Affiliates (as each such term is defined below) of the Parent or the Division, or all, now or hereafter existing or, excepting circumstances involving his or her own intentional or willful misconduct as the same is determined by a court of competent jurisdiction in a final order or judgment that is not subject to further appeal, for anything done or omitted to be done by such person. No one acting as the Administrator (including without limitation any Board member, Manager or other designee of the Board) or anyone acting solely or with others as Administrator shall have any fiduciary duties to any Participants under this Plan or the Award Agreements or in connection with the transactions contemplated hereby and thereby.

Section 1.4 Certain Definitions. The following terms shall have the meanings set forth below:

“*Affiliate*” means, with respect to any specified Person, any other Person that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person (with the term “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as used with respect to any Person, meaning the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by agreement or otherwise).

“*Appreciation Value*” means the accrual value of an (i.e., one) Exercised Right, as determined in accordance with Section 5.2 of the Plan.

“*Base Value*” means, for each Participant, the Fair Market Value of an (i.e., one) equity unit of the Division, as specified in a Participant’s Award Agreement, as determined by the Board as of the Grant Date (as specified in the Participant’s Award Agreement) of the Equity Appreciation Right.

“*Beneficiary*” means the person or entity designated by the Participant, in a form approved by the Division, to succeed to the Participant’s rights under an Award Agreement or to receive payment or settlement under an award after the Participant’s death.

“*Company*” means any corporate or other entity formed at any time to hold the business or businesses comprising the Division. If a company is formed subsequent to the date of this Plan, all references to the Division shall be deemed references to the Company, and all references to the Board or Managers shall include the Board and Managers of the Company.

“*Exercise Notice*” means a written notice to Parent pursuant to Section 5.1 hereof with respect to Exercised Rights.

“*Fair Market Value*” means the fair market value of any property (including Equity Appreciation Rights and Share Equivalency Units), in all cases as reasonably determined by the Administrator, as of a given time and as frequently as the Administrator determines, based on any valuation methodology, facts and circumstances it considers relevant, including but not limited to taking into account or modifying (i) any businesses, operations, liabilities, or other financial circumstances (whether or not directly associated with the Division) of ASPS or any of its Affiliates or Subsidiaries; and/or (ii) any valuation report, whether or not by an independent party, that the Administrator may, but shall not be required to, obtain, which value when used to determine the Fair Market Value of the Division, shall be reduced to the extent of any excess of total pre-tax loss over pre-tax income of the Division as determined by the Administrator in its sole discretion for the period commencing on the Grant Date (as defined in the Participant’s Award Agreement) and ending on the date the Fair Market Value determination is made, if any.

“*Person*” means any individual, partnership, corporation, association, limited liability company, trust, joint venture, unincorporated organization or entity, or any government, governmental department or agency or political subdivision thereof.

“*Public Offering*” means a firm commitment underwritten public offering of common equity (or such equity securities as the Administrator determines most closely approximates common equity) of the Company pursuant to an effective registration statement under the Securities Act (or similar registration statement if conducted in a jurisdiction other than the United States), other than pursuant to a registration statement on Form S-4 or Form S-8 or any similar or successor form.

“*Qualified IPO*” means the first Public Offering of common equity (or such equity securities as the Administrator determines most closely approximates common equity) of the Company, underwritten on a firm commitment basis by a nationally recognized underwriter, pursuant to an effective registration statement under the Securities Act, as amended, or similar rules of a non-U.S. jurisdiction.

“*Sale of the Division*” means (i) a sale (in a single transaction or in a series of related transactions) to any non-Affiliated Person or Persons pursuant to which such Person or Persons acquire all or substantially all of the assets of the Division, or (ii) if

a Company has been formed, a sale, disposition or other transfer of any units of equity interests in the Company for value, or all or substantially all of the assets of the Company (in a single transaction or in a series of related transactions, whether separately or as part of a transaction involving another division or divisions, business unit or assets of Altisource) to any non-Affiliated Person or Persons pursuant to which such Person or Persons acquire more than 50% of the voting equity interests of the Company (whether by merger, consolidation, sale or transfer of membership interests, reorganization, recapitalization or otherwise) or (iii) a corporate inversion or similar transaction whereby the Division or Company would be deemed to have acquired a third party.

“*Share Equivalency Units*” mean equity equivalent units in the Division that are valued similar to Equity Appreciation Rights of the Division.

“*Share Equivalency Unit Notice*” means a notice with respect to Share Equivalency Units issued pursuant to [Section 5.1](#) hereof to Participant following an Exercise Notice.

“*Share Equivalency Unit Value*” means an amount equal to the Fair Market Value of an (i.e., one) Exercised Right as of the most recent Valuation Date before the Payment Date.

“*Subsidiary*” means any Person that is controlled by, either directly or indirectly, the Division or Parent (or other specified Person) (with the term “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as used with respect to any Person, meaning the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by agreement or otherwise).

“*Valuation Date*” means any date or dates that the Administrator shall in its sole and absolute discretion designate; provided that (i) the Administrator may not designate a Valuation Date retroactively, and (ii) unless the Administrator decides otherwise before the end of a calendar year in which the Plan is effective, the last day of such year shall be a Valuation Date.

“*Window Period*” means a period of twenty-eight (28) days following the Administrator’s written notice to Participants following any Valuation Date, or such other period as the Administrator shall in its sole and absolute discretion decide.

Section 1.5 [Other Definitions](#). Each of the following terms is defined in the Section set forth opposite such term:

<u>Term</u>	<u>Section</u>
Administrative Rule	1.2(d)
Administrator	1.1
Aggregate Approved Sale Consideration	5.5(b)
Altisource	Introduction
Approved Sale	5.5(a)
ASPS	Introduction
ASPS Plan	Introduction
Award Agreement	3.1
Board	Introduction
Division	Introduction
Drag-Along Right	5.5(a)
Equity Appreciation Rights	Introduction
Exercised Rights	5.1
Individual Representation	5.5(b)
Offer Date	5.1
Parent	Introduction
Participant	3.1
Payment Date	5.3
Plan	Introduction
Rejection Date	5.3
Relative FMV Amount	5.5(b)

ARTICLE II
EQUITY APPRECIATION RIGHTS AVAILABLE FOR ISSUANCE

Section 2.1 **Number of Equity Appreciation Rights Issuable**. A pool of 15,000,000 Equity Appreciation Rights shall be reserved for issuance under the Plan, which number shall automatically be reduced upon the exchange of Equity Appreciation Rights for Share Equivalency Units (as defined below) pursuant to Article V hereof by an amount equal to the aggregate number of Exercised Rights (as defined below) exchanged in such transaction. The pool of 15,000,000 Equity Appreciation Rights initially represents 15% of the right to the increase in the value of the Division over the Base Value.

Section 2.2 **Increase in Rights Issuable**. The Board may, from time to time in its discretion, increase the number of Equity Appreciation Rights available for issuance under the Plan, within the limits of Luxembourg law. Nothing in this Plan shall be construed as to give any Participant any pre-emptive, subscription or similar rights, nor shall Participants be entitled to adjustments (e.g., additional Equity Appreciation Rights to prevent dilution) to the extent the number of Equity Appreciation Rights (or similar rights) available for issuance under the Plan (or any other ASPS or Company equity incentive plan or other grant) is increased.

ARTICLE III
ELIGIBILITY AND PARTICIPATION UNDER THE PLAN

Section 3.1 **Grant of Awards; Eligibility**. Awards of Equity Appreciation Rights may be granted by the Administrator to any employee, manager, officer or director of Altisource that is selected by the Administrator to participate in the Plan, and may be conditioned on payment to the Division of a designated price for the Equity Appreciation Rights. Each award of Equity Appreciation Rights granted pursuant to the Plan shall be evidenced by an Award Agreement, executed by the Parent and the Altisource employee, manager, officer, or director (the "*Participant*") to whom the award is granted (an "*Award Agreement*"), specifying the number of Equity Appreciation Rights awarded to the Participant and incorporating such terms as the Administrator shall deem necessary or desirable.

Section 3.2 **Effect of Adoption**. The adoption of the Plan shall not be deemed to give any person a right to be granted Equity Appreciation Rights under the Plan except as explicitly set forth in an Award Agreement.

ARTICLE IV
VESTING OF AWARDS GRANTED UNDER THE PLAN

Section 4.1 **Vesting**. The Equity Appreciation Rights granted to a Participant under this Plan (and any associated cash or share-based dividends except to the extent an Award Agreement provides otherwise) shall "*Vest*" (as such term is defined in the applicable Award Agreement with the Participant) in accordance with the terms and conditions set forth in the applicable Award Agreement with the Participant. The Administrator shall have sole and absolute discretion to determine whether or not, when, and the extent to which a Participant has Vested under any Award Agreement. Notwithstanding the fact that any Equity Appreciation Right has become Vested, no Participant may sell, assign or transfer any Equity Appreciation Right, other than as provided herein or in the applicable Award Agreement.

Section 4.2 **No Right to Employment**. Nothing in this Plan, nor any grant of Equity Appreciation Rights hereunder, shall confer upon any Participant any right to continue in the employ of Altisource or interfere in any way with the right of Altisource to terminate a Participant's employment at any time, and nothing contained herein shall be deemed a waiver or modification of any provision contained in any other agreement between a Participant and Altisource (including the Division, the Parent and ASPS).

ARTICLE V
PAYMENT RIGHTS AND OBLIGATIONS

Section 5.1 **Exercise Rights**. At any time within a Window Period after the date on which a Participant has Vested in an Equity Appreciation Right (and before its expiration or forfeiture) pursuant to the terms of an applicable Award Agreement, the Participant may provide an Exercise Notice setting forth the number of Vested Equity Appreciation Rights that the Participant is irrevocably offering to have the Parent or the Division redeem (the "*Exercised Rights*") in exchange for payment pursuant to the terms and conditions of Section 5.2 below. The Parent may require the Participant to submit an Exercise Notice for the Exercised Rights electronically through the Shareworks system or any other online system pursuant to the procedures set forth therein as determined by the Parent in its sole discretion. The business day on which the Parent receives an Exercise Notice (whether or not submitted electronically) shall be the "*Offer Date*" for such Exercised Rights. Within fourteen (14) calendar days of the Offer Date, the Parent will provide the Participant with a Share Equivalency Unit Notice, stating the number of Share Equivalency Units

that Participant is entitled to as a result of the Exercise Notice. The Participant shall be entitled to a number of Share Equivalency Units equal to the aggregate Appreciation Value (determined as set forth in Section 5.2 below) of the Exercised Rights divided by the Fair Market Value of one Equity Appreciation Right as of the most recent Valuation Date prior to the Offer Date.

Section 5.2 Determination of Appreciation Value. The Appreciation Value for each Exercised Right shall be determined by the Administrator and shall equal the Fair Market Value of an Exercised Right minus the Base Value of the Exercised Right. The aggregate Appreciation Value shall be determined by multiplying the Appreciation Value of an Exercised Right by the total number of the Exercised Rights.

Section 5.3 Payment of Share Equivalency Unit Value. Subject to the terms and conditions set forth in this Article V, on the date six months and one day after any Offer Date for any Exercised Rights (the "Payment Date"), the Division (or Parent or an Affiliate, as applicable) shall redeem the Share Equivalency Units that Participant holds by paying the Participant an amount equal to the Share Equivalency Unit Value multiplied by the number of Share Equivalency Units that Participant is entitled to as set forth in the applicable Share Equivalency Unit Notice received by Participant. Payment of the aggregate Share Equivalency Unit Value to which Participant is entitled under this Section 5.3 shall be made on or after the Payment Date in one or more of the following forms, which form will be selected by the Administrator in its sole discretion:

(a) Cash payable by wire transfer of immediately available funds to an account designated by the Participant to the Division in writing;

(b) That number of shares of common stock of ASPS pursuant to the ASPS Plan (or any successor plan as may be approved by Altisource shareholders) determined by dividing the aggregate payment due by the average of the high and low trading price of the ASPS common stock on the first trading day following Payment Date; or

(c) If a Company has been formed, that number of common shares of the Company or such equity securities of the Company as the Board determines most closely approximates common equity determined by dividing the aggregate payment due by the Fair Market Value of a share or equity security as determined by the Board.

In the case of clauses (b) or (c) above, cash will be paid for any fractional share or security otherwise issuable to Participant.

Notwithstanding the foregoing, if any payment to be made under this Section 5.3 would, in the Administrator's determination at its sole discretion, materially impair or jeopardize the ability of the Division, the Parent, ASPS or any of their respective Affiliates to meet current or projected cash-flow needs and/or liquidity needs, to limit ASPS shareholder dilution, to avoid a pro-forma breach of any covenants in any of their credit agreements or other financing documents, or to operate as a going concern, then the Administrator may in its discretion reject the Participant's offer made pursuant to the Exercise Notice (with respect to all or part of the Equity Appreciation Rights) at any time before the tentative Payment Date (the "Rejection Date"), in which event the Participant's Equity Appreciation Rights subject to the rejected Exercise Notice shall be reinstated according to the same terms and conditions in effect immediately before the Offer Date and the Participant may not present the Parent with another Exercise Notice with respect to the rejected Exercised Rights during the period between the Rejection Date and the six-month anniversary of the Rejection Date (the "Post-Rejection Period"). To the extent payment to be made under this Section 5.3 would jeopardize the ability of the Division, the Parent, ASPS or any of their respective Affiliates to meet current or projected cash-flow needs and/or liquidity needs, to limit ASPS shareholder dilution, to avoid a pro-forma breach of any covenants in any of their credit agreements or other financing documents, or to operate as a going concern, the Administrator may on the Payment Date (in lieu of rejecting a Participant's offer made pursuant to the Exercise Notice) provide the Participant with a subordinated promissory note in the principal amount equal to the above-referenced payment and bearing simple interest at a rate equal to the then current three-month LIBOR, in a form approved by the lenders of ASPS or any of its Affiliates (or other source of applicable financing) and containing reasonable terms designed to avoid any covenant breach or insolvency during the period of such delayed payment.

If the payment is to be made in ASPS common stock pursuant to clause (b) above or in Company common shares or equity pursuant to clause (c) above, as a condition to a Participant's receiving such equity, such Participant will sign ASPS' or the Company's equity holders agreement, if applicable, and otherwise agree to comply with other restrictions applicable to analogous equity holders of ASPS or the Company, as the case may be, if requested by the Administrator.

The following is an example of the calculations required by Sections 5.1 through 5.3 hereof.

Assume a participant with 10 Vested Equity Appreciation Rights granted with a Base Value of \$1.00 per Equity Appreciation Right provides an Exercise Notice, entitling the Participant to Share Equivalency Units.

Assume each exercised Equity Appreciation Right has a Fair Market Value of \$10.00 as provided by the Board.

The aggregate value of the Exercised Rights would be 10 multiplied by \$9.00 (the difference between the Exercised Right Fair Market Value of \$10.00 and the Base Value of \$1.00), or \$90.00. Divide that by the Fair Market Value of one Exercised Right of \$10.00, yielding 9 Share Equivalency Units.

The participant would then hold the 9 Share Equivalency Units for six months and one day. The Section 5.3 payment would be equal to the then determined Fair Market Value of the Exercised Right as of the most recent Valuation Date. Assume this Fair Market Value to be \$12.00 per Exercised Right. Consequently, the payment would be \$108.00, based on 9 Share Equivalency Units times the then value of \$12.00 per unit. The aggregate payment pursuant to Section 5.3 would be \$108.

Section 5.4 Appraisal Rights. Notwithstanding anything herein to the contrary, each of the Participants hereby waives any appraisal rights or similar rights that such Participant may be entitled to under Luxembourg law or other applicable law with respect to the Shares subject to a Participant's Equity Appreciation Rights and to such Equity Appreciation Rights.

Section 5.5 Drag-Along Right.

(a) Drag-Along Right Generally. Subject to the other provisions of this Section 5.5, if a Company has been formed and Participant holds common shares or other equity securities in the Company pursuant to a payment made under Section 5.3(c), and at any time thereafter the Parent or ASPS proposes to sell any or all of its respective shares of stock (or equivalent equity interest) in the Company, the Parent or ASPS, as applicable, shall have the right (the "Drag-Along Right") in its sole discretion to deliver notice to the Company that the Parent or ASPS desires the Company and/or the Participants to enter into agreements with one or more Persons that would result in such sale of the Parent's or ASPS's shares in the Company (an "Approved Sale"), whereupon all Participants and the Company shall consent to and raise no objections against the Approved Sale, and each Participant shall, and by entry into an Award Agreement agrees to, sell all or any portion of his or her shares or securities in the Company as is required by Parent or ASPS, on the terms and conditions approved by the Parent or ASPS. Subject to the other provisions of this Section 5.5, all Participants and the Company shall take all necessary and desirable actions in connection with the consummation of the Approved Sale, including the execution of such agreements and such instruments and other actions reasonably necessary to (i) provide the representations, warranties, indemnities, covenants, conditions, escrow agreements and other provisions and agreements relating to such Approved Sale; and (ii) to effectuate the allocation and distribution of the aggregate consideration upon the Approved Sale as set forth below.

(b) Notice of Approved Sale. Subject to applicable securities laws and regulations and confidentiality requirements, the Company shall provide each Participant with written notice of any Approved Sale at least ten (10) days prior to the consummation thereof, which notice shall specify the terms and conditions of the Approved Sale as well as the Relative FMV Amount of the shares or securities that such Participant is required to sell in the Approved Sale. "Relative FMV Amount" means, with respect to any Participant, the quotient determined by the Administrator by dividing (i) the Fair Market Value of such Participant's shares or securities by (ii) the aggregate consideration received by the Parent or ASPS, as applicable, any other selling Stockholders, all Participants and any other selling entities in the Approved Sale (the "Aggregate Approved Sale Consideration").

(c) Consideration for Approved Sale. Subject to any escrow, holdbacks or similar mechanisms in the Approved Sale as well as any Vesting requirements of the Plan or an Award Agreement, upon the consummation of an Approved Sale, each Participant shall receive (or have the right to receive) from the acquiring entity (or from such other entity as may be provided in the definitive documentation governing such Approved Sale) a percentage of the Aggregate Approved Sale Consideration equal to his, her or its Relative FMV Amount in consideration for the sale of his or her shares or securities in the Company.

(d) Representations, Warranties and Indemnities. In the event that the Participants are required to provide any representations, warranties or indemnities in connection with an Approved Sale (other than representations, warranties and indemnities provided concerning each Participant's valid ownership of his or her shares or securities in the Company, free of all liens and encumbrances, enforceability and each Participant's authority, power, and right to enter into and consummate agreements relating to such Approved Sale without violating applicable law or any other agreement (collectively, the "Individual Representations")), then each Participant shall not be liable, on a several or joint basis, for more than his, her or its Relative FMV Amount of any liability for misrepresentation or indemnity (except in respect of the Individual Representations) and such liability shall not exceed the total aggregate consideration received by such Participant in respect of the Approved Sale.

(e) Proxy and Power of Attorney. Each Participant hereby grants, or in connection with entry into an Award Agreement will grant, an irrevocable proxy and power of attorney to each of the Division, the Parent and ASPS with respect to any shares or other securities he or she holds in the Company to take all necessary actions and execute and deliver all documents deemed necessary and appropriate by either of the Division, the Parent or ASPS to effectuate the consummation of any Approved Sale on terms that are consistent with the provisions of this Section 5.5. The Participants hereby agree to indemnify, defend and hold each of the Company, the Parent and ASPS harmless (severally in accordance with their respective Relative FMV Amounts,

as defined in the applicable Award Agreements with the Participants, and not jointly and severally) against all liability, loss or damage, together with all reasonable costs and expenses (including reasonable legal fees and expenses), relating to or arising from the invalidity of the proxy and power of attorney granted hereby or the Participant's actions taken to contest the validity of such proxy and power of attorney.

Section 5.6 Administrator Discretion Upon Sale of the Division or Qualified IPO. Notwithstanding anything herein or in an Award Agreement to the contrary, as of or in connection with a Sale of the Division or Qualified IPO, the Administrator shall have the ability, at its sole discretion, to accelerate the Vesting and/or transferability of any Equity Participation Rights or to terminate or amend the Plan and any Equity Participation Rights or Share Equivalency Units as necessary consistent with the terms of, and to facilitate, the Sale of the Division or Qualified IPO. Furthermore and notwithstanding anything herein or in an Award Agreement to the contrary, as of or in connection with a Sale of the Division or Qualified IPO, the Administrator shall have the ability, at its sole discretion, to redeem any Equity Appreciation Rights or Share Equivalency Units, without any consideration due to the Participant holding such Equity Appreciation Rights.

Section 5.7 Discretionary Put Option Right for Participants. The Administrator may expressly provide in an Award Agreement that the Parent or the Division will purchase back from a Participant all or some of the Equity Appreciation Rights or Share Equivalency Units issued pursuant to an Award Agreement. The terms and conditions of such a put option right for any Participant shall be determined by the Administrator in its discretion.

ARTICLES VI MISCELLANEOUS

Section 6.1 No Rights as a Member. A Participant shall have no distribution, voting, or any other rights as a member or stockholder of the Division, the Company or any of its Subsidiaries or Affiliates as a result of participation in the Plan or with respect to any Equity Appreciation Rights, whether Vested or not Vested.

Section 6.2 Unfunded Plan. The Plan is unfunded. Neither the Division nor any of its parents, Subsidiaries or Affiliates (including the Parent and ASPs) shall segregate any assets in connection with or as a result of the Plan. The rights of a Participant to benefits under this Plan shall be solely those of a general, unsecured creditor of the Division and Parent.

Section 6.3 Amendment; Termination of Plan. While the Parent's intent is to pay Participants' benefits according to the provisions of the Plan, the Administrator may unilaterally amend, modify, suspend, eliminate or terminate, in whole or in part, any or all provisions of the Plan or any Award Agreement. Subject to Section 6.4, no such amendment, modification, suspension, elimination or termination of the Plan may materially and adversely affect any right of any Participant that arises on a Payment Date occurring prior to the effective date of such amendment, modification, change, suspension, elimination or termination of the Plan without such Participant's written consent.

Section 6.4 No Limitation on Corporate Actions; Adjustments for Recapitalizations, Mergers, Acquisitions and other Transactions. This Plan and the Equity Appreciation Rights granted hereunder shall have no effect on the Division's capital structure, and shall not affect the right of the Parent, ASPs, the Division or any of their respective Subsidiaries or Affiliates to reclassify, recapitalize, issue equity or otherwise change its capital or debt structure or to merge, consolidate, convey any or all of its assets, dissolve, liquidate, wind up or otherwise reorganize. The Administrator shall have the discretion to make adjustments to the Plan and the awards made hereunder to reflect any changes that the Administrator deems appropriate as a result of any Sale of the Division, Qualified IPO, business combination, acquisition, recapitalization, reclassification, merger, consolidation, reorganization, stock dividend, stock split, spin off of one or more divisions or subsidiaries or similar transaction affecting the Equity Appreciation Rights, which adjustments may include, without limitation, the exchange of Equity Appreciation Rights or Share Equivalency Units for equity. Upon the occurrence of any such events, the Administrator may make appropriate adjustments to the Equity Appreciation Rights to avoid inequitable dilution or enlargement of award values or rights in connection with any such event, taking into account a Fair Market Value or other valuation of the Division (as determined by the Administrator in its sole discretion based on any facts and circumstances it considers relevant). For the avoidance of doubt, the Equity Appreciation Rights are subject to the dilutive impact of equity issuances (including a Qualified IPO) or other costs of capital made in connection with acquisitions or capital raises. Further, in recognition that the Division is a business division of Parent and is one member of a consolidated group of companies, the Division or Parent may take or refrain from taking actions or otherwise effect transactions that are in the best interest of the consolidated group and/or the stockholders of Parent that may not be the same actions or transactions that would be taken by the Division if it were not affiliated with Parent or part of a consolidated group, and no Participant shall have any rights, as a holder of Equity Appreciation Rights or any shares of stock issued pursuant to the Plan, as a result of such action, inaction, or transaction.

Section 6.5 Anti-Alienation. No right or interest to or in any Equity Appreciation Right, rights under Article V to payment or other benefit to a Participant shall be assignable or transferred by such Participant except by will or the laws of descent and distribution or except as set forth herein upon Equity Appreciation Rights being issued pursuant to an Award Agreement, and subject to Luxembourg law. No right, benefit or interest of a Participant hereunder shall be subject to anticipation, alienation, sale, assignment, grant of usufruct, encumbrance, charge, pledge, hypothecation or set off in respect of any claim, debt or obligation, or to execution, attachment, levy or similar process, or assignment by operation of law without the prior written consent of the Parent, and subject to Luxembourg law. Any attempt, voluntarily or involuntarily, to effect any action specified previously in this Section shall, to the fullest extent permitted by law, be null, void and of no effect; *provided, however*, that this provision shall not preclude a Participant from designating one or more Beneficiaries to receive any amount that may be payable to such Participant under the Plan after his or her death and shall not preclude the legal representatives of a Participant's estate from assigning any right hereunder to the person or persons entitled thereto under his or her will, or, in the case of intestacy, to the person or persons entitled thereto under the laws of intestacy applicable to his or her estate.

Section 6.6 Certain Tax Matters. To the extent the Division or Parent determines that a Participant is required to pay any federal, state or local taxes (or other required withholdings or taxes) by reason of any Equity Appreciation Rights awarded hereunder being treated at any point as wages or being included in such Participant's gross income, the Parent shall be permitted to require the Participant, promptly upon the request by the Parent, to pay to the Parent (or any of its Affiliates) any such amounts as may be required by law to be withheld by the Parent (or such Affiliate) or cause the Parent to deduct any such amounts from any payment otherwise due from the Parent to the Participant (including wage and bonus payments). The Administrator's determination of the Fair Market Value of the Equity Appreciation Rights for such purposes, and its calculation of the amount of taxes to be withheld, shall be binding on the Participant. Any such withheld amounts shall be treated for purposes of the Plan and any Award Agreement as having been paid to the Participant.

Section 6.7 Code Section 409A. With respect only to each Participant who is a U.S. taxpayer at any time from the Grant Date of an Award through its settlement pursuant to Article V above, this Plan (including any grant of Equity Appreciation Rights and any Award Agreement made hereunder) is intended to be exempt from Code Section 409A pursuant to its short-term deferral rule, and, accordingly, to the maximum extent permitted, this Plan shall with respect to such Participant be interpreted and be administered to be in accordance therewith. To the extent necessary to achieve such exemption from Code Section 409A, the Administrator may amend or modify this Plan pursuant to Section 6.3. Each amount to be paid or benefit to be provided to such a Participant pursuant to this Plan that constitutes deferred compensation subject to Code Section 409A shall be construed as a separate identified payment for purposes of Code Section 409A. Notwithstanding anything to the contrary in this Plan, to the extent that any payments to be made upon such a Participant's separation from service would result in the imposition of any individual penalty tax imposed under Code Section 409A, the payment shall instead be made on the first business day after the earlier of (i) the date that is six months following such Participant's separation from service and (ii) such Participant's death.

Section 6.8 Conflicts with ASPS Plan. Should there be any conflict between the terms of this Plan and the ASPS Plan, the terms of this Plan shall govern except as otherwise required by law.

Section 6.9 Notices. All notices and other communications under this Plan and/or an Award Agreement shall be in writing and shall be given in the manner set forth below (or at such other address a party may specify by like notice).

(a) If to the Division or Parent, by first-class mail, certified or registered with return receipt requested or hand delivery acknowledged in writing by the recipient personally, and such notice shall be deemed to have been duly given three days after mailing or immediately upon duly acknowledged hand delivery to the respective persons named below:

Altisource Solutions S.à r.l.
40, avenue Monterey
L-2163 Luxembourg
Attn: Board of Managers

With a copy to: Kevin.Wilcox@altisource.lu

(b) If to a Participant, to the Participant's address as set forth in the applicable Award Agreement, by first-class mail, certified or registered with return receipt requested, or by hand delivery, and such notice shall be deemed to have been duly given three days after mailing or immediately upon hand delivery to the Participant.

Section 6.10 Successors. The rights and obligations under this Plan and any Award Agreement shall inure to the benefit of, and shall be binding upon the Division, Parent and their successors and assigns, and, subject to Section 6.5, the Participants and their respective beneficiaries and legal representatives.

Section 6.11 Headings; Severability. Headings appearing in this Plan and any Award Agreement are for convenience only and shall not be deemed to explain, limit or amplify the provisions hereof. The invalidity or unenforceability of any particular provision of this Plan or any Award Agreement shall not affect the other provisions hereof or thereof, and this Plan and/or such Award Agreement shall be construed in all respects as if the invalid or unenforceable provision were omitted.

Section 6.12 Effective Date. The Plan shall become effective upon the effective date of the first Equity Appreciation Right award granted hereunder.

Section 6.13 Governing Law. THIS PLAN, AND ANY DISPUTES BETWEEN THE PARENT AND ANY PARTICIPANT, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE GRAND DUCHY OF LUXEMBOURG, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW UNLESS OTHERWISE PROVIDED IN THE APPLICABLE AWARD AGREEMENT.

Section 6.14 Jurisdiction; Venue; Waiver of Jury Trial. BY ACCEPTANCE OF ANY AWARD MADE UNDER THIS PLAN AND UNLESS OTHERWISE PROVIDED IN THE APPLICABLE AWARD AGREEMENT, A PARTICIPANT HEREBY AGREES THAT ANY AND ALL DISPUTES BETWEEN THE PARTIES HERETO WHICH MAY ARISE PURSUANT TO THIS PLAN OR ANY AWARD MADE HEREUNDER WILL BE HEARD EXCLUSIVELY AND DETERMINED BEFORE AN APPROPRIATE COURT LOCATED IN THE GRAND DUCHY OF LUXEMBOURG, AND THE PARENT AND EACH PARTICIPANT SUBMITS ITSELF AND ITS PROPERTY TO THE EXCLUSIVE JURISDICTION OF THE FOREGOING COURTS WITH RESPECT TO SUCH DISPUTES. BY ACCEPTANCE OF ANY AWARD MADE UNDER THIS PLAN, A PARTICIPANT HEREBY (I) WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE COURTS REFERRED TO ABOVE ON THE GROUNDS OF INCONVENIENT FORUM OR OTHERWISE AS REGARDS ANY AND ALL DISPUTES BETWEEN THE PARTICIPANT AND THE PARENT WHICH MAY ARISE PURSUANT TO THIS PLAN OR ANY AWARD MADE HEREUNDER, (II) WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE IN THE COURTS REFERRED TO ABOVE FOR ANY DISPUTE BETWEEN THE PARTIES HERETO WHICH MAY ARISE PURSUANT TO THIS PLAN AND ANY AWARD MADE HEREUNDER, AND (III) AGREES THAT A JUDGMENT OR ORDER OF ANY COURT REFERRED TO ABOVE IN CONNECTION WITH ANY AND ALL DISPUTES BETWEEN THE PARTICIPANT AND THE PARENT WHICH MAY ARISE PURSUANT TO THIS PLAN OR ANY AWARD MADE HEREUNDER IS CONCLUSIVE AND BINDING ON IT AND MAY BE ENFORCED AGAINST IT IN THE COURTS OF ANY OTHER JURISDICTION. EACH PARTICIPANT WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY, AND AGREES THAT ANY SUCH SUIT, ACTION OR OTHER PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

**MARKETPLACE SOLUTIONS DIVISION
EQUITY APPRECIATION RIGHTS PLAN**

INTRODUCTION

WHEREAS, Altisource Solutions S.à r.l., a Luxembourg private limited liability company (société à responsabilité limitée), having its registered office at 40, avenue Monterey, L-2163 Luxembourg and registered with the Luxembourg register of commerce and companies under number B 147268 (the “Parent,” and together with its subsidiaries and Affiliates, “Altisource”), desires to motivate and retain executives and employees of the Marketplace Solutions division of the Parent (the “Division”) as well as executives and employees of Affiliates providing services to the Division; and

WHEREAS, pursuant to the authority of the 2009 Equity Incentive Plan (the “ASPS Plan”) of Altisource Portfolio Solutions S.A., a Luxembourg public limited liability company (société anonyme), having its registered office at 40, avenue Monterey, L-2163 Luxembourg and registered with the Luxembourg register of commerce and companies under number B 72391 (“ASPS”), and the approval of the Board of Directors of ASPS or the Compensation Committee of the Board of Directors of ASPS (collectively, the “Board”) the Board of Managers of the Parent has duly authorized the adoption of this Marketplace Solutions Division Equity Appreciation Rights Plan (the “Plan”) pursuant to which Parent may from time to time award rights to participate in any increase in value of the Division (“Equity Appreciation Rights”) to Participants (as defined below).

NOW, THEREFORE, Parent hereby adopts this Plan pursuant to which it may award Equity Appreciation Rights pursuant to Article III below, on the terms and conditions described herein and in the applicable Award Agreement (as defined in Section 3.1 below).

**ARTICLE I
ADMINISTRATION OF THE PLAN**

Section 1.1 Administrator. The Plan shall be administered by the Board, or its specified designees to the extent of the authority properly delegated to them (each, the “Administrator”), which shall have complete discretion and authority to interpret and construe the Plan and any awards of Equity Appreciation Rights issued hereunder pursuant to Award Agreements, to decide all questions of eligibility and benefits (including underlying factual determinations), and to adjudicate all claims and disputes. The determination of the Administrator on any and all matters pertaining directly or indirectly to the Plan, any Equity Appreciation Rights issued or repurchased pursuant to the Plan, and/or any Award Agreement shall be final, binding and conclusive on all interested parties.

Section 1.2 Administrative Rules. Subject to the provisions of this Plan, the Administrator may in its sole and absolute discretion:

- (a) adopt, amend and rescind rules and regulations relating to the Plan;
- (b) determine the terms and provisions of the respective awards of Equity Appreciation Rights, including provisions defining or otherwise relating to (i) the duration of the awards, (ii) the effect of termination of employment on continued benefits under the Plan, and (iii) the effect of any approved leaves of absence on the rights to benefits under the Plan;
- (c) make all determinations necessary or advisable for administering the Plan, including but not limited to those associated with any payment terms and conditions set forth under Article V of the Plan, as well as any Appreciation Value, Base Value and Fair Market Value relative to any award; and
- (d) correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any Award Agreement in the manner and to the extent it shall deem expedient to carry the Plan or Award Agreement into effect, and it shall be the sole and final judge of such expediency (clauses (a)-(d) hereof, the “Administrative Rules”).

For the avoidance of doubt, the determination of the Administrator on matters pertaining to the Administrative Rules (including any and all discretionary actions and interpretations of the Plan and any Award Agreements) may in all cases be made in the best interests of Altisource on a consolidated basis, and shall in all cases be final, binding, and conclusive on all interested parties.

Section 1.3 Administrator Determinations. No one acting as the Administrator (or any designee of the Administrator, including without limitation any Board member, Manager or other designee of the Board) nor anyone acting solely

or with others as Administrator shall be liable, with respect to the Plan or any Award Agreement, for any act, whether of commission or omission, taken by any other member or by any officer, agent, manager, or employee of the Parent or the Division and any one or more direct or indirect Subsidiaries or Affiliates (as each such term is defined below) of the Parent or the Division, or all, now or hereafter existing or, excepting circumstances involving his or her own intentional or willful misconduct as the same is determined by a court of competent jurisdiction in a final order or judgment that is not subject to further appeal, for anything done or omitted to be done by such person. No one acting as the Administrator (including without limitation any Board member, Manager or other designee of the Board) or anyone acting solely or with others as Administrator shall have any fiduciary duties to any Participants under this Plan or the Award Agreements or in connection with the transactions contemplated hereby and thereby.

Section 1.4 Certain Definitions. The following terms shall have the meanings set forth below:

“*Affiliate*” means, with respect to any specified Person, any other Person that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person (with the term “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as used with respect to any Person, meaning the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by agreement or otherwise).

“*Appreciation Value*” means the accrual value of an (i.e., one) Exercised Right, as determined in accordance with Section 5.2 of the Plan.

“*Base Value*” means, for each Participant, the Fair Market Value of an (i.e., one) equity unit of the Division, as specified in a Participant’s Award Agreement, as determined by the Board as of the Grant Date (as specified in the Participant’s Award Agreement) of the Equity Appreciation Right.

“*Beneficiary*” means the person or entity designated by the Participant, in a form approved by the Division, to succeed to the Participant’s rights under an Award Agreement or to receive payment or settlement under an award after the Participant’s death.

“*Company*” means any corporate or other entity formed at any time to hold the business or businesses comprising the Division. If a company is formed subsequent to the date of this Plan, all references to the Division shall be deemed references to the Company, and all references to the Board or Managers shall include the Board and Managers of the Company.

“*Exercise Notice*” means a written notice to Parent pursuant to Section 5.1 hereof with respect to Exercised Rights.

“*Fair Market Value*” means the fair market value of any property (including Equity Appreciation Rights and Share Equivalency Units), in all cases as reasonably determined by the Administrator, as of a given time and as frequently as the Administrator determines, based on any valuation methodology, facts and circumstances it considers relevant, including but not limited to taking into account or modifying (i) any businesses, operations, liabilities, or other financial circumstances (whether or not directly associated with the Division) of ASPS or any of its Affiliates or Subsidiaries; and/or (ii) any valuation report, whether or not by an independent party, that the Administrator may, but shall not be required to, obtain, which value when used to determine the Fair Market Value of the Division, shall be reduced to the extent of any excess of total pre-tax loss over pre-tax income of the Division as determined by the Administrator in its sole discretion for the period commencing on the Grant Date (as defined in the Participant’s Award Agreement) and ending on the date the Fair Market Value determination is made, if any.

“*Person*” means any individual, partnership, corporation, association, limited liability company, trust, joint venture, unincorporated organization or entity, or any government, governmental department or agency or political subdivision thereof.

“*Public Offering*” means a firm commitment underwritten public offering of common equity (or such equity securities as the Administrator determines most closely approximates common equity) of the Company pursuant to an effective registration statement under the Securities Act (or similar registration statement if conducted in a jurisdiction other than the United States), other than pursuant to a registration statement on Form S-4 or Form S-8 or any similar or successor form.

“*Qualified IPO*” means the first Public Offering of common equity (or such equity securities as the Administrator determines most closely approximates common equity) of the Company, underwritten on a firm commitment basis by a nationally recognized underwriter, pursuant to an effective registration statement under the Securities Act, as amended, or similar rules of a non-U.S. jurisdiction.

“*Sale of the Division*” means (i) a sale (in a single transaction or in a series of related transactions) to any non-Affiliated Person or Persons pursuant to which such Person or Persons acquire all or substantially all of the assets of the Division, or (ii) if

a Company has been formed, a sale, disposition or other transfer of any units of equity interests in the Company for value, or all or substantially all of the assets of the Company (in a single transaction or in a series of related transactions, whether separately or as part of a transaction involving another division or divisions, business unit or assets of Altisource) to any non-Affiliated Person or Persons pursuant to which such Person or Persons acquire more than 50% of the voting equity interests of the Company (whether by merger, consolidation, sale or transfer of membership interests, reorganization, recapitalization or otherwise) or (iii) a corporate inversion or similar transaction whereby the Division or Company would be deemed to have acquired a third party.

“Share Equivalency Units” mean equity equivalent units in the Division that are valued similar to Equity Appreciation Rights of the Division.

“Share Equivalency Unit Notice” means a notice with respect to Share Equivalency Units issued pursuant to Section 5.1 hereof to Participant following an Exercise Notice.

“Share Equivalency Unit Value” means an amount equal to the Fair Market Value of an (i.e., one) Exercised Right as of the most recent Valuation Date before the Payment Date.

“Subsidiary” means any Person that is controlled by, either directly or indirectly, the Division or Parent (or other specified Person) (with the term “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as used with respect to any Person, meaning the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by agreement or otherwise).

“Valuation Date” means any date or dates that the Administrator shall in its sole and absolute discretion designate; provided that (i) the Administrator may not designate a Valuation Date retroactively, and (ii) unless the Administrator decides otherwise before the end of a calendar year in which the Plan is effective, the last day of such year shall be a Valuation Date.

“Window Period” means a period of twenty-eight (28) days following the Administrator’s written notice to Participants following any Valuation Date, or such other period as the Administrator shall in its sole and absolute discretion decide.

Section 1.5 Other Definitions. Each of the following terms is defined in the Section set forth opposite such term:

<u>Term</u>	<u>Section</u>
Administrative Rule	1.2(d)
Administrator	1.1
Aggregate Approved Sale Consideration	5.5(b)
Altisource	Introduction
Approved Sale	5.5(a)
ASPS	Introduction
ASPS Plan	Introduction
Award Agreement	3.1
Board	Introduction
Division	Introduction
Drag-Along Right	5.5(a)
Equity Appreciation Rights	Introduction
Exercised Rights	5.1
Individual Representation	5.5(b)
Offer Date	5.1
Parent	Introduction
Participant	3.1
Payment Date	5.3
Plan	Introduction
Rejection Date	5.3
Relative FMV Amount	5.5(b)

ARTICLE II
EQUITY APPRECIATION RIGHTS AVAILABLE FOR ISSUANCE

Section 2.1 **Number of Equity Appreciation Rights Issuable**. A pool of 15,000,000 Equity Appreciation Rights shall be reserved for issuance under the Plan, which number shall automatically be reduced upon the exchange of Equity Appreciation Rights for Share Equivalency Units (as defined below) pursuant to Article V hereof by an amount equal to the aggregate number of Exercised Rights (as defined below) exchanged in such transaction. The pool of 15,000,000 Equity Appreciation Rights initially represents 15% of the right to the increase in the value of the Division over the Base Value.

Section 2.2 **Increase in Rights Issuable**. The Board may, from time to time in its discretion, increase the number of Equity Appreciation Rights available for issuance under the Plan, within the limits of Luxembourg law. Nothing in this Plan shall be construed as to give any Participant any pre-emptive, subscription or similar rights, nor shall Participants be entitled to adjustments (e.g., additional Equity Appreciation Rights to prevent dilution) to the extent the number of Equity Appreciation Rights (or similar rights) available for issuance under the Plan (or any other ASPS or Company equity incentive plan or other grant) is increased.

ARTICLE III
ELIGIBILITY AND PARTICIPATION UNDER THE PLAN

Section 3.1 **Grant of Awards; Eligibility**. Awards of Equity Appreciation Rights may be granted by the Administrator to any employee, manager, officer or director of Altisource that is selected by the Administrator to participate in the Plan, and may be conditioned on payment to the Division of a designated price for the Equity Appreciation Rights. Each award of Equity Appreciation Rights granted pursuant to the Plan shall be evidenced by an Award Agreement, executed by the Parent and the Altisource employee, manager, officer, or director (the "*Participant*") to whom the award is granted (an "*Award Agreement*"), specifying the number of Equity Appreciation Rights awarded to the Participant and incorporating such terms as the Administrator shall deem necessary or desirable.

Section 3.2 **Effect of Adoption**. The adoption of the Plan shall not be deemed to give any person a right to be granted Equity Appreciation Rights under the Plan except as explicitly set forth in an Award Agreement.

ARTICLE IV
VESTING OF AWARDS GRANTED UNDER THE PLAN

Section 4.1 **Vesting**. The Equity Appreciation Rights granted to a Participant under this Plan (and any associated cash or share-based dividends except to the extent an Award Agreement provides otherwise) shall "Vest" (as such term is defined in the applicable Award Agreement with the Participant) in accordance with the terms and conditions set forth in the applicable Award Agreement with the Participant. The Administrator shall have sole and absolute discretion to determine whether or not, when, and the extent to which a Participant has Vested under any Award Agreement. Notwithstanding the fact that any Equity Appreciation Right has become Vested, no Participant may sell, assign or transfer any Equity Appreciation Right, other than as provided herein or in the applicable Award Agreement.

Section 4.2 **No Right to Employment**. Nothing in this Plan, nor any grant of Equity Appreciation Rights hereunder, shall confer upon any Participant any right to continue in the employ of Altisource or interfere in any way with the right of Altisource to terminate a Participant's employment at any time, and nothing contained herein shall be deemed a waiver or modification of any provision contained in any other agreement between a Participant and Altisource (including the Division, the Parent and ASPS).

ARTICLE V
PAYMENT RIGHTS AND OBLIGATIONS

Section 5.1 **Exercise Rights**. At any time within a Window Period after the date on which a Participant has Vested in an Equity Appreciation Right (and before its expiration or forfeiture) pursuant to the terms of an applicable Award Agreement, the Participant may provide an Exercise Notice setting forth the number of Vested Equity Appreciation Rights that the Participant is irrevocably offering to have the Parent or the Division redeem (the "*Exercised Rights*") in exchange for payment pursuant to the terms and conditions of Section 5.2 below. The Parent may require the Participant to submit an Exercise Notice for the Exercised Rights electronically through the Shareworks system or any other online system pursuant to the procedures set forth therein as determined by the Parent in its sole discretion. The business day on which the Parent receives an Exercise Notice (whether or not submitted electronically) shall be the "*Offer Date*" for such Exercised Rights. Within fourteen (14) calendar days of the Offer Date, the Parent will provide the Participant with a Share Equivalency Unit Notice, stating the number of Share Equivalency Units

that Participant is entitled to as a result of the Exercise Notice. The Participant shall be entitled to a number of Share Equivalency Units equal to the aggregate Appreciation Value (determined as set forth in Section 5.2 below) of the Exercised Rights divided by the Fair Market Value of one Equity Appreciation Right as of the most recent Valuation Date prior to the Offer Date.

Section 5.2 Determination of Appreciation Value. The Appreciation Value for each Exercised Right shall be determined by the Administrator and shall equal the Fair Market Value of an Exercised Right minus the Base Value of the Exercised Right. The aggregate Appreciation Value shall be determined by multiplying the Appreciation Value of an Exercised Right by the total number of the Exercised Rights.

Section 5.3 Payment of Share Equivalency Unit Value. Subject to the terms and conditions set forth in this Article V, on the date six months and one day after any Offer Date for any Exercised Rights (the "Payment Date"), the Division (or Parent or an Affiliate, as applicable) shall redeem the Share Equivalency Units that Participant holds by paying the Participant an amount equal to the Share Equivalency Unit Value multiplied by the number of Share Equivalency Units that Participant is entitled to as set forth in the applicable Share Equivalency Unit Notice received by Participant. Payment of the aggregate Share Equivalency Unit Value to which Participant is entitled under this Section 5.3 shall be made on or after the Payment Date in one or more of the following forms, which form will be selected by the Administrator in its sole discretion:

(a) Cash payable by wire transfer of immediately available funds to an account designated by the Participant to the Division in writing;

(b) That number of shares of common stock of ASPS pursuant to the ASPS Plan (or any successor plan as may be approved by Altisource shareholders) determined by dividing the aggregate payment due by the average of the high and low trading price of the ASPS common stock on the first trading day following Payment Date; or

(c) If a Company has been formed, that number of common shares of the Company or such equity securities of the Company as the Board determines most closely approximates common equity determined by dividing the aggregate payment due by the Fair Market Value of a share or equity security as determined by the Board.

In the case of clauses (b) or (c) above, cash will be paid for any fractional share or security otherwise issuable to Participant.

Notwithstanding the foregoing, if any payment to be made under this Section 5.3 would, in the Administrator's determination at its sole discretion, materially impair or jeopardize the ability of the Division, the Parent, ASPS or any of their respective Affiliates to meet current or projected cash-flow needs and/or liquidity needs, to limit ASPS shareholder dilution, to avoid a pro-forma breach of any covenants in any of their credit agreements or other financing documents, or to operate as a going concern, then the Administrator may in its discretion reject the Participant's offer made pursuant to the Exercise Notice (with respect to all or part of the Equity Appreciation Rights) at any time before the tentative Payment Date (the "Rejection Date"), in which event the Participant's Equity Appreciation Rights subject to the rejected Exercise Notice shall be reinstated according to the same terms and conditions in effect immediately before the Offer Date and the Participant may not present the Parent with another Exercise Notice with respect to the rejected Exercised Rights during the period between the Rejection Date and the six-month anniversary of the Rejection Date (the "Post-Rejection Period"). To the extent payment to be made under this Section 5.3 would jeopardize the ability of the Division, the Parent, ASPS or any of their respective Affiliates to meet current or projected cash-flow needs and/or liquidity needs, to limit ASPS shareholder dilution, to avoid a pro-forma breach of any covenants in any of their credit agreements or other financing documents, or to operate as a going concern, the Administrator may on the Payment Date (in lieu of rejecting a Participant's offer made pursuant to the Exercise Notice) provide the Participant with a subordinated promissory note in the principal amount equal to the above-referenced payment and bearing simple interest at a rate equal to the then current three-month LIBOR, in a form approved by the lenders of ASPS or any of its Affiliates (or other source of applicable financing) and containing reasonable terms designed to avoid any covenant breach or insolvency during the period of such delayed payment.

If the payment is to be made in ASPS common stock pursuant to clause (b) above or in Company common shares or equity pursuant to clause (c) above, as a condition to a Participant's receiving such equity, such Participant will sign ASPS' or the Company's equity holders agreement, if applicable, and otherwise agree to comply with other restrictions applicable to analogous equity holders of ASPS or the Company, as the case may be, if requested by the Administrator.

The following is an example of the calculations required by Sections 5.1 through 5.3 hereof.

Assume a participant with 10 Vested Equity Appreciation Rights granted with a Base Value of \$1.00 per Equity Appreciation Right provides an Exercise Notice, entitling the Participant to Share Equivalency Units.

Assume each exercised Equity Appreciation Right has a Fair Market Value of \$10.00 as provided by the Board.

The aggregate value of the Exercised Rights would be 10 multiplied by \$9.00 (the difference between the Exercised Right Fair Market Value of \$10.00 and the Base Value of \$1.00), or \$90.00. Divide that by the Fair Market Value of one Exercised Right of \$10.00, yielding 9 Share Equivalency Units.

The participant would then hold the 9 Share Equivalency Units for six months and one day. The Section 5.3 payment would be equal to the then determined Fair Market Value of the Exercised Right as of the most recent Valuation Date. Assume this Fair Market Value to be \$12.00 per Exercised Right. Consequently, the payment would be \$108.00, based on 9 Share Equivalency Units times the then value of \$12.00 per unit. The aggregate payment pursuant to Section 5.3 would be \$108.

Section 5.4 Appraisal Rights. Notwithstanding anything herein to the contrary, each of the Participants hereby waives any appraisal rights or similar rights that such Participant may be entitled to under Luxembourg law or other applicable law with respect to the Shares subject to a Participant's Equity Appreciation Rights and to such Equity Appreciation Rights.

Section 5.5 Drag-Along Right.

(a) Drag-Along Right Generally. Subject to the other provisions of this Section 5.5, if a Company has been formed and Participant holds common shares or other equity securities in the Company pursuant to a payment made under Section 5.3(c), and at any time thereafter the Parent or ASPS proposes to sell any or all of its respective shares of stock (or equivalent equity interest) in the Company, the Parent or ASPS, as applicable, shall have the right (the "Drag-Along Right") in its sole discretion to deliver notice to the Company that the Parent or ASPS desires the Company and/or the Participants to enter into agreements with one or more Persons that would result in such sale of the Parent's or ASPS's shares in the Company (an "Approved Sale"), whereupon all Participants and the Company shall consent to and raise no objections against the Approved Sale, and each Participant shall, and by entry into an Award Agreement agrees to, sell all or any portion of his or her shares or securities in the Company as is required by Parent or ASPS, on the terms and conditions approved by the Parent or ASPS. Subject to the other provisions of this Section 5.5, all Participants and the Company shall take all necessary and desirable actions in connection with the consummation of the Approved Sale, including the execution of such agreements and such instruments and other actions reasonably necessary to (i) provide the representations, warranties, indemnities, covenants, conditions, escrow agreements and other provisions and agreements relating to such Approved Sale; and (ii) to effectuate the allocation and distribution of the aggregate consideration upon the Approved Sale as set forth below.

(b) Notice of Approved Sale. Subject to applicable securities laws and regulations and confidentiality requirements, the Company shall provide each Participant with written notice of any Approved Sale at least ten (10) days prior to the consummation thereof, which notice shall specify the terms and conditions of the Approved Sale as well as the Relative FMV Amount of the shares or securities that such Participant is required to sell in the Approved Sale. "Relative FMV Amount" means, with respect to any Participant, the quotient determined by the Administrator by dividing (i) the Fair Market Value of such Participant's shares or securities by (ii) the aggregate consideration received by the Parent or ASPS, as applicable, any other selling Stockholders, all Participants and any other selling entities in the Approved Sale (the "Aggregate Approved Sale Consideration").

(c) Consideration for Approved Sale. Subject to any escrow, holdbacks or similar mechanisms in the Approved Sale as well as any Vesting requirements of the Plan or an Award Agreement, upon the consummation of an Approved Sale, each Participant shall receive (or have the right to receive) from the acquiring entity (or from such other entity as may be provided in the definitive documentation governing such Approved Sale) a percentage of the Aggregate Approved Sale Consideration equal to his, her or its Relative FMV Amount in consideration for the sale of his or her shares or securities in the Company.

(d) Representations, Warranties and Indemnities. In the event that the Participants are required to provide any representations, warranties or indemnities in connection with an Approved Sale (other than representations, warranties and indemnities provided concerning each Participant's valid ownership of his or her shares or securities in the Company, free of all liens and encumbrances, enforceability and each Participant's authority, power, and right to enter into and consummate agreements relating to such Approved Sale without violating applicable law or any other agreement (collectively, the "Individual Representations")), then each Participant shall not be liable, on a several or joint basis, for more than his, her or its Relative FMV Amount of any liability for misrepresentation or indemnity (except in respect of the Individual Representations) and such liability shall not exceed the total aggregate consideration received by such Participant in respect of the Approved Sale.

(e) Proxy and Power of Attorney. Each Participant hereby grants, or in connection with entry into an Award Agreement will grant, an irrevocable proxy and power of attorney to each of the Division, the Parent and ASPS with respect to any shares or other securities he or she holds in the Company to take all necessary actions and execute and deliver all documents deemed necessary and appropriate by either of the Division, the Parent or ASPS to effectuate the consummation of any Approved Sale on terms that are consistent with the provisions of this Section 5.5. The Participants hereby agree to indemnify, defend and hold each of the Company, the Parent and ASPS harmless (severally in accordance with their respective Relative FMV Amounts,

as defined in the applicable Award Agreements with the Participants, and not jointly and severally) against all liability, loss or damage, together with all reasonable costs and expenses (including reasonable legal fees and expenses), relating to or arising from the invalidity of the proxy and power of attorney granted hereby or the Participant's actions taken to contest the validity of such proxy and power of attorney.

Section 5.6 Administrator Discretion Upon Sale of the Division or Qualified IPO. Notwithstanding anything herein or in an Award Agreement to the contrary, as of or in connection with a Sale of the Division or Qualified IPO, the Administrator shall have the ability, at its sole discretion, to accelerate the Vesting and/or transferability of any Equity Participation Rights or to terminate or amend the Plan and any Equity Participation Rights or Share Equivalency Units as necessary consistent with the terms of, and to facilitate, the Sale of the Division or Qualified IPO. Furthermore and notwithstanding anything herein or in an Award Agreement to the contrary, as of or in connection with a Sale of the Division or Qualified IPO, the Administrator shall have the ability, at its sole discretion, to redeem any Equity Appreciation Rights or Share Equivalency Units, without any consideration due to the Participant holding such Equity Appreciation Rights.

Section 5.7 Discretionary Put Option Right for Participants. The Administrator may expressly provide in an Award Agreement that the Parent or the Division will purchase back from a Participant all or some of the Equity Appreciation Rights or Share Equivalency Units issued pursuant to an Award Agreement. The terms and conditions of such a put option right for any Participant shall be determined by the Administrator in its discretion.

ARTICLE VI MISCELLANEOUS

Section 6.1 No Rights as a Member. A Participant shall have no distribution, voting, or any other rights as a member or stockholder of the Division, the Company or any of its Subsidiaries or Affiliates as a result of participation in the Plan or with respect to any Equity Appreciation Rights, whether Vested or not Vested.

Section 6.2 Unfunded Plan. The Plan is unfunded. Neither the Division nor any of its parents, Subsidiaries or Affiliates (including the Parent and ASPs) shall segregate any assets in connection with or as a result of the Plan. The rights of a Participant to benefits under this Plan shall be solely those of a general, unsecured creditor of the Division and Parent.

Section 6.3 Amendment; Termination of Plan. While the Parent's intent is to pay Participants' benefits according to the provisions of the Plan, the Administrator may unilaterally amend, modify, suspend, eliminate or terminate, in whole or in part, any or all provisions of the Plan or any Award Agreement. Subject to Section 6.4, no such amendment, modification, suspension, elimination or termination of the Plan may materially and adversely affect any right of any Participant that arises on a Payment Date occurring prior to the effective date of such amendment, modification, change, suspension, elimination or termination of the Plan without such Participant's written consent.

Section 6.4 No Limitation on Corporate Actions; Adjustments for Recapitalizations, Mergers, Acquisitions and other Transactions. This Plan and the Equity Appreciation Rights granted hereunder shall have no effect on the Division's capital structure, and shall not affect the right of the Parent, ASPs, the Division or any of their respective Subsidiaries or Affiliates to reclassify, recapitalize, issue equity or otherwise change its capital or debt structure or to merge, consolidate, convey any or all of its assets, dissolve, liquidate, wind up or otherwise reorganize. The Administrator shall have the discretion to make adjustments to the Plan and the awards made hereunder to reflect any changes that the Administrator deems appropriate as a result of any Sale of the Division, Qualified IPO, business combination, acquisition, recapitalization, reclassification, merger, consolidation, reorganization, stock dividend, stock split, spin off of one or more divisions or subsidiaries or similar transaction affecting the Equity Appreciation Rights, which adjustments may include, without limitation, the exchange of Equity Appreciation Rights or Share Equivalency Units for equity. Upon the occurrence of any such events, the Administrator may make appropriate adjustments to the Equity Appreciation Rights to avoid inequitable dilution or enlargement of award values or rights in connection with any such event, taking into account a Fair Market Value or other valuation of the Division (as determined by the Administrator in its sole discretion based on any facts and circumstances it considers relevant). For the avoidance of doubt, the Equity Appreciation Rights are subject to the dilutive impact of equity issuances (including a Qualified IPO) or other costs of capital made in connection with acquisitions or capital raises. Further, in recognition that the Division is a business division of Parent and is one member of a consolidated group of companies, the Division or Parent may take or refrain from taking actions or otherwise effect transactions that are in the best interest of the consolidated group and/or the stockholders of Parent that may not be the same actions or transactions that would be taken by the Division if it were not affiliated with Parent or part of a consolidated group, and no Participant shall have any rights, as a holder of Equity Appreciation Rights or any shares of stock issued pursuant to the Plan, as a result of such action, inaction, or transaction.

Section 6.5 Anti-Alienation. No right or interest to or in any Equity Appreciation Right, rights under Article V to payment or other benefit to a Participant shall be assignable or transferred by such Participant except by will or the laws of descent and distribution or except as set forth herein upon Equity Appreciation Rights being issued pursuant to an Award Agreement, and subject to Luxembourg law. No right, benefit or interest of a Participant hereunder shall be subject to anticipation, alienation, sale, assignment, grant of usufruct, encumbrance, charge, pledge, hypothecation or set off in respect of any claim, debt or obligation, or to execution, attachment, levy or similar process, or assignment by operation of law without the prior written consent of the Parent, and subject to Luxembourg law. Any attempt, voluntarily or involuntarily, to effect any action specified previously in this Section shall, to the fullest extent permitted by law, be null, void and of no effect; *provided, however*, that this provision shall not preclude a Participant from designating one or more Beneficiaries to receive any amount that may be payable to such Participant under the Plan after his or her death and shall not preclude the legal representatives of a Participant's estate from assigning any right hereunder to the person or persons entitled thereto under his or her will, or, in the case of intestacy, to the person or persons entitled thereto under the laws of intestacy applicable to his or her estate.

Section 6.6 Certain Tax Matters. To the extent the Division or Parent determines that a Participant is required to pay any federal, state or local taxes (or other required withholdings or taxes) by reason of any Equity Appreciation Rights awarded hereunder being treated at any point as wages or being included in such Participant's gross income, the Parent shall be permitted to require the Participant, promptly upon the request by the Parent, to pay to the Parent (or any of its Affiliates) any such amounts as may be required by law to be withheld by the Parent (or such Affiliate) or cause the Parent to deduct any such amounts from any payment otherwise due from the Parent to the Participant (including wage and bonus payments). The Administrator's determination of the Fair Market Value of the Equity Appreciation Rights for such purposes, and its calculation of the amount of taxes to be withheld, shall be binding on the Participant. Any such withheld amounts shall be treated for purposes of the Plan and any Award Agreement as having been paid to the Participant.

Section 6.7 Code Section 409A. With respect only to each Participant who is a U.S. taxpayer at any time from the Grant Date of an Award through its settlement pursuant to Article V above, this Plan (including any grant of Equity Appreciation Rights and any Award Agreement made hereunder) is intended to be exempt from Code Section 409A pursuant to its short-term deferral rule, and, accordingly, to the maximum extent permitted, this Plan shall with respect to such Participant be interpreted and be administered to be in accordance therewith. To the extent necessary to achieve such exemption from Code Section 409A, the Administrator may amend or modify this Plan pursuant to Section 6.3. Each amount to be paid or benefit to be provided to such a Participant pursuant to this Plan that constitutes deferred compensation subject to Code Section 409A shall be construed as a separate identified payment for purposes of Code Section 409A. Notwithstanding anything to the contrary in this Plan, to the extent that any payments to be made upon such a Participant's separation from service would result in the imposition of any individual penalty tax imposed under Code Section 409A, the payment shall instead be made on the first business day after the earlier of (i) the date that is six months following such Participant's separation from service and (ii) such Participant's death.

Section 6.8 Conflicts with ASPS Plan. Should there be any conflict between the terms of this Plan and the ASPS Plan, the terms of this Plan shall govern except as otherwise required by law.

Section 6.9 Notices. All notices and other communications under this Plan and/or an Award Agreement shall be in writing and shall be given in the manner set forth below (or at such other address a party may specify by like notice).

(a) If to the Division or Parent, by first-class mail, certified or registered with return receipt requested or hand delivery acknowledged in writing by the recipient personally, and such notice shall be deemed to have been duly given three days after mailing or immediately upon duly acknowledged hand delivery to the respective persons named below:

Altisource Solutions S.à r.l.
40, avenue Monterey
L-2163 Luxembourg
Attn: Board of Managers

With a copy to: Kevin.Wilcox@altisource.lu

(b) If to a Participant, to the Participant's address as set forth in the applicable Award Agreement, by first-class mail, certified or registered with return receipt requested, or by hand delivery, and such notice shall be deemed to have been duly given three days after mailing or immediately upon hand delivery to the Participant.

Section 6.10 Successors. The rights and obligations under this Plan and any Award Agreement shall inure to the benefit of, and shall be binding upon the Division, Parent and their successors and assigns, and, subject to Section 6.5, the Participants and their respective beneficiaries and legal representatives.

Section 6.11 Headings; Severability. Headings appearing in this Plan and any Award Agreement are for convenience only and shall not be deemed to explain, limit or amplify the provisions hereof. The invalidity or unenforceability of any particular provision of this Plan or any Award Agreement shall not affect the other provisions hereof or thereof, and this Plan and/or such Award Agreement shall be construed in all respects as if the invalid or unenforceable provision were omitted.

Section 6.12 Effective Date. The Plan shall become effective upon the effective date of the first Equity Appreciation Right award granted hereunder.

Section 6.13 Governing Law. THIS PLAN, AND ANY DISPUTES BETWEEN THE PARENT AND ANY PARTICIPANT, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE GRAND DUCHY OF LUXEMBOURG, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW UNLESS OTHERWISE PROVIDED IN THE APPLICABLE AWARD AGREEMENT.

Section 6.14 Jurisdiction; Venue; Waiver of Jury Trial. BY ACCEPTANCE OF ANY AWARD MADE UNDER THIS PLAN AND UNLESS OTHERWISE PROVIDED IN THE APPLICABLE AWARD AGREEMENT, A PARTICIPANT HEREBY AGREES THAT ANY AND ALL DISPUTES BETWEEN THE PARTIES HERETO WHICH MAY ARISE PURSUANT TO THIS PLAN OR ANY AWARD MADE HEREUNDER WILL BE HEARD EXCLUSIVELY AND DETERMINED BEFORE AN APPROPRIATE COURT LOCATED IN THE GRAND DUCHY OF LUXEMBOURG, AND THE PARENT AND EACH PARTICIPANT SUBMITS ITSELF AND ITS PROPERTY TO THE EXCLUSIVE JURISDICTION OF THE FOREGOING COURTS WITH RESPECT TO SUCH DISPUTES. BY ACCEPTANCE OF ANY AWARD MADE UNDER THIS PLAN, A PARTICIPANT HEREBY (I) WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE COURTS REFERRED TO ABOVE ON THE GROUNDS OF INCONVENIENT FORUM OR OTHERWISE AS REGARDS ANY AND ALL DISPUTES BETWEEN THE PARTICIPANT AND THE PARENT WHICH MAY ARISE PURSUANT TO THIS PLAN OR ANY AWARD MADE HEREUNDER, (II) WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE IN THE COURTS REFERRED TO ABOVE FOR ANY DISPUTE BETWEEN THE PARTIES HERETO WHICH MAY ARISE PURSUANT TO THIS PLAN AND ANY AWARD MADE HEREUNDER, AND (III) AGREES THAT A JUDGMENT OR ORDER OF ANY COURT REFERRED TO ABOVE IN CONNECTION WITH ANY AND ALL DISPUTES BETWEEN THE PARTICIPANT AND THE PARENT WHICH MAY ARISE PURSUANT TO THIS PLAN OR ANY AWARD MADE HEREUNDER IS CONCLUSIVE AND BINDING ON IT AND MAY BE ENFORCED AGAINST IT IN THE COURTS OF ANY OTHER JURISDICTION. EACH PARTICIPANT WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY, AND AGREES THAT ANY SUCH SUIT, ACTION OR OTHER PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

**CONSUMER ANALYTICS DIVISION
EQUITY APPRECIATION RIGHTS AWARD AGREEMENT**

THIS EQUITY APPRECIATION RIGHTS AWARD AGREEMENT (this "*Award Agreement*") is entered into by and between Altisource Solutions S.à r.l., a Luxembourg private limited liability company (société à responsabilité limitée), having its registered office at 40, avenue Monterey, L-2163 Luxembourg and registered with the Luxembourg register of commerce and companies under number B147268 (the "*Parent*"), and Mark J. Hynes (the "*Participant*"), an individual, as of May 19, 2015 (the "*Grant Date*").

WHEREAS, the Parent has adopted the Consumer Analytics Division Equity Appreciation Rights Plan (the "*Plan*");

WHEREAS, the Participant is employed by the Parent or an Affiliate of the Parent, and is performing direct services for the Consumer Analytics division of the Parent (the "*Division*"), and the Parent has determined that the Participant is an employee of the Parent to whom it desires to award Equity Appreciation Rights under the Plan on the terms and conditions set forth herein, including the Participant's acknowledgement and agreement in Section 18 below; and

WHEREAS, the Participant is willing to accept such award on such terms and conditions.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, the Participant and the Division have agreed and do hereby agree as follows:

Section 1. Incorporation of Plan; Definitions. The Participant hereby acknowledges that he or she has been provided access to the Plan. The terms and conditions of the Plan are hereby incorporated by reference into this Award Agreement. Should there be any conflict between the terms of this Award Agreement and the Plan, the terms of the Plan shall govern. Each capitalized term used herein shall have the meaning ascribed to such term in the Plan, unless such a term is specifically defined in this Section 1 or elsewhere in this Award Agreement.

(a) "*Cause*" means:

(i) with respect to a Participant who is party to a written Employment Agreement that explicitly defines "*Cause*" and which has been approved by the Administrator or the Managers, "*Cause*" as defined in such Employment Agreement (whether such Employment Agreement is entered into on the date hereof or prior or subsequent hereto); and

(ii) with respect to a Participant who is not party to a written Employment Agreement, or whose Employment Agreement has not been approved by the Administrator or the Managers, or whose Employment Agreement does not contain an explicit definition of "*Cause*," any of the following: (A) the Participant engages in a material or ongoing failure or refusal to comply with direct instructions of the Administrator, the Managers or their respective designees (or the Board of Managers of the Company, if any, or its designee) that are consistent with the Participant's duties to Altisource and with relevant requirements of applicable law; (B) the Participant engages in purposeful dishonest or incompetent or grossly negligent misconduct (failure to meet financial performance expectations shall not be considered "misconduct" for this purpose), intentionally fails to perform any of his duties or performs any of his duties in bad faith, in each case which is or would reasonably be expected to be injurious or breach a fiduciary duty to Altisource or any customer, client, agent, creditor, equity holder or employee of Altisource; (C) the Participant perpetrates a fraud or embezzlement or misappropriation against or affecting Altisource or any customer, client, agent, creditor, equity holder or employee of Altisource; (D) the Participant misappropriates funds of Altisource; (E) the Participant breaches a provision contained in this Award Agreement or the Plan or any other agreement between the Participant, on the one hand, and Altisource, on the other hand, which breach, to the extent curable, is not cured within the applicable cure period, or if no cure period is specified, within fifteen (15) days following receipt of written notice from Altisource; (F) the Participant takes or engages in any action or conduct that materially adversely affects the business, operations, integrity and reputation of Altisource as reasonably determined in good faith by the Administrator or the Managers; (G) the Participant violates any law or other regulations applicable to Altisource or his duties to Altisource; (H) the Participant is indicted, convicted of, or pleads guilty or no contest to, a felony or a crime involving fraud, dishonesty or moral turpitude; and (I) the Participant violates any other material rule or policy of Altisource and such violation is reasonably likely to be injurious to Altisource.

(b) "*Confidential Information*" means:

(i) with respect to a Participant who is party to a written Employment Agreement or Employee Intellectual Property Agreement or other agreement that explicitly defines "*Confidential Information*" (each, an "*Employee*

Confidentiality Agreement”) and which has been approved by the Administrator or the Managers, “Confidential Information” as defined in such Employee Confidentiality Agreement, (whether such Employee Confidentiality Agreement is entered into on the date hereof or prior or subsequent hereto); and

(ii) with respect to a Participant who is not party to an Employee Confidentiality Agreement, or whose Employee Confidentiality Agreement has not been approved by the Administrator or the Managers, the following: data and information relating to the business of Altisource which is or has been disclosed to the Participant or which the Participant observed, viewed, created or otherwise became aware of as a consequence of or through his relationship to Altisource and which has value to Altisource and is not generally known to its competitors.

(c) “Disability” means a physical or mental impairment which, as reasonably determined by the Administrator, renders the Participant unable to perform the essential functions of his or her employment with Altisource, even with reasonable accommodation that does not impose an undue hardship on Altisource, for more than one hundred and eighty (180) days in any twelve (12) month period, unless a longer period is required by applicable law, in which case that longer period would apply.

(d) “Enterprise Value” means the Division’s Fair Market Value.

(e) “Enterprise Value on the Grant Date” means U.S. \$17,290,000.

(f) “Excluded Customers” means Ocwen Financial Corporation, Home Loan Servicing Solutions, Ltd., New Residential Investment Corp., Altisource Residential Corporation, Altisource Asset Management Corporation, ASPS (as defined in the Plan) and/or any entity that is or was at one time one of their respective Subsidiaries or Affiliates; provided that the Administrator shall have the authority to amend the definition of “Excluded Customers” from time to time in its sole discretion.

(g) “Forfeiture Event” means termination of a Participant’s employment either (i) for Cause (as defined in the applicable Award Agreement with the Participant) or (ii) due to the Participant’s Resignation.

(h) “Resignation” means termination of employment due to the Participant’s resignation for any reason, whether voluntary or involuntary, and whether or not such resignation involves an actual or alleged constructive discharge. For purposes of this Award Agreement, the effective date of Resignation for a Participant shall be the date that such Participant first provides notice of Resignation to Altisource.

(i) “Retirement” means termination, other than by reason of death or Disability, of the Participant’s employment with Altisource pursuant to and in accordance with a plan or program of Altisource applicable to the Participant provided, however, that for purposes of this Award Agreement only, the Participant must have attained the age of sixty (60) and been an employee of Altisource for not less than three (3) years as of the date of termination of employment by reason of Retirement. For purposes of clarification, “Retirement” does not constitute a Participant’s “Resignation” or a “Forfeiture Event” within the meaning of this Award Agreement.

(j) “Transaction Value” means

(i) in the case of a Sale of the Division in which 100% of the equity rights and equity-linked rights (or, as applicable, assets) are sold, the value of all pre-tax cash proceeds and non-cash consideration payable as a result of such Sale of the Division; *provided*, that in the event of a Sale of the Division in which less than 100% of the equity rights and equity-linked rights (or, as applicable, assets) are transferred, “Transaction Value” shall mean instead the aggregate value of the Division implied by the consideration payable in such Sale of the Division in respect of the portion of the Division to be sold in such Sale of the Division (as determined by the Administrator in its sole discretion after considering all relevant factors); and

(ii) in the case of a Qualified IPO, the aggregate value of the Company’s equity rights and equity-linked rights implied by the price of the common equity (or such equity securities of the Company as the Administrator determines most closely approximates common equity) of the Company at the closing of such Qualified IPO (as determined by the Administrator in its sole discretion after considering all relevant factors).

Section 2. Grant of Equity Appreciation Rights. Subject to the terms and conditions set forth in the Plan and this Award Agreement, effective as of the Grant Date, the Participant shall be granted by Parent 1,000,000 equity appreciation rights (the “Equity Appreciation Rights”) *provided* that such grant and this Award Agreement shall be effective if and only if, within twenty-one (21) days after receiving this Award Agreement, the Participant returns to the Administrator, in accordance with the notice and communication provisions of Section 17(a) below, or through the Parent’s electronic signature platform, an executed version of this Award Agreement.

(a) Notice of Intent to Exercise. Equity Appreciation Rights shall vest (“Vest”) subject to the terms of this Section and those of Section 4 below. Notwithstanding anything contained herein, the Administrator shall have the ability to (i) amend and modify existing Hurdle Amounts to effectuate the intent of Section 3(d) of this Agreement and Sections 5.6, 6.3 and 6.4 of the Plan, and within the limits set forth in such sections and (ii) establish new Hurdle Amounts (as defined below). At any time within any Window Period after the date on which an Equity Appreciation Right is Vested pursuant to the terms of this Award Agreement (and before the Equity Appreciation Right expires or is forfeited), the Participant may irrevocably offer to have the Parent (or Division) exchange Vested Equity Appreciation Rights (such vested Equity Appreciation Rights offered shall be referred to as the “*Exercised Rights*”) for Share Equivalency Units to subsequently be redeemed for payment, pursuant to the terms and conditions of Sections 5.1 and 3 of the Plan. The Participant shall make an offer to have the Exercised Rights exchanged and redeemed only by delivering an Exercise Notice (substantially in the form attached as *Exhibit A*) (or other notification consistent with the Parent’s procedures in connection with an Electronic Exercise, as the case may be) to the Parent, and therein setting forth the Vested Equity Appreciation Rights offered to the Parent for exchange and redemption. Within fourteen (14) calendar days of the Parent’s receipt of the Participant’s Exercise Notice, the Parent will provide the Participant with a written notice, indicating the number of Share Equivalency Units that Participant is entitled to as a result of the Exercise Notice (the “Share Equivalency Unit Notice”) in accordance with Article V of the Plan. The Base Value for purposes of calculating the Appreciation Value of the Equity Appreciation Rights under this Award Agreement shall be \$0.17.

(b) Vesting (other than Upon Sale of the Division, IPO or other Corporate Transaction).

(i) Time-based Equity Appreciation Rights. Twenty-five percent (25.0%) of the Equity Appreciation Rights shall be subject to time-based vesting (the “*Time-based Equity Appreciation Rights*”). One-fourth of the Time-based Equity Appreciation Rights shall vest on each of the consecutive four (4) annual anniversaries of the Grant Date, but only if the Participant has continued in the employ of the Parent or any of its Subsidiaries or Affiliates through the particular vesting date (unless otherwise provided pursuant to Section 4 below).

(ii) Performance-based First Hurdle Equity Appreciation Rights. Fifty percent (50.0%) of the Equity Appreciation Rights shall Vest in accordance with this subsection (ii) (the “*First Hurdle Equity Appreciation Rights*”) but only if the Participant has continued in the employ of the Parent or any of its Subsidiaries or Affiliates through the particular vesting date (unless otherwise provided pursuant to Section 4 below). The Administrator shall, from time to time determine the applicable Enterprise Value, not less frequently than once per calendar year.

(A) Thirty-three and four tenths percent (33.4%) of the First Hurdle Equity Appreciation Rights shall Vest upon the date on which the Division has achieved all of the following performance hurdles (the “*First Hurdle Achievement Date*”): (1) for each three consecutive calendar quarters, at least \$2,000,000 of the quarterly revenue attributable to fee-based services (excluding reimbursable expenses and non-controlling interests that are pass through items) (“*Service Revenue*”) generated by the Division is unrelated to Excluded Customers (the “*First Hurdle Measurement Period*”) and (2) the next Enterprise Value determined subsequent to the end of the First Hurdle Measurement Period satisfies the First Hurdle Amount, as defined below (which Enterprise Value may be determined using the Enterprise Value most recently determined, in the Administrator’s sole discretion). The “*First Hurdle Amount*” means the applicable Enterprise Value is equal to or exceeds the greater of (x) two (2) times the Grant Date Enterprise Value and (y) the Grant Date Enterprise Value plus \$150,000,000. Clauses (1) and (2) hereof are collectively referred to as the “*First Hurdle*”.

(B) Thereafter, thirty-three and three tenths percent (33.3%) of the First Hurdle Equity Appreciation Rights shall Vest on each of the consecutive two (2) annual anniversaries of the First Hurdle Achievement Date.

(C) If the First Hurdle has not been achieved as of the fourth (4th) anniversary of the Grant Date, then on such fourth (4th) anniversary and on each subsequent anniversary thereof until the earlier of (i) the First Hurdle Achievement Date; and (ii) the date upon which the applicable First Hurdle Units expire or are forfeited, the First Hurdle Amount shall increase by a dollar amount equal to five percent (5.0%) per annum of the then-current dollar amount of such First Hurdle Amount.

(iii) Performance-based Second Hurdle Equity Appreciation Rights. Twenty-five percent (25.0%) of the Equity Appreciation Rights shall Vest in accordance with this subsection (iii) (the “*Second Hurdle Equity Appreciation Rights*”) but only if the Participant has continued in the employ of the Parent or any of its Subsidiaries or Affiliates through the particular vesting date (unless otherwise provided pursuant to Section 4 below). The Administrator shall, from time to time, determine the applicable Enterprise Value, not less frequently than once per calendar year.

(A) Thirty-three and four tenths percent (33.4%) of the Second Hurdle Equity Appreciation Rights shall Vest upon the date on which the Division has achieved all of the following performance hurdles (the “*Second Hurdle Achievement Date*”): (1) for each three consecutive calendar quarters, at least \$4,000,000 of the quarterly Service Revenue generated by the Division is unrelated to the Excluded Customers (the “*Second Hurdle Measurement Period*”); and (2) the next Enterprise Value determined subsequent to the end of the Second Hurdle Measurement Period satisfies the Second Hurdle Amount, as defined below (which Enterprise Value may be determined using the Enterprise Value most recently determined, in the Administrator’s sole discretion). The “*Second Hurdle Amount*” means the applicable Enterprise Value is equal to or exceeds the greater of (x) three (3) times the Grant Date Enterprise Value and (y) the Grant Date Enterprise Value plus \$300,000,000. Clauses (1) and (2) hereof, collectively, the “*Second Hurdle*,” and together with the First Hurdle, the “*Hurdles*”.

(B) Thereafter, thirty-three and three tenths percent (33.3%) of the Second Hurdle Equity Appreciation Rights shall Vest on each of the consecutive two (2) annual anniversaries of the Second Hurdle Achievement Date.

(C) If the Second Hurdle has not been achieved as of the sixth (6th) anniversary of the Grant Date, then on such sixth (6th) anniversary and on each subsequent anniversary thereof until the earlier of (i) the Second Hurdle Achievement Date and (ii) the date upon which the applicable Second Hurdle Units expire or are forfeited, the Second Hurdle Amount shall increase by a dollar amount equal to five percent (5.0%) per annum of the then-current dollar amount of such Second Hurdle Amount.

(iv) Expiration of Grant. Except as may otherwise be provided in this Award Agreement for the earlier termination of the Equity Appreciation Rights, the term of the Equity Appreciation Rights shall begin on the Grant Date and will continue for Time-based Equity Appreciation Rights for a period of ten (10) years from the Grant Date, and will continue for First Hurdle Equity Appreciation Rights and Second Hurdle Equity Appreciation Rights (together “Performance-based Equity Appreciation Rights”) for a period of (A) ten (10) years from the date of this Award Agreement, or (B) four (4) years after the respective commencement of Vesting of the First Hurdle Equity Appreciation Rights or Second Hurdle Equity Appreciation Rights, whichever period ends later. If any Hurdle or Hurdles have not been achieved as of the tenth (10th) anniversary of the Grant Date, then on such tenth (10th) anniversary, the Performance-based Equity Appreciation Rights corresponding to such Hurdle or Hurdles shall expire.

(c) Vesting Upon Sale of the Division or Qualified IPO. Subject to Sections 5.6 and 6.4 of the Plan, in the event of a Sale of the Division or Qualified IPO, all Time-based Equity Appreciation Rights shall remain in place and continue to Vest in accordance with the schedule set forth in Section 3(b)(i), and the Performance-based Equity Appreciation Rights shall Vest only according to the terms that follow herein.

(i) After the Achievement of a Hurdle. In the event of a Sale of the Division or Qualified IPO after the achievement of a Hurdle, the Equity Appreciation Rights related to such Hurdle shall remain in place and continue to Vest in accordance with the schedule set forth in Section 3(b)(ii) and (iii).

(ii) Prior to the Achievement of a Hurdle.

(A) If the Transaction Value of a Sale of the Division or Qualified IPO equals or exceeds the First Hurdle Amount, then the First Hurdle Equity Appreciation Rights will begin to Vest and continue to Vest in accordance with the schedule set forth in Section 3(b)(ii). If the Transaction Value in respect of such Sale of the Division or Qualified IPO is below the First Hurdle Amount, no First Hurdle Equity Appreciation Rights will Vest automatically, and the Hurdles related to Vesting set forth in Section 3(b)(ii) above will remain in place.

(B) If the Transaction Value of a Sale of the Division or Qualified IPO equals or exceeds the Second Hurdle Amount, then the Second Hurdle Equity Appreciation Rights will begin to Vest and continue to Vest in accordance with the schedule set forth in Section 3(b)(ii) and (iii). If the Transaction Value in respect of such Sale of the Division or Qualified IPO is below the Second Hurdle Amount, no Second Hurdle Equity Appreciation Rights will Vest automatically, and the Hurdles related to Vesting set forth in Section 3(b)(iii) above will remain in place.

(iii) Notwithstanding the foregoing, and subject to Section 5.6 and 6.4 of the Plan, in no event will the occurrence of a Sale of the Division or of a Qualified IPO accelerate the schedule on which Equity Appreciation Rights Vest without the prior consent of the Administrator, which shall retain the sole discretion on such matters.

(iv) At the sole discretion of the Administrator, the Participant may be required (i) to enter into a lock-up agreement with respect to any shares or other securities that may be issued in payment for Equity Appreciation Rights or Share Equivalency Units in connection with any Sale of the Division or Qualified IPO; and/or (ii) to the extent a Participant

receives common shares or other equity interests in the Company in respect of Payment for Share Equivalency Units in accordance with Article V of the Plan, to present any such shares or interests for repurchase by the Company at a price equal to their Fair Market Value at the time of the Sale of the Division or Qualified IPO.

(d) Other Corporate Transactions. Notwithstanding the provisions of Section 3(b), in the event of a spin-off of the Division and at the sole discretion of the Administrator, to the extent a Participant receives common shares or other equity interests in the Company in respect of Payment for Share Equivalency Units in accordance with Article V of the Plan, the Participant may be required to present any such shares or interests for repurchase by the Company at a price equal to their Fair Market Value at the time of the spin-off of the Division (with the Participant's Equity Appreciation Rights to continue, unaffected by the spin-off). In the event of any Division acquisitions, capital raising, or corporate transactions other than a Sale of the Division, Qualified IPO, or spin-off of the Company, the Administrator shall have the discretion to adjust the terms of this Award Agreement based on the effects of the transaction, including but not limited to:

- (i) adjusting any outstanding Hurdle;
- (ii) allocating debt or equity to the entity and accordingly charging the applicable interest expense or cost of capital to the entity; and/or
- (iii) diluting the existing Company shareholders, if any, and/or holders of Equity Appreciation Rights and other outstanding Share-based awards made by the Division, including but not limited to restricted share awards.

Section 4. Treatment of Equity Appreciation Rights Upon Termination of Employment.

(a) Equity Appreciation Rights Upon Termination of Employment with Cause. If the Participant is terminated with Cause, the Participant's Equity Appreciation Rights shall be immediately forfeited without consideration, whether Vested or not Vested. Upon any such forfeiture of Equity Appreciation Rights, the Participant shall cease to have any rights whatsoever under the Plan or this Award Agreement and shall thereupon not be entitled to receive any further payments of cash or other benefits pursuant thereto or hereto. Notwithstanding the foregoing, the Administrator may in its sole and absolute discretion, on a case-by-case basis, (A) provide for payment of all or any portion of the amount that the Participant would have received upon exercise of Vested Equity Appreciation Rights, immediately before (and in the absence of) such termination, and (B) recover, through claw-back, any common shares or other equity interests in the Company, common stock of ASPS, or other proceeds the Participant has received from the prior exercise of Vested Equity Appreciation Rights.

(b) Equity Appreciation Rights Upon Termination of Employment without Cause, by Reason of Retirement, Due to Resignation or as a Result of Death or Disability.

(i) Performance-based Equity Appreciation Rights - Prior to the Achievement of a Hurdle. Subject to Section 4(c) below, if the Participant's employment is terminated by Altisource without Cause, by reason of Retirement or as a result of the Participant's death or Disability, then for a Hurdle that has not yet been achieved by the Division at the time of the Participant's termination of employment under this Section 4(b), the Participant shall forfeit without consideration all Equity Appreciation Rights that are not Vested; provided, *however*, that, if a previously unachieved Hurdle is achieved within sixty (60) days of termination of the Participant's employment under this Section 4(b), any Equity Appreciation Rights related to such Hurdle that were not yet Vested at the time of such termination shall Vest in accordance with the schedule set forth in Section 3(b) (without regard to its employment condition for Vesting on such date). Further, subject to Section 4(c) below, if the Participant's employment is terminated due to Resignation, then for a Hurdle that has not yet been achieved as of the date of the Participant's Resignation, the Participant shall forfeit without consideration all Equity Appreciation Rights related to such Hurdle as of the date of Resignation.

(ii) Performance-based Equity Appreciation Rights - After the Achievement of a Hurdle. Subject to Section 4(c) below, if the Participant's employment is terminated by Altisource without Cause, by reason of Retirement or as a result of the Participant's death or Disability, then for a Hurdle that has been achieved at the time of the Participant's termination of employment under this Section 4(b), (A) the Participant's Equity Appreciation Rights related to such Hurdle that are not yet Vested shall continue to Vest in accordance with the schedule set forth in Section 3(b) (without regard to its employment condition for Vesting on such date); and (B) the Participant shall retain all Vested Equity Appreciation Rights related to such Hurdle and all rights with respect thereto. Further, subject to Section 4(c) below, if the Participant's employment is terminated due to Resignation, then for a Hurdle that has been achieved prior to the date of the Participant's Resignation, the Participant shall forfeit without consideration all Equity Appreciation Rights related to such Hurdle that are not yet Vested.

(iii) Time-based Equity Appreciation Rights. Subject to Section 4(c) below, if the Participant's employment is terminated by Altisource without Cause, by reason of Retirement, due to Resignation or as a result of the Participant's

death or Disability, then: (A) the Participant shall forfeit without consideration all Time-based Equity Appreciation Rights that are not yet Vested; and (B) the Participant shall retain all Vested Time-based Equity Appreciation Rights and all rights with respect thereto.

(iv) Any Equity Appreciation Rights retained by the Participant under Section 4(b)(i), (ii) and (iii) following the Participant's termination of employment as a result of the Participant's death shall terminate not later than (i) three (3) years after the date of the Participant's death or (ii) upon the expiration of the Equity Appreciation Rights, whichever occurs first.

(v) Any Equity Appreciation Rights retained by the Participant under Section 4(b)(i), (ii) and (iii) following the Participant's termination of employment as a result of the Participant's Disability shall terminate not later than (a) five (5) years after the date of such termination of employment or (b) upon the expiration of the Equity Appreciation Rights, whichever occurs first.

(vi) Any Equity Appreciation Rights retained by a Participant under Section 4(b)(i), (ii) and (iii) following a Participant's termination of employment by Altisource without Cause, due to Resignation, or by reason of Retirement shall be exercised pursuant to Section 5.1 of the Plan during the next full Window Period that immediately follows the later to occur of (i) the date of such termination of employment, or (ii) where applicable, the date of Vesting for Equity Appreciation Rights that were not Vested at the time of termination, and shall thereafter be held by the Participant for a period of six months and one day (without regard to any employment condition during this period) at which time the Share Equivalency Units then held by the Participant shall be redeemed pursuant to Section 5.3 of the Plan. Failure of the Participant to exercise any Equity Appreciation Rights in accordance with this Section 4(b)(vi) will result in the forfeiture or cancellation of such Equity Appreciation Rights and related shares or interests without any compensation therefor; provided however, that if a Participant provides an Exercise Notice to exercise Equity Appreciation Rights in accordance with this Section 4(b)(vi) that the exercise of such Equity Appreciation Rights is then rejected in whole or in part by the Administrator in accordance with Section 5(b), the Administrator shall allow the Participant to exercise such rejected Equity Appreciation Rights during the Window Period that immediately follows the expiration of the Post-Rejection Period; *provided however*, that the Participant shall provide a new Exercise Notice to exercise *all* of the rejected Equity Appreciation Rights, and provided further that the exercise of the Equity Appreciation Rights pursuant to such new Exercise Notice is not rejected by the Administrator in accordance with Section 5(b). To the extent the new Exercise Notice is rejected by the Administrator (and any subsequent Exercise Notices) in accordance with Section 5(b), the Administrator shall allow the Participant to exercise such rejected Equity Appreciation Rights during the Window Period that immediately follows the next Exercise Notice that is not rejected by the Administrator, following the expiration of applicable Post-Rejection Period(s).

(c) Conditions to Retaining Equity Appreciation Rights Following Termination; Parent's Right to Repurchase Equity Appreciation Rights. The Participant's right to retain Equity Appreciation Rights following termination of employment under Section 4(b) is subject in all cases to the requirement that the Participant has been employed with Altisource for a period of at least two (2) years on the date of such termination in addition to satisfying the applicable requirements in the case of Retirement. Further, if so determined by the Board in its sole discretion, the Parent shall have the right to repurchase any Equity Appreciation Rights for fair market value at any time, including without limitation, any Equity Appreciation Rights that have been retained by the Participant following the termination of such Participant's employment.

(d) Upon Termination Following Sale of the Division or Qualified IPO That Results in Achievement of a Hurdle.

(i) Termination of Employment Due to a Forfeiture Event. If the Participant's employment was terminated as a result of the Participant being subject to a Forfeiture Event, and a Sale of the Division or Qualified IPO that results in the achievement of a previously unachieved Hurdle is consummated within sixty (60) days of such Forfeiture Event, the Board or the Managers may in their sole and absolute discretion provide for payment of all or any portion of the amount that the Participant would have received upon exercise of all Vested Equity Appreciation Rights immediately before the Forfeiture Event.

(ii) Termination of Employment Without Cause, by Reason of Retirement or Due to Death or Disability. If the Participant's employment is terminated by Altisource without Cause, by reason of Retirement, or as a result of the Participant's death or Disability, and a Sale of the Division or Qualified IPO that results in the achievement of a previously unachieved Hurdle is consummated within sixty (60) days of such termination of employment, (A) the Participant's Equity Appreciation Rights related to such Hurdle that were not Vested at the time of such termination shall Vest in accordance with the schedule set forth in Section 3(b) (without regard to its employment condition for Vesting on such date); and (B) the Participant shall retain all Vested Equity Appreciation Rights related to such Hurdle and all rights with respect thereto; provided, *however*, that, if so determined by the Board, the Parent will have the right to repurchase such Equity Appreciation Rights for fair market value at any time.

(e) Acknowledgement of Drag-Along Right and Share Transfer Restrictions.

(i) The Participant acknowledges and agrees to the terms of the Drag-Along Right as set forth in Section 5.5 of the Plan, to the extent allowed by applicable law, and to their application to any common shares or other equity securities of the Company, if any, pursuant to this Award Agreement. The Participant hereby agrees to fully cooperate with each of the Division, the Parent and ASPS to take all necessary actions and execute and deliver all documents deemed necessary and appropriate by either of the Division, the Parent or ASPS to effectuate the consummation of any Approved Sale (as defined in the Plan) on terms that are consistent with the provisions of this Section and Section 5.5 of the Plan. The Participant hereby indemnifies, defends and holds each of the Division, the Parent and ASPS harmless against all liability, loss or damage, together with all reasonable costs and expenses (including reasonable legal fees and expenses), relating to or arising from the Participant's failure to cooperate or the Participant's actions taken to contest the validity of this provision.

(ii) No Participant shall sell or transfer in any manner any common shares or other equity interests of the Company issued to the Participant pursuant to an Award Agreement by sale or other disposition, or give or in any way create in any person or entity any option, warrant or other right to acquire all or any portion of such shares or interests, or bequeath any such shares or interests by will or the laws of descent and distribution, and no such sale, transfer, bequest, gift or other disposition by a Participant shall be effective to vest any right, title or ownership in any transferee, personal representative, executor, heir, legatee, devisee or any person or entity which takes such shares or interests by operation of law or otherwise, unless (i) such transferee agrees in writing at the time of such transfer, in a form satisfactory to the Company, to be bound by the terms of this Plan, the applicable Award Agreement, and any other agreement required by the Administrator as a condition for such transfer, and (ii) such transfer is otherwise approved in writing by the Administrator, in its discretion, and is in compliance with the requirements of the Plan, the applicable Award Agreement, and the Company's governing instruments; and, (iii) in the case of a transfer to a non-shareholder, the shareholders representing 75% of the Company's share capital vote in favor of such a transfer. In the event any purported or attempted transfer of common shares or other equity interests of the Company issued pursuant to this Plan does not comply with the provisions of this Section, such purported transfer shall be deemed to be invalid, and such purported transferee shall not be deemed to be a Shareholder of the Company and shall not be entitled to receive a new stock certificate or any dividends or other distributions or rights or with respect to such shares or interests.

(f) Repurchase of Shares or Equity Interests by the Company. Any share or interest repurchase right by the Company hereunder shall be exercisable upon written notice to the Participant from the Company and shall be consummated promptly by each party, acting in good faith. Any refusal or inability by the Participant to consummate a repurchase of shares or interests by the Company in accordance with this Agreement will result in the forfeiture or cancellation of the related shares or interests without any compensation therefor.

Section 5. Settlement of Equity Appreciation Rights.

(a) Subject to Article V of the Plan, on the date six months and one day after any Offer Date for any Exercised Rights (the "Payment Date"), the Share Equivalency Units then held by the Participant shall be redeemed in exchange for a payment from the Division (or Parent or an Affiliate, as applicable) of an amount equal to the Fair Market Value of an Exercised Right as of the most recent Valuation Date before the Payment Date multiplied by the number of Share Equivalency Units that Participant is entitled to as set forth in the Share Equivalency Unit Notice received by Participant (the "Share Equivalency Unit Value"), the amount, time of payment, and form of which shall be determined in accordance with Article V of the Plan (the "Payment"). Payment shall occur on or after the Payment Date. Notwithstanding any other provision of this Award Agreement (including this Section 5(a)) or any provision of the Plan, the Share Equivalency Units held by a Participant whose employment is terminated for Cause shall not be redeemed and shall be immediately forfeited without consideration as of the date of termination. For avoidance of doubt, this Section shall be without prejudice to the Administrator's or the Managers' exercise of discretion pursuant to Section 4(a) of this Award Agreement.

(b) Notwithstanding the foregoing, if any payment to be made under this Section 5 would, in the Administrator's determination at its sole discretion, materially impair or jeopardize the ability of the Division, the Parent, ASPS or any of their respective Affiliates to meet current or projected cash-flow needs and/or liquidity needs, to limit ASPS shareholder dilution, to avoid a pro-forma breach of any covenants in any of their credit agreements or other financing documents, or to operate as a going concern (collectively, the "Rejection Conditions" and each individually, a "Rejection Condition"), then the Administrator may in its discretion reject the Participant's offer made pursuant to the Exercise Notice (with respect to all or part of the Equity Appreciation Rights) (the "Rejection") at any time before the tentative Payment Date (the "Rejection Date"), in which event the Participant's Equity Appreciation Rights subject to the rejected Exercise Notice shall be reinstated according to the same terms and conditions in effect immediately before the Offer Date and the Participant may not present the Parent with another Exercise Notice with respect to the rejected Exercised Rights during the period between the Rejection Date and the six-month anniversary of the Rejection Date (the "Post-Rejection Period"). To the extent payment of the Share Equivalency Unit Value would jeopardize

the ability of the Division, the Parent, ASPS or any of their respective Affiliates to meet current or projected cash-flow needs and/or liquidity needs, to limit ASPS shareholder dilution, to avoid a pro-forma breach of any covenants in any of their credit agreements or other financing documents, or to operate as a going concern, the Administrator may on the Payment Date (in lieu of rejecting a Participant's offer made pursuant to the Exercise Notice) provide the Participant with a subordinated promissory note in the principal amount equal to the above-referenced payment and bearing simple interest at a rate equal to the then current three-month LIBOR, in a form approved by the lenders of ASPS or any of its Affiliates (or other source of applicable financing) and contains reasonable terms designed to avoid any covenant breach or insolvency during the period of such delayed payment. Such promissory note shall be redeemed, in whole or in part, as soon as reasonably practicable following the elimination of the Rejection Condition(s) forming the basis for the Rejection, as determined by the Administrator in its sole discretion (assuming none of the other Rejection Conditions are met and payment of the promissory note does not result in a Rejection Condition); *provided however*, that the Administrator shall have sole discretion to schedule the timing of the redemption of all promissory notes issued pursuant to the Plan.

Section 6. Cash-out Put Right; Company Right to Purchase.

(a) If a Participant receives common shares or other equity interests of the Company (or shares of common stock of ASPS) in respect of Payment in accordance with Article V of the Plan and at the time of Payment there has not been a Sale of the Division or Qualified IPO, then the Participant shall have the right (the "*Put Right*") during any Window Period to require the Company to exchange or repurchase such shares or interests (or shares of common stock of ASPS, as the case may be) in exchange for (i) a cash payment equal to the Fair Market Value of the shares or interests as of the most recent Valuation Date before the Participant's delivery to the Company of a proper written exercise of the Put Right, (ii) if the Put Right relates to shares or interests other than common stock of ASPS, an equivalent value of shares of common stock of ASPS or (iii) if the payment to be made under clause (i) of this Section would, in the Administrator's determination at its sole discretion, jeopardize the ability of the Company, ASPS or any of their respective Affiliates from operating as a going concern, then the Company may delay making such payment in respect of the shares or interests (or shares of common stock of ASPS, as the case may be) subject to the exercised Put Right until paying it as soon as administratively practicable after such payment would no longer have such effect, in which event the Company shall provide the Participant with a subordinated promissory note in the principal amount equal to the value of such shares or interests that would otherwise be paid in cash under clause (i) of this Section (or shares of common stock of ASPS, as the case may be) and bearing simple interest at a rate equal to the then current three-month LIBOR, in a form of subordinated promissory note that is approved, if applicable, by the Company's applicable lenders (or other source of applicable funding), at the Administrator's sole discretion; *provided, however*, that the Put Right shall only be exercisable under this Section only if at such a time the Company is not then pursuing a Sale of the Division or Qualified IPO in good faith and has not pursued such an event in the preceding six (6) months. The Company shall respond to the exercise of such Put Right as set forth in this Section 6 within twenty-eight (28) business days of the exercise of the Put Right.

(b) If a Participant receives common shares or other equity interests of the Company in respect of Payment, the Company shall at any time have the right to purchase such shares or interests ("*Purchase Right*") upon delivering written notice to the Participant of the exercise of the Purchase Right. The purchase price for the shares or interests under this Purchase Right shall equal the Fair Market Value of the shares or interests as of the date of the Purchase Right notice.

Section 7. Non-Competition. For a period commencing on the date hereof and ending one year following the last day on which the Participant ceases to be employed by or have a consulting or other similar relationship with Altisource (the "*Restricted Period*"), the Participant shall not (and shall not cause or assist any other Person to), directly or indirectly (other than as a director, manager, employee, agent, consultant member or other Affiliate of Altisource), as an individual proprietor, principal, agent, advisor, partner, shareholder, member, equity holder, investor, officer, director, manager, employee, consultant, independent contractor, joint venturer, investor, lender or otherwise, engage in any business or activity, or participate in any business or enterprise engaged in any business or activity anywhere in the United States which is the same as, similar to or competitive with the business (i) in which Altisource was engaging in, developing, selling or providing while such Participant was employed by Altisource and (ii) in which the Participant was actively engaged as an employee of Altisource (each, a "*Competing Business*").

Section 8. Non-Solicitation of Customers, Vendors, etc. The Participant agrees that he or she shall not (and shall not cause or assist any other Person to), except as otherwise necessary or advisable in the performance of his duties as an officer, manager, director, employee or agent of Altisource, during the Restricted Period, directly or indirectly, on his behalf or on behalf of any other Person:

(a) contact, solicit, accept income from, or do business with any customer or potential customer of Altisource, or any Person who was a customer or any Affiliate thereof at any time during the two (2) years preceding such solicitation, relating to the provision of any Competing Business;

(b) induce or solicit any customer, supplier, subcontractor, licensee, distributor, funding source, or business relation, or any Person who was a customer, supplier, subcontractor, licensee, distributor, funding source, or business relation at any time during the two (2) years preceding such solicitation, to cease doing business with Altisource, or in any way adversely interfere with the relationship between any such customer, supplier, licensee, distributor, funding source, or business relation of Altisource;

(c) take any action that is intended, or could reasonably be expected, to harm, disparage, defame, slander, or lead to unwanted or unfavorable publicity for Altisource or otherwise take any action which might detrimentally affect the reputation, image, relationships or public view of Altisource;

(d) disclose the identity of any customer, supplier, subcontractor, licensee, distributor, funding source, or business relation of Altisource to any Person;

(e) share, reveal or utilize any Confidential Information of Altisource except as otherwise expressly permitted by Altisource; or

(f) attempt to do any of the foregoing, or assist, entice, induce or encourage any other Person to do or attempt to do any activity which, were it done by the Participant, would violate any provision of this Section 8.

Section 9. Non-Hire and Non-Solicitation of Employees. The Participant agrees that he or she shall not (and shall not cause or assist any other Person to), during the Restricted Period, directly or indirectly, solicit, hire or in any manner encourage any employee of Altisource, or any individual who was an employee of Altisource at any time during the two (2) years preceding such solicitation or hiring, to leave the employ of Altisource for an engagement in any capacity by another Person (other than, in each case, any solicitation directed at the public in general in publications available to the public in general or any contact which the Participant can demonstrate was initiated by such employee or former employee of Altisource).

Section 10. Interplay with Employment Agreement. To the extent there exists any inconsistency between any of the terms of this Award Agreement and the terms of an Employment Agreement, if any, between the Participant and Altisource, the terms of this Award Agreement shall govern, to the extent allowed by applicable law, *provided however*, that the terms of the Employment Agreement shall govern if, and only if, such Employment Agreement was approved by the Administrator or the Managers, explicitly identifies the conflict with the Agreement and states that notwithstanding this Section 10 the applicable terms of the Employment Agreement shall govern.

Section 11. Due and Sufficient Consideration. The Participant acknowledges that the restrictive covenants contained in this Award Agreement (including without limitation in Section 7, Section 8 and Section 9 hereof and this Section 11 (the "Covenants")) are reasonable and necessary to protect the legitimate interests of the Participants and Parent and the Division, and constitute a material inducement to Parent and the Division to enter into this Award Agreement and grant the Equity Appreciation Rights contemplated by this Award Agreement, and that such Equity Appreciation Rights constitute due and sufficient consideration for the entry of the Participant into this Award Agreement and related compliance with such Covenants. The Participant agrees that, during the Restricted Period, prior to beginning any employment or other relationship with a potential future employer, he or she shall inform any such employers of the existence and nature of the Covenants and that failure to do so will immediately grant Parent and the Division the right to cause the forfeiture to the Division of all Equity Appreciation Rights (regardless of Vesting status) for no consideration.

Section 12. Remedies; Sufficiency of Consideration for Restrictive Covenants. In the event that the Participant fails to comply with any of the Covenants, then in addition to and not in limitation of any and all other remedies available to Parent and the Division at law or in equity and to the maximum extent allowed by applicable law, (a) the Equity Appreciation Rights that have not yet become Exercised Rights (regardless of whether such Equity Appreciation Rights have Vested) shall be immediately forfeited and cancelled (b) with respect to Exercised Rights for which Payment has not yet been made, the Exercised Rights shall be immediately forfeited and cancelled and Altisource shall be relieved from any payment obligation in connection with such Exercised Rights and (c) with respect to Exercised Rights for which Payment has occurred, the Participant will be required to immediately deliver to the Division an amount (in cash, in shares or other equity securities of the Company or in shares of ASPS common stock) equal to the payment the Participant received for Share Equivalency Units to the extent such Equity Appreciation Rights Vested at any time from one hundred eighty (180) days prior to the earlier of (i) the date of termination of employment and (ii) the date the Participant fails to comply with any of the Covenants to one hundred eighty (180) days after the date when the Company learns that the Participant has not complied with any such Covenant. The Participant agrees that he/she will deliver such amount due under clause (b) of the preceding sentence (either in cash, in shares or other equity securities of the Company or in shares of ASPS common stock, as applicable) on such terms and conditions as may be required by the Division. The Participant further agrees that Parent and the Division will be entitled to enforce this repayment obligation

by all legal means available, including, without limitation, to set off the amount due under this Section and any other damage amount against any amount that might be owed the Participant to Altisource (other than amounts subject to Section 409A of the Code). The Participant acknowledges that the Covenants and corresponding remedies contained in this Award Agreement (including without limitation in [Section 7](#), [Section 8](#), [Section 9](#) and [Section 11](#) hereof and the foregoing sentences of this [Section 12](#)) are reasonable and necessary to protect the legitimate interests of the Participants and Parent and the Division and constitute a material inducement to Parent and the Division to enter into this Award Agreement and grant the Equity Appreciation Rights contemplated by this Award Agreement, and that such Equity Appreciation Rights constitute due and sufficient consideration for the entry of the Participant into this Award Agreement and related compliance with such restrictive covenants.

Section 13. No Right to Continued Employment. This Award Agreement (and the Equity Appreciation Rights awarded hereunder) shall not confer upon the Participant any right to continue in the employ of Altisource or interfere in any way with the right of Altisource to terminate the Participant's employment at any time, and nothing contained herein shall be deemed a waiver or modification of any provision contained in any other agreement between the Participant and the Division, the Parent, their Subsidiaries or Affiliates.

Section 14. No Rights from Award as Member. While the Equity Appreciation Rights granted hereunder are designed generally to provide the Participant the opportunity to participate in the appreciation of the value of the Division from and after the Grant Date, the Equity Appreciation Rights are not equity interests in the Division, the Parent, ASPS or any of their Subsidiaries or Affiliates, and the Participant shall not be deemed an equity holder of the Division, the Parent or any of their Subsidiaries or Affiliates as a result of the award of Equity Appreciation Rights under the Plan.

Section 15. Limited Other Rights; Clawback. Any Equity Appreciation Rights and common shares or other equity interests of the Company (or ASPS common stock) issued to any Participant shall (a) grant the Participant only such rights and privileges as are set forth in the Plan, or as are set forth in the Company's (or ASPS's) Articles of Association and equity holder agreement (if any) and Luxembourg law with respect to the Company's shares or interests (or ASPS common stock, as the case may be), and (b) be subject to any recoupment or claw-back provisions of applicable law, including Section 954 of the Dodd-Frank Act. Further, Participant acknowledges and agrees that the Company, if formed at any time, is a subsidiary of, and the Division is a business division of, Parent and is one member of a consolidated group of companies. The Company or Parent may take or refrain from taking actions or otherwise effect transactions that are in the best interest of the consolidated group and/or the stockholders of Parent that may not be the same actions or transactions that would be taken by the Company or Division if it were not affiliated with Parent or part of a consolidated group. Participant has no rights as a holder of Equity Appreciation Rights or any shares or interests (or ASPS common stock) issued to Participant as a result of such action, inaction, or transaction.

Section 16. Nontransferability. No right or interest to or in this Award Agreement, the Equity Appreciation Rights or any Share Equivalency Units awarded hereunder or any rights to payment or other benefit to the Participant shall be assignable by the Participant except by will or the laws of descent and distribution unless otherwise provided by law. No right, benefit or interest of the Participant hereunder shall be subject to anticipation, alienation, sale, assignment, encumbrance, charge, pledge, hypothecation or set off in respect of any claim, debt or obligation, or to execution, attachment, levy or similar process, or assignment by operation of law without the prior written consent of the Parent. Any attempt, voluntarily or involuntarily, to effect any action specified in the immediately preceding sentences shall, to the fullest extent permitted by law, be null, void and of no effect; *provided, however*, that this provision shall not preclude the Participant from designating one or more beneficiaries to receive any amount that may be payable to the Participant under this Award Agreement after his or her death and shall not preclude the legal representatives of the Participant's estate from assigning any right hereunder to the person or persons entitled thereto under his or her will, or, in the case of intestacy, to the person or persons entitled thereto under the laws of intestacy applicable to his or her estate.

Section 17. Notices. All notices and other communications under the Plan and/or this Award Agreement shall be in writing and shall be given in the manner set forth below (or at such other address a party may specify by like notice).

(a) If to the Division or Parent, by first-class mail, certified or registered with return receipt requested or hand delivery acknowledged in writing by the recipient personally, and such notice shall be deemed to have been duly given three days after mailing or immediately upon duly acknowledged hand delivery to the respective persons named below:

Altisource Solutions S.à r.l.
40, avenue Monterey
L-2163 Luxembourg
Attn: Board of Managers

With a copy to: Kevin.Wilcox@altisource.lu

(b) If to the Participant, at the address set forth underneath the Participant's signature to this Award Agreement, by first-class mail, certified or registered with return receipt requested, or by hand delivery, and such notice shall be deemed to have been duly given three days after mailing or immediately upon hand delivery to the Participant.

Section 18. Waiver and Release by Participant. AS A CONDITION PRECEDENT TO AND IN CONSIDERATION FOR THE PARENT MAKING THIS AWARD, THE PARTICIPANT IRREVOCABLY WAIVES AND FOREVER RELEASES ANY AND ALL CLAIMS TO ANY EQUITY-BASED COMPENSATION (INCLUDING ANY EQUITY APPRECIATION AWARDS, RIGHTS OR OPTIONS OTHER THAN AS GRANTED IN THIS AGREEMENT) ALLOCATED, ASSIGNED OR OTHERWISE ATTRIBUTED TO THE PARTICIPANT PRIOR TO MAY 1, 2015 PURPORTING TO GIVE THE PARTICIPANT THE RIGHT TO BENEFIT FROM OR PARTICIPATE IN THE APPRECIATION OR INCREASE IN VALUE OF, OR PROFITS OR DIVIDENDS FROM, ANY DIVISION, BUSINESS UNIT OR OTHER SUB-DIVISION OF ALTISOURCE, INCLUDING WITHOUT LIMITATION, ANY PLAN TITLED OR STRUCTURED AS A DIVISION EQUITY APPRECIATION RIGHTS PLAN, BUSINESS UNIT EQUITY APPRECIATION RIGHTS PLAN, SHADOW STOCK PLAN, OR PROFIT SHARING PLAN. FOR PURPOSES OF CLARIFICATION, THE FOREGOING WAIVER AND RELEASE SHALL NOT APPLY TO ANY STOCK OPTION OR RESTRICTED STOCK AWARD FOR ASPS COMMON STOCK ISSUED PURSUANT TO THE ASPS PLAN, INCLUDING ANY RIGHTS IN STOCK OF OTHER COMPANIES RESULTING THEREFROM. IF THE PARTICIPANT UNDERTAKES TO ENFORCE, OR SUCCEEDS IN ENFORCING, ANY RIGHTS TO COLLECT SUCH WAIVED AWARDS, THEN THE PARENT MAY BY WRITTEN NOTICE TO THE PARTICIPANT REPURCHASE ANY OR ALL OF THE PARTICIPANT'S SHARES ISSUED PURSUANT TO THE PLAN OR THIS AWARD AGREEMENT FOR A PRICE EQUAL TO THE LESSER OF THEIR FAIR MARKET VALUE AT THE TIME OF THE REPURCHASE OR THE PURCHASE PRICE PAID BY THE PARTICIPANT PURSUANT TO SECTION 2 ABOVE.

Section 19. Governing Law. THIS AWARD AGREEMENT, AND ANY DISPUTES BETWEEN THE PARENT AND ANY PARTICIPANT, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE GRAND DUCHY OF LUXEMBOURG, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

Section 20. Jurisdiction; Venue; Waiver of Jury Trial. BY ACCEPTANCE OF ANY AWARD MADE UNDER THE PLAN AND THIS AWARD AGREEMENT, A PARTICIPANT HEREBY AGREES THAT ANY AND ALL DISPUTES BETWEEN THE PARTIES HERETO WHICH MAY ARISE PURSUANT TO THIS AWARD AGREEMENT OR ANY AWARD MADE HEREUNDER WILL BE HEARD EXCLUSIVELY AND DETERMINED BEFORE AN APPROPRIATE COURT LOCATED IN THE GRAND DUCHY OF LUXEMBOURG, AND THE PARENT, AND EACH PARTICIPANT SUBMITS ITSELF AND ITS PROPERTY TO THE EXCLUSIVE JURISDICTION OF THE FOREGOING COURTS WITH RESPECT TO SUCH DISPUTES. BY ACCEPTANCE OF ANY AWARD MADE UNDER THIS AWARD AGREEMENT, A PARTICIPANT HEREBY (I) WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE COURTS REFERRED TO ABOVE ON THE GROUNDS OF INCONVENIENT FORUM OR OTHERWISE AS REGARDS ANY AND ALL DISPUTES BETWEEN THE PARTICIPANT AND THE parent WHICH MAY ARISE PURSUANT TO THIS AWARD AGREEMENT OR ANY AWARD MADE HEREUNDER, (II) WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE IN THE COURTS REFERRED TO ABOVE FOR ANY DISPUTE BETWEEN THE PARTIES HERETO WHICH MAY ARISE PURSUANT TO THIS AWARD AGREEMENT AND ANY AWARD MADE HEREUNDER, AND (III) AGREES THAT A JUDGMENT OR ORDER OF ANY COURT REFERRED TO ABOVE IN CONNECTION WITH ANY AND ALL DISPUTES BETWEEN THE PARTICIPANT AND THE PARENT WHICH MAY ARISE PURSUANT TO THIS AWARD AGREEMENT OR ANY AWARD MADE HEREUNDER IS CONCLUSIVE AND BINDING ON IT AND MAY BE ENFORCED AGAINST IT IN THE COURTS OF ANY OTHER JURISDICTION. EACH PARTICIPANT WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THIS AWARD AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY AND AGREES THAT ANY SUCH SUIT, ACTION OR OTHER PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

Section 21. Facsimiles and Electronic Copies; Counterparts. This Award Agreement may be executed by facsimile or in any electronic medium and in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 22. Amendment, Restatement, Modification, or Other Change. This Award Agreement may only be amended, restated, modified, or otherwise changed in accordance with Section 6.3 of the Plan.

Section 23. Headings; Severability. Headings appearing in this Award Agreement are for convenience only and shall not be deemed to explain, limit or amplify the provisions hereof. The invalidity or unenforceability of any particular

provision of this Award Agreement shall not affect the other provisions hereof or thereof, and this Award Agreement shall be construed in all respects as if the invalid or unenforceable provision were omitted.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Award Agreement to be executed and delivered as of the date first above written. By accepting this Award Agreement, either through electronic means or by providing a signed copy, the Participant (i) acknowledges and confirms that he/she has read and understood the Plan and the Award Agreement and (ii) acknowledges and agrees that acceptance through electronic means is equivalent to doing so by providing a signed copy.

ATTEST: **ALTISOURCE SOLUTIONS S.À R.L.**

By: __ By: __
Name: Kevin J. Wilcox Name: William B. Shepro
Title: Manager Title: Manager

PARTICIPANT:

Mark J. Hynes _____

Participant - please provide address for notices:

CONSUMER ANALYTICS EQUITY APPRECIATION RIGHTS

AWARD AGREEMENT

Form of Exercise Notice

Altisource Solutions S.à r.l.
40, avenue Monterey
L-2163 Luxembourg
Attention: Board of Managers
With a copy to: Kevin.wilcox@altisource.lu

Dear Sir or Madam:

The undersigned offers to exercise _____ Equity Appreciation Rights (the "Exercised Rights") that were granted under the Division Equity Appreciation Rights Plan (the "Plan"), and that have become Vested pursuant to an Equity Appreciation Rights Award Agreement dated as of May 19, 2015 (the "Award Agreement"). The undersigned acknowledges and agrees that the terms of this offer to exercise shall be governed by the Plan and the Award Agreement. Accordingly, the Exercised Rights shall be exchanged for Share Equivalency Units, the amount, timing, and form of which shall be determined in accordance with, and shall be subject to the terms and conditions of, Article V of the Plan.

Very truly yours,

Date Mark J. Hynes

**DOCUMENT SOLUTIONS DIVISION
EQUITY APPRECIATION RIGHTS AWARD AGREEMENT**

THIS EQUITY APPRECIATION RIGHTS AWARD AGREEMENT (this "*Award Agreement*") is entered into by and between Altisource Solutions S.à r.l., a Luxembourg private limited liability company (société à responsabilité limitée), having its registered office at 40, avenue Monterey, L-2163 Luxembourg and registered with the Luxembourg register of commerce and companies under number B147268 (the "*Parent*"), and Mark J. Hynes (the "*Participant*"), an individual, as of May 19, 2015 (the "*Grant Date*").

WHEREAS, the Parent has adopted the Document Solutions Division Equity Appreciation Rights Plan (the "*Plan*");

WHEREAS, the Participant is employed by the Parent or an Affiliate of the Parent, and is performing direct services for the Document Solutions division of the Parent (the "*Division*"), and the Parent has determined that the Participant is an employee of the Parent to whom it desires to award Equity Appreciation Rights under the Plan on the terms and conditions set forth herein, including the Participant's acknowledgement and agreement in Section 18 below; and

WHEREAS, the Participant is willing to accept such award on such terms and conditions.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, the Participant and the Division have agreed and do hereby agree as follows:

Section 1. Incorporation of Plan; Definitions. The Participant hereby acknowledges that he or she has been provided access to the Plan. The terms and conditions of the Plan are hereby incorporated by reference into this Award Agreement. Should there be any conflict between the terms of this Award Agreement and the Plan, the terms of the Plan shall govern. Each capitalized term used herein shall have the meaning ascribed to such term in the Plan, unless such a term is specifically defined in this Section 1 or elsewhere in this Award Agreement.

(a) "*Cause*" means:

(i) with respect to a Participant who is party to a written Employment Agreement that explicitly defines "*Cause*" and which has been approved by the Administrator or the Managers, "*Cause*" as defined in such Employment Agreement (whether such Employment Agreement is entered into on the date hereof or prior or subsequent hereto); and

(ii) with respect to a Participant who is not party to a written Employment Agreement, or whose Employment Agreement has not been approved by the Administrator or the Managers, or whose Employment Agreement does not contain an explicit definition of "*Cause*," any of the following: (A) the Participant engages in a material or ongoing failure or refusal to comply with direct instructions of the Administrator, the Managers or their respective designees (or the Board of Managers of the Company, if any, or its designee) that are consistent with the Participant's duties to Altisource and with relevant requirements of applicable law; (B) the Participant engages in purposeful dishonest or incompetent or grossly negligent misconduct (failure to meet financial performance expectations shall not be considered "misconduct" for this purpose), intentionally fails to perform any of his duties or performs any of his duties in bad faith, in each case which is or would reasonably be expected to be injurious or breach a fiduciary duty to Altisource or any customer, client, agent, creditor, equity holder or employee of Altisource; (C) the Participant perpetrates a fraud or embezzlement or misappropriation against or affecting Altisource or any customer, client, agent, creditor, equity holder or employee of Altisource; (D) the Participant misappropriates funds of Altisource; (E) the Participant breaches a provision contained in this Award Agreement or the Plan or any other agreement between the Participant, on the one hand, and Altisource, on the other hand, which breach, to the extent curable, is not cured within the applicable cure period, or if no cure period is specified, within fifteen (15) days following receipt of written notice from Altisource; (F) the Participant takes or engages in any action or conduct that materially adversely affects the business, operations, integrity and reputation of Altisource as reasonably determined in good faith by the Administrator or the Managers; (G) the Participant violates any law or other regulations applicable to Altisource or his duties to Altisource; (H) the Participant is indicted, convicted of, or pleads guilty or no contest to, a felony or a crime involving fraud, dishonesty or moral turpitude; and (I) the Participant violates any other material rule or policy of Altisource and such violation is reasonably likely to be injurious to Altisource.

(b) "*Confidential Information*" means:

(i) with respect to a Participant who is party to a written Employment Agreement or Employee Intellectual Property Agreement or other agreement that explicitly defines "*Confidential Information*" (each, an "*Employee*

Confidentiality Agreement”) and which has been approved by the Administrator or the Managers, “Confidential Information” as defined in such Employee Confidentiality Agreement, (whether such Employee Confidentiality Agreement is entered into on the date hereof or prior or subsequent hereto); and

(ii) with respect to a Participant who is not party to an Employee Confidentiality Agreement, or whose Employee Confidentiality Agreement has not been approved by the Administrator or the Managers, the following: data and information relating to the business of Altisource which is or has been disclosed to the Participant or which the Participant observed, viewed, created or otherwise became aware of as a consequence of or through his relationship to Altisource and which has value to Altisource and is not generally known to its competitors.

(c) “Disability” means a physical or mental impairment which, as reasonably determined by the Administrator, renders the Participant unable to perform the essential functions of his or her employment with Altisource, even with reasonable accommodation that does not impose an undue hardship on Altisource, for more than one hundred and eighty (180) days in any twelve (12) month period, unless a longer period is required by applicable law, in which case that longer period would apply.

(d) “Enterprise Value” means the Division’s Fair Market Value.

(e) “Enterprise Value on the Grant Date” means U.S. \$27,170,000.

(f) “Excluded Customers” means Ocwen Financial Corporation, Home Loan Servicing Solutions, Ltd., New Residential Investment Corp., Altisource Residential Corporation, Altisource Asset Management Corporation, ASPS (as defined in the Plan) and/or any entity that is or was at one time one of their respective Subsidiaries or Affiliates; provided that the Administrator shall have the authority to amend the definition of “Excluded Customers” from time to time in its sole discretion.

(g) “Forfeiture Event” means termination of a Participant’s employment either (i) for Cause (as defined in the applicable Award Agreement with the Participant) or (ii) due to the Participant’s Resignation.

(h) “Resignation” means termination of employment due to the Participant’s resignation for any reason, whether voluntary or involuntary, and whether or not such resignation involves an actual or alleged constructive discharge. For purposes of this Award Agreement, the effective date of Resignation for a Participant shall be the date that such Participant first provides notice of Resignation to Altisource.

(i) “Retirement” means termination, other than by reason of death or Disability, of the Participant’s employment with Altisource pursuant to and in accordance with a plan or program of Altisource applicable to the Participant provided, however, that for purposes of this Award Agreement only, the Participant must have attained the age of sixty (60) and been an employee of Altisource for not less than three (3) years as of the date of termination of employment by reason of Retirement. For purposes of clarification, “Retirement” does not constitute a Participant’s “Resignation” or a “Forfeiture Event” within the meaning of this Award Agreement.

(j) “Transaction Value” means

(i) in the case of a Sale of the Division in which 100% of the equity rights and equity-linked rights (or, as applicable, assets) are sold, the value of all pre-tax cash proceeds and non-cash consideration payable as a result of such Sale of the Division; *provided*, that in the event of a Sale of the Division in which less than 100% of the equity rights and equity-linked rights (or, as applicable, assets) are transferred, “Transaction Value” shall mean instead the aggregate value of the Division implied by the consideration payable in such Sale of the Division in respect of the portion of the Division to be sold in such Sale of the Division (as determined by the Administrator in its sole discretion after considering all relevant factors); and

(ii) in the case of a Qualified IPO, the aggregate value of the Company’s equity rights and equity-linked rights implied by the price of the common equity (or such equity securities of the Company as the Administrator determines most closely approximates common equity) of the Company at the closing of such Qualified IPO (as determined by the Administrator in its sole discretion after considering all relevant factors).

Section 2. Grant of Equity Appreciation Rights. Subject to the terms and conditions set forth in the Plan and this Award Agreement, effective as of the Grant Date, the Participant shall be granted by Parent 1,000,000 equity appreciation rights (the “Equity Appreciation Rights”) *provided* that such grant and this Award Agreement shall be effective if and only if, within twenty-one (21) days after receiving this Award Agreement, the Participant returns to the Administrator, in accordance with

the notice and communication provisions of Section 17(a) below, or through the Parent's electronic signature platform, an executed version of this Award Agreement.

Section 3. Vesting and Exercise.

(a) Notice of Intent to Exercise. Equity Appreciation Rights shall vest ("Vest") subject to the terms of this Section and those of Section 4 below. Notwithstanding anything contained herein, the Administrator shall have the ability to (i) amend and modify existing Hurdle Amounts to effectuate the intent of Section 3(d) of this Agreement and Sections 5.6, 6.3 and 6.4 of the Plan, and within the limits set forth in such sections and (ii) establish new Hurdle Amounts (as defined below). At any time within any Window Period after the date on which an Equity Appreciation Right is Vested pursuant to the terms of this Award Agreement (and before the Equity Appreciation Right expires or is forfeited), the Participant may irrevocably offer to have the Parent (or Division) exchange Vested Equity Appreciation Rights (such vested Equity Appreciation Rights offered shall be referred to as the "Exercised Rights") for Share Equivalency Units to subsequently be redeemed for payment, pursuant to the terms and conditions of Sections 5.1 and 3 of the Plan. The Participant shall make an offer to have the Exercised Rights exchanged and redeemed only by delivering an Exercise Notice (substantially in the form attached as *Exhibit A*) (or other notification consistent with the Parent's procedures in connection with an Electronic Exercise, as the case may be) to the Parent, and therein setting forth the Vested Equity Appreciation Rights offered to the Parent for exchange and redemption. Within fourteen (14) calendar days of the Parent's receipt of the Participant's Exercise Notice, the Parent will provide the Participant with a written notice, indicating the number of Share Equivalency Units that Participant is entitled to as a result of the Exercise Notice (the "Share Equivalency Unit Notice") in accordance with Article V of the Plan. The Base Value for purposes of calculating the Appreciation Value of the Equity Appreciation Rights under this Award Agreement shall be \$0.27.

(b) Vesting (other than Upon Sale of the Division, IPO or other Corporate Transaction).

(i) Time-based Equity Appreciation Rights. Twenty-five percent (25.0%) of the Equity Appreciation Rights shall be subject to time-based vesting (the "*Time-based Equity Appreciation Rights*"). One-fourth of the Time-based Equity Appreciation Rights shall vest on each of the consecutive four (4) annual anniversaries of the Grant Date, but only if the Participant has continued in the employ of the Parent or any of its Subsidiaries or Affiliates through the particular vesting date (unless otherwise provided pursuant to Section 4 below).

(ii) Performance-based First Hurdle Equity Appreciation Rights. Fifty percent (50.0%) of the Equity Appreciation Rights shall Vest in accordance with this subsection (ii) (the "*First Hurdle Equity Appreciation Rights*") but only if the Participant has continued in the employ of the Parent or any of its Subsidiaries or Affiliates through the particular vesting date (unless otherwise provided pursuant to Section 4 below). The Administrator shall, from time to time determine the applicable Enterprise Value, not less frequently than once per calendar year.

(A) Twenty-five percent (25.0%) of the First Hurdle Equity Appreciation Rights shall Vest upon the date on which the Division has achieved all of the following performance hurdles (the "*First Hurdle Achievement Date*"): (1) for each three consecutive calendar quarters, at least \$3,700,000 of the quarterly revenue attributable to fee-based services (excluding reimbursable expenses and non-controlling interests that are pass through items) ("*Service Revenue*") generated by the Division is unrelated to Excluded Customers (the "*First Hurdle Measurement Period*") and (2) the next Enterprise Value determined subsequent to the end of the First Hurdle Measurement Period satisfies the First Hurdle Amount, as defined below (which Enterprise Value may be determined using the Enterprise Value most recently determined, in the Administrator's sole discretion). The "*First Hurdle Amount*" means the applicable Enterprise Value is equal to or exceeds the greater of (x) two (2) times the Grant Date Enterprise Value and (y) the Grant Date Enterprise Value plus \$150,000,000. Clauses (1) and (2) hereof are collectively referred to as the "*First Hurdle*".

(B) Thereafter, twenty-five percent (25.0%) of the First Hurdle Equity Appreciation Rights shall Vest on each of the consecutive three (3) annual anniversaries of the First Hurdle Achievement Date.

(C) If the First Hurdle has not been achieved as of the fourth (4th) anniversary of the Grant Date, then on such fourth (4th) anniversary and on each subsequent anniversary thereof until the earlier of (i) the First Hurdle Achievement Date; and (ii) the date upon which the applicable First Hurdle Units expire or are forfeited, the First Hurdle Amount shall increase by a dollar amount equal to fifteen percent (15.0%) per annum of the then-current dollar amount of such First Hurdle Amount.

(iii) Performance-based Second Hurdle Equity Appreciation Rights. Twenty-five percent (25.0%) of the Equity Appreciation Rights shall Vest in accordance with this subsection (iii) (the "*Second Hurdle Equity Appreciation Rights*") but only if the Participant has continued in the employ of the Parent or any of its Subsidiaries or Affiliates through the

particular vesting date (unless otherwise provided pursuant to Section 4 below). The Administrator shall, from time to time, determine the applicable Enterprise Value, not less frequently than once per calendar year.

(A) Twenty-five percent (25.0%) of the Second Hurdle Equity Appreciation Rights shall Vest upon the date on which the Division has achieved all of the following performance hurdles (the “*Second Hurdle Achievement Date*”): (1) for each three consecutive calendar quarters, at least \$6,600,000 of the quarterly Service Revenue generated by the Division is unrelated to the Excluded Customers (the “*Second Hurdle Measurement Period*”); and (2) the next Enterprise Value determined subsequent to the end of the Second Hurdle Measurement Period satisfies the Second Hurdle Amount, as defined below (which Enterprise Value may be determined using the Enterprise Value most recently determined, in the Administrator’s sole discretion). The “*Second Hurdle Amount*” means the applicable Enterprise Value is equal to or exceeds the greater of (x) three (3) times the Grant Date Enterprise Value and (y) the Grant Date Enterprise Value plus \$300,000,000. Clauses (1) and (2) hereof, collectively, the “*Second Hurdle*,” and together with the First Hurdle, the “*Hurdles*”.

(B) Thereafter, twenty-five percent (25.0%) of the Second Hurdle Equity Appreciation Rights shall Vest on each of the consecutive three (3) annual anniversaries of the Second Hurdle Achievement Date.

(C) If the Second Hurdle has not been achieved as of the sixth (6th) anniversary of the Grant Date, then on such sixth (6th) anniversary and on each subsequent anniversary thereof until the earlier of (i) the Second Hurdle Achievement Date and (ii) the date upon which the applicable Second Hurdle Units expire or are forfeited, the Second Hurdle Amount shall increase by a dollar amount equal to fifteen percent (15.0%) per annum of the then-current dollar amount of such Second Hurdle Amount.

(iv) Expiration of Grant. Except as may otherwise be provided in this Award Agreement for the earlier termination of the Equity Appreciation Rights, the term of the Equity Appreciation Rights shall begin on the Grant Date and will continue for Time-based Equity Appreciation Rights for a period of ten (10) years from the Grant Date, and will continue for First Hurdle Equity Appreciation Rights and Second Hurdle Equity Appreciation Rights (together “Performance-based Equity Appreciation Rights”) for a period of (A) ten (10) years from the date of this Award Agreement, or (B) four (4) years after the respective commencement of Vesting of the First Hurdle Equity Appreciation Rights or Second Hurdle Equity Appreciation Rights, whichever period ends later. If any Hurdle or Hurdles have not been achieved as of the tenth (10th) anniversary of the Grant Date, then on such tenth (10th) anniversary, the Performance-based Equity Appreciation Rights corresponding to such Hurdle or Hurdles shall expire.

(c) Vesting Upon Sale of the Division or Qualified IPO. Subject to Sections 5.6 and 6.4 of the Plan, in the event of a Sale of the Division or Qualified IPO, all Time-based Equity Appreciation Rights shall remain in place and continue to Vest in accordance with the schedule set forth in Section 3(b)(i), and the Performance-based Equity Appreciation Rights shall Vest only according to the terms that follow herein.

(i) After the Achievement of a Hurdle. In the event of a Sale of the Division or Qualified IPO after the achievement of a Hurdle, the Equity Appreciation Rights related to such Hurdle shall remain in place and continue to Vest in accordance with the schedule set forth in Section 3(b)(ii) and (iii).

(ii) Prior to the Achievement of a Hurdle.

(A) If the Transaction Value of a Sale of the Division or Qualified IPO equals or exceeds the First Hurdle Amount, then the First Hurdle Equity Appreciation Rights will begin to Vest and continue to Vest in accordance with the schedule set forth in Section 3(b)(ii). If the Transaction Value in respect of such Sale of the Division or Qualified IPO is below the First Hurdle Amount, no First Hurdle Equity Appreciation Rights will Vest automatically, and the Hurdles related to Vesting set forth in Section 3(b)(ii) above will remain in place.

(B) If the Transaction Value of a Sale of the Division or Qualified IPO equals or exceeds the Second Hurdle Amount, then the Second Hurdle Equity Appreciation Rights will begin to Vest and continue to Vest in accordance with the schedule set forth in Section 3(b)(ii) and (iii). If the Transaction Value in respect of such Sale of the Division or Qualified IPO is below the Second Hurdle Amount, no Second Hurdle Equity Appreciation Rights will Vest automatically, and the Hurdles related to Vesting set forth in Section 3(b)(iii) above will remain in place.

(iii) Notwithstanding the foregoing, and subject to Section 5.6 and 6.4 of the Plan, in no event will the occurrence of a Sale of the Division or of a Qualified IPO accelerate the schedule on which Equity Appreciation Rights Vest without the prior consent of the Administrator, which shall retain the sole discretion on such matters.

(iv) At the sole discretion of the Administrator, the Participant may be required (i) to enter into a lock-up agreement with respect to any shares or other securities that may be issued in payment for Equity Appreciation Rights or Share Equivalency Units in connection with any Sale of the Division or Qualified IPO; and/or (ii) to the extent a Participant receives common shares or other equity interests in the Company in respect of Payment for Share Equivalency Units in accordance with Article V of the Plan, to present any such shares or interests for repurchase by the Company at a price equal to their Fair Market Value at the time of the Sale of the Division or Qualified IPO.

(d) Other Corporate Transactions. Notwithstanding the provisions of Section 3(b), in the event of a spin-off of the Division and at the sole discretion of the Administrator, to the extent a Participant receives common shares or other equity interests in the Company in respect of Payment for Share Equivalency Units in accordance with Article V of the Plan, the Participant may be required to present any such shares or interests for repurchase by the Company at a price equal to their Fair Market Value at the time of the spin-off of the Division (with the Participant's Equity Appreciation Rights to continue, unaffected by the spin-off). In the event of any Division acquisitions, capital raising, or corporate transactions other than a Sale of the Division, Qualified IPO, or spin-off of the Company, the Administrator shall have the discretion to adjust the terms of this Award Agreement based on the effects of the transaction, including but not limited to:

- (i) adjusting any outstanding Hurdle;
- (ii) allocating debt or equity to the entity and accordingly charging the applicable interest expense or cost of capital to the entity; and/or
- (iii) diluting the existing Company shareholders, if any, and/or holders of Equity Appreciation Rights and other outstanding Share-based awards made by the Division, including but not limited to restricted share awards.

Section 4. Treatment of Equity Appreciation Rights Upon Termination of Employment.

(a) Equity Appreciation Rights Upon Termination of Employment with Cause. If the Participant is terminated with Cause, the Participant's Equity Appreciation Rights shall be immediately forfeited without consideration, whether Vested or not Vested. Upon any such forfeiture of Equity Appreciation Rights, the Participant shall cease to have any rights whatsoever under the Plan or this Award Agreement and shall thereupon not be entitled to receive any further payments of cash or other benefits pursuant thereto or hereto. Notwithstanding the foregoing, the Administrator may in its sole and absolute discretion, on a case-by-case basis, (A) provide for payment of all or any portion of the amount that the Participant would have received upon exercise of Vested Equity Appreciation Rights, immediately before (and in the absence of) such termination, and (B) recover, through claw-back, any common shares or other equity interests in the Company, common stock of ASPS, or other proceeds the Participant has received from the prior exercise of Vested Equity Appreciation Rights.

(b) Equity Appreciation Rights Upon Termination of Employment without Cause, by Reason of Retirement, Due to Resignation or as a Result of Death or Disability.

(i) Performance-based Equity Appreciation Rights - Prior to the Achievement of a Hurdle. Subject to Section 4(c) below, if the Participant's employment is terminated by Altisource without Cause, by reason of Retirement or as a result of the Participant's death or Disability, then for a Hurdle that has not yet been achieved by the Division at the time of the Participant's termination of employment under this Section 4(b), the Participant shall forfeit without consideration all Equity Appreciation Rights that are not Vested; provided, *however*, that, if a previously unachieved Hurdle is achieved within sixty (60) days of termination of the Participant's employment under this Section 4(b), any Equity Appreciation Rights related to such Hurdle that were not yet Vested at the time of such termination shall Vest in accordance with the schedule set forth in Section 3(b) (without regard to its employment condition for Vesting on such date). Further, subject to Section 4(c) below, if the Participant's employment is terminated due to Resignation, then for a Hurdle that has not yet been achieved as of the date of the Participant's Resignation, the Participant shall forfeit without consideration all Equity Appreciation Rights related to such Hurdle as of the date of Resignation.

(ii) Performance-based Equity Appreciation Rights - After the Achievement of a Hurdle. Subject to Section 4(c) below, if the Participant's employment is terminated by Altisource without Cause, by reason of Retirement or as a result of the Participant's death or Disability, then for a Hurdle that has been achieved at the time of the Participant's termination of employment under this Section 4(b), (A) the Participant's Equity Appreciation Rights related to such Hurdle that are not yet Vested shall continue to Vest in accordance with the schedule set forth in Section 3(b) (without regard to its employment condition for Vesting on such date); and (B) the Participant shall retain all Vested Equity Appreciation Rights related to such Hurdle and all rights with respect thereto. Further, subject to Section 4(c) below, if the Participant's employment is terminated due to Resignation, then for a Hurdle that has been achieved prior to the date of the Participant's Resignation, the Participant shall forfeit without consideration all Equity Appreciation Rights related to such Hurdle that are not yet Vested.

(iii) Time-based Equity Appreciation Rights. Subject to Section 4(c), below, if the Participant's employment is terminated by Altisource without Cause, by reason of Retirement, due to Resignation or as a result of the Participant's death or Disability, then: (A) the Participant shall forfeit without consideration all Time-based Equity Appreciation Rights that are not yet Vested; and (B) the Participant shall retain all Vested Time-based Equity Appreciation Rights and all rights with respect thereto.

(iv) Any Equity Appreciation Rights retained by the Participant under Section 4(b)(i), (ii) and (iii) following the Participant's termination of employment as a result of the Participant's death shall terminate not later than (i) three (3) years after the date of the Participant's death or (ii) upon the expiration of the Equity Appreciation Rights, whichever occurs first.

(v) Any Equity Appreciation Rights retained by the Participant under Section 4(b)(i), (ii) and (iii) following the Participant's termination of employment as a result of the Participant's Disability shall terminate not later than (a) five (5) years after the date of such termination of employment or (b) upon the expiration of the Equity Appreciation Rights, whichever occurs first.

(vi) Any Equity Appreciation Rights retained by a Participant under Section 4(b)(i), (ii) and (iii) following a Participant's termination of employment by Altisource without Cause, due to Resignation, or by reason of Retirement shall be exercised pursuant to Section 5.1 of the Plan during the next full Window Period that immediately follows the later to occur of (i) the date of such termination of employment, or (ii) where applicable, the date of Vesting for Equity Appreciation Rights that were not Vested at the time of termination, and shall thereafter be held by the Participant for a period of six months and one day (without regard to any employment condition during this period) at which time the Share Equivalency Units then held by the Participant shall be redeemed pursuant to Section 5.3 of the Plan. Failure of the Participant to exercise any Equity Appreciation Rights in accordance with this Section 4(b)(vi) will result in the forfeiture or cancellation of such Equity Appreciation Rights and related shares or interests without any compensation therefor; provided however, that if a Participant provides an Exercise Notice to exercise Equity Appreciation Rights in accordance with this Section 4(b)(vi) that the exercise of such Equity Appreciation Rights is then rejected in whole or in part by the Administrator in accordance with Section 5(b), the Administrator shall allow the Participant to exercise such rejected Equity Appreciation Rights during the Window Period that immediately follows the expiration of the Post-Rejection Period; *provided however*, that the Participant shall provide a new Exercise Notice to exercise *all* of the rejected Equity Appreciation Rights, and provided further that the exercise of the Equity Appreciations Rights pursuant to such new Exercise Notice is not rejected by the Administrator in accordance with Section 5(b). To the extent the new Exercise Notice is rejected by the Administrator (and any subsequent Exercise Notices) in accordance with Section 5(b), the Administrator shall allow the Participant to exercise such rejected Equity Appreciation Rights during the Window Period that immediately follows the next Exercise Notice that is not rejected by the Administrator, following the expiration of applicable Post-Rejection Period(s).

(c) Conditions to Retaining Equity Appreciation Rights Following Termination; Parent's Right to Repurchase Equity Appreciation Rights. The Participant's right to retain Equity Appreciation Rights following termination of employment under Section 4(b) is subject in all cases to the requirement that the Participant has been employed with Altisource for a period of at least two (2) years on the date of such termination in addition to satisfying the applicable requirements in the case of Retirement. Further, if so determined by the Board in its sole discretion, the Parent shall have the right to repurchase any Equity Appreciation Rights for fair market value at any time, including without limitation, any Equity Appreciation Rights that have been retained by the Participant following the termination of such Participant's employment.

(d) Upon Termination Following Sale of the Division or Qualified IPO That Results in Achievement of a Hurdle.

(i) Termination of Employment Due to a Forfeiture Event. If the Participant's employment was terminated as a result of the Participant being subject to a Forfeiture Event, and a Sale of the Division or Qualified IPO that results in the achievement of a previously unachieved Hurdle is consummated within sixty (60) days of such Forfeiture Event, the Board or the Managers may in their sole and absolute discretion provide for payment of all or any portion of the amount that the Participant would have received upon exercise of all Vested Equity Appreciation Rights immediately before the Forfeiture Event.

(ii) Termination of Employment Without Cause, by Reason of Retirement or Due to Death or Disability. If the Participant's employment is terminated by Altisource without Cause, by reason of Retirement, or as a result of the Participant's death or Disability, and a Sale of the Division or Qualified IPO that results in the achievement of a previously unachieved Hurdle is consummated within sixty (60) days of such termination of employment, (A) the Participant's Equity Appreciation Rights related to such Hurdle that were not Vested at the time of such termination shall Vest in accordance with the schedule set forth in Section 3(b) (without regard to its employment condition for Vesting on such date); and (B) the Participant shall retain all Vested Equity Appreciation Rights related to such Hurdle and all rights with respect thereto; provided, *however*,

that, if so determined by the Board, the Parent will have the right to repurchase such Equity Appreciation Rights for fair market value at any time.

(e) Acknowledgement of Drag-Along Right and Share Transfer Restrictions.

(i) The Participant acknowledges and agrees to the terms of the Drag-Along Right as set forth in Section 5.5 of the Plan, to the extent allowed by applicable law, and to their application to any common shares or other equity securities of the Company, if any, pursuant to this Award Agreement. The Participant hereby agrees to fully cooperate with each of the Division, the Parent and ASPS to take all necessary actions and execute and deliver all documents deemed necessary and appropriate by either of the Division, the Parent or ASPS to effectuate the consummation of any Approved Sale (as defined in the Plan) on terms that are consistent with the provisions of this Section and Section 5.5 of the Plan. The Participant hereby indemnifies, defends and holds each of the Division, the Parent and ASPS harmless against all liability, loss or damage, together with all reasonable costs and expenses (including reasonable legal fees and expenses), relating to or arising from the Participant's failure to cooperate or the Participant's actions taken to contest the validity of this provision.

(ii) No Participant shall sell or transfer in any manner any common shares or other equity interests of the Company issued to the Participant pursuant to an Award Agreement by sale or other disposition, or give or in any way create in any person or entity any option, warrant or other right to acquire all or any portion of such shares or interests, or bequeath any such shares or interests by will or the laws of descent and distribution, and no such sale, transfer, bequest, gift or other disposition by a Participant shall be effective to vest any right, title or ownership in any transferee, personal representative, executor, heir, legatee, devisee or any person or entity which takes such shares or interests by operation of law or otherwise, unless (i) such transferee agrees in writing at the time of such transfer, in a form satisfactory to the Company, to be bound by the terms of this Plan, the applicable Award Agreement, and any other agreement required by the Administrator as a condition for such transfer, and (ii) such transfer is otherwise approved in writing by the Administrator, in its discretion, and is in compliance with the requirements of the Plan, the applicable Award Agreement, and the Company's governing instruments; and, (iii) in the case of a transfer to a non-shareholder, the shareholders representing 75% of the Company's share capital vote in favor of such a transfer. In the event any purported or attempted transfer of common shares or other equity interests of the Company issued pursuant to this Plan does not comply with the provisions of this Section, such purported transfer shall be deemed to be invalid, and such purported transferee shall not be deemed to be a Shareholder of the Company and shall not be entitled to receive a new stock certificate or any dividends or other distributions or rights or with respect to such shares or interests.

(f) Repurchase of Shares or Equity Interests by the Company. Any share or interest repurchase right by the Company hereunder shall be exercisable upon written notice to the Participant from the Company and shall be consummated promptly by each party, acting in good faith. Any refusal or inability by the Participant to consummate a repurchase of shares or interests by the Company in accordance with this Agreement will result in the forfeiture or cancellation of the related shares or interests without any compensation therefor.

Section 5. Settlement of Equity Appreciation Rights.

(a) Subject to Article V of the Plan, on the date six months and one day after any Offer Date for any Exercised Rights (the "*Payment Date*"), the Share Equivalency Units then held by the Participant shall be redeemed in exchange for a payment from the Division (or Parent or an Affiliate, as applicable) of an amount equal to the Fair Market Value of an Exercised Right as of the most recent Valuation Date before the Payment Date multiplied by the number of Share Equivalency Units that Participant is entitled to as set forth in the Share Equivalency Unit Notice received by Participant (the "*Share Equivalency Unit Value*"), the amount, time of payment, and form of which shall be determined in accordance with Article V of the Plan (the "*Payment*"). Payment shall occur on or after the Payment Date. Notwithstanding any other provision of this Award Agreement (including this Section 5(a)) or any provision of the Plan, the Share Equivalency Units held by a Participant whose employment is terminated for Cause shall not be redeemed and shall be immediately forfeited without consideration as of the date of termination. For avoidance of doubt, this Section shall be without prejudice to the Administrator's or the Managers' exercise of discretion pursuant to Section 4(a), of this Award Agreement.

(b) Notwithstanding the foregoing, if any payment to be made under this Section 5 would, in the Administrator's determination at its sole discretion, materially impair or jeopardize the ability of the Division, the Parent, ASPS or any of their respective Affiliates to meet current or projected cash-flow needs and/or liquidity needs, to limit ASPS shareholder dilution, to avoid a pro-forma breach of any covenants in any of their credit agreements or other financing documents, or to operate as a going concern (collectively, the "*Rejection Conditions*" and each individually, a "*Rejection Condition*"), then the Administrator may in its discretion reject the Participant's offer made pursuant to the Exercise Notice (with respect to all or part of the Equity Appreciation Rights) (the "*Rejection*") at any time before the tentative Payment Date (the "*Rejection Date*"), in which event the Participant's Equity Appreciation Rights subject to the rejected Exercise Notice shall be reinstated according to the same terms

and conditions in effect immediately before the Offer Date and the Participant may not present the Parent with another Exercise Notice with respect to the rejected Exercised Rights during the period between the Rejection Date and the six-month anniversary of the Rejection Date (the “*Post-Rejection Period*”). To the extent payment of the Share Equivalency Unit Value would jeopardize the ability of the Division, the Parent, ASPS or any of their respective Affiliates to meet current or projected cash-flow needs and/or liquidity needs, to limit ASPS shareholder dilution, to avoid a pro-forma breach of any covenants in any of their credit agreements or other financing documents, or to operate as a going concern, the Administrator may on the Payment Date (in lieu of rejecting a Participant’s offer made pursuant to the Exercise Notice) provide the Participant with a subordinated promissory note in the principal amount equal to the above-referenced payment and bearing simple interest at a rate equal to the then current three-month LIBOR, in a form approved by the lenders of ASPS or any of its Affiliates (or other source of applicable financing) and contains reasonable terms designed to avoid any covenant breach or insolvency during the period of such delayed payment. Such promissory note shall be redeemed, in whole or in part, as soon as reasonably practicable following the elimination of the Rejection Condition(s) forming the basis for the Rejection, as determined by the Administrator in its sole discretion (assuming none of the other Rejection Conditions are met and payment of the promissory note does not result in a Rejection Condition); *provided however*, that the Administrator shall have sole discretion to schedule the timing of the redemption of all promissory notes issued pursuant to the Plan.

Section 6. Cash-out Put Right; Company Right to Purchase.

(a) If a Participant receives common shares or other equity interests of the Company (or shares of common stock of ASPS) in respect of Payment in accordance with Article V of the Plan and at the time of Payment there has not been a Sale of the Division or Qualified IPO, then the Participant shall have the right (the “*Put Right*”) during any Window Period to require the Company to exchange or repurchase such shares or interests (or shares of common stock of ASPS, as the case may be) in exchange for (i) a cash payment equal to the Fair Market Value of the shares or interests as of the most recent Valuation Date before the Participant’s delivery to the Company of a proper written exercise of the Put Right, (ii) if the Put Right relates to shares or interests other than common stock of ASPS, an equivalent value of shares of common stock of ASPS or (iii) if the payment to be made under clause (i) of this Section would, in the Administrator’s determination at its sole discretion, jeopardize the ability of the Company, ASPS or any of their respective Affiliates from operating as a going concern, then the Company may delay making such payment in respect of the shares or interests (or shares of common stock of ASPS, as the case may be) subject to the exercised Put Right until paying it as soon as administratively practicable after such payment would no longer have such effect, in which event the Company shall provide the Participant with a subordinated promissory note in the principal amount equal to the value of such shares or interests that would otherwise be paid in cash under clause (i) of this Section (or shares of common stock of ASPS, as the case may be) and bearing simple interest at a rate equal to the then current three-month LIBOR, in a form of subordinated promissory note that is approved, if applicable, by the Company’s applicable lenders (or other source of applicable funding), at the Administrator’s sole discretion; *provided, however*, that the Put Right shall only be exercisable under this Section only if at such a time the Company is not then pursuing a Sale of the Division or Qualified IPO in good faith and has not pursued such an event in the preceding six (6) months. The Company shall respond to the exercise of such Put Right as set forth in this Section 6 within twenty-eight (28) business days of the exercise of the Put Right.

(b) If a Participant receives common shares or other equity interests of the Company in respect of Payment, the Company shall at any time have the right to purchase such shares or interests (“*Purchase Right*”) upon delivering written notice to the Participant of the exercise of the Purchase Right. The purchase price for the shares or interests under this Purchase Right shall equal the Fair Market Value of the shares or interests as of the date of the Purchase Right notice.

Section 7. Non-Competition. For a period commencing on the date hereof and ending one year following the last day on which the Participant ceases to be employed by or have a consulting or other similar relationship with Altisource (the “*Restricted Period*”), the Participant shall not (and shall not cause or assist any other Person to), directly or indirectly (other than as a director, manager, employee, agent, consultant member or other Affiliate of Altisource), as an individual proprietor, principal, agent, advisor, partner, shareholder, member, equity holder, investor, officer, director, manager, employee, consultant, independent contractor, joint venturer, investor, lender or otherwise, engage in any business or activity, or participate in any business or enterprise engaged in any business or activity anywhere in the United States which is the same as, similar to or competitive with the business (i) in which Altisource was engaging in, developing, selling or providing while such Participant was employed by Altisource and (ii) in which the Participant was actively engaged as an employee of Altisource (each, a “*Competing Business*”).

Section 8. Non-Solicitation of Customers, Vendors, etc. The Participant agrees that he or she shall not (and shall not cause or assist any other Person to), except as otherwise necessary or advisable in the performance of his duties as an officer, manager, director, employee or agent of Altisource, during the Restricted Period, directly or indirectly, on his behalf or on behalf of any other Person:

- (a) contact, solicit, accept income from, or do business with any customer or potential customer of Altisource, or any Person who was a customer or any Affiliate thereof at any time during the two (2) years preceding such solicitation, relating to the provision of any Competing Business;
- (b) induce or solicit any customer, supplier, subcontractor, licensee, distributor, funding source, or business relation, or any Person who was a customer, supplier, subcontractor, licensee, distributor, funding source, or business relation at any time during the two (2) years preceding such solicitation, to cease doing business with Altisource, or in any way adversely interfere with the relationship between any such customer, supplier, licensee, distributor, funding source, or business relation of Altisource;
- (c) take any action that is intended, or could reasonably be expected, to harm, disparage, defame, slander, or lead to unwanted or unfavorable publicity for Altisource or otherwise take any action which might detrimentally affect the reputation, image, relationships or public view of Altisource;
- (d) disclose the identity of any customer, supplier, subcontractor, licensee, distributor, funding source, or business relation of Altisource to any Person;
- (e) share, reveal or utilize any Confidential Information of Altisource except as otherwise expressly permitted by Altisource; or
- (f) attempt to do any of the foregoing, or assist, entice, induce or encourage any other Person to do or attempt to do any activity which, were it done by the Participant, would violate any provision of this [Section 8](#).

Section 9. Non-Hire and Non-Solicitation of Employees. The Participant agrees that he or she shall not (and shall not cause or assist any other Person to), during the Restricted Period, directly or indirectly, solicit, hire or in any manner encourage any employee of Altisource, or any individual who was an employee of Altisource at any time during the two (2) years preceding such solicitation or hiring, to leave the employ of Altisource for an engagement in any capacity by another Person (other than, in each case, any solicitation directed at the public in general in publications available to the public in general or any contact which the Participant can demonstrate was initiated by such employee or former employee of Altisource).

Section 10. Interplay with Employment Agreement. To the extent there exists any inconsistency between any of the terms of this Award Agreement and the terms of an Employment Agreement, if any, between the Participant and Altisource, the terms of this Award Agreement shall govern, to the extent allowed by applicable law, *provided however*, that the terms of the Employment Agreement shall govern if, and only if, such Employment Agreement was approved by the Administrator or the Managers, explicitly identifies the conflict with the Agreement and states that notwithstanding this [Section 10](#) the applicable terms of the Employment Agreement shall govern.

Section 11. Due and Sufficient Consideration. The Participant acknowledges that the restrictive covenants contained in this Award Agreement (including without limitation in [Section 7](#), [Section 8](#) and [Section 9](#) hereof and this [Section 11](#) (the "Covenants")) are reasonable and necessary to protect the legitimate interests of the Participants and Parent and the Division, and constitute a material inducement to Parent and the Division to enter into this Award Agreement and grant the Equity Appreciation Rights contemplated by this Award Agreement, and that such Equity Appreciation Rights constitute due and sufficient consideration for the entry of the Participant into this Award Agreement and related compliance with such Covenants. The Participant agrees that, during the Restricted Period, prior to beginning any employment or other relationship with a potential future employer, he or she shall inform any such employers of the existence and nature of the Covenants and that failure to do so will immediately grant Parent and the Division the right to cause the forfeiture to the Division of all Equity Appreciation Rights (regardless of Vesting status) for no consideration.

Section 12. Remedies; Sufficiency of Consideration for Restrictive Covenants. In the event that the Participant fails to comply with any of the Covenants, then in addition to and not in limitation of any and all other remedies available to Parent and the Division at law or in equity and to the maximum extent allowed by applicable law, (a) the Equity Appreciation Rights that have not yet become Exercised Rights (regardless of whether such Equity Appreciation Rights have Vested) shall be immediately forfeited and cancelled (b) with respect to Exercised Rights for which Payment has not yet been made, the Exercised Rights shall be immediately forfeited and cancelled and Altisource shall be relieved from any payment obligation in connection with such Exercised Rights and (c) with respect to Exercised Rights for which Payment has occurred, the Participant will be required to immediately deliver to the Division an amount (in cash, in shares or other equity securities of the Company or in shares of ASPS common stock) equal to the payment the Participant received for Share Equivalency Units to the extent such Equity Appreciation Rights Vested at any time from one hundred eighty (180) days prior to the earlier of (i) the date of termination of employment and (ii) the date the Participant fails to comply with any of the Covenants to one hundred eighty

(180) days after the date when the Company learns that the Participant has not complied with any such Covenant. The Participant agrees that he/she will deliver such amount due under clause (b) of the preceding sentence (either in cash, in shares or other equity securities of the Company or in shares of ASPS common stock, as applicable) on such terms and conditions as may be required by the Division. The Participant further agrees that Parent and the Division will be entitled to enforce this repayment obligation by all legal means available, including, without limitation, to set off the amount due under this Section and any other damage amount against any amount that might be owed the Participant to Altisource (other than amounts subject to Section 409A of the Code). The Participant acknowledges that the Covenants and corresponding remedies contained in this Award Agreement (including without limitation in [Section 7](#), [Section 8](#), [Section 9](#) and [Section 11](#) hereof and the foregoing sentences of this [Section 12](#)) are reasonable and necessary to protect the legitimate interests of the Participants and Parent and the Division and constitute a material inducement to Parent and the Division to enter into this Award Agreement and grant the Equity Appreciation Rights contemplated by this Award Agreement, and that such Equity Appreciation Rights constitute due and sufficient consideration for the entry of the Participant into this Award Agreement and related compliance with such restrictive covenants.

Section 13. No Right to Continued Employment. This Award Agreement (and the Equity Appreciation Rights awarded hereunder) shall not confer upon the Participant any right to continue in the employ of Altisource or interfere in any way with the right of Altisource to terminate the Participant's employment at any time, and nothing contained herein shall be deemed a waiver or modification of any provision contained in any other agreement between the Participant and the Division, the Parent, their Subsidiaries or Affiliates.

Section 14. No Rights from Award as Member. While the Equity Appreciation Rights granted hereunder are designed generally to provide the Participant the opportunity to participate in the appreciation of the value of the Division from and after the Grant Date, the Equity Appreciation Rights are not equity interests in the Division, the Parent, ASPS or any of their Subsidiaries or Affiliates, and the Participant shall not be deemed an equity holder of the Division, the Parent or any of their Subsidiaries or Affiliates as a result of the award of Equity Appreciation Rights under the Plan.

Section 15. Limited Other Rights; Clawback. Any Equity Appreciation Rights and common shares or other equity interests of the Company (or ASPS common stock) issued to any Participant shall (a) grant the Participant only such rights and privileges as are set forth in the Plan, or as are set forth in the Company's (or ASPS's) Articles of Association and equity holder agreement (if any) and Luxembourg law with respect to the Company's shares or interests (or ASPS common stock, as the case may be), and (b) be subject to any recoupment or claw-back provisions of applicable law, including Section 954 of the Dodd-Frank Act. Further, Participant acknowledges and agrees that the Company, if formed at any time, is a subsidiary of, and the Division is a business division of, Parent and is one member of a consolidated group of companies. The Company or Parent may take or refrain from taking actions or otherwise effect transactions that are in the best interest of the consolidated group and/or the stockholders of Parent that may not be the same actions or transactions that would be taken by the Company or Division if it were not affiliated with Parent or part of a consolidated group. Participant has no rights as a holder of Equity Appreciation Rights or any shares or interests (or ASPS common stock) issued to Participant as a result of such action, inaction, or transaction.

Section 16. Nontransferability. No right or interest to or in this Award Agreement, the Equity Appreciation Rights or any Share Equivalency Units awarded hereunder or any rights to payment or other benefit to the Participant shall be assignable by the Participant except by will or the laws of descent and distribution unless otherwise provided by law. No right, benefit or interest of the Participant hereunder shall be subject to anticipation, alienation, sale, assignment, encumbrance, charge, pledge, hypothecation or set off in respect of any claim, debt or obligation, or to execution, attachment, levy or similar process, or assignment by operation of law without the prior written consent of the Parent. Any attempt, voluntarily or involuntarily, to effect any action specified in the immediately preceding sentences shall, to the fullest extent permitted by law, be null, void and of no effect; *provided, however*, that this provision shall not preclude the Participant from designating one or more beneficiaries to receive any amount that may be payable to the Participant under this Award Agreement after his or her death and shall not preclude the legal representatives of the Participant's estate from assigning any right hereunder to the person or persons entitled thereto under his or her will, or, in the case of intestacy, to the person or persons entitled thereto under the laws of intestacy applicable to his or her estate.

Section 17. Notices. All notices and other communications under the Plan and/or this Award Agreement shall be in writing and shall be given in the manner set forth below (or at such other address a party may specify by like notice).

(a) If to the Division or Parent, by first-class mail, certified or registered with return receipt requested or hand delivery acknowledged in writing by the recipient personally, and such notice shall be deemed to have been duly given three days after mailing or immediately upon duly acknowledged hand delivery to the respective persons named below:

Altisource Solutions S.à r.l.
40, avenue Monterey
L-2163 Luxembourg
Attn: Board of Managers

With a copy to: Kevin.Wilcox@altisource.lu

(b) If to the Participant, at the address set forth underneath the Participant's signature to this Award Agreement, by first-class mail, certified or registered with return receipt requested, or by hand delivery, and such notice shall be deemed to have been duly given three days after mailing or immediately upon hand delivery to the Participant.

Section 18. Waiver and Release by Participant. AS A CONDITION PRECEDENT TO AND IN CONSIDERATION FOR THE PARENT MAKING THIS AWARD, THE PARTICIPANT IRREVOCABLY WAIVES AND FOREVER RELEASES ANY AND ALL CLAIMS TO ANY EQUITY-BASED COMPENSATION (INCLUDING ANY EQUITY APPRECIATION AWARDS, RIGHTS OR OPTIONS OTHER THAN AS GRANTED IN THIS AGREEMENT) ALLOCATED, ASSIGNED OR OTHERWISE ATTRIBUTED TO THE PARTICIPANT PRIOR TO MAY 1, 2015 PURPORTING TO GIVE THE PARTICIPANT THE RIGHT TO BENEFIT FROM OR PARTICIPATE IN THE APPRECIATION OR INCREASE IN VALUE OF, OR PROFITS OR DIVIDENDS FROM, ANY DIVISION, BUSINESS UNIT OR OTHER SUB-DIVISION OF ALTISOURCE, INCLUDING WITHOUT LIMITATION, ANY PLAN TITLED OR STRUCTURED AS A DIVISION EQUITY APPRECIATION RIGHTS PLAN, BUSINESS UNIT EQUITY APPRECIATION RIGHTS PLAN, SHADOW STOCK PLAN, OR PROFIT SHARING PLAN. FOR PURPOSES OF CLARIFICATION, THE FOREGOING WAIVER AND RELEASE SHALL NOT APPLY TO ANY STOCK OPTION OR RESTRICTED STOCK AWARD FOR ASPS COMMON STOCK ISSUED PURSUANT TO THE ASPS PLAN, INCLUDING ANY RIGHTS IN STOCK OF OTHER COMPANIES RESULTING THEREFROM. IF THE PARTICIPANT UNDERTAKES TO ENFORCE, OR SUCCEEDS IN ENFORCING, ANY RIGHTS TO COLLECT SUCH WAIVED AWARDS, THEN THE PARENT MAY BY WRITTEN NOTICE TO THE PARTICIPANT REPURCHASE ANY OR ALL OF THE PARTICIPANT'S SHARES ISSUED PURSUANT TO THE PLAN OR THIS AWARD AGREEMENT FOR A PRICE EQUAL TO THE LESSER OF THEIR FAIR MARKET VALUE AT THE TIME OF THE REPURCHASE OR THE PURCHASE PRICE PAID BY THE PARTICIPANT PURSUANT TO SECTION 2 ABOVE.

Section 19. Governing Law. THIS AWARD AGREEMENT, AND ANY DISPUTES BETWEEN THE PARENT AND ANY PARTICIPANT, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE GRAND DUCHY OF LUXEMBOURG, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

Section 20. Jurisdiction; Venue; Waiver of Jury Trial. BY ACCEPTANCE OF ANY AWARD MADE UNDER THE PLAN AND THIS AWARD AGREEMENT, A PARTICIPANT HEREBY AGREES THAT ANY AND ALL DISPUTES BETWEEN THE PARTIES HERETO WHICH MAY ARISE PURSUANT TO THIS AWARD AGREEMENT OR ANY AWARD MADE HEREUNDER WILL BE HEARD EXCLUSIVELY AND DETERMINED BEFORE AN APPROPRIATE COURT LOCATED IN THE GRAND DUCHY OF LUXEMBOURG, AND THE PARENT, AND EACH PARTICIPANT SUBMITS ITSELF AND ITS PROPERTY TO THE EXCLUSIVE JURISDICTION OF THE FOREGOING COURTS WITH RESPECT TO SUCH DISPUTES. BY ACCEPTANCE OF ANY AWARD MADE UNDER THIS AWARD AGREEMENT, A PARTICIPANT HEREBY (I) WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE COURTS REFERRED TO ABOVE ON THE GROUNDS OF INCONVENIENT FORUM OR OTHERWISE AS REGARDS ANY AND ALL DISPUTES BETWEEN THE PARTICIPANT AND THE parent WHICH MAY ARISE PURSUANT TO THIS AWARD AGREEMENT OR ANY AWARD MADE HEREUNDER, (II) WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE IN THE COURTS REFERRED TO ABOVE FOR ANY DISPUTE BETWEEN THE PARTIES HERETO WHICH MAY ARISE PURSUANT TO THIS AWARD AGREEMENT AND ANY AWARD MADE HEREUNDER, AND (III) AGREES THAT A JUDGMENT OR ORDER OF ANY COURT REFERRED TO ABOVE IN CONNECTION WITH ANY AND ALL DISPUTES BETWEEN THE PARTICIPANT AND THE PARENT WHICH MAY ARISE PURSUANT TO THIS AWARD AGREEMENT OR ANY AWARD MADE HEREUNDER IS CONCLUSIVE AND BINDING ON IT AND MAY BE ENFORCED AGAINST IT IN THE COURTS OF ANY OTHER JURISDICTION. EACH PARTICIPANT WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THIS AWARD AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY AND AGREES THAT ANY SUCH SUIT, ACTION OR OTHER PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

Section 21. Facsimiles and Electronic Copies; Counterparts. This Award Agreement may be executed by facsimile or in any electronic medium and in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 22. Amendment, Restatement, Modification, or Other Change. This Award Agreement may only be amended, restated, modified, or otherwise changed in accordance with Section 6.3 of the Plan.

Section 23. Headings; Severability. Headings appearing in this Award Agreement are for convenience only and shall not be deemed to explain, limit or amplify the provisions hereof. The invalidity or unenforceability of any particular provision of this Award Agreement shall not affect the other provisions hereof or thereof, and this Award Agreement shall be construed in all respects as if the invalid or unenforceable provision were omitted.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Award Agreement to be executed and delivered as of the date first above written. By accepting this Award Agreement, either through electronic means or by providing a signed copy, the Participant (i) acknowledges and confirms that he/she has read and understood the Plan and the Award Agreement and (ii) acknowledges and agrees that acceptance through electronic means is equivalent to doing so by providing a signed copy.

ATTEST: **ALTISOURCE SOLUTIONS S.À R.L.**

By: __ By: __
Name: Kevin J. Wilcox
Title: Manager

Name: William B. Shepro
Title: Manager

PARTICIPANT:

Mark J. Hynes

Participant - please provide address for notices:

DOCUMENT SOLUTIONS EQUITY APPRECIATION RIGHTS

AWARD AGREEMENT

Form of Exercise Notice

Altisource Solutions S.à r.l.
40, avenue Monterey
L-2163 Luxembourg
Attention: Board of Managers
With a copy to: Kevin.wilcox@altisource.lu

Dear Sir or Madam:

The undersigned offers to exercise _____ Equity Appreciation Rights (the "Exercised Rights") that were granted under the Division Equity Appreciation Rights Plan (the "Plan"), and that have become Vested pursuant to an Equity Appreciation Rights Award Agreement dated as of May 19, 2015 (the "Award Agreement"). The undersigned acknowledges and agrees that the terms of this offer to exercise shall be governed by the Plan and the Award Agreement. Accordingly, the Exercised Rights shall be exchanged for Share Equivalency Units, the amount, timing, and form of which shall be determined in accordance with, and shall be subject to the terms and conditions of, Article V of the Plan.

Very truly yours,

Date Mark J. Hynes

**MARKETPLACE SOLUTIONS DIVISION
EQUITY APPRECIATION RIGHTS AWARD AGREEMENT**

THIS EQUITY APPRECIATION RIGHTS AWARD AGREEMENT (this "*Award Agreement*") is entered into by and between Altisource Solutions S.à r.l., a Luxembourg private limited liability company (société à responsabilité limitée), having its registered office at 40, avenue Monterey, L-2163 Luxembourg and registered with the Luxembourg register of commerce and companies under number B147268 (the "*Parent*"), and Mark J. Hynes (the "*Participant*"), an individual, as of May 19, 2015 (the "*Grant Date*").

WHEREAS, the Parent has adopted the Marketplace Solutions Division Equity Appreciation Rights Plan (the "*Plan*");

WHEREAS, the Participant is employed by the Parent or an Affiliate of the Parent, and is performing direct services for the Marketplace Solutions division of the Parent (the "*Division*"), and the Parent has determined that the Participant is an employee of the Parent to whom it desires to award Equity Appreciation Rights under the Plan on the terms and conditions set forth herein, including the Participant's acknowledgement and agreement in Section 18 below; and

WHEREAS, the Participant is willing to accept such award on such terms and conditions.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, the Participant and the Division have agreed and do hereby agree as follows:

Section 1. Incorporation of Plan; Definitions. The Participant hereby acknowledges that he or she has been provided access to the Plan. The terms and conditions of the Plan are hereby incorporated by reference into this Award Agreement. Should there be any conflict between the terms of this Award Agreement and the Plan, the terms of the Plan shall govern. Each capitalized term used herein shall have the meaning ascribed to such term in the Plan, unless such a term is specifically defined in this Section 1 or elsewhere in this Award Agreement.

(a) "*Cause*" means:

(i) with respect to a Participant who is party to a written Employment Agreement that explicitly defines "*Cause*" and which has been approved by the Administrator or the Managers, "*Cause*" as defined in such Employment Agreement (whether such Employment Agreement is entered into on the date hereof or prior or subsequent hereto); and

(ii) with respect to a Participant who is not party to a written Employment Agreement, or whose Employment Agreement has not been approved by the Administrator or the Managers, or whose Employment Agreement does not contain an explicit definition of "*Cause*," any of the following: (A) the Participant engages in a material or ongoing failure or refusal to comply with direct instructions of the Administrator, the Managers or their respective designees (or the Board of Managers of the Company, if any, or its designee) that are consistent with the Participant's duties to Altisource and with relevant requirements of applicable law; (B) the Participant engages in purposeful dishonest or incompetent or grossly negligent misconduct (failure to meet financial performance expectations shall not be considered "misconduct" for this purpose), intentionally fails to perform any of his duties or performs any of his duties in bad faith, in each case which is or would reasonably be expected to be injurious or breach a fiduciary duty to Altisource or any customer, client, agent, creditor, equity holder or employee of Altisource; (C) the Participant perpetrates a fraud or embezzlement or misappropriation against or affecting Altisource or any customer, client, agent, creditor, equity holder or employee of Altisource; (D) the Participant misappropriates funds of Altisource; (E) the Participant breaches a provision contained in this Award Agreement or the Plan or any other agreement between the Participant, on the one hand, and Altisource, on the other hand, which breach, to the extent curable, is not cured within the applicable cure period, or if no cure period is specified, within fifteen (15) days following receipt of written notice from Altisource; (F) the Participant takes or engages in any action or conduct that materially adversely affects the business, operations, integrity and reputation of Altisource as reasonably determined in good faith by the Administrator or the Managers; (G) the Participant violates any law or other regulations applicable to Altisource or his duties to Altisource; (H) the Participant is indicted, convicted of, or pleads guilty or no contest to, a felony or a crime involving fraud, dishonesty or moral turpitude; and (I) the Participant violates any other material rule or policy of Altisource and such violation is reasonably likely to be injurious to Altisource.

(b) "*Confidential Information*" means:

(i) with respect to a Participant who is party to a written Employment Agreement or Employee Intellectual Property Agreement or other agreement that explicitly defines "*Confidential Information*" (each, an "*Employee*

Confidentiality Agreement”) and which has been approved by the Administrator or the Managers, “Confidential Information” as defined in such Employee Confidentiality Agreement, (whether such Employee Confidentiality Agreement is entered into on the date hereof or prior or subsequent hereto); and

(ii) with respect to a Participant who is not party to an Employee Confidentiality Agreement, or whose Employee Confidentiality Agreement has not been approved by the Administrator or the Managers, the following: data and information relating to the business of Altisource which is or has been disclosed to the Participant or which the Participant observed, viewed, created or otherwise became aware of as a consequence of or through his relationship to Altisource and which has value to Altisource and is not generally known to its competitors.

(c) “Disability” means a physical or mental impairment which, as reasonably determined by the Administrator, renders the Participant unable to perform the essential functions of his or her employment with Altisource, even with reasonable accommodation that does not impose an undue hardship on Altisource, for more than one hundred and eighty (180) days in any twelve (12) month period, unless a longer period is required by applicable law, in which case that longer period would apply.

(d) “Enterprise Value” means the Division’s Fair Market Value.

(e) “Enterprise Value on the Grant Date” means U.S. \$20,140,000.

(f) “Excluded Customers” means Ocwen Financial Corporation, Home Loan Servicing Solutions, Ltd., New Residential Investment Corp., Altisource Residential Corporation, Altisource Asset Management Corporation, ASPS (as defined in the Plan) and/or any entity that is or was at one time one of their respective Subsidiaries or Affiliates; provided that the Administrator shall have the authority to amend the definition of “Excluded Customers” from time to time in its sole discretion.

(g) “Forfeiture Event” means termination of a Participant’s employment either (i) for Cause (as defined in the applicable Award Agreement with the Participant) or (ii) due to the Participant’s Resignation.

(h) “Resignation” means termination of employment due to the Participant’s resignation for any reason, whether voluntary or involuntary, and whether or not such resignation involves an actual or alleged constructive discharge. For purposes of this Award Agreement, the effective date of Resignation for a Participant shall be the date that such Participant first provides notice of Resignation to Altisource.

(i) “Retirement” means termination, other than by reason of death or Disability, of the Participant’s employment with Altisource pursuant to and in accordance with a plan or program of Altisource applicable to the Participant provided, however, that for purposes of this Award Agreement only, the Participant must have attained the age of sixty (60) and been an employee of Altisource for not less than three (3) years as of the date of termination of employment by reason of Retirement. For purposes of clarification, “Retirement” does not constitute a Participant’s “Resignation” or a “Forfeiture Event” within the meaning of this Award Agreement.

(j) “Transaction Value” means

(i) in the case of a Sale of the Division in which 100% of the equity rights and equity-linked rights (or, as applicable, assets) are sold, the value of all pre-tax cash proceeds and non-cash consideration payable as a result of such Sale of the Division; *provided*, that in the event of a Sale of the Division in which less than 100% of the equity rights and equity-linked rights (or, as applicable, assets) are transferred, “Transaction Value” shall mean instead the aggregate value of the Division implied by the consideration payable in such Sale of the Division in respect of the portion of the Division to be sold in such Sale of the Division (as determined by the Administrator in its sole discretion after considering all relevant factors); and

(ii) in the case of a Qualified IPO, the aggregate value of the Company’s equity rights and equity-linked rights implied by the price of the common equity (or such equity securities of the Company as the Administrator determines most closely approximates common equity) of the Company at the closing of such Qualified IPO (as determined by the Administrator in its sole discretion after considering all relevant factors).

Section 2. Grant of Equity Appreciation Rights. Subject to the terms and conditions set forth in the Plan and this Award Agreement, effective as of the Grant Date, the Participant shall be granted by Parent 1,000,000 equity appreciation rights (the “Equity Appreciation Rights”) *provided* that such grant and this Award Agreement shall be effective if and only if, within twenty-one (21) days after receiving this Award Agreement, the Participant returns to the Administrator, in accordance with

the notice and communication provisions of Section 17(a) below, or through the Parent's electronic signature platform, an executed version of this Award Agreement.

Section 3. Vesting and Exercise.

(a) Notice of Intent to Exercise. Equity Appreciation Rights shall vest ("Vest") subject to the terms of this Section and those of Section 4 below. Notwithstanding anything contained herein, the Administrator shall have the ability to (i) amend and modify existing Hurdle Amounts to effectuate the intent of Section 3(d) of this Agreement and Sections 5.6, 6.3 and 6.4 of the Plan, and within the limits set forth in such sections and (ii) establish new Hurdle Amounts (as defined below). At any time within any Window Period after the date on which an Equity Appreciation Right is Vested pursuant to the terms of this Award Agreement (and before the Equity Appreciation Right expires or is forfeited), the Participant may irrevocably offer to have the Parent (or Division) exchange Vested Equity Appreciation Rights (such vested Equity Appreciation Rights offered shall be referred to as the "Exercised Rights") for Share Equivalency Units to subsequently be redeemed for payment, pursuant to the terms and conditions of Sections 5.1 and 3 of the Plan. The Participant shall make an offer to have the Exercised Rights exchanged and redeemed only by delivering an Exercise Notice (substantially in the form attached as *Exhibit A*) (or other notification consistent with the Parent's procedures in connection with an Electronic Exercise, as the case may be) to the Parent, and therein setting forth the Vested Equity Appreciation Rights offered to the Parent for exchange and redemption. Within fourteen (14) calendar days of the Parent's receipt of the Participant's Exercise Notice, the Parent will provide the Participant with a written notice, indicating the number of Share Equivalency Units that Participant is entitled to as a result of the Exercise Notice (the "Share Equivalency Unit Notice") in accordance with Article V of the Plan. The Base Value for purposes of calculating the Appreciation Value of the Equity Appreciation Rights under this Award Agreement shall be \$0.20.

(b) Vesting (other than Upon Sale of the Division, IPO or other Corporate Transaction).

(i) Time-based Equity Appreciation Rights. Twenty-five percent (25.0%) of the Equity Appreciation Rights shall be subject to time-based vesting (the "*Time-based Equity Appreciation Rights*"). One-fourth of the Time-based Equity Appreciation Rights shall vest on each of the consecutive four (4) annual anniversaries of the Grant Date, but only if the Participant has continued in the employ of the Parent or any of its Subsidiaries or Affiliates through the particular vesting date (unless otherwise provided pursuant to Section 4 below).

(ii) Performance-based First Hurdle Equity Appreciation Rights. Fifty percent (50.0%) of the Equity Appreciation Rights shall Vest in accordance with this subsection (ii) (the "*First Hurdle Equity Appreciation Rights*") but only if the Participant has continued in the employ of the Parent or any of its Subsidiaries or Affiliates through the particular vesting date (unless otherwise provided pursuant to Section 4 below). The Administrator shall, from time to time determine the applicable Enterprise Value, not less frequently than once per calendar year.

(A) Twenty-five percent (25.0%) of the First Hurdle Equity Appreciation Rights shall Vest upon the date on which the Division has achieved all of the following performance hurdles (the "*First Hurdle Achievement Date*"): (1) for each three consecutive calendar quarters, at least \$2,000,000 of the quarterly revenue attributable to fee-based services (excluding reimbursable expenses and non-controlling interests that are pass through items) ("*Service Revenue*") generated by the Division is unrelated to Excluded Customers (the "*First Hurdle Measurement Period*") and (2) the next Enterprise Value determined subsequent to the end of the First Hurdle Measurement Period satisfies the First Hurdle Amount, as defined below (which Enterprise Value may be determined using the Enterprise Value most recently determined, in the Administrator's sole discretion). The "*First Hurdle Amount*" means the applicable Enterprise Value is equal to or exceeds the greater of (x) two (2) times the Grant Date Enterprise Value and (y) the Grant Date Enterprise Value plus \$150,000,000. Clauses (1) and (2) hereof are collectively referred to as the "*First Hurdle*".

(B) Thereafter, twenty-five percent (25.0%) of the First Hurdle Equity Appreciation Rights shall Vest on each of the consecutive three (3) annual anniversaries of the First Hurdle Achievement Date.

(C) If the First Hurdle has not been achieved as of the fourth (4th) anniversary of the Grant Date, then on such fourth (4th) anniversary and on each subsequent anniversary thereof until the earlier of (i) the First Hurdle Achievement Date; and (ii) the date upon which the applicable First Hurdle Units expire or are forfeited, the First Hurdle Amount shall increase by a dollar amount equal to fifteen percent (15.0%) per annum of the then-current dollar amount of such First Hurdle Amount.

(iii) Performance-based Second Hurdle Equity Appreciation Rights. Twenty-five percent (25.0%) of the Equity Appreciation Rights shall Vest in accordance with this subsection (iii) (the "*Second Hurdle Equity Appreciation Rights*") but only if the Participant has continued in the employ of the Parent or any of its Subsidiaries or Affiliates through the

particular vesting date (unless otherwise provided pursuant to Section 4 below). The Administrator shall, from time to time, determine the applicable Enterprise Value, not less frequently than once per calendar year.

(A) Twenty-five percent (25.0%) of the Second Hurdle Equity Appreciation Rights shall Vest upon the date on which the Division has achieved all of the following performance hurdles (the “*Second Hurdle Achievement Date*”): (1) for each three consecutive calendar quarters, at least \$4,000,000 of the quarterly Service Revenue generated by the Division is unrelated to the Excluded Customers (the “*Second Hurdle Measurement Period*”); and (2) the next Enterprise Value determined subsequent to the end of the Second Hurdle Measurement Period satisfies the Second Hurdle Amount, as defined below (which Enterprise Value may be determined using the Enterprise Value most recently determined, in the Administrator’s sole discretion). The “*Second Hurdle Amount*” means the applicable Enterprise Value is equal to or exceeds the greater of (x) three (3) times the Grant Date Enterprise Value and (y) the Grant Date Enterprise Value plus \$300,000,000. Clauses (1) and (2) hereof, collectively, the “*Second Hurdle*,” and together with the First Hurdle, the “*Hurdles*”.

(B) Thereafter, twenty-five percent (25.0%) of the Second Hurdle Equity Appreciation Rights shall Vest on each of the consecutive three (3) annual anniversaries of the Second Hurdle Achievement Date.

(C) If the Second Hurdle has not been achieved as of the sixth (6th) anniversary of the Grant Date, then on such sixth (6th) anniversary and on each subsequent anniversary thereof until the earlier of (i) the Second Hurdle Achievement Date and (ii) the date upon which the applicable Second Hurdle Units expire or are forfeited, the Second Hurdle Amount shall increase by a dollar amount equal to fifteen percent (15.0%) per annum of the then-current dollar amount of such Second Hurdle Amount.

(iv) Expiration of Grant. Except as may otherwise be provided in this Award Agreement for the earlier termination of the Equity Appreciation Rights, the term of the Equity Appreciation Rights shall begin on the Grant Date and will continue for Time-based Equity Appreciation Rights for a period of ten (10) years from the Grant Date, and will continue for First Hurdle Equity Appreciation Rights and Second Hurdle Equity Appreciation Rights (together “Performance-based Equity Appreciation Rights”) for a period of (A) ten (10) years from the date of this Award Agreement, or (B) four (4) years after the respective commencement of Vesting of the First Hurdle Equity Appreciation Rights or Second Hurdle Equity Appreciation Rights, whichever period ends later. If any Hurdle or Hurdles have not been achieved as of the tenth (10th) anniversary of the Grant Date, then on such tenth (10th) anniversary, the Performance-based Equity Appreciation Rights corresponding to such Hurdle or Hurdles shall expire.

(c) Vesting Upon Sale of the Division or Qualified IPO. Subject to Sections 5.6 and 6.4 of the Plan, in the event of a Sale of the Division or Qualified IPO, all Time-based Equity Appreciation Rights shall remain in place and continue to Vest in accordance with the schedule set forth in Section 3(b)(i), and the Performance-based Equity Appreciation Rights shall Vest only according to the terms that follow herein.

(i) After the Achievement of a Hurdle. In the event of a Sale of the Division or Qualified IPO after the achievement of a Hurdle, the Equity Appreciation Rights related to such Hurdle shall remain in place and continue to Vest in accordance with the schedule set forth in Section 3(b)(ii) and (iii).

(ii) Prior to the Achievement of a Hurdle.

(A) If the Transaction Value of a Sale of the Division or Qualified IPO equals or exceeds the First Hurdle Amount, then the First Hurdle Equity Appreciation Rights will begin to Vest and continue to Vest in accordance with the schedule set forth in Section 3(b)(ii). If the Transaction Value in respect of such Sale of the Division or Qualified IPO is below the First Hurdle Amount, no First Hurdle Equity Appreciation Rights will Vest automatically, and the Hurdles related to Vesting set forth in Section 3(b)(ii) above will remain in place.

(B) If the Transaction Value of a Sale of the Division or Qualified IPO equals or exceeds the Second Hurdle Amount, then the Second Hurdle Equity Appreciation Rights will begin to Vest and continue to Vest in accordance with the schedule set forth in Section 3(b)(ii) and (iii). If the Transaction Value in respect of such Sale of the Division or Qualified IPO is below the Second Hurdle Amount, no Second Hurdle Equity Appreciation Rights will Vest automatically, and the Hurdles related to Vesting set forth in Section 3(b)(iii) above will remain in place.

(iii) Notwithstanding the foregoing, and subject to Section 5.6 and 6.4 of the Plan, in no event will the occurrence of a Sale of the Division or of a Qualified IPO accelerate the schedule on which Equity Appreciation Rights Vest without the prior consent of the Administrator, which shall retain the sole discretion on such matters.

(iv) At the sole discretion of the Administrator, the Participant may be required (i) to enter into a lock-up agreement with respect to any shares or other securities that may be issued in payment for Equity Appreciation Rights or Share Equivalency Units in connection with any Sale of the Division or Qualified IPO; and/or (ii) to the extent a Participant receives common shares or other equity interests in the Company in respect of Payment for Share Equivalency Units in accordance with Article V of the Plan, to present any such shares or interests for repurchase by the Company at a price equal to their Fair Market Value at the time of the Sale of the Division or Qualified IPO.

(d) Other Corporate Transactions. Notwithstanding the provisions of Section 3(b), in the event of a spin-off of the Division and at the sole discretion of the Administrator, to the extent a Participant receives common shares or other equity interests in the Company in respect of Payment for Share Equivalency Units in accordance with Article V of the Plan, the Participant may be required to present any such shares or interests for repurchase by the Company at a price equal to their Fair Market Value at the time of the spin-off of the Division (with the Participant's Equity Appreciation Rights to continue, unaffected by the spin-off). In the event of any Division acquisitions, capital raising, or corporate transactions other than a Sale of the Division, Qualified IPO, or spin-off of the Company, the Administrator shall have the discretion to adjust the terms of this Award Agreement based on the effects of the transaction, including but not limited to:

- (i) adjusting any outstanding Hurdle;
- (ii) allocating debt or equity to the entity and accordingly charging the applicable interest expense or cost of capital to the entity; and/or
- (iii) diluting the existing Company shareholders, if any, and/or holders of Equity Appreciation Rights and other outstanding Share-based awards made by the Division, including but not limited to restricted share awards.

Section 4. Treatment of Equity Appreciation Rights Upon Termination of Employment.

(a) Equity Appreciation Rights Upon Termination of Employment with Cause. If the Participant is terminated with Cause, the Participant's Equity Appreciation Rights shall be immediately forfeited without consideration, whether Vested or not Vested. Upon any such forfeiture of Equity Appreciation Rights, the Participant shall cease to have any rights whatsoever under the Plan or this Award Agreement and shall thereupon not be entitled to receive any further payments of cash or other benefits pursuant thereto or hereto. Notwithstanding the foregoing, the Administrator may in its sole and absolute discretion, on a case-by-case basis, (A) provide for payment of all or any portion of the amount that the Participant would have received upon exercise of Vested Equity Appreciation Rights, immediately before (and in the absence of) such termination, and (B) recover, through claw-back, any common shares or other equity interests in the Company, common stock of ASPS, or other proceeds the Participant has received from the prior exercise of Vested Equity Appreciation Rights.

(b) Equity Appreciation Rights Upon Termination of Employment without Cause, by Reason of Retirement, Due to Resignation or as a Result of Death or Disability.

(i) Performance-based Equity Appreciation Rights - Prior to the Achievement of a Hurdle. Subject to Section 4(c) below, if the Participant's employment is terminated by Altisource without Cause, by reason of Retirement or as a result of the Participant's death or Disability, then for a Hurdle that has not yet been achieved by the Division at the time of the Participant's termination of employment under this Section 4(b), the Participant shall forfeit without consideration all Equity Appreciation Rights that are not Vested; provided, *however*, that, if a previously unachieved Hurdle is achieved within sixty (60) days of termination of the Participant's employment under this Section 4(b), any Equity Appreciation Rights related to such Hurdle that were not yet Vested at the time of such termination shall Vest in accordance with the schedule set forth in Section 3(b) (without regard to its employment condition for Vesting on such date). Further, subject to Section 4(c) below, if the Participant's employment is terminated due to Resignation, then for a Hurdle that has not yet been achieved as of the date of the Participant's Resignation, the Participant shall forfeit without consideration all Equity Appreciation Rights related to such Hurdle as of the date of Resignation.

(ii) Performance-based Equity Appreciation Rights - After the Achievement of a Hurdle. Subject to Section 4(c) below, if the Participant's employment is terminated by Altisource without Cause, by reason of Retirement or as a result of the Participant's death or Disability, then for a Hurdle that has been achieved at the time of the Participant's termination of employment under this Section 4(b), (A) the Participant's Equity Appreciation Rights related to such Hurdle that are not yet Vested shall continue to Vest in accordance with the schedule set forth in Section 3(b) (without regard to its employment condition for Vesting on such date); and (B) the Participant shall retain all Vested Equity Appreciation Rights related to such Hurdle and all rights with respect thereto. Further, subject to Section 4(c) below, if the Participant's employment is terminated due to Resignation, then for a Hurdle that has been achieved prior to the date of the Participant's Resignation, the Participant shall forfeit without consideration all Equity Appreciation Rights related to such Hurdle that are not yet Vested.

(iii) Time-based Equity Appreciation Rights. Subject to Section 4(c), below, if the Participant's employment is terminated by Altisource without Cause, by reason of Retirement, due to Resignation or as a result of the Participant's death or Disability, then: (A) the Participant shall forfeit without consideration all Time-based Equity Appreciation Rights that are not yet Vested; and (B) the Participant shall retain all Vested Time-based Equity Appreciation Rights and all rights with respect thereto.

(iv) Any Equity Appreciation Rights retained by the Participant under Section 4(b)(i), (ii) and (iii) following the Participant's termination of employment as a result of the Participant's death shall terminate not later than (i) three (3) years after the date of the Participant's death or (ii) upon the expiration of the Equity Appreciation Rights, whichever occurs first.

(v) Any Equity Appreciation Rights retained by the Participant under Section 4(b)(i), (ii) and (iii) following the Participant's termination of employment as a result of the Participant's Disability shall terminate not later than (a) five (5) years after the date of such termination of employment or (b) upon the expiration of the Equity Appreciation Rights, whichever occurs first.

(vi) Any Equity Appreciation Rights retained by a Participant under Section 4(b)(i), (ii) and (iii) following a Participant's termination of employment by Altisource without Cause, due to Resignation, or by reason of Retirement shall be exercised pursuant to Section 5.1 of the Plan during the next full Window Period that immediately follows the later to occur of (i) the date of such termination of employment, or (ii) where applicable, the date of Vesting for Equity Appreciation Rights that were not Vested at the time of termination, and shall thereafter be held by the Participant for a period of six months and one day (without regard to any employment condition during this period) at which time the Share Equivalency Units then held by the Participant shall be redeemed pursuant to Section 5.3 of the Plan. Failure of the Participant to exercise any Equity Appreciation Rights in accordance with this Section 4(b)(vi) will result in the forfeiture or cancellation of such Equity Appreciation Rights and related shares or interests without any compensation therefor; provided however, that if a Participant provides an Exercise Notice to exercise Equity Appreciation Rights in accordance with this Section 4(b)(vi) that the exercise of such Equity Appreciation Rights is then rejected in whole or in part by the Administrator in accordance with Section 5(b), the Administrator shall allow the Participant to exercise such rejected Equity Appreciation Rights during the Window Period that immediately follows the expiration of the Post-Rejection Period; *provided however*, that the Participant shall provide a new Exercise Notice to exercise *all* of the rejected Equity Appreciation Rights, and provided further that the exercise of the Equity Appreciations Rights pursuant to such new Exercise Notice is not rejected by the Administrator in accordance with Section 5(b). To the extent the new Exercise Notice is rejected by the Administrator (and any subsequent Exercise Notices) in accordance with Section 5(b), the Administrator shall allow the Participant to exercise such rejected Equity Appreciation Rights during the Window Period that immediately follows the next Exercise Notice that is not rejected by the Administrator, following the expiration of applicable Post-Rejection Period(s).

(c) Conditions to Retaining Equity Appreciation Rights Following Termination; Parent's Right to Repurchase Equity Appreciation Rights. The Participant's right to retain Equity Appreciation Rights following termination of employment under Section 4(b) is subject in all cases to the requirement that the Participant has been employed with Altisource for a period of at least two (2) years on the date of such termination in addition to satisfying the applicable requirements in the case of Retirement. Further, if so determined by the Board in its sole discretion, the Parent shall have the right to repurchase any Equity Appreciation Rights for fair market value at any time, including without limitation, any Equity Appreciation Rights that have been retained by the Participant following the termination of such Participant's employment.

(d) Upon Termination Following Sale of the Division or Qualified IPO That Results in Achievement of a Hurdle.

(i) Termination of Employment Due to a Forfeiture Event. If the Participant's employment was terminated as a result of the Participant being subject to a Forfeiture Event, and a Sale of the Division or Qualified IPO that results in the achievement of a previously unachieved Hurdle is consummated within sixty (60) days of such Forfeiture Event, the Board or the Managers may in their sole and absolute discretion provide for payment of all or any portion of the amount that the Participant would have received upon exercise of all Vested Equity Appreciation Rights immediately before the Forfeiture Event.

(ii) Termination of Employment Without Cause, by Reason of Retirement or Due to Death or Disability. If the Participant's employment is terminated by Altisource without Cause, by reason of Retirement, or as a result of the Participant's death or Disability, and a Sale of the Division or Qualified IPO that results in the achievement of a previously unachieved Hurdle is consummated within sixty (60) days of such termination of employment, (A) the Participant's Equity Appreciation Rights related to such Hurdle that were not Vested at the time of such termination shall Vest in accordance with the schedule set forth in Section 3(b) (without regard to its employment condition for Vesting on such date); and (B) the Participant shall retain all Vested Equity Appreciation Rights related to such Hurdle and all rights with respect thereto; provided, *however*,

that, if so determined by the Board, the Parent will have the right to repurchase such Equity Appreciation Rights for fair market value at any time.

(d) Acknowledgement of Drag-Along Right and Share Transfer Restrictions.

(i) The Participant acknowledges and agrees to the terms of the Drag-Along Right as set forth in Section 5.5 of the Plan, to the extent allowed by applicable law, and to their application to any common shares or other equity securities of the Company, if any, pursuant to this Award Agreement. The Participant hereby agrees to fully cooperate with each of the Division, the Parent and ASPS to take all necessary actions and execute and deliver all documents deemed necessary and appropriate by either of the Division, the Parent or ASPS to effectuate the consummation of any Approved Sale (as defined in the Plan) on terms that are consistent with the provisions of this Section and Section 5.5 of the Plan. The Participant hereby indemnifies, defends and holds each of the Division, the Parent and ASPS harmless against all liability, loss or damage, together with all reasonable costs and expenses (including reasonable legal fees and expenses), relating to or arising from the Participant's failure to cooperate or the Participant's actions taken to contest the validity of this provision.

(ii) No Participant shall sell or transfer in any manner any common shares or other equity interests of the Company issued to the Participant pursuant to an Award Agreement by sale or other disposition, or give or in any way create in any person or entity any option, warrant or other right to acquire all or any portion of such shares or interests, or bequeath any such shares or interests by will or the laws of descent and distribution, and no such sale, transfer, bequest, gift or other disposition by a Participant shall be effective to vest any right, title or ownership in any transferee, personal representative, executor, heir, legatee, devisee or any person or entity which takes such shares or interests by operation of law or otherwise, unless (i) such transferee agrees in writing at the time of such transfer, in a form satisfactory to the Company, to be bound by the terms of this Plan, the applicable Award Agreement, and any other agreement required by the Administrator as a condition for such transfer, and (ii) such transfer is otherwise approved in writing by the Administrator, in its discretion, and is in compliance with the requirements of the Plan, the applicable Award Agreement, and the Company's governing instruments; and, (iii) in the case of a transfer to a non-shareholder, the shareholders representing 75% of the Company's share capital vote in favor of such a transfer. In the event any purported or attempted transfer of common shares or other equity interests of the Company issued pursuant to this Plan does not comply with the provisions of this Section, such purported transfer shall be deemed to be invalid, and such purported transferee shall not be deemed to be a Shareholder of the Company and shall not be entitled to receive a new stock certificate or any dividends or other distributions or rights or with respect to such shares or interests.

(e) Repurchase of Shares or Equity Interests by the Company. Any share or interest repurchase right by the Company hereunder shall be exercisable upon written notice to the Participant from the Company and shall be consummated promptly by each party, acting in good faith. Any refusal or inability by the Participant to consummate a repurchase of shares or interests by the Company in accordance with this Agreement will result in the forfeiture or cancellation of the related shares or interests without any compensation therefor.

Section 5. Settlement of Equity Appreciation Rights.

(a) Subject to Article V of the Plan, on the date six months and one day after any Offer Date for any Exercised Rights (the "*Payment Date*"), the Share Equivalency Units then held by the Participant shall be redeemed in exchange for a payment from the Division (or Parent or an Affiliate, as applicable) of an amount equal to the Fair Market Value of an Exercised Right as of the most recent Valuation Date before the Payment Date multiplied by the number of Share Equivalency Units that Participant is entitled to as set forth in the Share Equivalency Unit Notice received by Participant (the "*Share Equivalency Unit Value*"), the amount, time of payment, and form of which shall be determined in accordance with Article V of the Plan (the "*Payment*"). Payment shall occur on or after the Payment Date. Notwithstanding any other provision of this Award Agreement (including this Section 5(a)) or any provision of the Plan, the Share Equivalency Units held by a Participant whose employment is terminated for Cause shall not be redeemed and shall be immediately forfeited without consideration as of the date of termination. For avoidance of doubt, this Section shall be without prejudice to the Administrator's or the Managers' exercise of discretion pursuant to Section 4(a), of this Award Agreement.

(b) Notwithstanding the foregoing, if any payment to be made under this Section 5 would, in the Administrator's determination at its sole discretion, materially impair or jeopardize the ability of the Division, the Parent, ASPS or any of their respective Affiliates to meet current or projected cash-flow needs and/or liquidity needs, to limit ASPS shareholder dilution, to avoid a pro-forma breach of any covenants in any of their credit agreements or other financing documents, or to operate as a going concern (collectively, the "*Rejection Conditions*" and each individually, a "*Rejection Condition*"), then the Administrator may in its discretion reject the Participant's offer made pursuant to the Exercise Notice (with respect to all or part of the Equity Appreciation Rights) (the "*Rejection*") at any time before the tentative Payment Date (the "*Rejection Date*"), in which event the Participant's Equity Appreciation Rights subject to the rejected Exercise Notice shall be reinstated according to the same terms

and conditions in effect immediately before the Offer Date and the Participant may not present the Parent with another Exercise Notice with respect to the rejected Exercised Rights during the period between the Rejection Date and the six-month anniversary of the Rejection Date (the “*Post-Rejection Period*”). To the extent payment of the Share Equivalency Unit Value would jeopardize the ability of the Division, the Parent, ASPS or any of their respective Affiliates to meet current or projected cash-flow needs and/or liquidity needs, to limit ASPS shareholder dilution, to avoid a pro-forma breach of any covenants in any of their credit agreements or other financing documents, or to operate as a going concern, the Administrator may on the Payment Date (in lieu of rejecting a Participant’s offer made pursuant to the Exercise Notice) provide the Participant with a subordinated promissory note in the principal amount equal to the above-referenced payment and bearing simple interest at a rate equal to the then current three-month LIBOR, in a form approved by the lenders of ASPS or any of its Affiliates (or other source of applicable financing) and contains reasonable terms designed to avoid any covenant breach or insolvency during the period of such delayed payment. Such promissory note shall be redeemed, in whole or in part, as soon as reasonably practicable following the elimination of the Rejection Condition(s) forming the basis for the Rejection, as determined by the Administrator in its sole discretion (assuming none of the other Rejection Conditions are met and payment of the promissory note does not result in a Rejection Condition); *provided however*, that the Administrator shall have sole discretion to schedule the timing of the redemption of all promissory notes issued pursuant to the Plan.

Section 6. Cash-out Put Right; Company Right to Purchase.

(a) If a Participant receives common shares or other equity interests of the Company (or shares of common stock of ASPS) in respect of Payment in accordance with Article V of the Plan and at the time of Payment there has not been a Sale of the Division or Qualified IPO, then the Participant shall have the right (the “*Put Right*”) during any Window Period to require the Company to exchange or repurchase such shares or interests (or shares of common stock of ASPS, as the case may be) in exchange for (i) a cash payment equal to the Fair Market Value of the shares or interests as of the most recent Valuation Date before the Participant’s delivery to the Company of a proper written exercise of the Put Right, (ii) if the Put Right relates to shares or interests other than common stock of ASPS, an equivalent value of shares of common stock of ASPS or (iii) if the payment to be made under clause (i) of this Section would, in the Administrator’s determination at its sole discretion, jeopardize the ability of the Company, ASPS or any of their respective Affiliates from operating as a going concern, then the Company may delay making such payment in respect of the shares or interests (or shares of common stock of ASPS, as the case may be) subject to the exercised Put Right until paying it as soon as administratively practicable after such payment would no longer have such effect, in which event the Company shall provide the Participant with a subordinated promissory note in the principal amount equal to the value of such shares or interests that would otherwise be paid in cash under clause (i) of this Section (or shares of common stock of ASPS, as the case may be) and bearing simple interest at a rate equal to the then current three-month LIBOR, in a form of subordinated promissory note that is approved, if applicable, by the Company’s applicable lenders (or other source of applicable funding), at the Administrator’s sole discretion; *provided, however*, that the Put Right shall only be exercisable under this Section only if at such a time the Company is not then pursuing a Sale of the Division or Qualified IPO in good faith and has not pursued such an event in the preceding six (6) months. The Company shall respond to the exercise of such Put Right as set forth in this Section 6 within twenty-eight (28) business days of the exercise of the Put Right.

(b) If a Participant receives common shares or other equity interests of the Company in respect of Payment, the Company shall at any time have the right to purchase such shares or interests (“*Purchase Right*”) upon delivering written notice to the Participant of the exercise of the Purchase Right. The purchase price for the shares or interests under this Purchase Right shall equal the Fair Market Value of the shares or interests as of the date of the Purchase Right notice.

Section 7. Non-Competition. For a period commencing on the date hereof and ending one year following the last day on which the Participant ceases to be employed by or have a consulting or other similar relationship with Altisource (the “*Restricted Period*”), the Participant shall not (and shall not cause or assist any other Person to), directly or indirectly (other than as a director, manager, employee, agent, consultant member or other Affiliate of Altisource), as an individual proprietor, principal, agent, advisor, partner, shareholder, member, equity holder, investor, officer, director, manager, employee, consultant, independent contractor, joint venturer, investor, lender or otherwise, engage in any business or activity, or participate in any business or enterprise engaged in any business or activity anywhere in the United States which is the same as, similar to or competitive with the business (i) in which Altisource was engaging in, developing, selling or providing while such Participant was employed by Altisource and (ii) in which the Participant was actively engaged as an employee of Altisource (each, a “*Competing Business*”).

Section 8. Non-Solicitation of Customers, Vendors, etc. The Participant agrees that he or she shall not (and shall not cause or assist any other Person to), except as otherwise necessary or advisable in the performance of his duties as an officer, manager, director, employee or agent of Altisource, during the Restricted Period, directly or indirectly, on his behalf or on behalf of any other Person:

- (a) contact, solicit, accept income from, or do business with any customer or potential customer of Altisource, or any Person who was a customer or any Affiliate thereof at any time during the two (2) years preceding such solicitation, relating to the provision of any Competing Business;
- (b) induce or solicit any customer, supplier, subcontractor, licensee, distributor, funding source, or business relation, or any Person who was a customer, supplier, subcontractor, licensee, distributor, funding source, or business relation at any time during the two (2) years preceding such solicitation, to cease doing business with Altisource, or in any way adversely interfere with the relationship between any such customer, supplier, licensee, distributor, funding source, or business relation of Altisource;
- (c) take any action that is intended, or could reasonably be expected, to harm, disparage, defame, slander, or lead to unwanted or unfavorable publicity for Altisource or otherwise take any action which might detrimentally affect the reputation, image, relationships or public view of Altisource;
- (d) disclose the identity of any customer, supplier, subcontractor, licensee, distributor, funding source, or business relation of Altisource to any Person;
- (e) share, reveal or utilize any Confidential Information of Altisource except as otherwise expressly permitted by Altisource; or
- (f) attempt to do any of the foregoing, or assist, entice, induce or encourage any other Person to do or attempt to do any activity which, were it done by the Participant, would violate any provision of this [Section 8](#).

Section 9. Non-Hire and Non-Solicitation of Employees. The Participant agrees that he or she shall not (and shall not cause or assist any other Person to), during the Restricted Period, directly or indirectly, solicit, hire or in any manner encourage any employee of Altisource, or any individual who was an employee of Altisource at any time during the two (2) years preceding such solicitation or hiring, to leave the employ of Altisource for an engagement in any capacity by another Person (other than, in each case, any solicitation directed at the public in general in publications available to the public in general or any contact which the Participant can demonstrate was initiated by such employee or former employee of Altisource).

Section 10. Interplay with Employment Agreement. To the extent there exists any inconsistency between any of the terms of this Award Agreement and the terms of an Employment Agreement, if any, between the Participant and Altisource, the terms of this Award Agreement shall govern, to the extent allowed by applicable law, *provided however*, that the terms of the Employment Agreement shall govern if, and only if, such Employment Agreement was approved by the Administrator or the Managers, explicitly identifies the conflict with the Agreement and states that notwithstanding this [Section 10](#) the applicable terms of the Employment Agreement shall govern.

Section 11. Due and Sufficient Consideration. The Participant acknowledges that the restrictive covenants contained in this Award Agreement (including without limitation in [Section 7](#), [Section 8](#) and [Section 9](#) hereof and this [Section 11](#) (the "Covenants")) are reasonable and necessary to protect the legitimate interests of the Participants and Parent and the Division, and constitute a material inducement to Parent and the Division to enter into this Award Agreement and grant the Equity Appreciation Rights contemplated by this Award Agreement, and that such Equity Appreciation Rights constitute due and sufficient consideration for the entry of the Participant into this Award Agreement and related compliance with such Covenants. The Participant agrees that, during the Restricted Period, prior to beginning any employment or other relationship with a potential future employer, he or she shall inform any such employers of the existence and nature of the Covenants and that failure to do so will immediately grant Parent and the Division the right to cause the forfeiture to the Division of all Equity Appreciation Rights (regardless of Vesting status) for no consideration.

Section 12. Remedies; Sufficiency of Consideration for Restrictive Covenants. In the event that the Participant fails to comply with any of the Covenants, then in addition to and not in limitation of any and all other remedies available to Parent and the Division at law or in equity and to the maximum extent allowed by applicable law, (a) the Equity Appreciation Rights that have not yet become Exercised Rights (regardless of whether such Equity Appreciation Rights have Vested) shall be immediately forfeited and cancelled (b) with respect to Exercised Rights for which Payment has not yet been made, the Exercised Rights shall be immediately forfeited and cancelled and Altisource shall be relieved from any payment obligation in connection with such Exercised Rights and (c) with respect to Exercised Rights for which Payment has occurred, the Participant will be required to immediately deliver to the Division an amount (in cash, in shares or other equity securities of the Company or in shares of ASPS common stock) equal to the payment the Participant received for Share Equivalency Units to the extent such Equity Appreciation Rights Vested at any time from one hundred eighty (180) days prior to the earlier of (i) the date of termination of employment and (ii) the date the Participant fails to comply with any of the Covenants to one hundred eighty

(180) days after the date when the Company learns that the Participant has not complied with any such Covenant. The Participant agrees that he/she will deliver such amount due under clause (b) of the preceding sentence (either in cash, in shares or other equity securities of the Company or in shares of ASPS common stock, as applicable) on such terms and conditions as may be required by the Division. The Participant further agrees that Parent and the Division will be entitled to enforce this repayment obligation by all legal means available, including, without limitation, to set off the amount due under this Section and any other damage amount against any amount that might be owed the Participant to Altisource (other than amounts subject to Section 409A of the Code). The Participant acknowledges that the Covenants and corresponding remedies contained in this Award Agreement (including without limitation in [Section 7](#), [Section 8](#), [Section 9](#) and [Section 11](#) hereof and the foregoing sentences of this [Section 12](#)) are reasonable and necessary to protect the legitimate interests of the Participants and Parent and the Division and constitute a material inducement to Parent and the Division to enter into this Award Agreement and grant the Equity Appreciation Rights contemplated by this Award Agreement, and that such Equity Appreciation Rights constitute due and sufficient consideration for the entry of the Participant into this Award Agreement and related compliance with such restrictive covenants.

Section 13. No Right to Continued Employment. This Award Agreement (and the Equity Appreciation Rights awarded hereunder) shall not confer upon the Participant any right to continue in the employ of Altisource or interfere in any way with the right of Altisource to terminate the Participant's employment at any time, and nothing contained herein shall be deemed a waiver or modification of any provision contained in any other agreement between the Participant and the Division, the Parent, their Subsidiaries or Affiliates.

Section 14. No Rights from Award as Member. While the Equity Appreciation Rights granted hereunder are designed generally to provide the Participant the opportunity to participate in the appreciation of the value of the Division from and after the Grant Date, the Equity Appreciation Rights are not equity interests in the Division, the Parent, ASPS or any of their Subsidiaries or Affiliates, and the Participant shall not be deemed an equity holder of the Division, the Parent or any of their Subsidiaries or Affiliates as a result of the award of Equity Appreciation Rights under the Plan.

Section 15. Limited Other Rights; Clawback. Any Equity Appreciation Rights and common shares or other equity interests of the Company (or ASPS common stock) issued to any Participant shall (a) grant the Participant only such rights and privileges as are set forth in the Plan, or as are set forth in the Company's (or ASPS's) Articles of Association and equity holder agreement (if any) and Luxembourg law with respect to the Company's shares or interests (or ASPS common stock, as the case may be), and (b) be subject to any recoupment or claw-back provisions of applicable law, including Section 954 of the Dodd-Frank Act. Further, Participant acknowledges and agrees that the Company, if formed at any time, is a subsidiary of, and the Division is a business division of, Parent and is one member of a consolidated group of companies. The Company or Parent may take or refrain from taking actions or otherwise effect transactions that are in the best interest of the consolidated group and/or the stockholders of Parent that may not be the same actions or transactions that would be taken by the Company or Division if it were not affiliated with Parent or part of a consolidated group. Participant has no rights as a holder of Equity Appreciation Rights or any shares or interests (or ASPS common stock) issued to Participant as a result of such action, inaction, or transaction.

Section 16. Nontransferability. No right or interest to or in this Award Agreement, the Equity Appreciation Rights or any Share Equivalency Units awarded hereunder or any rights to payment or other benefit to the Participant shall be assignable by the Participant except by will or the laws of descent and distribution unless otherwise provided by law. No right, benefit or interest of the Participant hereunder shall be subject to anticipation, alienation, sale, assignment, encumbrance, charge, pledge, hypothecation or set off in respect of any claim, debt or obligation, or to execution, attachment, levy or similar process, or assignment by operation of law without the prior written consent of the Parent. Any attempt, voluntarily or involuntarily, to effect any action specified in the immediately preceding sentences shall, to the fullest extent permitted by law, be null, void and of no effect; *provided, however*, that this provision shall not preclude the Participant from designating one or more beneficiaries to receive any amount that may be payable to the Participant under this Award Agreement after his or her death and shall not preclude the legal representatives of the Participant's estate from assigning any right hereunder to the person or persons entitled thereto under his or her will, or, in the case of intestacy, to the person or persons entitled thereto under the laws of intestacy applicable to his or her estate.

Section 17. Notices. All notices and other communications under the Plan and/or this Award Agreement shall be in writing and shall be given in the manner set forth below (or at such other address a party may specify by like notice).

(a) If to the Division or Parent, by first-class mail, certified or registered with return receipt requested or hand delivery acknowledged in writing by the recipient personally, and such notice shall be deemed to have been duly given three days after mailing or immediately upon duly acknowledged hand delivery to the respective persons named below:

Altisource Solutions S.à r.l.
40, avenue Monterey
L-2163 Luxembourg
Attn: Board of Managers

With a copy to: Kevin.Wilcox@altisource.lu

(b) If to the Participant, at the address set forth underneath the Participant's signature to this Award Agreement, by first-class mail, certified or registered with return receipt requested, or by hand delivery, and such notice shall be deemed to have been duly given three days after mailing or immediately upon hand delivery to the Participant.

Section 18. Waiver and Release by Participant. AS A CONDITION PRECEDENT TO AND IN CONSIDERATION FOR THE PARENT MAKING THIS AWARD, THE PARTICIPANT IRREVOCABLY WAIVES AND FOREVER RELEASES ANY AND ALL CLAIMS TO ANY EQUITY-BASED COMPENSATION (INCLUDING ANY EQUITY APPRECIATION AWARDS, RIGHTS OR OPTIONS OTHER THAN AS GRANTED IN THIS AGREEMENT) ALLOCATED, ASSIGNED OR OTHERWISE ATTRIBUTED TO THE PARTICIPANT PRIOR TO MAY 1, 2015 PURPORTING TO GIVE THE PARTICIPANT THE RIGHT TO BENEFIT FROM OR PARTICIPATE IN THE APPRECIATION OR INCREASE IN VALUE OF, OR PROFITS OR DIVIDENDS FROM, ANY DIVISION, BUSINESS UNIT OR OTHER SUB-DIVISION OF ALTISOURCE, INCLUDING WITHOUT LIMITATION, ANY PLAN TITLED OR STRUCTURED AS A DIVISION EQUITY APPRECIATION RIGHTS PLAN, BUSINESS UNIT EQUITY APPRECIATION RIGHTS PLAN, SHADOW STOCK PLAN, OR PROFIT SHARING PLAN. FOR PURPOSES OF CLARIFICATION, THE FOREGOING WAIVER AND RELEASE SHALL NOT APPLY TO ANY STOCK OPTION OR RESTRICTED STOCK AWARD FOR ASPS COMMON STOCK ISSUED PURSUANT TO THE ASPS PLAN, INCLUDING ANY RIGHTS IN STOCK OF OTHER COMPANIES RESULTING THEREFROM. IF THE PARTICIPANT UNDERTAKES TO ENFORCE, OR SUCCEEDS IN ENFORCING, ANY RIGHTS TO COLLECT SUCH WAIVED AWARDS, THEN THE PARENT MAY BY WRITTEN NOTICE TO THE PARTICIPANT REPURCHASE ANY OR ALL OF THE PARTICIPANT'S SHARES ISSUED PURSUANT TO THE PLAN OR THIS AWARD AGREEMENT FOR A PRICE EQUAL TO THE LESSER OF THEIR FAIR MARKET VALUE AT THE TIME OF THE REPURCHASE OR THE PURCHASE PRICE PAID BY THE PARTICIPANT PURSUANT TO SECTION 2 ABOVE.

Section 19. Governing Law. THIS AWARD AGREEMENT, AND ANY DISPUTES BETWEEN THE PARENT AND ANY PARTICIPANT, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE GRAND DUCHY OF LUXEMBOURG, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

Section 20. Jurisdiction; Venue; Waiver of Jury Trial. BY ACCEPTANCE OF ANY AWARD MADE UNDER THE PLAN AND THIS AWARD AGREEMENT, A PARTICIPANT HEREBY AGREES THAT ANY AND ALL DISPUTES BETWEEN THE PARTIES HERETO WHICH MAY ARISE PURSUANT TO THIS AWARD AGREEMENT OR ANY AWARD MADE HEREUNDER WILL BE HEARD EXCLUSIVELY AND DETERMINED BEFORE AN APPROPRIATE COURT LOCATED IN THE GRAND DUCHY OF LUXEMBOURG, AND THE PARENT, AND EACH PARTICIPANT SUBMITS ITSELF AND ITS PROPERTY TO THE EXCLUSIVE JURISDICTION OF THE FOREGOING COURTS WITH RESPECT TO SUCH DISPUTES. BY ACCEPTANCE OF ANY AWARD MADE UNDER THIS AWARD AGREEMENT, A PARTICIPANT HEREBY (I) WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE COURTS REFERRED TO ABOVE ON THE GROUNDS OF INCONVENIENT FORUM OR OTHERWISE AS REGARDS ANY AND ALL DISPUTES BETWEEN THE PARTICIPANT AND THE parent WHICH MAY ARISE PURSUANT TO THIS AWARD AGREEMENT OR ANY AWARD MADE HEREUNDER, (II) WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE IN THE COURTS REFERRED TO ABOVE FOR ANY DISPUTE BETWEEN THE PARTIES HERETO WHICH MAY ARISE PURSUANT TO THIS AWARD AGREEMENT AND ANY AWARD MADE HEREUNDER, AND (III) AGREES THAT A JUDGMENT OR ORDER OF ANY COURT REFERRED TO ABOVE IN CONNECTION WITH ANY AND ALL DISPUTES BETWEEN THE PARTICIPANT AND THE PARENT WHICH MAY ARISE PURSUANT TO THIS AWARD AGREEMENT OR ANY AWARD MADE HEREUNDER IS CONCLUSIVE AND BINDING ON IT AND MAY BE ENFORCED AGAINST IT IN THE COURTS OF ANY OTHER JURISDICTION. EACH PARTICIPANT WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THIS AWARD AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY AND AGREES THAT ANY SUCH SUIT, ACTION OR OTHER PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

Section 21. Facsimiles and Electronic Copies; Counterparts. This Award Agreement may be executed by facsimile or in any electronic medium and in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 22. Amendment, Restatement, Modification, or Other Change. This Award Agreement may only be amended, restated, modified, or otherwise changed in accordance with Section 6.3 of the Plan.

Section 23. Headings; Severability. Headings appearing in this Award Agreement are for convenience only and shall not be deemed to explain, limit or amplify the provisions hereof. The invalidity or unenforceability of any particular provision of this Award Agreement shall not affect the other provisions hereof or thereof, and this Award Agreement shall be construed in all respects as if the invalid or unenforceable provision were omitted.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Award Agreement to be executed and delivered as of the date first above written. By accepting this Award Agreement, either through electronic means or by providing a signed copy, the Participant (i) acknowledges and confirms that he/she has read and understood the Plan and the Award Agreement and (ii) acknowledges and agrees that acceptance through electronic means is equivalent to doing so by providing a signed copy.

ATTEST: **ALTISOURCE SOLUTIONS S.À R.L.**

By: __ By: __
Name: Kevin J. Wilcox Name: William B. Shepro
Title: Manager Title: Manager

PARTICIPANT:

Mark J. Hynes _____

Participant - please provide address for notices:

MARKETPLACE SOLUTIONS EQUITY APPRECIATION RIGHTS

AWARD AGREEMENT

Form of Exercise Notice

Altisource Solutions S.à r.l.
40, avenue Monterey
L-2163 Luxembourg
Attention: Board of Managers
With a copy to: Kevin.wilcox@altisource.lu

Dear Sir or Madam:

The undersigned offers to exercise _____ Equity Appreciation Rights (the "Exercised Rights") that were granted under the Division Equity Appreciation Rights Plan (the "Plan"), and that have become Vested pursuant to an Equity Appreciation Rights Award Agreement dated as of May 19, 2015 (the "Award Agreement"). The undersigned acknowledges and agrees that the terms of this offer to exercise shall be governed by the Plan and the Award Agreement. Accordingly, the Exercised Rights shall be exchanged for Share Equivalency Units, the amount, timing, and form of which shall be determined in accordance with, and shall be subject to the terms and conditions of, Article V of the Plan.

Very truly yours,

Date Mark J. Hynes

CERTIFICATION UNDER SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(UNITED STATES CODE, TITLE 18, CHAPTER 63, SECTION 1350)
ACCOMPANYING QUARTERLY REPORT ON FORM 10-Q OF
ALTISOURCE PORTFOLIO SOLUTIONS S.A. FOR THE QUARTER ENDED
JUNE 30, 2015

In connection with the Quarterly Report on Form 10-Q of Altisource Portfolio Solutions S.A. (the "Company") for the quarterly period ended June 30, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), William B. Shepro, as Chief Executive Officer of the Company, and Michelle D. Esterman, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ William B. Shepro
William B. Shepro
Director and Chief Executive Officer
(Principal Executive Officer)

July 23, 2015

By: /s/ Michelle D. Esterman
Michelle D. Esterman
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

July 23, 2015