

AMBARELLA INC
Form 10-Q
June 08, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended April 30, 2015

OR

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

For the transition period from _____ to _____

Commission file number: 001-35667

AMBARELLA, INC.

(Exact name of registrant as specified in its charter)

Cayman Islands 98-0459628
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

3101 Jay Street

Santa Clara, California 95054
(Address of principal executive offices) (Zip Code)

(408) 734-8888

(Registrant's telephone number, including area code)

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 (§232.405 of this chapter) 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. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

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

The number of ordinary shares, \$0.00045 par value, of the Registrant, outstanding as of April 30, 2015 was 31,341,184 shares.

AMBARELLA, INC.

QUARTERLY REPORT ON FORM 10-Q

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PART I – FINANCIAL INFORMATION

ITEM 1. Financial Statements

AMBARELLA, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share data)

(unaudited)

	April 30, 2015	January 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 197,311	\$ 170,291
Marketable securities	37,917	37,703
Accounts receivable, net	39,193	40,180
Inventories	25,803	21,693
Restricted cash	8	8
Deferred tax assets, current	2,058	1,990
Prepaid expenses and other current assets	2,688	3,506
Total current assets	304,978	275,371
Property and equipment, net	3,022	3,075
Deferred tax assets, non-current	4,000	3,936
Other assets	1,928	1,902
Total assets	\$ 313,928	\$ 284,284
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	23,990	21,036
Accrued liabilities	15,343	18,699
Income taxes payable	1,306	748
Deferred tax liabilities, current	72	92
Deferred revenue, current	6,219	4,907
Total current liabilities	46,930	45,482
Deferred revenue, non-current	187	198
Other long-term liabilities	1,405	1,393
Total liabilities	48,522	47,073
Commitments and contingencies (Note 11)		
Shareholders' equity:		
Preference shares, \$0.00045 par value per share, 20,000,000 shares		
authorized and no shares issued and outstanding at April 30, 2015 and		
January 31, 2015, respectively	—	—
Ordinary shares, \$0.00045 par value per share, 200,000,000 shares	14	14

authorized at April 30, 2015 and January 31, 2015, respectively;

31,341,184 shares issued and outstanding at April 30, 2015; 30,837,529

shares issued and outstanding at January 31, 2015

Additional paid-in capital	149,921	140,564
Accumulated other comprehensive loss	(17)	(1)
Retained earnings	115,488	96,634
Total shareholders' equity	265,406	237,211
Total liabilities and shareholders' equity	\$313,928	\$284,284

See accompanying notes to condensed consolidated financial statements.

AMBARELLA, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except share and per share data)

(unaudited)

	Three Months Ended April 30,	
	2015	2014
Revenue	\$71,013	\$40,921
Cost of revenue	25,095	15,325
Gross profit	45,918	25,596
Operating expenses:		
Research and development	16,583	12,914
Selling, general and administrative	9,010	6,755
Total operating expenses	25,593	19,669
Income from operations	20,325	5,927
Other income	27	49
Income before income taxes	20,352	5,976
Provision for income taxes	1,498	716
Net income	\$18,854	\$5,260
Net income per share attributable to ordinary shareholders:		
Basic	\$0.61	\$0.18
Diluted	\$0.56	\$0.17
Weighted-average shares used to compute net income per share attributable to ordinary shareholders:		
Basic	31,099,081	28,976,339
Diluted	33,472,309	31,763,993

See accompanying notes to condensed consolidated financial statements.

AMBARELLA, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited, in thousands)

	Three Months Ended April 30,	
	2015	2014
Net income	\$18,854	\$5,260
Other comprehensive income (loss):		
Unrealized gains (losses) on investments	(16)	8
Other comprehensive income (loss), net of tax	(16)	8
Comprehensive income	\$18,838	\$5,268

See accompanying notes to condensed consolidated financial statements.

AMBARELLA, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited, in thousands)

	Three Months Ended April 30,	
	2015	2014
Cash flows from operating activities:		
Net income	\$18,854	\$5,260
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of property and equipment	367	299
Amortization/accretion of marketable securities	150	104
Loss on disposal of long-lived assets	7	1
Stock-based compensation	5,482	2,874
Excess income tax benefits associated with stock-based compensation	(183)	(274)
Other non-cash items, net	75	(3)
Changes in operating assets and liabilities:		
Accounts receivable	987	(2,468)
Inventories	(4,110)	418
Prepaid expenses and other current assets	833	530
Deferred tax assets	(132)	(126)
Other assets	(26)	43
Accounts payable	2,954	5,087
Accrued liabilities	(2,487)	(1,639)
Income taxes payable	741	178
Deferred tax liabilities	(20)	—
Deferred revenue	1,301	(14)
Net cash provided by operating activities	24,793	10,270
Cash flows from investing activities:		
Purchase of investments	(14,284)	(27,306)
Sales of investments	5,478	7
Maturities of investments	8,350	905
Purchase of property and equipment	(376)	(224)
Net cash used in investing activities	(832)	(26,618)
Cash flows from financing activities:		
Proceeds from exercise of stock options and employee stock purchase plan	2,876	2,160
Excess income tax benefits associated with stock-based compensation	183	274
Net cash provided by financing activities	3,059	2,434
Net increase (decrease) in cash and cash equivalents	27,020	(13,914)
Cash and cash equivalents at beginning of period	170,291	143,394
Cash and cash equivalents at end of period	\$197,311	\$129,480
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	\$174	\$134
Supplemental disclosure of noncash investing activities:		
Increase in accrued liabilities related to non-monetary assets purchases	\$20	\$30

See accompanying notes to condensed consolidated financial statements.

AMBARELLA, INC.

Notes to Condensed Consolidated Financial Statements

(Unaudited)

1. Organization and Summary of Significant Accounting Policies

Organization

Ambarella, Inc. (the “Company”) was incorporated in the Cayman Islands on January 15, 2004. The Company is a developer of semiconductor processing solutions for video that enable high-definition video capture, sharing and display. The Company combines its processor design capabilities with its expertise in video and image processing, algorithms and software to provide a technology platform that is designed to be easily scalable across multiple applications and enable rapid and efficient product development. The Company’s system-on-a-chip, or SoC, designs fully integrate high-definition video processing, image processing, audio processing and system functions onto a single chip, delivering exceptional video and image quality, differentiated functionality and low power consumption.

The Company sells its solutions to leading original design manufacturers, or ODMs, and original equipment manufacturers, or OEMs, globally.

Basis of presentation

The accompanying unaudited condensed consolidated financial statements have been prepared by the Company in accordance with the instructions to Form 10-Q pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) and, therefore, do not include all information and notes normally provided in audited financial statements. The accounting policies are described in the “Notes to Consolidated Financial Statements” in the Annual Report on Form 10-K for the 2015 fiscal year filed with the SEC on March 30, 2015 (the “Form 10-K”) and updated, as necessary, in this Form 10-Q. The year-end condensed consolidated balance sheet data presented for comparative purposes was derived from audited financial statements, but does not include all disclosures required by generally accepted accounting principles in the United States (“U.S. GAAP”). In the opinion of management, all adjustments (consisting of normal recurring accruals and adjustments) considered necessary for a fair statement have been included. The results of operations for any interim period are not necessarily indicative of, nor comparable to, the results of operations for any other interim period or for a full fiscal year. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes contained in the Form 10-K.

Basis of Consolidation

The Company’s fiscal year ends on January 31. The condensed consolidated financial statements of the Company and its subsidiaries have been prepared in conformity with U.S. GAAP. All intercompany transactions and balances have been eliminated upon consolidation.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reported periods. Actual results could differ from those estimates.

On an ongoing basis, management evaluates its estimates and assumptions, including those related to (i) the collectability of accounts receivable; (ii) write down for excess and obsolete inventories; (iii) the estimated useful lives of long-lived assets; (iv) impairment of long-lived assets and financial instruments; (v) warranty obligations; (vi) the valuation of stock-based compensation awards and financial instruments; (vii) the probability of performance objectives achievement; (viii) the realization of tax assets and estimates of tax liabilities, including reserves for uncertain tax positions; and (ix) the recognition and disclosure of contingent liabilities. These estimates and assumptions are based on historical experience and on various other factors which the Company believes to be reasonable under the circumstances. The company may engage third-party valuation specialists to assist with estimates related to the valuation of financial instruments and assets associated with various contractual arrangements. Such estimates often require the selection of appropriate valuation methodologies and significant judgment. Actual results could differ from these estimates under different assumptions or circumstances.

Concentration of Risk

The Company's products are manufactured, assembled and tested by third-party contractors located primarily in Asia. The Company does not have long-term agreements with these contractors. A significant disruption in the operations of one or more of these contractors would impact the production of the Company's products which could have a material adverse effect on its business, financial condition and results of operations.

A substantial portion of the Company's revenue is derived from sales through its logistics provider, Wintech Microelectronics Co., Ltd., or Wintech, which serves as its non-exclusive sales representative in Asia other than Japan, and through one large direct ODM customer, Chicony Electronics Co., Ltd., or Chicony. Termination of the relationships with these two customers could result in a temporary or permanent loss of revenue and obligation to repurchase unsold product. Furthermore, any credit issues from these two customers could impair their abilities to make timely payment to the Company. See Note 12 for additional information regarding concentration with these two customers.

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash, cash equivalents, marketable securities and accounts receivable. The Company maintains its cash primarily in checking and money market accounts with reputable financial institutions. Cash deposits held with these financial institutions may exceed the amount of insurance provided on such deposits. The Company has not experienced any material losses on deposits of its cash. The cash equivalents and marketable securities consist primarily of money market funds, asset-backed securities, commercial paper, U.S. government securities, agency bonds and debt securities of corporations which management assesses to be highly liquid, in order to limit the exposure of each investment. The Company does not hold or issue financial instruments for trading purposes.

The Company performs ongoing credit evaluations of each of its customers and adjusts credit limits based upon payment history and the customer's credit worthiness. The Company regularly monitors collections and payments from its customers.

Cash Equivalents and Marketable Securities

The Company considers all highly liquid investments with original maturities of less than three months at the time of purchase to be cash equivalents. Investments that are highly liquid with original maturities at the time of purchase greater than three months are considered as marketable securities.

The Company classifies these investments as "available-for-sale" securities carried at fair value, based on quoted market prices of similar assets, with the unrealized gains or losses reported, net of tax, as a separate component of shareholders' equity and included in accumulated other comprehensive income (loss) in the condensed consolidated balance sheets. The amortization of security premiums and accretion of discounts and the realized gains and losses are both recorded in other income (loss), net in the condensed consolidated statements of operations. The Company reviews its investments for possible other-than-temporary impairments on a regular basis. If any loss on investment is believed to be other-than-temporary, a charge will be recorded and a new cost basis in the investment will be established. In evaluating whether a loss on a security is other-than-temporary, the Company considers the following factors: 1) general market conditions, 2) the duration and extent to which the fair value is less than cost, 3) the Company's intent and ability to hold the investment.

For securities in an unrealized loss position which is deemed to be other-than-temporary, the difference between the security's then-current amortized cost basis and fair value is separated into (i) the amount of the impairment related to the credit loss (i.e., the credit loss component) and (ii) the amount of the impairment related to all other factors (i.e., the non-credit loss component). The credit loss component is recognized in earnings. The non-credit loss component is recognized in accumulated other comprehensive loss. Due to the relative short term nature of the investments, there have been no other-than-temporary impairments recorded to date.

Inventories

The Company records inventories at the lower of cost or market. The cost includes materials and other production costs and is computed using standard cost on a first-in, first-out basis. Inventory reserves are recorded for estimated obsolescence or unmarketable inventories based on forecast of future demand and market conditions. If actual market conditions are less favorable than projected, or if future demand for the Company's products decrease, additional inventory write-downs may be required. Once inventory is written down, a new accounting cost basis has been established and, accordingly, any associated reserve is not reversed until the inventory is sold or scrapped. There have been no material inventory losses recognized to date.

Revenue Recognition

The Company generates revenue from the sales of its SoCs to OEMs or ODMs, either directly or through logistics providers. Revenue from sales directly to OEMs and ODMs is recognized upon shipment provided persuasive evidence of an arrangement exists, legal title to the products and risk of ownership have transferred, the fee is fixed or determinable, and collection of the resulting receivable is reasonably assured. The Company provides its logistics providers with the rights to return excess levels of inventory and to future price adjustments. Given the inability to reasonably estimate these price changes and returns, revenue and costs related to shipments to logistics providers are deferred until the Company has received notification from its logistics providers that they have sold the Company's products. Information reported by the Company's logistics providers includes product resale price, quantity and end customer shipment information as well as remaining inventory on hand. At the time of shipment to a logistics provider, the Company records a trade receivable as there is a legally enforceable right to receive payment, reduces inventory for the value of goods shipped as legal title has passed to the logistics provider and defers the related margin as deferred revenue in the condensed consolidated balance sheets. Any price adjustments are recorded as a change to deferred revenue at the time the adjustments are agreed upon.

Arrangements with certain OEM customers provide for pricing that is dependent upon the end products into which the Company's SoCs are used. These arrangements may also entitle the Company to a share of the product margin ultimately realized by the OEM. The minimum guaranteed amount of revenue related to the sale of products subject to these arrangements is recognized when all other elements of revenue recognition are met. Any amounts at the date of shipment invoiced in excess of the minimum guaranteed contract price are deferred until the additional amounts the Company is entitled to are fixed or determinable. Additional amounts earned by the Company resulting from margin sharing arrangements and determination of the end products into which the products are ultimately incorporated are recognized when end customer sales volume is reported to the Company.

The Company also enters into engineering service agreements with certain customers. These agreements may include multiple deliverables, such as software development services, licensing for the intellectual properties and post-contract customer support, or PCS. The Company does not sell separately any of the components and does not have Vendor Specific Objective Evidence, or VSOE, for the deliverables. Accordingly, revenues from these agreements are deferred for any amounts billed until delivery of all the elements. If the agreements include PCS, the revenues are recognized ratably over the estimated supporting periods.

Cost of Revenue

Cost of revenue includes cost of materials, cost associated with packaging and assembly, testing and shipping, cost of personnel, stock-based compensation, logistics and quality assurance, warranty cost, royalty expense, write-downs of inventories and allocation of overhead.

Income Taxes

The Company records income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in its financial statements or tax returns. In estimating future tax consequences, generally all expected future events other than enactments or changes in the tax law or rates are considered. Valuation allowances are provided when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company applies authoritative guidance for the accounting for uncertainty in income taxes. The guidance requires that tax effects of a position be recognized only if it is "more likely than not" to be sustained based solely on its technical merits as of the reporting date. Upon estimating the Company's tax positions and tax benefits, the Company considered and evaluated numerous factors, which may require periodic adjustments and which may not reflect the final tax liabilities. The Company adjusts its financial statements to reflect only those tax positions that are more likely

than not to be sustained under examination.

As part of the process of preparing condensed consolidated financial statements, the Company is required to estimate its taxes in each of the jurisdictions in which it operates. The Company estimates actual current tax exposure together with assessing temporary differences resulting from differing treatment of items, such as accruals and allowances not currently deductible for tax purposes. These differences result in deferred tax assets, which are included in the condensed consolidated balance sheets. In general, deferred tax assets represent future tax benefits to be received when certain expenses previously recognized in the condensed consolidated statements of operations become deductible expenses under applicable income tax laws, or loss or credit carryforwards are utilized.

In assessing whether deferred tax assets may be realized, management considers whether it is more likely than not that some portion or all of deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income.

The Company makes estimates and judgments about its future taxable income based on assumptions that are consistent with its plans and estimates. Should the actual amounts differ from estimates, the amount of valuation allowance could be materially impacted. Any adjustment to the deferred tax asset valuation allowance would be recorded in the income statement for the periods in which the adjustment is determined to be required.

Net Income Per Ordinary Share

The Company applies the two-class method to calculate and present net income per ordinary share. Under the two-class method, net income is allocated between ordinary shares and other participating securities based on their participating rights. Participating securities are defined as securities that may participate in undistributed earnings with ordinary shares, whether that participation is conditioned upon the occurrence of a specified event or not. Basic net income per ordinary share is computed by dividing net income allocable to ordinary shares by the weighted-average number of ordinary shares outstanding for the period. Diluted net income per ordinary share is computed by dividing net income allocable to ordinary shares and income allocable to participating securities, to the extent they are dilutive, by the weighted-average number of ordinary shares outstanding, including the dilutive effects of participating securities on an if-converted basis plus the dilutive effects of ordinary shares. The Company's potential dilutive ordinary share equivalents consist of incremental ordinary shares issuable upon the exercise of options, upon the issuance of shares pursuant to the Employee Stock Purchase Plan, or ESPP, and upon release of vested restricted stock units.

The Company performs an assessment as to whether instruments granted in stock-based payment transactions are participating securities. Stock-based payment awards that have not yet vested meet the definition of a participating security provided the right to receive the dividend is non-forfeitable and non-contingent. These participating securities should be included in the computation of basic net income per ordinary share under the two-class method. The Company has concluded that its non-vested early-exercised options meet the definition of a participating security and should be included in the computation of basic net income per ordinary share.

Comprehensive Income (Loss)

Comprehensive income (loss) includes unrealized gains or losses from available-for-sale securities that are excluded from net income.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606). The new guidance clarifies the principles and develops a common revenue recognition guidance for U.S. GAAP and International Financial Reporting Standards (the "IFRS"). Under the new guidance, an entity is required to recognize an amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The new guidance is effective for the Company beginning in its first quarter of fiscal year 2018. Early adoption is not permitted. The new revenue guidance may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of adoption. The Company is currently evaluating the impact of adoption on its financial position, results of operations and disclosures.

In August 2014, the FASB issued ASU No. 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. In connection with each annual and interim period, management is required to assess whether there is substantial doubt about an entity's ability to continue as a going concern within one year after the issuance date, and to provide related footnote disclosures in certain circumstances. The new guidance is effective for annual periods ending after December 15, 2016, and interim periods within annual periods beginning after December 15, 2016. Early adoption is permitted. This ASU is not expected to have an impact on the Company's financial statements or disclosures.

In April 2015, the FASB issued ASU No. 2015-05, Customer's Accounting for Fees Paid in a Cloud Computing Arrangement. ASU No. 2015-05 provides the guidance of the accounting for fees paid by a customer in a cloud computing arrangement. If a cloud computing arrangement includes a license to internal-use software, then the entity should account for the software license consistent with the acquisition of internal-use software. If a cloud computing arrangement does not include a software license, the entity should account for the arrangement as a service contract. The new guidance is effective for the Company beginning in its first quarter of fiscal year 2017. Early adoption is permitted. An entity can elect to adopt the guidance either (1) prospectively to all arrangements entered into or materially modified after the effective date or (2) retrospectively. This ASU is not expected to have an impact on the Company's financial statements or disclosures.

2. Financial Instruments and Fair Value

Beginning in fiscal year 2015, the Company invested a portion of its cash in debt securities that are denominated in United States dollars. The investment portfolio consists of money market funds, asset-backed securities, commercial paper, U.S. government securities, agency bonds and debt securities of corporations. All of the investments are classified as available-for-sale securities and reported at fair value in the condensed consolidated balance sheets. The following table summarizes the investments as of April 30, 2015 and January 31, 2015:

	As of April 30, 2015			Fair
	Amortized Cost	Unrealized Gains	Unrealized Losses	Value
	(in thousands)			
Money market funds	\$ 1,236	\$ —	\$ —	\$ 1,236
Commercial paper	1,499	—	—	1,499
Corporate bonds	32,560	2	(18)	32,544
Asset-backed securities	2,889	—	—	2,889
U.S. government securities	999	—	—	999
Agency bonds	1,004	—	(1)	1,003
Total cash equivalents and marketable securities	\$ 40,187	\$ 2	\$ (19)	\$ 40,170

	As of January 31, 2015			Fair
	Amortized Cost	Unrealized Gains	Unrealized Losses	Value
	(in thousands)			
Money market funds	\$ 2,427	\$ —	\$ —	\$ 2,427
Commercial paper	1,497	—	—	1,497
Corporate bonds	32,356	9	(10)	32,355
Asset-backed securities	3,851	—	—	3,851
Total cash equivalents and marketable securities	\$ 40,131	\$ 9	\$ (10)	\$ 40,130

	As of	
	April 30, 2015	January 31, 2015
	(in thousands)	
Included in cash equivalents	\$ 2,253	\$ 2,427
Included in marketable securities	37,917	37,703
Total cash equivalents and marketable securities	\$ 40,170	\$ 40,130

The contractual maturities of the investments at April 30, 2015 and January 31, 2015 were as follows:

	As of	
	April 30, 2015	January 31, 2015
	(in thousands)	
Due within one year	\$ 33,672	\$ 37,559
Due within one to two years	6,498	2,571
Total cash equivalents and marketable securities	\$ 40,170	\$ 40,130

The unrealized losses on the available-for-sale securities were caused by fluctuations in market value and interest rates as a result of the economic environment. As the decline in market value was attributable to changes in market conditions and not credit quality, and because the Company neither intended to sell nor was it more likely than not that it would be required to sell these investments prior to a recovery of par value, the Company did not consider these investments to be other-than temporarily impaired as of April 30, 2015.

The following fair value hierarchy is applied for disclosure of the inputs used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows:

Level 1—Inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2—Inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the assets or liabilities, either directly or indirectly through market corroboration, for substantially the full term of the financial instruments.

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Level 3—Unobservable inputs based on the Company’s own assumptions used to measure assets and liabilities at fair value. The inputs require significant management judgment or estimation.

The Company measures the fair value of money market funds and agency bonds using quoted prices in active markets for identical assets and classifies them within Level 1. The fair value of the Company’s investments in other debt securities are obtained based on quoted prices for similar asserts in active markets, or model driven valuations using significant inputs derived from or corroborated by observable market data and are classified within Level 2.

The following table presents the fair value of the financial instruments measured on a recurring basis as of April 30, 2015 and January 31, 2015:

	As of April 30, 2015			
	Total	Level 1	Level 2	Level 3
	(in thousands)			
Money market funds	\$1,236	\$1,236	\$—	\$—
Commercial paper	1,499	—	1,499	—
Corporate bonds	32,544	—	32,544	—
Asset-backed securities	2,889	—	2,889	—
U.S. government securities	999	—	999	—
Agency bonds	1,003	—	1,003	—
Total cash equivalents and marketable securities	\$40,170	\$1,236	\$38,934	\$—

	As of January 31, 2015			
	Total	Level 1	Level 2	Level 3
	(in thousands)			
Money market funds	\$2,427	\$2,427	\$—	\$—
Commercial paper	1,497	—	1,497	—
Corporate bonds	32,355	—	32,355	—
Asset-backed securities	3,851	—	3,851	—
Total cash equivalents and marketable securities	\$40,130	\$2,427	\$37,703	\$—

3. Inventories

Inventory at April 30, 2015 and January 31, 2015 consisted of the following:

	As of April 30, 2015	January 31, 2015
	(in thousands)	
Work-in-progress	\$18,165	\$ 13,805

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Finished goods	7,638	7,888
Total	\$25,803	\$ 21,693

4. Property and Equipment, Net

Depreciation expense was approximately \$0.4 million and \$0.3 million for the three months ended April 30, 2015 and 2014, respectively. Property and equipment at April 30, 2015 and January 31, 2015 consisted of the following:

	As of	
	April	
	30,	
	2015	January 31, 2015
	(in thousands)	
Computer equipment and software	\$5,455	\$ 5,310
Machinery and equipment	2,263	2,234
Furniture and fixtures	456	456
Leasehold improvements	1,228	1,215
Construction in progress	172	64
	9,574	9,279
Less: accumulated depreciation and amortization	(6,552)	(6,204)
Total property and equipment, net	\$3,022	\$ 3,075

5. Accrued Liabilities

Accrued liabilities at April 30, 2015 and January 31, 2015 consisted of the following:

	As of	
	April	
	30,	
	2015	January 31, 2015
	(in thousands)	
Accrued employee compensation	\$5,709	\$ 11,318
Accrued warranty	201	203
Accrued rebates	515	254
Accrued product development costs	7,200	5,004
Other accrued liabilities	1,718	1,920
Total accrued liabilities	\$15,343	\$ 18,699

6. Deferred Revenue and Deferred Cost

Deferred revenue and related cost at April 30, 2015 and January 31, 2015 consisted of the following:

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	As of April 30, 2015	January 31, 2015
	(in thousands)	
Deferred revenue on product shipments	\$6,600	\$ 4,663
Deferred revenue from licenses & services	1,637	1,610
Deferred cost of revenue on product shipments	(1,831)	(1,168)
Total deferred revenue, net	\$6,406	\$ 5,105

7. Capital Stock

Preference shares

After completion of the Company's initial public offering, or IPO, a total of 20,000,000 preference shares, with a \$0.00045 par value per share, were authorized. There were no preference shares issued and outstanding as of April 30, 2015 and January 31, 2015, respectively.

Ordinary shares

As of April 30, 2015 and January 31, 2015, a total of 200,000,000 ordinary shares were authorized.

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On February 1, 2015, the Company added 1,387,689 ordinary shares to the ordinary shares reserved for issuance, pursuant to an “evergreen” provision contained in the 2012 Equity Incentive Plan, or EIP. Pursuant to such provision, on February 1st of each fiscal year, the number of ordinary shares reserved for issuance under the EIP is automatically increased by a number equal to the lesser of (i) 3,500,000 ordinary shares, (ii) four and one half percent (4.5%) of the aggregate number of ordinary shares outstanding on January 31st of the preceding fiscal year, or (iii) a lesser number of shares that may be determined by the Company’s Board of Directors.

On February 1, 2015, the Company added 385,469 ordinary shares to the ordinary shares reserved for issuance, pursuant to an “evergreen” provision contained in the 2012 Employee Stock Purchase Plan, or ESPP. Pursuant to such provision, on February 1st of each fiscal year, the number of ordinary shares reserved for issuance under the ESPP is automatically increased by a number equal to the lesser of (i) 1,500,000 ordinary shares, (ii) one and one quarter percent (1.25%) of the aggregate number of ordinary shares outstanding on such date, or (iii) an amount determined by the Company’s Board of Directors or a duly authorized committee of the Board of Directors.

As of April 30, 2015 and January 31, 2015, the following ordinary shares were reserved for future issuance under the EIP and ESPP:

	As of	
	April 30, 2015	January 31, 2015
Shares reserved for options and restricted stock units	5,993,251	5,055,845
Shares reserved for employee stock purchase plan	1,000,672	667,990

8. Stock-based Compensation

The following table presents the classification of stock-based compensation for the periods indicated:

	Three Months Ended April 30, 2015 2014 (in thousands)	
Stock-based compensation:		
Cost of revenue	\$ 124	\$ 59
Research and development	3,094	1,590
Selling, general and administrative	2,264	1,225
Total stock-based compensation	\$5,482	\$2,874

As of April 30, 2015, total unrecognized compensation cost related to unvested stock options and unvested restricted stock units was \$11.3 million and \$46.1 million, respectively, and is expected to be recognized over a weighted-average period of 2.49 years and 2.72 years, respectively.

The following table sets forth the weighted-average assumptions used to estimate the fair value of stock options and employee stock purchase plan awards for the periods indicated:

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	Three Months Ended April 30,			
	2015		2014	
Stock Options:				
Volatility	60	%	65	%
Risk-free interest rate	1.74	%	1.95	%
Expected term (years)	6.08		6.05	
Dividend yield	0	%	0	%
Employee stock purchase plan awards:				
Volatility	63	%	57	%
Risk-free interest rate	0.15	%	0.08	%
Expected term (years)	0.5		0.5	
Dividend yield	0	%	0	%

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The following table summarizes stock option activities for the three months ended April 30, 2015:

	Option Outstanding		Weighted- Average Grant-date Fair Value	Total Intrinsic Value of options Exercised (in thousands)	Weighted- Average Remaining Contactual Term (in years)	Aggregate Intrinsic Value (in thousands)
	Shares	Exercise Price				
Outstanding at January 31, 2015	2,281,909	\$ 13.00				
Granted	66,100	64.39	\$ 36.30			
Exercised	(272,334)	7.88		\$ 16,431		
Forfeited	(5,580)	24.62				
Outstanding at April 30, 2015	2,070,095	15.28			6.36	\$ 119,790
Exercisable at April 30, 2015	1,399,112	\$ 7.99			5.32	\$ 91,169
Vested and expected to vest at April 30, 2015	2,027,575	\$ 14.84			6.31	\$ 118,221

Exercisable shares include options with early exercise rights. The vested and expected-to-vest options are calculated based on vesting schedule of each grant as of the reporting date.

The intrinsic value of options outstanding, exercisable and expected-to-vest options are calculated based on the difference between the fair market value of the Company's ordinary shares on the reporting date and the exercise price. The closing price of the Company's ordinary shares was \$73.15 on April 30, 2015, as reported by The NASDAQ Global Market. The intrinsic value of exercised options is calculated based on the difference between the fair market value of the Company's ordinary shares on the exercise date and the exercise price.

The following table summarizes restricted stock units activities for the periods indicated:

	Shares	Weighted- Average Grant-Date Fair Value
Unvested at January 31, 2015	1,980,448	\$ 26.82
Granted	22,000	64.39
Vested	(178,534)	23.87
Forfeited	(2,459)	35.97
Unvested at April 30, 2015	1,821,455	\$ 27.55

As of April 30, 2015, the aggregate intrinsic value of unvested restricted stock units was \$133.2 million.

Non-employee Stock-based Compensation

The fair value of awards granted to non-employees is determined on the date of grant and remeasured at the end of each reporting period until such awards vest. The non-employee stock-based compensation was not material for the three months ended April 30, 2015 and 2014, respectively.

9. Net Income Per Ordinary Share

The following table sets forth the computation of basic and diluted net income per ordinary share for the periods indicated:

	Three Months Ended April 30,			
	2015		2014	
	(in thousands, except share and per share data)			
Numerator:				
Net income	\$	18,854	\$	5,260
Less: amount allocable to unvested early exercised options		—	(2)
Net income allocable to ordinary shareholders - basic	\$	18,854	\$	5,258
Undistributed earnings reallocated to ordinary shareholders		—		—
Net income allocable to ordinary shareholders - diluted	\$	18,854	\$	5,258
Denominator:				
Non-GAAP Revenue	\$781,000,000	\$827,000,000	\$872,000,000	40%
Non-GAAP EBITDA	\$247,000,000	\$279,000,000	\$311,000,000	40%
Recurring Revenue	\$559,000,000	\$592,000,000	\$625,000,000	20%

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In the event our Company did not achieve the Non-GAAP revenue threshold, our NEOs would not be entitled to any payout under the recurring revenue component regardless of the actual recurring revenue achieved. In 2017, our attainment under the stated metrics was as follows:

our Non-GAAP revenue was \$407.3 million, which was below the threshold attainment, resulting in a 0% payout with respect to this component;

our 2017 Non-GAAP EBITDA was \$61.5 million, which was below the threshold attainment, resulting in a 0% payout with respect to this component; and

because the Non-GAAP revenue was less than the \$781.0 million threshold, our NEOs were not entitled to any payout under the recurring revenue component regardless of what the 2017 Non-GAAP recurring revenue was, resulting in a 0% payout with respect to this component.

Non-GAAP Revenue	\$407,300,000	0%	60%
Non-GAAP EBITDA	\$61,500,000	0%	30%
Recurring Revenue	\$307,300,000	0%	10%

As a result, Mr. Doran earned 0% of the target number of 2016-2018 Performance Shares allocable to 2017 based on our Company's 2017 financial performance. The actual number of 2016-2018 Performance Shares earned based on our 2017 performance is set forth below:

Patrick Doran	6,328	2,109	0%	0
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2018 Performance Period One-third of the 2016-2018 Performance Shares

In February 2018, our Compensation Committee approved the following threshold, target and maximum performance goals for the 2018 portion of the 2016-2018 Performance Shares:

Non-GAAP Revenue	40%	\$325,000,000	\$375,000,000	\$425,000,000
Non-GAAP EBITDA	40%	\$25,000,000	\$75,000,000	\$115,000,000
Free Cash Flow	20%	\$25,000,000	\$75,000,000	\$115,000,000

In 2018, using the same adjustments and calculations as described above under our 2018 cash incentive compensation plan, our attainment under the stated metrics was as follows:

our Non-GAAP revenue was \$325.8 million, which was at the threshold attainment, resulting in a 50% payout with respect to this component;

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our 2018 adjusted Non-GAAP EBITDA was \$28.5 million, which was slightly above the target attainment, resulting in a 53.5% payout with respect to this component; and

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our 2018 adjusted Free Cash Flow was \$25.5 million, which was at the threshold attainment, resulting in a 50% payout with respect to this component.

Non-GAAP Revenue	\$325,800,000	50.0%	40%	20.0%
Adjusted Non-GAAP EBITDA	\$28,500,000	53.5%	40%	21.4%
Adjusted Free Cash Flow	\$25,500,000	50.0%	20%	10.0%

As a result, Mr. Doran earned 51.4% of the target number of the 2016-2018 Performance Shares allocable to 2018 based on the Company's 2018 financial performance. The actual number of 2016-2018 Performance Shares earned based on our 2018 performance is set forth below:

Patrick Doran	6,238	2,110	51.4%	1,079
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The actual number of 2016-2018 Performance Shares earned based on our 2016-2018 performance is set forth below, all of which vested in March 2019:

Patrick Doran	6,328	2,109	93.3%	1,967	2,110	0	0	2,100	51.4	1,079	3,046
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As neither Ms. Clark nor Messrs. Miller or Clark were with the Company in 2016, none of them were granted any 2016-2018 Performance Shares. The 2016-2018 Performance Shares granted to Messrs. Irving and Garcia terminated when they ceased to be an employee of our Company.

2018-2020 Performance Cash Units and Shares

In April 2018, our Compensation Committee granted 2018-2020 performance-based cash units to our NEOs employed as of the grant date. As discussed above, in 2018 our Compensation Committee transitioned to performance-based cash units rather than performance-based shares. Ms. Clark received performance-based shares as part of her new hire grant. The following table sets forth the

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2018-2020 performance-based cash units or shares (collectively, the "**2018-2020 Performance Units**") awarded to our NEO's that were employed by us as of December 31, 2018:

Glenn Lurie	273,070	91,023	91,023	91,024
Mary Clark	30,000	10,000	10,000	10,000
Patrick Doran	54,614	18,204	18,205	18,205

As Mr. Clark joined our Company in July 2018 and Mr. Miller joined our Company in October 2018, neither of them were granted any 2018-2020 Performance Units. The 2018-2020 Performance Cash Units granted to Messrs. Irving and Garcia terminated when each of them ceased to be an employee of our Company.

The 2018-2020 Performance Units provide the opportunity to earn the following performance-based cash units based on the performance of our business during 2018, 2019 and 2020. Our NEOs are required to remain employed by the Company through March 2021 in order to vest in the cash units or shares. In the case of the performance-based cash units, our Compensation Committee will determine whether to settle the vested units in cash or shares of our Common Stock at the time they vest.

The following were the performance targets for the plan established by our Compensation Committee: 40% based on non-GAAP revenue, 40% based on non-GAAP EBITDA and 20% based on a strategic objective established by our Compensation Committee each year during the three-year period. For 2018, our Compensation Committee designated free cash flow as the strategic metric.

Each of the components was separately assigned a "threshold" level, which established the minimum achievement necessary to be satisfied to receive any portion of the applicable bonus amounts, and a "maximum" level, which, if achieved or exceeded, would result in 200% of the target cash units being earned with respect to such component as described below.

In February 2018, our Compensation Committee approved the following threshold, target and maximum performance goals for the 2018 portion of the 2018-2020 Performance Shares:

Non-GAAP Revenue	40%	\$325,000,000	\$375,000,000	\$425,000,000
Non-GAAP EBITDA	40%	\$25,000,000	\$75,000,000	\$115,000,000
Free Cash Flow	20%	\$25,000,000	\$75,000,000	\$115,000,000

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In 2018, using the same adjustments and calculations as described above under our 2018 Cash Incentive Compensation Plan, our attainment under the stated metrics was as follows:

our Non-GAAP revenue was \$325.8 million, which was at the threshold attainment, resulting in a 50% payout with respect to this component;

our 2016 Adjusted Non-GAAP EBITDA was \$28.5 million, which was slightly above the target attainment, resulting in a 53.5% payout with respect to this component; and

our 2016 Adjusted Free Cash Flow was \$25.5 million, which was at the threshold attainment, resulting in a 50% payout with respect to this component.

Non-GAAP Revenue	\$325,800,000	50.0%	40%	20.0%
Adjusted Non-GAAP EBITDA	\$28,500,000	53.5%	40%	21.4%
Adjusted Free Cash Flow	\$25,500,000	50.0%	20%	10.0%

As a result, our NEOs earned 51.4% of the target number of the 2018-2020 Performance Units allocable to 2018 based on our Company's 2018 financial performance. The actual number of 2018-2020 Performance Units earned based on our 2018 performance is set forth below, which performance units shall vest in or about March 2021 provided the NEO remains employed by our Company:

Glenn Lurie	273,070	91,023	51.4%	46,786
Mary Clark	30,000	10,000	51.4%	5,140
Patrick Doran	54,614	18,204	51.4%	9,357

2018-2019 CEO New Hire LTI Plan

Upon joining our Company in November 2017, our Compensation Committee awarded Mr. Lurie a special grant of 180,528 performance-based vesting restricted shares based on our Company's performance in 2018 and 2019 (the "**2018-2019 New Hire LTI Plan**"). One-half of the performance-based vesting restricted shares are based on our Company's performance in 2018 and vested in March 2019 and the remaining one-half will vest in or about March 2020, subject to our Compensation Committee reviewing and approving the financial performance of our Company in 2019, provided

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Mr. Lurie remains employed by our Company through such date. Accordingly, Mr. Lurie was awarded the following performance-based restricted shares under the 2018-2019 CEO New Hire LTI Plan:

Glenn Lurie	180,528	90,264	90,264
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Under the terms of Mr. Lurie's performance-based performance shares, the metrics for obtaining such shares are the same metrics as the long-term incentive plan for the 2018 portion of the 2018-2020 Performance Units. As discussed above, our Compensation Committee established the following as the performance targets for the plan: 40% based on non-GAAP revenue, 40% based on non-GAAP EBITDA and 20% based on a strategic objective, which for 2018 was free cash flow. In February 2018, our Compensation Committee approved the following threshold, target and maximum performance goals for the 2018 portion of the 2018-2019 CEO New Hire LTI Plan:

Non-GAAP Revenue	40%	\$325,000,000	\$375,000,000	\$425,000,000
Non-GAAP EBITDA	40%	\$25,000,000	\$75,000,000	\$115,000,000
Free Cash Flow	20%	\$25,000,000	\$75,000,000	\$115,000,000

In 2018, using the same adjustments and calculations as described above under our 2018 Cash Incentive Compensation Plan, our attainment under the stated metrics was as follows:

our adjusted Non-GAAP revenue was \$325 million, which was at the threshold attainment, resulting in a 50% payout with respect to this component;

our adjusted Non-GAAP EBITDA was \$28.5 million, which was slightly above the target attainment, resulting in a 53.5% payout with respect to this component; and

our adjusted Free Cash Flow was \$25.5 million, which was at the threshold attainment, resulting in a 50% payout with respect to this component.

Non-GAAP Revenue	\$325,800,000	50.0%	40%	20.0%
Adjusted Non-GAAP EBITDA	\$28,500,000	53.5%	40%	21.4%
Adjusted Free Cash Flow	\$25,500,000	50.0%	20%	10.0%

As a result, Mr. Lurie earned 51.4% of the target number of the 2018-2019 CEO New Hire LTI Plan allocable to 2018 based on our Company's 2018 financial performance. The actual number of

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performance-based restricted shares earned by Mr. Lurie based on our 2018 performance under the 2018-2019 CEO New Hire LTI Plan is set forth below, which shares vested in March 2019:

Glenn Lurie	180,528	90,264	51.4%	46,395
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Other Benefits and Perquisites

Our NEOs are eligible to participate in all of our employee benefit plans (other than our employee stock purchase plan), such as medical, dental, vision, group life and disability insurance and our 401(k) plan, in each case, on the same basis as our other employees. In 2018, we leased an automobile (and paid applicable insurance and gas) for Messrs. Irving and Clark (during the time each of them was employed by our Company) and provided a car allowance to Mr. Garcia (during the time he was employed by our Company), each to be used primarily for business purposes. Mr. Lurie is also entitled to the following fringe benefits during 2018: (1) a housing allowance of \$72,000 per year for the first year and half of employment with our Company; (2) the reimbursement of approximately \$19,000 for relocation expenses; (3) an automobile lease and insurance allowance of \$17,000 per year; and (4) the reimbursement of the cost of airfare for Mr. Lurie and his family to and from Arizona and New Jersey up to six times per year, ending on or about December 15, 2018. There were no other special benefits or perquisites provided to any NEO in 2018.

Financial Restatement, Recoupment and Related Policies

We have a comprehensive Code of Business Conduct and ensure that our employees comply with this policy. In accordance with this policy, we investigate all reported instances of questionable or unethical behavior, and where improper behavior is found to have occurred, we take appropriate remedial action up to and including termination. If the results of an investigation establish that one of our employees, officers or directors has committed fraud or engaged in some other improper act that has the result of causing our financial statements for any period to be restated or that otherwise adversely affects those financial statements, our Board has discretion to take immediate and appropriate disciplinary action against the individual, including but not limited to termination. In addition, our Board has discretion to pursue whatever legal remedies are available to prosecute the individual to the fullest extent of the law and to clawback or recoup any amounts he or she inappropriately received as a result of the improper action or inaction, including but not limited to any annual or long-term incentives that he or she received but would not have received had such act not been taken.

Executive Officer Stock Ownership Guidelines

We have instituted stock ownership guidelines for our executive officers with the purpose of ensuring they maintain a meaningful equity stake in our Company to further align their interests with those of our stockholders. Each executive officer who is also subject to Section 16 of the Exchange Act or who directly reports to our CEO (which includes all of our NEOs) is required to own, as of the later of January 1, 2020 or five years from the date on which the individual first began reporting to our CEO or first became a Section 16 officer, a number of vested shares of our Common Stock having a value at least equal to (a) in the case of our CEO, five times his then current base salary; (b) for any direct report of our CEO, three times that individual's then current base salary, and (c) for other executive officers subject to this policy, one and one-half times the individual's then current base salary.

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If an executive officer is not compliant at the end of his or her phase-in period, our Compensation Committee may reduce future equity grants to that individual until he or she becomes compliant. Based on share holdings on December 31, 2018, each of our NEOs exceeded his or her applicable minimum holding requirements on that date, other than Ms. Clark and Messrs. Clark and Miller as each of them joined us in 2018 and have not begun vesting in their restricted stock and options and, therefore, have not had an opportunity to acquire our Common Stock as of December 31, 2018.

Tax Matters

Section 162(m) of the Code generally denies a deduction to any publicly-held corporation for compensation paid in a taxable year to its named executive officers exceeding \$1 million. As a result of changes made by the 2017 Tax Cuts and Jobs Act, Section 162(m) will limit the Company from deducting compensation, including performance-based compensation, in excess of \$1 million paid to anyone who serves as the chief executive officer, chief financial officer or who is among the three most highly compensated executive officers for any year beginning after December 31, 2016. The only exception to this rule is for compensation that is paid pursuant to a binding contract in effect on November 2, 2017, that would have otherwise been deductible under the prior Section 162(m) rules. Prior to the enactment of the 2017 Tax Cuts and Jobs Act, Section 162(m) limited us from deducting compensation paid in years prior to 2018, excluding performance-based compensation, in excess of \$1 million paid to anyone who served as the chief executive officer or who was one of the three most highly compensated executive officers for the applicable tax year, excluding the chief financial officer. Our Compensation Committee considers tax and accounting implications in determining all elements of our compensation plans, programs and arrangements. Prior to the enactment of the 2017 Tax Cuts and Jobs Act, the Compensation Committee retained the discretion to make awards of either bonuses or equity awards that did not satisfy Section 162(m) and, therefore, may not have been deductible. Base salaries, time-vested restricted stock units, time-vested retention and transition payments, and discretionary or subjectively determined bonus awards generally did not qualify as performance-based compensation under the pre-2017 Tax Cuts and Jobs Act rules.

Management Changes-Named Executive Officer Separation Agreements

As disclosed on the Current Report on Form 8-K filed with the SEC on August 13, 2018, effective as of August 15, 2018, Mr. Irving retired as our Chief Financial Officer and our Board appointed David Clark to serve as our Company's Chief Financial Officer. In connection with Mr. Irving's termination of his employment with our Company, Mr. Irving executed a broad release in favor of our Company, which provides for the following payments to Mr. Irving: (i) lump sum severance payment in the amount of \$1,147,500 (less all applicable withholdings and deductions) paid in accordance with his employment agreement; (ii) the gross amount of \$19,850, which is intended to cover the employer portion of any COBRA payments for a period of twenty-four months following his termination date; (iii) payment of \$425,000 (less all applicable withholdings and deductions) in accordance with the terms of the Retention Plan; and (iv) vested in 32,700 retention restricted shares in accordance with the terms of the Retention Plan. The Company and Mr. Irving also entered into a standard consulting services agreement pursuant to which Mr. Irving will provide transition assistance to the Company's executive team on an as needed basis through August 15, 2019 in return for the continued vesting of his outstanding restricted stock awards (other than performance-based restricted cash units) and options to purchase shares of our Common Stock.

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Our Chief Commercial Officer, Robert Garcia, terminated his employment with the Company, effective as of October 31, 2018. In exchange for a broad release in favor of the Company, the Release Agreement provides for the following payments to Mr. Garcia: (i) lump sum severance payment in the amount of \$1,014,226 (less all applicable withholdings and deductions) paid in accordance with his employment agreement; (ii) the gross amount of \$27,875, which is intended to cover the employer portion of any COBRA payments for a period of eighteen months following the Termination Date; (iii) payment of \$475,000 (less all applicable withholdings and deductions) in accordance with the terms of the Retention Plan; and (iv) vested in 39,500 retention restricted shares in accordance with the terms of the Retention Plan. All of Mr. Garcia's unvested equity terminated as of October 31, 2018.

Compensation Committee Report⁽¹⁾

The Compensation Committee has reviewed and discussed the foregoing Compensation Discussion and Analysis with management and, based on such review and discussions, the Compensation Committee has recommended to our Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement submitted by the following members of the Compensation Committee:

William J. Cadogan, Chair
Peter Berger
James M. McCormick
Thomas J. Hopkins

(1)

The material in this report is not "soliciting material," is not deemed "filed" with the SEC and is not to be incorporated by reference in any filing of Synchronoss Technologies, Inc. under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

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The following table sets forth all of the compensation awarded to, earned by, or paid to our NEOs for the years indicated:

Glenn Lurie Chief Executive Officer	2018	750,000		4,475,013(3)	614,947	594,000	140,989(12)	6,574,949
	2017	122,139		5,473,503	5,295,953		19,866	10,911,461
David Clark Chief Financial Officer	2018	215,833		1,199,997(4)	445,028	98,926	9,854(13)	1,969,638
Lawrence Irving Former Chief Financial Officer	2018	265,625		1,700,496(5)	233,681		1,600,461(14)	3,800,263
	2017	283,333	150,000	3,616,716	651,959		19,127	4,721,135
Jeffrey Miller Chief Commercial Officer	2018	74,861		750,002(6)	289,589	48,732		1,163,184
Robert E. Garcia Former Chief Commercial Officer	2018	395,833		2,237,507(7)	307,473		1,497,226(15)	4,438,039
	2017	475,000		4,573,719	833,334	402,301	17,700	6,302,054
	2016	450,204		1,871,677	769,056	433,770	17,150	3,541,857
Mary Clark Chief Product Officer	2018	346,023		483,000(8)	329,016	231,000	145,279(16)	1,534,318
Patrick Doran	2018	347,000		895,011(9)	122,987	137,412	8,250(17)	1,510,660
	2017	330,000	75,000	1,190,882	455,081		8,100	2,059,063

Chief
Technology
Officer

2016	330,000	366,834	150,732	221,166	7,950	1,076,682
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- (1) The amounts set forth in this column represent the subjective individual component portion of our annual cash incentive bonus awards paid to the NEOs. See "Compensation Discussion and Analysis" above for further discussion of the subjective individual component.
- (2) The amounts in this column reflect the grant date fair value, computed in accordance with FASB ASC Topic No. 718, of the performance share awards (with the grant date fair value determined using the probable outcome of the performance conditions) and the time-based restricted share award granted to our NEOs. See "Compensation Discussion and Analysis" above for further discussion of these share awards. See Footnote 2 to the Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2018 for a discussion of our assumptions in estimating the fair value of our share awards. Our executive officers will not realize any value for these awards until sold.
- (3) Mr. Lurie was granted performance-based vesting restricted cash units as 2018-2020 Performance Cash Units as described in greater detail in "Compensation Discussion and Analysis" above. The grant date value of the performance-based vesting restricted cash units assuming the highest level of performance conditions is achieved was \$5,800,007. Mr. Lurie was also granted time-based vesting restricted stock award with a grant date value of \$1,575,010.
- (4) Mr. Clark was granted a time-based vesting restricted stock award as a new hire with a grant date value of \$1,199,997.
- (5) Mr. Irving was granted performance-based vesting restricted cash units as 2018-2020 Performance Cash Units as described in greater detail in "Compensation Discussion and Analysis" above. The grant date value of the performance-based vesting restricted cash units assuming the highest level of performance conditions is achieved was \$2,203,990. Mr. Irving was also granted a time-based vesting restricted share award with a grant date value of \$598,501.
- (6) Mr. Miller was granted a time-based vesting restricted stock award as a new hire with a grant date value of \$750,002.

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- (7) Mr. Garcia was granted performance-based vesting restricted cash units as 2018-2020 Performance Cash Units as described in greater detail in "Compensation Discussion and Analysis" above. The grant date value of the performance-based vesting restricted cash units assuming the highest level of performance conditions is achieved was \$2,900,003. Mr. Garcia was also granted a time-based restricted vesting share award with a grant date value of \$787,505.
- (8) Ms. Clark was granted performance-based vesting restricted shares as a new hire as 2018-2020 Performance Shares as described in greater detail in "Compensation Discussion and Analysis" above. The grant date value of the performance-based vesting restricted shares assuming the highest level of performance conditions is achieved was \$483,000. Ms. Clark was also granted a time-based vesting restricted share award as a new hire with a grant date value of \$241,500.
- (9) Mr. Doran was granted performance-based vesting restricted cash units as 2018-2020 Performance Shares as described in greater detail in "Compensation Discussion and Analysis" above. The grant date value of the performance-based vesting cash units assuming the highest level of performance conditions is achieved was \$1,160,001. Mr. Doran was also granted a time-based vesting restricted share award with a grant date value of \$315,010.
- (10) The amounts in this column reflect the grant date fair value, computed in accordance with FASB ASC Topic No. 718, of option awards granted to our NEOs. See Footnote 2 to the Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2018 for a discussion of our assumptions in estimating the fair value of our stock option awards. Our NEOs will not realize any value with respect to these awards until these awards are exercised or sold.
- (11) The amounts under this column include amounts paid based the Company's annual cash incentive bonus compensation plan described under "Compensation Discussion and Analysis" above. The amounts shown are the 2018 bonuses paid in 2019.
- (12) Reflects amounts paid for (i) automobile expenses of \$26,925, (ii) housing and relocation expenses of \$105,814 and (iii) 401(k) company match of \$8,250, totaling \$140,989.
- (13) Reflects amounts paid for (i) automobile expenses totaling \$3,960 and (ii) 401(k) company match of \$5,894, totaling \$9,854.
- (14) Reflects amounts paid for (i) automobile expenses totaling \$8,111 and (ii) severance payments of \$1,167,350, and (iii) retention cash payment at \$425,000, totaling \$1,600,461.
- (15) Reflects amounts paid for (i) automobile expenses totaling \$8,000, (ii) severance payments of \$1,014,226 and (iii) retention cash payment of \$475,000 totaling \$ 1,497,226.
- (16) Reflects amounts paid for (i) a one-time sign-on bonus of \$140,000 and (ii) 401(k) company match of \$5,279, totaling \$145,279.
- (17) Reflects amounts paid for 401(k) company match of \$8,250.

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Grants of Plan Based Awards

The following table sets forth each plan-based award granted to our NEOs during the year ended December 31, 2018. The FASB ASC Topic No. 718 value of these awards is also reflected in the Stock Awards and Option Awards columns of the Summary Compensation Table above:

	450,000	900,000	1,575,000	136,535	273,070	546,140		
4/5/2018							148,306	
4/5/2018								112,352 10.62
	74,944	149,887	262,302					
7/6/2018							187,207	
7/6/2018								130,549 6.41
	166,250	332,500	581,875	51,883	103,766	207,532		
4/5/2018							56,356	
4/5/2018								42,694 10.62
	36,918	73,836	129,213					
11/2/2018							120,968	
11/2/2018								84,357 6.20
	190,000	380,000	665,000	68,267	136,535	273,070		
4/5/2018							74,153	
4/5/2018								56,176 10.62
	175,000	350,000	612,500	15,000	30,000	60,000		

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2/1/2018							30,000		
2/1/2018								80,000	8.05
	104,100	208,200	364,350	27,307	54,614	109,228			
4/5/2018							29,662		
4/5/2018								22,470	10.62

(1) Each of our NEOs was granted a non-equity incentive plan award pursuant to our 2018 annual incentive bonus compensation plan. The amounts shown in the "Threshold" column reflect the cash payment that would have been awarded under our 2018 annual incentive bonus plan if we had achieved the threshold payout level for a single corporate objective with the lowest weight. The amounts shown in the "Target" column reflect the target payment level under our 2018 annual incentive bonus plan if we had achieved all of the objectives previously approved by our Compensation Committee at target levels. The amounts shown in the "Maximum" column reflect the maximum payouts under our 2018 annual incentive bonus compensation plan if we had achieved all of the objectives previously approved by our Compensation Committee at or above the maximum level. The corporate and business components of our 2018 annual incentive bonus compensation plan are discussed in greater detail in "Compensation Discussion and Analysis" above. The actual amounts paid to each NEO are shown in the Summary Compensation Table above. The table does not include the individual discretionary component portion of the NEOs' aggregate targeted annual cash incentive bonus amount.

(2) Reflects 2018-2020 Performance Cash Unit as described in greater detail in "Compensation Discussion and Analysis" above. The amounts shown in the "threshold" column reflect the 2018-2020 Performance Cash Units that will be earned if certain minimum financial goals are achieved. The amounts shown in the "target" column reflect the number of 2018-2020 Performance Cash Units that will be earned if all of the 2018-2020 financial goals are achieved at target levels. The amounts shown in the "maximum" column reflect the maximum number of 2018-2020 Performance Cash Units that can be earned if all of the 2018-2020 financial goals are achieved at or above maximum levels. Messrs. Garcia and Irving left the

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Company prior to December 31, 2018 and therefore did not receive any performance-based cash units or non-equity incentive compensation in 2018

(3)

The amount in this column reflects the grant date fair value, computed in accordance with FASB ASC Topic No. 718, of stock awards and options granted to our NEOs. See Footnote 2 to the Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2018 for a discussion of our assumptions in estimating the fair value of our stock and option awards.

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Description of Awards Granted in 2018

Glenn Lurie:

On April 5, 2018, we granted Mr. Lurie (i) an option to purchase 112,352 shares of our Common Stock, (ii) 148,306 time-based vesting restricted shares of our Common Stock and (iii) a target award of 273,070 2018-2020 Performance Cash Units, which are earned based on our Company's achievement of performance metrics to be established by the Compensation Committee during fiscal year 2018, 2019 and 2020 discussed in the Compensation Discussion and Analysis section in this Proxy Statement.

David Clark:

On July 6, 2018, we granted Mr. Clark (i) an option to purchase 130,549 shares of our Common Stock and (ii) 187,207 time-based vesting restricted shares of our Common Stock.

Lawrence Irving:

On April 5, 2018, we granted Mr. Irving (i) an option to purchase 42,694 shares of our Common Stock, (ii) 56,356 time-based vesting restricted shares of our Common Stock and (iii) a target award of 103,766 2018-2020 Performance Cash Units, which are earned based on our Company's achievement of performance metrics to be established by the Compensation Committee during fiscal year 2018, 2019 and 2020 discussed in the Compensation Discussion and Analysis section in this Proxy Statement. As the result of Mr. Irving's resignation effective August 15, 2018, all of the Performance Cash Units were forfeited on the same date. Pursuant to Mr. Irving's consulting agreement his equity awards other than any performance-related awards will continue to vest until August 15, 2019 provided he continues to provide consulting services to the Company.

Jeffrey Miller:

On November 2, 2018, we granted Mr. Miller (i) an option to purchase 84,357 shares of our Common Stock and (ii) 120,968 time-based vesting restricted shares of our Common Stock.

Bob Garcia:

On April 5, 2018, we granted Mr. Garcia (i) an option to purchase 56,176 shares of our Common Stock, (ii) 74,153 time-based vesting restricted shares of our Common Stock and (iii) a target award of 136,535 2018-2020 Performance Cash Units, which are earned based on our Company's achievement of performance metrics to be established by the Compensation Committee during fiscal year 2018, 2019 and 2020 discussed in the Compensation Discussion and Analysis section in this Proxy Statement. As the result of Mr. Garcia's resignation effective October 31, 2018, all of these restricted shares were unvested and forfeited on the same date, including the 2018-2020 Performance Cash Units.

Mary Clark:

On February 1, 2018, we granted Ms. Clark (i) an option to purchase 80,000 shares of our Common Stock, (ii) 30,000 time-based vesting restricted shares of our Common Stock and (iii) a target award of 30,000 2018-2020 Performance Shares, which are earned based on our Company's achievement of performance metrics to be established by the Compensation Committee during fiscal year 2018, 2019 and 2020 discussed in the Compensation Discussion and Analysis section in this Proxy Statement.

Patrick Doran:

On April 5, 2018, we granted Mr. Doran (i) an option to purchase 22,470 shares of our Common Stock, (ii) 29,662 time-based vesting restricted shares of our Common Stock and (iii) a target award of 54,614 2018-2020 Performance Cash Units, which are earned based on our Company's achievement of performance metrics to be established by the Compensation Committee during fiscal year 2018, 2019 and 2020 discussed in the Compensation Discussion and Analysis section in this Proxy Statement.

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Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information regarding each unexercised option and all unvested stock held by each of our NEOs as of December 31, 2018:

Glenn Lurie	137,341(6)	10.04	11/13/2024	
	1,000,000(3)	10.04	11/13/2024	
	112,352(4)	10.62	4/5/2025	
				148,306(5)
				120,352(6)
				273,070(7)
				180,528(8)
David Clark	130,549(9)	6.41	7/6/2018	
				187,207(10)
Lawrence Irving	58,401(1)	13.29	8/15/2019	
	42,694(4)	10.62	8/15/2019	
				31,769(6)
				56,356(12)
Jeffrey Miller	84,357(13)	6.20	11/2/2025	
				120,968(14)
Robert E. Garcia	41,250(15)	32.40	1/31/2019	

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	42,389(16)	41.37	1/31/2019	
	54,083(17)	25.81	1/31/2019	
	36,333	25.94	1/31/2019	
	12,323(19)	31.02	1/31/2019	
Mary Clark	80,000(20)	8.05	2/1/2025	
				30,000(21) 84,200
				30,000(22) 184,200
Patrick Doran	2,274(19)	31.02	2/14/2020	
	10,340(15)	32.40	2/13/2021	
	435(16)	41.37	2/9/2022	
	4,637(17)	25.81	2/19/2023	
	38,758(25)	16.33	5/8/2024	
	22,470(4)	10.62	4/5/2025	
				2,109(24) 12,949
				16,839(25) 103,391
				29,662(6) 82,125
				54,614(7) 335,330
				6,328(26) 38,854
				27,500(27) 168,850

(1) Computed in accordance with SEC rules as the number of unvested shares multiplied by the closing market price per share of our Common Stock on December 31, 2018, which was the last trading day of 2018, which was \$6.14 per share. The actual value (if any) to be realized by the NEO depends on whether the shares vest and the future performance of our Common Stock. Each of the options and restricted shares automatically vest if we are acquired and the NEO is either involuntarily terminated or voluntarily resigns for good reason under certain circumstances following our change of control, as discussed in more detail below under "*Employment Agreements.*"

(2) The option vests over four years from the vesting start date of November 13, 2017, with 25% vesting after the completion of the first year of service to the Company and the remaining shares vesting in equal monthly installments over an additional 36 months of continuous service to the Company. As a result, the option will be fully exercisable on November 13, 2021.

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- (3) The option shall become exercisable with respect to the shares subject to the option when the person completes three years of continuous service after November 13, 2017.
- (4) The option vests over four years from the vesting start date of April 5, 2018, with 25% vesting on February 28, 2019 and the remaining shares vesting in equal monthly installments over an additional

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36 months of continuous service to the Company. As a result, the option will be fully exercisable on February 28, 2022.

- (5) Reflects restricted shares granted on November 13, 2017. One-third of the shares vested on November 13, 2018 and one-third of the shares will vest on each of November 13, 2019 and 2020, provided the NEO remains continuously employed by the Company on those dates.
- (6) Reflects restricted shares granted on April 5, 2018. One-third of the shares will vest on each of February 28, 2019, 2020 and 2021, provided the NEO remains continuously employed by the Company on those dates.
- (7) Reflects target number of 2018-2020 Performance Cash Units as described in greater detail in "Compensation Discussion and Analysis" above. The amount shown reflects the target award if all of the associated target performance metrics were achieved for each of the three years of 2018, 2019 and 2020. The actual number of cash units earned could range from 0 to two times the amount will be determined in March of the following year for each fiscal year. These cash units will become fully vested when the actual number of cash units is determined for the fiscal year 2020.
- (8) Represents target number of performance shares under the 2019-2020 CEO New Hire LTI Plan as described in greater detail in "Compensation Discussion and Analysis" above. The actual number of the shares subject to be issued, which could range from 0 to two times the initial target amount, will depend upon whether the issuer has met certain performance metrics for 2018 and 2019. One-half of the shares were issued in March 2019 based on the issuer's performance for 2018 and the remaining one-half of the shares, if any, will be issued on or about March 2020 based on the issuer's performance for 2019. The Reporting Person will be entitled to sell the shares upon issuance provided the Reporting Person is continuously employed by the Company through the date of issuance.
- (9) The option vests over four years from the vesting start date of July 6, 2018, with 25% vesting after the completion of the first year of service to the Company and the remaining shares vesting in equal monthly installments over an additional 36 months of continuous service to the Company. As a result, the option will be fully exercisable on July 6, 2022.
- (10) Reflects restricted shares granted on July 6, 2018. One-third of the shares will vest on each of July 6, 2019, 2020 and 2021, provided the NEO remains continuously employed by the Company on those dates.
- (11) The options vests over four years from the vesting date of April 27, 2017, with 25% vesting after the completion of the first year of service to the Company and the remaining shares vesting in equal monthly installments over an addition 36 months of continuous service to the Company. Under Mr. Irving's consulting agreement the options will continue to vest until August 15, 2019.
- (12) Reflects restricted shares granted on April 27, 2018. One-third of the shares vested on April 5, 2019. Under Mr. Irving's consulting agreement no other shares will vest.
- (13) The option vests over four years from the vesting start date of November 2, 2018, with 25% vesting after the completion of the first year of service to the Company and the remaining shares vesting in equal monthly installments over an additional 36 months of continuous service to the Company. As a result, the option will be fully exercisable on November 2, 2022.
- (14) Reflects restricted shares granted on November 2, 2018, with 25% vesting after the completion of the first year of service to the Company and the remaining shares vesting in equal quarterly installments over an addition 36 months of continuous service to the Company.
- (15) The option vested over four years from the vesting start date of February 13, 2014, with 25% vesting after the first year of service and the remaining shares vesting in equal monthly installments over an additional 36 months of continuous service. As a result, the option became fully exercisable on February 14, 2018.

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- (16) The option vests over four years from the vesting start date of February 9, 2015, with 25% vesting after the completion of the first year of service to the Company and the remaining shares vesting in equal monthly installments over an additional 36 months of continuous service to the Company. As a result, the option with respect to Mr. Doran became fully exercisable on February 9, 2019.
- (17) The option vests over four years from the vesting start date of February 19, 2016, with 25% vesting after the first year of service and the remaining shares vesting in equal monthly installments over an additional 36 months of continuous service. As a result, the option with respect to Mr. Doran will be fully exercisable on February 19, 2020.

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- (18) The option vests over four years from the vesting start date of February 24, 2017, with 25% vesting after the first year of service and the remaining shares vesting in equal monthly installments over an additional 36 months of continuous service. As a result, the option will be fully exercisable on February 24, 2021.
- (19) The option vests over four years from the vesting start date of February 14, 2013, with 25% vesting after the first year of service and the remaining shares vesting in equal monthly installments over an additional 36 months of continuous service. As a result, the option became fully exercisable on February 14, 2017.
- (20) The option vests over four years from the vesting start date of February 1, 2018, with 25% vesting after the first year of service and the remaining shares vesting in equal monthly installments over an additional 36 months of continuous service. As a result, the option will be fully exercisable on February 1, 2022.
- (21) Reflects restricted shares granted on February 1, 2018, with 25% vesting after the completion of the first year of service to the Company and the remaining shares vesting in equal quarterly installments over an addition 36 months of continuous service to the Company.
- (22) Reflects 2018-2020 Performance Shares as described in greater detail in "Compensation Discussion and Analysis" above. The amount shown reflects the target award if all of the associated target performance metrics were achieved for each of the three years of 2018, 2019 and 2020. The actual number of shares earned could range from 0 to two times the amount will be determined in March of the following year for each fiscal year. These shares will become fully vested when the actual number of shares is determined for the fiscal year 2020.
- (23) The option vested over four years from the vesting start date of May 8, 2017, with 25% vesting after the first year of service and the remaining shares vesting in equal monthly installments over an additional 36 months of continuous service. As a result, the option will be fully exercisable on May 8, 2021.
- (24) Reflects restricted shares granted on February 19, 2016. The shares fully vested on February 19, 2019.
- (25) Reflects restricted shares granted on May 8, 2017, with 25% vesting each year for four years of continuous service with the Company.
- (26) Each NEO was awarded a 2016-2018 performance-based restricted share award that is earned upon our Company's achievement of certain financial objectives for the three-year period from 2016 to 2018 (as described in greater detail in "Compensation Discussion and Analysis" above). In order to align the NEOs with the Company's strategic direction, the Compensation Committee agreed to terminate the 2016-2018 plan after the 2016 performance year and bifurcate the 2016-2018 into 2 tranches: 1) shares earned in 2016 and 2) shares earned from 2017-2018. Mr. Doran earned 2,996 shares, all of which shares vested in March 2019.
- (27) Represents target number of number of shares of restricted stock that may be granted pursuant to the Retention Bonus Plan. If at any time prior to July 26, 2019 the volume-weighted average of the Company's Common Stock closing price for 20 consecutive trading days (i) exceeds \$30, the number of shares that will vest upon the vesting date shall be 125% of the target amount and (ii) exceeds \$35, the number of shares that will vest upon the vesting date shall be 150% of the target amount.
- (28) Computed in accordance with SEC rules as the number of unvested shares multiplied by the closing market price per share of our Common Stock on December 31, 2018, which was the last trading day of 2018, which was \$6.14 per share. The actual value (if any) to be realized by the NEO depends on whether the shares vest and the future performance of our Common Stock. Each of the options and restricted shares automatically vest if we are acquired and the NEO is either involuntarily terminated or voluntarily resigns for good reason under certain circumstances following our change of control, as discussed in more detail below under "*Employment Agreements.*"

Table of Contents**Option Exercises and Stock Vested**

The following table shows the number of shares acquired upon exercise of options by each NEO during the year ended December 31, 2018, and the shares of restricted stock held by each NEO that vested during the year ended December 31, 2018.

Glenn Lurie	-0-	-0-	60,176	355,640
David Clark	-0-	-0-	-0-	-0-
Lawrence Irving	-0-	-0-	48,585	357,296
Jeffrey Miller	-0-	-0-	-0-	-0-
Robert E. Garcia	-0-	-0-	91,673	710,182
Mary Clark	-0-	-0-	-0-	-0-
Patrick Doran	-0-	-0-	22,992	184,101

(1)

For option awards, value realized on exercise is based on the fair market value of our Common Stock on the exercise date less the exercise price. For stock awards, value realized on vesting is based on the fair market value of our Common Stock on the vesting date. In neither case do the amounts set forth above necessarily reflect proceeds actually received by the NEO. Our NEOs will only realize value on these awards when the underlying shares are sold, which value may differ from the value shown in the table above as it is dependent on the price at which such shares of Common Stock are actually sold.

Employment Agreements*Chief Executive Officer*

In connection with the appointment of Mr. Lurie as our Chief Executive Officer on November 13, 2017, we entered into an employment agreement with him. Pursuant to the terms of his appointment as Chief Executive Officer, Mr. Lurie is entitled to receive an annual base salary of \$750,000 and be eligible to receive an annual performance bonus, with a target amount equal to 120% of his annual base salary, based upon the achievement of certain Company and individual objectives as determined by the Board or its Compensation Committee. The Board or its Compensation Committee shall review Mr. Lurie's base salary at least annually to determine whether to increase (but not decrease) the base salary in its discretion.

The Company granted Mr. Lurie an initial award of 180,528 time-based restricted stock awards, time-based stock options to purchase 507,101 shares of our Common Stock (the "**Initial Options**") and 180,528 performance-based restricted shares (the "**RSAs**"), effective on his first day of employment. The restricted stock awards will vest in equal annual installments on each anniversary of the grant date over a period of three years. The time-based stock options will vest 25% after the first year and 1/48th for each month of service thereafter. Each vested performance-based restricted share will entitle Mr. Lurie to receive one share of our Common Stock based on our Company's performance during 2018 and 2019. The 2018 and 2019 Company performance goals shall be determined by the Board or its Compensation Committee at the time our Company's business plan for such period is determined. One-half of the performance-based restricted shares will vest in 2019 based on the Company's 2018 performance and the remaining one-half will vest in March 2020 based on our Company's 2019 performance.

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In addition, as an inducement for Mr. Lurie to join our Company as Chief Executive, due to his unique skill set, he was granted a one-time option to purchase 1,000,000 shares of our Common Stock (the "Challenge Grant" and collectively with the RSAs, the Initial Options and the Performance Shares, the "Inducement Awards"), at an exercise price of \$10.04 per share, the closing price of our Common Stock on The Nasdaq Global Select Market on November 13, 2017. The Challenge Grant shall vest in full on the third anniversary of the date of grant and shall expire on the seventh anniversary of the date of grant.

Pursuant to his employment agreement, Mr. Lurie will be eligible to receive severance benefits if he is subject to an involuntary termination, contingent on him signing and not revoking a general release of all claims against the Company. The employment agreement provides that if prior to, or after 24 months following, the occurrence of a "change in control" (as defined in the employment agreement), Mr. Lurie is subject to an "involuntary termination" (as defined in the employment agreement), he shall be eligible to receive a lump-sum severance payment equal to (i) two times the sum of his base salary in effect at the time of termination plus his average bonus received in the immediately preceding two years plus (ii) an amount equal to 24 times the monthly amount the Company was paying on behalf of Mr. Lurie and his eligible dependents with respect to the Company's group health insurance plans in which Mr. Lurie and his eligible dependents were participants as of the date of termination. In addition, all stock options, shares of restricted stock, and other equity awards granted by the Company and held by Mr. Lurie at the time of the involuntary termination shall be credited with an additional 12 months of vesting service as of the date of the termination; except that if the termination occurs prior to the third anniversary of the date of the grant of the Challenge Grant, then the number of shares subject to the Challenge Grant which vest shall equal to the product of (i) 1,000,000 shares and (ii) a fraction equal to (A) the number of complete calendar months that have elapsed since November 13, 2017 through the date of the involuntary termination and (B) 36. Acceleration of performance vested restricted stock shall be determined based on the actual achievement of pro-rated performance goals through the date of involuntary termination. The amount of these severance benefits shall be reduced by the amount of severance pay or pay in lieu of notice that Mr. Lurie receives from the Company under any applicable federal or state statute.

The employment agreement also provide that if an involuntary termination occurs within 120 days prior to or 24 months following a change in control, Mr. Lurie shall be eligible to receive a lump sum severance payment equal to (i) 2.99 times his base salary in effect at the time, (ii) two times his average bonus received in the immediately preceding two years, plus (iii) an amount equal to 24 times the monthly amount the Company was paying on behalf of Mr. Lurie and his eligible dependents with respect to the Company's group health insurance plans in which Mr. Lurie and his eligible dependents were participants as of the date of termination. In addition, his outstanding stock options, shares of restricted stock, and other equity awards granted by the Company shall accelerate and be fully vested (other than performance-related restricted stock that is tied to performance after the change of control). The amount of these severance benefits shall be reduced by the amount of severance pay or pay in lieu of notice that Mr. Lurie receives from the Company under any applicable federal or state statute.

In the event of Mr. Lurie's death, Mr. Lurie's estate will receive an amount equal to his target cash incentive bonus for the fiscal year in which such termination occurs (or, if greater, the bonus amount determined based on the applicable factors and actual performance for such fiscal year). In addition, all stock options, shares of restricted stock (other than performance-related restricted stock), and other time-based equity awards granted by the Company and held by Mr. Lurie at the time of his death

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(other than the Challenge Grant) shall accelerate and be fully vested, and a pro rata portion of the Challenge Grant equal to (i) 1,000,000 shares times (ii) a fraction the numerator of which is the number of complete calendar months that have elapsed between November 13, 2017 and the date Mr. Lurie's employment ends due to death, and the denominator of which is 36 shall accelerate and be fully vested.

If Mr. Lurie's employment terminates due to "permanent disability" (as defined in his employment agreement), Mr. Lurie will be entitled to receive (i) an amount equal to his target cash incentive bonus for the fiscal year in which such termination occurs (or, if reasonably ascertainable and greater, the bonus amount determined based on the applicable factors and actual performance for such fiscal year), prorated based on the number of days of employment completed during that fiscal year, plus (ii) a lump sum amount equal to 24 times the monthly amount the Company was paying on behalf of Mr. Lurie and his eligible dependents with respect to the Company's group health insurance plans in which Mr. Lurie and his eligible dependents were participants as of the date of termination. In addition, (i) all stock options, shares of restricted stock (other than performance-related restricted stock) and other time-based equity awards granted by the Company and held by Mr. Lurie (other than the Challenge Grant) shall accelerate and be fully vested as of the date of Mr. Lurie's termination, and (ii) a pro rata portion of the Challenge Grant equal to (x) 1,000,000 shares times (y) a fraction the numerator of which is the number of complete calendar months that have elapsed between November 13, 2017 and the date Mr. Lurie's employment ends due to disability, and the denominator of which is 36 shall accelerate and be fully vested.

Other Named Executive Officers

We entered into an employment agreement with Mr. Clark on August 9, 2018. Each of Ms. Clark and Messrs. Doran and Miller are eligible participants of our Tier One Employment Plan which have substantially the same terms as the employment agreement with Mr. Clark other than with respect to health insurance payments as described below. Mr. Clark's employment agreement and Tier One Employment Plan are collectively referred to as the "Employment Arrangements." Under the Employment Arrangements, each NEO will be eligible to receive severance benefits if he or she is subject to an involuntary termination, contingent on him or her signing and not revoking a general release of all claims against the Company. The Employment Arrangements provide that if prior to, or after 24 months following, the occurrence of a "change in control" (as defined in the Employment Arrangements), the NEO is subject to an "involuntary termination" (as defined in the employment agreement), he or she shall be eligible to receive a lump-sum severance payment equal to (i) one and one-half times the sum of his or her base salary in effect at the time of termination plus his or her average bonus received in the immediately preceding two years plus (ii) an amount equal to (a) for Mr. Clark, 24 times the monthly amount the Company was paying on behalf of Mr. Clark and his eligible dependents with respect to the Company's group health insurance plans in which he and his dependents were participants as of the date of termination and (b) for the other NEOs, (x)12 times in the event of involuntary termination where there was no change in control, (y) 18 times in the event of involuntary termination where there was a change in control and (z) 24 times in the event of death or permanent disability, in each case times the monthly amount the Company was paying on behalf of the NEO and his or her eligible dependents with respect to the Company's group health insurance plans in which the NEO and his or her dependents were participants as of the date of termination. In addition, all stock options, shares of restricted stock (other than performance related restricted stock), and other time based equity awards granted by the Company and held by the NEO shall accelerate and be fully vested. The amount of these severance benefits shall be reduced by the amount of severance pay

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or pay in lieu of notice that the NEO receives from the Company under any applicable federal or state statute.

The Employment Arrangements also provide that if an involuntary termination occurs within 120 days prior to or 24 months following a change in control, the NEO shall be eligible to receive a lump sum severance payment equal to two times his or her base salary in effect at the time and his or her average bonus received in the immediately preceding two years, plus an amount equal to 24 times the monthly amount the Company was paying on behalf of Mr. Clark and 18 times the other NEOs and his or her eligible dependents with respect to the Company's group health insurance plans in which the NEO and his or her eligible dependents were participants as of the date of termination. The amount of these severance benefits shall be reduced by the amount of severance pay or pay in lieu of notice that the NEO receives from the Company under any applicable federal or state statute.

In the event of a NEO's death, his or her estate will receive an amount equal to his or her target cash incentive bonus for the fiscal year in which such termination occurs (or, if greater, the bonus amount determined based on the applicable factors and actual performance for such fiscal year). In addition, all stock options, shares of restricted stock (other than performance-related restricted stock), and other time-based equity awards granted by the Company and held by the NEO at the time of his or her death shall accelerate and be fully vested.

If a NEO's employment terminates due to "permanent disability" (as defined in the Employment Arrangements), he or she will be entitled to receive (i) an amount equal to his or her target cash incentive bonus for the fiscal year in which such termination occurs (or, if reasonably ascertainable and greater, the bonus amount determined based on the applicable factors and actual performance for such fiscal year), prorated based on the number of days of employment completed during that fiscal year, plus (ii) a lump sum amount equal to 24 times the monthly amount the Company was paying on behalf of the NEO and his or her eligible dependents with respect to the Company's group health insurance plans in which the NEO and his or her eligible dependents were participants as of the date of termination. In addition, all stock options, shares of restricted stock (other than performance-related restricted stock), and other time-based equity awards granted by the Company and held by the NEO at the time of his or her permanent disability shall accelerate and be fully vested.

Table of Contents**Estimated Payments and Benefits**

The table below reflects the potential payments and benefits to which Messrs. Lurie, Clark, Miller and Doran and Ms. Clark would be entitled pursuant to their respective employment agreements if such executive officer's employment was terminated effective as of December 31, 2018. There are no agreements, arrangements or plans that entitle executive officers to severance, perquisites, or other enhanced benefits in connection with the termination of their employment other than the employment agreements and executive employment plan.

Glenn					
Lurie	Severance (1)	0	3,300,000	900,000	4,042,500
	Option Acceleration (2)	0	0	0	0
	Restricted Stock Acceleration (3)	0	1,327,357	(8),893,681	3,893,681
	Benefit Continuation (6)	0	43,310	43,310	(6) 43,310
	Total Value	0	4,670,667	4,836,991	7,979,491
David					
Clark	Severance (1)	0	981,750	269,500	1,424,500
	Option Acceleration (2)	0	0	0	0
	Restricted Stock Acceleration (3)	0	0	801,571	801,571
	Benefit Continuation (6)	0	43,230	43,230	(6) 43,230
	Total Value	0	1,024,980	1,114,301	2,269,301
Jeffrey					
Miller	Severance (1)	0	1,155,000	385,000	1,540,000
	Option Acceleration (2)	0	0	0	0
	Restricted Stock Acceleration (3)	0	0	742,744	742,744
	Benefit Continuation (7)	0	18,376	36,752	(7) 27,564
	Total Value	0	1,173,376	1,164,496	2,310,308
	Severance (1)	0	900,000	350,000	1,400,000

Mary
Clark

Option Acceleration (2)	0	0	0	0
Restricted Stock Acceleration (3)	0	0	292,510	292,510
Benefit Continuation (7)	0	21,655	43,310(7)	32,482
Total Value	0	921,655	685,820	1,724,992

Patrick
Doran

Severance (1)	0	679,815	208,200	906,420
Option Acceleration (2)	0	0	0	0
Restricted Stock Acceleration (3)	0	0	584,927	584,927
Retention Plan Equity (4)	0	168,850	168,850	168,850
Retention Plan Non-Equity (5)	0	330,000	330,000	330,000
Benefit Continuation (7)	0	19,648	39,297(7)	29,472
Total Value	0	1,198,313	1,331,274	2,019,669

- (1) For purposes of valuing cash severance payments in the table above, we used each NEO's base salary as of December 31, 2018. For purposes of calculating cash severance payments in the table above in the event of an involuntary termination (whether prior to, within 24 months following, or more than 24 months following, a change in control), we used each NEO's average annual bonuses for 2017 and 2018 and, for purposes of calculating cash severance payments in the table above in the event of a termination due to permanent disability, we used the NEO's target bonus as of December 31, 2018. For Messrs. Clark and Miller and Ms. Clark we used the average of the actual bonus for 2018 and the target bonus for each of them.
- (2) The value of option acceleration shown in the table above was calculated based on the assumption that the triggering event occurred on December 31, 2018. The value of the vesting acceleration was calculated by multiplying the number of unvested shares subject to each option by the excess of the closing price of our Common Stock on December 31, 2018, the last trading day of the year, over the exercise price of the option.
- (3) The value of restricted stock acceleration shown in the table above was calculated based on the assumption that the triggering event occurred on December 31, 2018. The value of the vesting acceleration was

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calculated by multiplying the number of unvested shares subject to each restricted stock grant by the closing price of our Common Stock on December 31, 2018, the last trading day of the year.

- (4) Amount shown reflects the total price of the Target number of shares earned based on the assumption that the triggering event occurred on December 31, 2018. The value of the vesting acceleration was calculated by multiplying the Target number of shares by the closing price of our Common Stock on December 31, 2018, the last trading day of the year. Participants in the Retention Bonus Plan may earn higher amounts of shares if the closing price of the volume-weighted average of our Common Stock exceeds a certain price for 20 consecutive trading days at any point prior to July 26, 2019. In the event of an Involuntary Termination other than for death or disability, the performance multiplier will be the greater of the Target multiplier or the highest Common Stock closing price level attained over 20 consecutive trading days. In the event of an Involuntary Termination for death or disability, the Company may elect to waive the Company's volume-weighted average Common Stock closing price for 20 consecutive trading days. The below table represents the price level and performance multiplier Mr. Doran, the only NEO participant in the Retention Bonus Plan employed by our Company as of December 31, 2018.

Patrick Doran	27,500	34,375	41,250
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- (5) Amount shown reflects the Target cash under the Retention Bonus Plan that would have been the amount granted had the triggering event occurred on December 31, 2018. Participants in the Retention Bonus Plan may earn higher amounts of cash if the closing price of the volume-weighted average of the Company's Common Stock exceeds a certain price for 20 consecutive trading days at any point prior to July 26, 2019. In the event of an Involuntary Termination other than for death or disability, the performance multiplier will be the greater of the Target multiplier or the highest Common Stock closing price level attained over 20 consecutive trading days. In the event of an Involuntary Termination for death or disability, the Company may elect to waive the Company's volume-weighted average Common Stock closing price for 20 consecutive trading days. The below table represents the price level and performance multiplier for Mr. Doran, the only NEO participant in the Retention Bonus Plan employed by our Company as of December 31, 2018.

Patrick Doran	330,000	412,500	495,000
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- (6) Amounts reflect 24x the current monthly costs to us of the individual's health and welfare benefits per year for Termination without change in control, Death or Disability or Termination due to change in control.

- (7) Amounts reflect 12x the current monthly costs to us of the individual's health and welfare benefits per year for Involuntary Termination without change in control; 24x the current costs to us of the individual's health and welfare benefits per year for Death or Disability; 18x the current costs to us of the individual's health and welfare benefits per year for Termination due to change in control.

- (8) Receives 12 months of accelerated vesting for options and awards resulting from involuntary termination without change in control.

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The following table describes the actual payments and benefits provided to Messrs. Irving and Garcia upon the termination of their employment with the Company on August 15, 2018 and October 31, 2018, respectively.

Lawrence Irving	Severance	1,147,500
	Retention Plan Equity	174,618
	Retention Plan Non-Equity	425,000
	Benefit Continuation	19,850
	Total Value	1,766,968
Robert Garcia	Severance	1,014,226
	Retention Plan Equity	233,840
	Retention Plan Non-Equity	475,000
	Benefit Continuation	27,875
	Total Value	1,750,941

Pay Ratio Disclosure

As required by the Dodd-Frank Act and applicable SEC rules, we are providing the following information about the relationship of the annual total compensation of our employees and the annual total compensation of Glenn Lurie our Chief Executive Officer:

For our fiscal year ended December 31, 2018:

The median of the annual total compensation of all employees (other than our CEO) was \$74,960.65; and

The annual total compensation of our CEO, as reported in the 2018 Summary Compensation Table included elsewhere in this Proxy Statement, was \$6,969,454.

Based on this information the ratio of the annual total compensation of our CEO to the median of the annual total compensation of our employees was 93 to 1.

The above ratio is appropriately viewed as an estimate. To identify the median of the annual compensation of our employees, we reviewed the current base salary and the bonus and long term incentive compensation targets of our U.S. and non-U.S. employees as of December 31, 2018. Out of our approximately 1,450 employees, approximately 600 of our employees are located in India. Once we identified our "median employee," using the methodology described above, we determined that employee's annual total compensation in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K for purposes of calculating the required pay ratio.

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Report of the Audit Committee⁽¹⁾

The Audit Committee of the Board consists of the three non-employee directors named below. The Board annually reviews the Nasdaq listing standards' definition of independence for audit committee members and has determined that each member of the Audit Committee meets that standard. The Board has also determined that each of Donnie M. Moore and Thomas Hopkins is an audit committee financial expert as described in applicable rules and regulations of the Securities and Exchange Commission.

The principal purpose of the Audit Committee is to assist the Board in its general oversight of the Company's accounting and financial reporting processes and audits of the Company's financial statements. The Audit Committee is responsible for selecting and engaging the Company's independent registered public accounting firm and approving the audit and non-audit services to be provided by the independent registered public accounting firm. The Audit Committee's function is more fully described in its charter, which the Board has adopted and which the Audit Committee reviews on an annual basis.

The Company's management is responsible for preparing the Company's financial statements and the Company's financial reporting process. Ernst & Young LLP, the Company's independent registered public accounting firm, is responsible for performing an independent audit of the Company's consolidated financial statements and expressing an opinion on the conformity of those financial statements with U.S. generally accepted accounting principles. The Audit Committee has reviewed and discussed with the Company's management the audited financial statements of the Company included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (the "**10-K**").

The Audit Committee has also reviewed and discussed with Ernst & Young LLP the audited financial statements in the 10-K. In addition, the Audit Committee discussed with Ernst & Young LLP those matters required to be discussed by Statement on Auditing Standards No. 61, as amended or supplemented, entitled "Communications with Audit Committees." Additionally, Ernst & Young LLP provided to the Audit Committee the written disclosures and the letter required by Rule 3526 of the Public Company Accounting Oversight Board (Communications with Audit Committees Concerning Independence). The Audit Committee also discussed with Ernst & Young LLP its independence from the Company.

Based upon the review and discussions described above, the Audit Committee recommended to our Board of Directors that the audited financial statements be included in the 10-K for filing with the United States Securities and Exchange Commission.

Submitted by the following members of the Audit Committee:

Donnie M. Moore, Chair
William J. Cadogan
Thomas J. Hopkins

(1) The material in this report is not "soliciting material," is not deemed "filed" with the SEC and is not to be incorporated by reference in any filing of Synchronoss Technologies, Inc. under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

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Equity Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information known to us regarding beneficial ownership of our Common Stock and Series A Convertible Participating Perpetual Preferred Stock (the "**Series A Preferred Stock**") as of April 10, 2019 by:

each person, or group of affiliated persons, who is known to us to own beneficially more than five percent (5%) of our Common Stock or Series A Preferred Stock;

each of our named executive officers;

each of our current directors and directors that served during 2018; and

all of our current directors and executive officers as a group.

The table below is based upon information supplied by executive officers, directors and principal stockholders and Schedule 13Gs and 13Ds filed with the SEC through April 10, 2019.

As of April 10, 2019, 42,880,993 shares of our Common Stock and 202,256 shares of our Series A Preferred Stock, respectively, were outstanding. As of April 10, 2019, each share of Series A Preferred Stock was convertible into 55.5556 shares of Common Stock, provided, however, if the holder thereof elects to effect a conversion of some or all of their shares of Series A Preferred Stock and the sum, without duplication, of (i) the aggregate number of shares of Common Stock issued to such holder upon such conversion and any shares of Common Stock previously issued to such holders upon conversion of Series A Preferred Stock and then held by such holders, plus (ii) the number of shares of Common Stock underlying shares of Series A Preferred Stock that would be held at such time by such holders (after giving effect to such conversion), would exceed the 19.9% of the issued and outstanding shares of our Common Stock (the "**Conversion Cap**"), then such holders would only be entitled to convert such number of shares as would result in the sum of clauses (i) and (ii) (after giving effect to such conversion) being equal to the Conversion Cap (after giving effect to any such limitation on conversion). The holders of shares of the Series A Preferred Stock shall be entitled to vote with the holders of shares of Common Stock (and any other class or series that may similarly be entitled to vote with the holders of Common Stock) on all matters submitted to a vote or to the consent of the stockholders of the Company (including the election of directors) as one class, subject to the Voting Limitation.

The amounts and percentages of our Common Stock and Series A Preferred Stock beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. The information does not necessarily indicate beneficial ownership for any other purposes. Under the SEC rules, a person is deemed to be a "beneficial owner" of a security if that person has or shares "voting power," which includes the power to vote or direct the voting of such security, or "investment power," which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Under these rules, more than one person may be deemed a beneficial owner of securities as to which such person has no economic interest.

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Except as otherwise set forth below, the street address of the beneficial owner is c/o Synchronoss Technologies, Inc., 200 Crossing Boulevard, Bridgewater, NJ 08807.

Silver Private Holdings I, LLC(2) 601 Lexington Avenue, 59th Floor New York, NY 10022	10,653,330(3)	19.9%	202,256	100.0%	19.99%
Elk Creek Partners, LLC(4) 44 Cook St., Suite 705 Denver, CO 80206	3,249,300	7.6%			6.1%
Directors, Current Executive Officers and Named Executive Officers					
Glenn Lurie(5)	554,108	1.3%			1.0%
Stephen G. Waldis(6)	829,395	1.9%			*
David Clark(7)	187,207	*			*
Mary Clark(8)	56,667	*			*
Jeffrey Miller(9)	122,835	*			*
Patrick Doran(10)	173,018	*			*
Robert Garcia	189,793	*			*
Lawrence Irving(11)	207,206	*			*
James M. McCormick(12)	3,132,083	7.3%			5.8%
William J. Cadogan(13)	511,570	1.2%			*
Thomas J. Hopkins(14)	99,821	*			*
Donnie M. Moore(15)	105,220	*			*
Kristin S. Rinne(16)		*			*
Frank Baker(17)	10,653,330(3)	19.9%			19.99%
Peter Berger(18)	10,653,330(3)	19.9%			19.99%
Robert Aquilina(19)	10,000	*			*
Mohan Gyani(20)					*
<i>All current executive officers and directors as a group (19 persons)(21)</i>	16,714,967	30.5%	202,256	100%	29.0%

*

Less than 1%

(1)

As of the close of business on April 10, 2019, there were 42,880,993 shares of our Common Stock and 202,256 shares of our Series A Preferred Stock outstanding and entitled to vote at the Annual Meeting. Each share of Common Stock is entitled to one vote on each matter voted upon. Holders of shares of Series A Preferred Stock are entitled to vote with the holders of shares of Common Stock, and not as a separate class, on an as-converted basis. The shares of Series A Preferred Stock are convertible into an aggregate of

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11,236,453 shares of Common Stock. However, due to the Voting Limitation, the Series A Preferred Stock are entitled to an aggregate of only 10,713,548 votes. As such, the total number of shares entitled to vote as of April 10, 2019 is 53,594,541. This column is intended to show total voting power and does not include shares underlying exercisable options or other securities.

- (2) Silver Private Holdings I, LLC ("Silver Holdings") is controlled by its sole member, Silver Private Investments, LLC ("Silver Parent"). Silver Parent is controlled by its members, Siris Partners III, L.P. ("Siris Fund III") and Siris Partners III Parallel, L.P. ("Siris Fund III Parallel"). Each of Siris Fund III and Siris Fund III Parallel is controlled by its general partner, Siris Partners GP III, L.P. ("Siris Fund III GP"). Siris Fund III GP is controlled by its general partner, Siris GP HoldCo III, LLC ("Siris Fund III GP HoldCo"). Siris Capital Group III, L.P. ("Siris Fund III Advisor") serves as investment manager to Siris Fund III and Siris Fund III Parallel pursuant to investment management agreements with each of them. Siris Capital Group, LLC ("Siris Capital Group") shares investment management authority in respect of Siris Fund III and Siris Fund III Parallel pursuant to an agreement between Siris Fund III Advisor and Siris Capital Group. Siris Fund III Advisor is controlled by its general partner, Siris Group GP, LLC ("Siris Group GP"). Siris Capital Group is controlled by its managing member, Siris Group GP. Each of Siris Fund III GP HoldCo, and Siris Group GP is controlled by Frank Baker, Peter Berger and Jeffrey Hendren. Based on a Form 4 filed with the SEC on April 2, 2019.
- (3) Consists of shares of our Common Stock issuable upon conversion of the Series A Preferred Stock held by Silver Holdings, subject to the Conversion Cap. In the event that the Conversion Cap was no longer applicable, the shares of Series A Preferred Stock held by Silver Holdings would be convertible into an aggregate of 11,236,453 shares of Common Stock, which would represent beneficial ownership of approximately 20.8% of the outstanding Common Stock.
- (4) Based on a Schedule 13G/A filed with the SEC on February 8, 2019.
- (5) Includes 328,834 shares of restricted common stock subject to the Company's lapsing right of repurchase. Excludes 1,394,179 shares subject to options not exercisable within 60 days of April 10, 2019.
- (6) Includes 18,971 shares of restricted common stock subject to the Company's lapsing right of repurchase. Includes 430,326 shares subject to options exercisable within 60 days of April 10, 2019. Excludes 150,005 shares subject to options not exercisable within 60 days of April 10, 2019.
- (7) Includes 187,207 shares of restricted common stock subject to the Company's lapsing right of repurchase. Excludes 130,459 shares subject to options exercisable within 60 days of April 10, 2019.
- (8) Includes 20,625 shares of restricted common stock subject to the Company's lapsing right of repurchase. Includes 26,667 shares subject to options exercisable within 60 days of April 10, 2019. Excludes 53,333 shares subject to options not exercisable within 60 days of April 10, 2019.
- (9) Includes 120,968 shares of restricted common stock subject to the Company's lapsing right of repurchase. Excludes 84,357 shares subject to options not exercisable within 60 days of April 10, 2019.
- (10) Includes 58,501 shares of restricted common stock subject to the Company's lapsing right of repurchase. Includes 75,078 shares subject to options exercisable within 60 days of April 10, 2019. Excludes 50,505 shares subject to options not exercisable within 60 days of April 10, 2019.
- (11) Includes 53,455 shares of restricted common stock subject to the Company's lapsing right of repurchase. Includes 86,343 shares subject to options exercisable within 60 days of April 10, 2019. Excludes 96,512 shares subject to options not exercisable within 60 days of April 10, 2019.
- (12) Includes 9,076 shares of restricted common stock subject to the Company's lapsing right of repurchase. Includes 48,096 shares subject to options exercisable within 60 days of April 10, 2019. Excludes 14,351 shares subject to options not exercisable within 60 days of

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April 10, 2019.

- (13) Includes 9,076 shares of restricted common stock subject to the Company's lapsing right of repurchase. Includes 48,096 shares subject to options exercisable within 60 days of April 10, 2019. Excludes 14,351 shares subject to options not exercisable within 60 days of April 10, 2019.

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- (14) Includes 9,076 shares of restricted common stock subject to the Company's lapsing right of repurchase. Includes 48,096 shares subject to options exercisable within 60 days of April 10, 2019. Excludes 14,351 shares subject to options not exercisable within 60 days of April 10, 2019.
- (15) Includes 9,076 shares of restricted common stock subject to the Company's lapsing right of repurchase. Includes 48,096 shares subject to options exercisable within 60 days of April 10, 2019. Excludes 14,351 shares subject to options not exercisable within 60 days of April 10, 2019.
- (16) Excludes 30,000 shares subject to options not exercisable within 60 days of April 10, 2019.
- (17) Includes securities beneficially owned by Silver Holdings as set forth in footnote 2 above, for which Mr. Baker may be deemed to share voting and investment power. Mr. Baker disclaims beneficial ownership of the securities held by Silver Holdings except to the extent of his pecuniary interest therein, if any. Includes 10,000 shares subject to options exercisable within 60 days of April 10, 2019. Excludes 20,000 shares subject to options not exercisable within 60 days of April 10, 2019.
- (18) Includes securities beneficially owned by Silver Holdings as set forth in footnote 2 above, for which Mr. Berger may be deemed to share voting and investment power. Mr. Berger disclaims beneficial ownership of the securities held by Silver Holdings except to the extent of his pecuniary interest therein, if any. Includes 10,000 shares subject to options exercisable within 60 days of April 10, 2019. Excludes 20,000 shares subject to options not exercisable within 60 days of April 10, 2019.
- (19) Includes 10,000 shares subject to options exercisable within 60 days of April 10, 2019. Excludes 20,000 shares subject to options not exercisable within 60 days of April 10, 2019.
- (20) Excludes 30,000 shares subject to options not exercisable within 60 days of April 10, 2019.
- (21) Includes 1,207,869 shares of restricted common stock subject to the Company's lapsing right of repurchase. Includes 1,190,682 shares subject to options exercisable within 60 days of April 10, 2019. Excludes 2,240,843 shares subject to options not exercisable within 60 days of April 10, 2019.

Related Party Transactions

Transactions, arrangements or relationships in which we were, are or will be a participant and the amount involved exceeds \$120,000, and in which any related person had, has or will have a direct or indirect material interest are subject to review, approval or ratification by our Board or a committee composed of members of our Board. Our Audit Committee has the principal responsibility for reviewing related person transactions pursuant to written policies and procedures adopted by our Board, subject to specified exceptions and other than those that involve compensation. In conformance with regulations of the SEC, these policies and procedures define related persons to include our executive officers, our directors and nominees to become a director of our Company, any person who is known to us to be the beneficial owner of more than 5% of any class of our voting securities, any immediate family member of, or person sharing the household with, any of the foregoing persons, and any firm, corporation or other entity in which any of the foregoing persons is employed, is a general partner or in which such person has a 5% or greater beneficial ownership interest. In accordance with our policies and procedures, related person transactions shall be consummated or shall continue only if approved or ratified by our Audit Committee or the disinterested members of our Board and only if the terms of the transaction are determined to be in, or not to be inconsistent with, the best interests of our Company and our stockholders. The approval of our Compensation Committee is required to approve any transaction that involves compensation to our directors and executive officers. This approval process does not apply to any transaction that is available to all of our employees generally.

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Siris Capital Group

In accordance with the terms of that certain Securities Purchase Agreement, dated as of October 17, 2017 (the "**PIPE Purchase Agreement**"), between Synchronoss and Silver Holdings, an affiliate of Siris, on February 15, 2018, Synchronoss issued to Silver Holdings 185,000 shares of Synchronoss' Series A Convertible Participating Perpetual Preferred Stock (the "**Series A Preferred Stock**"), par value \$0.0001 per share, with an initial liquidation preference of \$1,000 per share, in exchange for \$97.7 million in cash and the transfer from Silver Holdings to Synchronoss of the Existing Siris Shares (the "**Preferred Transaction**"). In connection with the issuance of the Series A Preferred Stock, Synchronoss (i) filed a Certificate of Designation with the State of Delaware setting forth the rights, preferences, privileges, qualifications, restrictions and limitations on the Series A Preferred Stock (the "**Series A Certificate**") and (ii) entered into an Investor Rights Agreement with Silver Holdings setting forth certain registration, governance and preemptive rights of Silver Holdings with respect to Synchronoss (the "**Investor Rights Agreement**"). Pursuant to the PIPE Purchase Agreement, at the closing, Synchronoss paid to Siris \$5 million as a reimbursement of Silver Holdings' reasonable costs and expenses incurred in connection with the Preferred Transaction.

Certificate of Designation of the Series A Preferred Stock

The rights, preferences, privileges, qualifications, restrictions and limitations of the shares of Series A Preferred Stock are set forth in the Series A Certificate. Under the Series A Certificate, the holders of the Series A Preferred Stock are entitled to receive, on each share of Series A Preferred Stock on a quarterly basis, an amount equal to the dividend rate of 14.5% divided by four and multiplied by the then-applicable Liquidation Preference (as defined in the Series A Certificate) per share of Series A Preferred Stock (collectively, the "**Preferred Dividends**"). The Preferred Dividends are due on January 1, April 1, July 1 and October 1 of each year (each, a "**Series A Dividend Payment Date**"). Synchronoss may choose to pay the Preferred Dividends in cash or in additional shares of Series A Preferred Stock. In the event Synchronoss does not declare and pay a dividend in-kind or in cash on any Series A Dividend Payment Date, the unpaid amount of the Preferred Dividend will be added to the Liquidation Preference. In addition, the Series A Preferred Stock participates in dividends declared and paid on shares of Common Stock.

Each share of Series A Preferred Stock is convertible, at the option of the holder, into the number of shares of Common Stock equal to the "Conversion Price" (as that term is defined in the Series A Certificate) multiplied by the then applicable "Conversion Rate" (as that term is defined in the Series A Certificate). Each share of Series A Preferred Stock is initially convertible into 55.5556 shares of Common Stock, representing an initial "conversion price" of approximately \$18.00 per share of Common Stock. The Conversion Rate is subject to equitable proportionate adjustment in the event of stock splits, recapitalizations and other events set forth in the Series A Certificate.

On and after the fifth anniversary of February 15, 2018, holders of shares of Series A Preferred Stock have the right to cause Synchronoss to redeem each share of Series A Preferred Stock for cash in an amount equal to the sum of the current liquidation preference and any accrued dividends. Each share of Series A Preferred Stock is also redeemable at the option of the holder upon the occurrence of a "Fundamental Change" (as that term is defined in the Series A Certificate) at a specified premium. In addition, the Company is also permitted to redeem all outstanding shares of the Series A Preferred Stock (i) at any time within the first 30 months of the date of issuance for the sum of the then-applicable Liquidation Preference, accrued but unpaid dividends and a make whole amount and

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(ii) at any time following the 30-month anniversary of the date of issuance for the sum of the then-applicable Liquidation Preference and the accrued but unpaid dividends.

The holders of a majority of the Series A Preferred Stock, voting separately as a class, are entitled at each annual meeting of the stockholders of the Company or at any special meeting called for the purpose of electing directors (or by written consent signed by the holders of a majority of the then-outstanding shares of Series A Preferred Stock in lieu of such a meeting): (i) to nominate and elect two members of the Board of Directors of Synchronoss for so long as the Preferred Percentage (as defined in the Series A Certificate) is equal to or greater than 10%; and (ii) to nominate and elect one member of the Board of Directors of Synchronoss for so long as the Preferred Percentage is equal to or greater than 5% but less than 10%.

For so long as the holders of shares of Series A Preferred Stock have the right to nominate at least one director, Synchronoss shall be required to obtain the prior approval of Silver Holdings prior to taking certain actions, including: (i) certain dividends, repayments and redemptions; (ii) any amendment to Synchronoss' certificate of incorporation that adversely effects the rights, preferences, privileges or voting powers of the Series A Preferred Stock; (iii) issuances of stock ranking senior or equivalent to shares of Series A Preferred Stock (including additional shares of Series A Preferred Stock) in the priority of payment of dividends or in the distribution of assets upon any liquidation, dissolution or winding up of Synchronoss; (iv) changes in the size of the Board of Directors of Synchronoss; (v) any amendment, alteration, modification or repeal of the charter of the Nominating and Corporate Governance Committee of the Board of Directors and related documents; and (vi) any change in the principal business of Synchronoss or the entry into any line of business outside of its existing lines of businesses. In addition, in the event that Synchronoss is in EBITDA Non-Compliance (as defined in the Series A Certificate) or the undertaking of certain actions would result in Synchronoss exceeding a specified pro forma leverage ratio, then the prior approval of Silver Holdings would be required to incur indebtedness (or alter any debt document) in excess of \$10 million, enter or consummate any transaction where the fair market value exceeds \$5 million individually or \$10 million in the aggregate in a fiscal year or authorize or commit to capital expenditures in excess of \$25 million in a fiscal year.

Each holder of Series A Preferred Stock has one vote per share on any matter on which holders of Series A Preferred Stock are entitled to vote separately as a class, whether at a meeting or by written consent. The holders of Series A Preferred Stock are permitted to take any action or consent to any action with respect to such rights without a meeting by delivering a consent in writing or electronic transmission of the holders of the Series A Preferred Stock entitled to cast not less than the minimum number of votes that would be necessary to authorize, take or consent to such action at a meeting of stockholders. In addition to any vote (or action taken by written consent) of the holders of the shares of Series A Preferred Stock as a separate class provided for in the Series A Certificate or by the General Corporation Law of the State of Delaware, the holders of shares of the Series A Preferred Stock are entitled to vote with the holders of shares of Common Stock (and any other class or series that may similarly be entitled to vote on an as-converted basis with the holders of Common Stock) on all matters submitted to a vote or to the consent of the stockholders of the Company (including the election of directors) as one class.

Under the Series A Certificate, if Silver Holdings and certain of its affiliates have elected to effect a conversion of some or all of their shares of Series A Preferred Stock and if the sum, without duplication, of (i) the aggregate number of shares of Common Stock issued to such holders upon such conversion and any shares of Common Stock previously issued to such holders upon conversion of Series A

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Preferred Stock and then held by such holders, plus (ii) the number of shares of Common Stock underlying shares of Series A Preferred Stock that would be held at such time by such holders (after giving effect to such conversion), would exceed the 19.9% of the issued and outstanding shares of Synchronoss' voting stock on an as converted basis (the "**Conversion Cap**"), then such holders would only be entitled to convert such number of shares as would result in the sum of clauses (i) and (ii) (after giving effect to such conversion) being equal to the Conversion Cap (after giving effect to any such limitation on conversion). Any shares of Series A Preferred Stock which a holder has elected to convert but which, by reason of the previous sentence, are not so converted, will be treated as if the holder had not made such election to convert and such shares of Series A Preferred Stock will remain outstanding. Also, under the Series A Certificate, if the sum, without duplication, of (i) the aggregate voting power of the shares previously issued to Silver Holdings and certain of its affiliates held by such holders at the record date, plus (ii) the aggregate voting power of the shares of Series A Preferred Stock held by such holders as of such record date, would exceed 19.99% of the total voting power of Synchronoss' outstanding voting stock at such record date, then, with respect to such shares, Silver Holdings and certain of its affiliates are only entitled to cast a number of votes equal to 19.99% of such total voting power (the "**Voting Limitation**"). The limitation on conversion and voting ceases to apply upon receipt of the requisite approval of holders of Common Stock under the applicable listing standards.

Investor Rights Agreement

Concurrently with the closing of the Preferred Transaction, Synchronoss and Silver Holdings entered into the Investor Rights Agreement. Under the terms of the Investor Rights Agreement, Silver Holdings and Synchronoss have agreed that the Board of Directors of Synchronoss will consist of ten members. So long as the holders of Series A Preferred have the right to nominate a member to the Board of Directors pursuant to the Series A Certificate, the full Board of Directors of Synchronoss will be constituted as follows: (i) two Series A Preferred Directors (as defined in the Investor Rights Agreement); (ii) four directors who meet the independence criteria set forth in the applicable listing standards (each of whom will be initially agreed upon by Synchronoss and Silver Holdings); and (iii) four other directors, two of whom shall satisfy the independence criteria of the applicable listing standards and, as of the closing of the Preferred Transaction, one of whom shall be the individual then serving as chief executive officer of Synchronoss and one of whom shall be the current chairman of the Board of Directors of Synchronoss as of the date of execution of the Investors Rights Agreement. So long as the holders of Series A Preferred have the right to nominate at least one director to the Board of Directors of Synchronoss pursuant to the Series A Certificate, Silver Holdings will have the right to designate two members of the Nominating and Corporate Governance Committee of the Board of Directors. Pursuant to the terms of the Investor Rights Agreement, neither Silver Holdings nor its affiliates may transfer any shares of Series A Preferred Stock subject to certain exceptions (including transfers to affiliates that agree to be bound by the terms of the Investor Rights Agreement).

For so long as Silver Holdings has the right to appoint a director to the Board of Directors of Synchronoss, without the prior approval by a majority of directors voting who are not appointed by the holders of shares of Series A Preferred Stock, neither Silver Holdings nor its affiliates will directly or indirectly purchase or acquire any debt or equity securities of Synchronoss (including equity-linked derivative securities) if such purchase or acquisition would result in Silver Holdings' Standstill Percentage (as defined in the Investors Rights Agreement) being in excess of 30%. However, the foregoing standstill restrictions would not prohibit the receipt of shares of Series A Preferred issued as Preferred Dividends pursuant to the Series A Certificate, shares of Common Stock received upon

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conversion of shares of Series A Preferred Stock or receipt of any shares of Series A Preferred Stock, Common Stock or other securities of the Company otherwise paid as dividends or as an increase of the Liquidation Preference (as defined in the Series A Certificate) or distributions thereon. Silver Holdings will also have preemptive rights with respect to issuances of securities of Synchronoss in order to maintain its ownership percentage.

Under the terms of the Investor Rights Agreement, Silver Holdings is entitled to (i) three demand registrations, with no more than two demand registrations in any single calendar year and provided that each demand registration must include at least 10% of the shares of Common Stock held by Silver Holdings, including shares of Common Stock issuable upon conversion of shares of Series A Preferred Stock and (ii) unlimited piggyback registration rights with respect to primary issuances and all other issuances.

The issuance and sale of the Series A Preferred Stock to Silver Holdings pursuant to the PIPE Purchase Agreement was exempt from registration under the Securities Act, pursuant to Section 4(a)(2) of the Securities Act. In the PIPE Purchase Agreement, Silver Holdings represented to Synchronoss that it is an "accredited investor" as defined in Rule 501 of the Securities Act and that the shares of Series A Preferred Stock are being acquired for investment purposes and not with a view to, or for sale in connection with, any distribution thereof, and appropriate legends will be affixed to any certificates evidencing the shares of Series A Preferred Stock or any Common Stock issued upon conversion thereof.

Other than as described above, there were no other transaction or series of similar transactions to which we were or are a party in which the amount involved exceeded or exceeds \$120,000 and in which any of our directors, current executive officers, holders of more than 5% of any class of our voting securities, or any member of the immediate family of any of the foregoing persons, had or will have a direct or indirect material interest, other than compensation arrangements, which are described where required under "Executive Compensation" and "Director Compensation" above.

Sequential Technology International, LLC

Under various agreements between our Company and Sequential Technology International, LLC ("**Sequential**"), which agreements were signed at the same time as our Company divested its activation exception handling business to Sequential, in 2018, Sequential paid our Company approximately \$33.1 million for various services, including but not limited to billing, IT, human resource, financial planning, facilities support and access rights to our Order Manager and platform services and support.

Section 16(a) Beneficial Ownership Reporting Compliance

We believe that, during the fiscal year ended December 31, 2018, all of our directors, executive officers subject to Section 16 of the Exchange Act and greater than 10% stockholders complied with all applicable Section 16(a) filing requirements. In making these statements, we have relied upon a review of the copies of Section 16(a) reports furnished to us and the written representations of our directors, NEOs and certain of our greater than 10% stockholders.

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Other Matters

Our Board does not intend to bring any other business before the meeting, and so far as is known to the Board, no matters are to be brought before the meeting except as specified in the notice of the meeting. In addition to the scheduled items of business, the meeting may consider stockholder proposals that are timely and comply with the provisions of our amended and restated bylaws (including proposals omitted from the Proxy Statement and form of Proxy pursuant to the proxy rules of the SEC) and matters relating to the conduct of the meeting. As to any other business that may properly come before the meeting, it is intended that proxies will be voted in respect thereof in accordance with the judgment of the persons voting such proxies.

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**PROPOSAL 1
ELECTION OF DIRECTORS**

Our Board currently consists of eleven directors divided into three classes with staggered three-year terms, except for the two Series A Directors whom are elected annually. Each of James M. McCormick and Donnie M. Moore has informed the Company that he will not stand for re-election at the Annual Meeting in order to devote his full time and efforts to his other commitments. Following the Annual Meeting, the size of our Board is expected to be decreased to ten directors and there will be one Class I director. Your proxy cannot be voted for a greater number of persons than the number of nominees named in this proxy statement. The director nominated for election to our Board this year, his age as of April 10, 2019, the position and office held with us and certain biographical information are set forth below. The director to be elected will hold office until the 2022 Annual Meeting of Stockholders and until his successor is elected, or until his death, resignation or removal. It is our policy to encourage nominees for director to attend the Annual Meeting. All of our directors who were directors as of the date of our 2018 Annual Meeting of Stockholders attended the meeting.

Our directors are elected by a plurality of the votes cast at the Annual Meeting, meaning that the nominee receiving the most "For" votes (among votes properly cast in person or by proxy) will be elected. An instruction to "Withhold" authority to vote for a nominee will result in the nominee receiving fewer votes, but will not count as a vote against the nominee. Abstentions and "broker non-votes" (i.e., shares held by a broker or nominee that are represented at the meeting, but with respect to which the broker or nominee is not instructed to vote on a particular proposal and does not have discretionary voting power) will have no effect on the outcome of the election of a candidate for director. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the nominee named below. If the nominee becomes unavailable for election as a result of an unexpected occurrence, your shares will be voted for the election of a substitute nominee proposed by our current Board, if any. The nominee for election has agreed to serve if elected. We have no reason to believe that he will be unable to serve.

BOARD OF DIRECTOR COMPOSITION

The following table includes the name, age, position, class and term expiration year for each of our directors and is current as of the date of this Proxy Statement. Information about the number of shares of common stock beneficially owned by each director, whether held directly or indirectly, as of April 10,

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2019, appears below under the heading "*Equity Security Ownership of Certain Beneficial Owners and Management.*"

James M. McCormick	59	Director	Class I	2019*
Donnie M. Moore	70	Director	Class I	2019*
Mohan Gyani	67	Director	Class I	2019
Thomas J. Hopkins	62	Director	Class II	2020
Robert Aquilina	63	Director	Class II	2020
Kristin S. Rinne	64	Director	Class II	2020
Stephen G. Waldis	51	Executive Chairman of the Board	Class III	2021
Glenn Lurie	53	Director, Chief Executive Officer and President	Class III	2021
William J. Cadogan	70	Director	Class III	2021
Frank Baker	46	Director	Series A	2019**
Peter Berger	68	Director	Series A	2019**

*

James M. McCormick and Donnie M. Moore have informed the Company that they will not stand for re-election at the 2019 Annual Meeting in order to devote their full time and efforts to their other commitments.

**

The Company expects that at or prior to the Annual Meeting the holders of the Series A Preferred Stock will act by written consent to re-elect Messrs. Baker and Berger as the Series A Directors.

DIRECTOR QUALIFICATIONS

The following paragraphs provide information as of the date of this Proxy Statement about each member of our Board, including the nominee. In addition to the information presented below regarding each director's experience and qualifications that lead our Board to the conclusion that he or she should serve as a director of our Company in light of our business and structure, we also believe that all of our directors have a reputation for integrity and adherence to high ethical standards. Each of our directors has demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment to our Company and our Board.

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DIRECTOR NOMINEE

The Board of Directors recommends that stockholders vote "FOR" the nominee listed below:

Mohan Gyani

Mohan Gyani held several executive positions in the telecommunications industry including at AT&T Wireless from 2000 until he retired in 2003 as President and Chief Executive Officer of AT&T Wireless Mobility Services. Prior to AT&T, Mr. Gyani was Executive Vice President and CFO of AirTouch from 1994 to 1999. Mr. Gyani has served on numerous public and private company boards and is currently a member of the Board of Directors of Digital Turbine and MUFG Union Bank. Mr. Gyani received a bachelor's degree and master in business administration from San Francisco State University. Our Board believes Mr. Gyani's qualifications to sit on our Board include his extensive experience in the telecom and wireless industries and in senior financial positions.

Director Since: 2019

Continuing Directors **Term Ending in 2020**

Thomas J. Hopkins

Thomas J. Hopkins is a Managing Director of Colchester Capital, LLC, an investment firm. Prior to Colchester Capital, Mr. Hopkins was involved in investment banking, principally at Deutsche Bank (and its predecessor Alex, Brown & Sons), Goldman, Sachs & Co. and Bear Stearns. He began his investment banking career at Drexel Burnham Lambert. Prior to investment banking, Mr. Hopkins was a lawyer for several years. Mr. Hopkins received a Bachelor of Arts degree from Dartmouth College, a juris doctorate from Villanova University School of Law and a master in business administration degree from the Wharton School at the University of Pennsylvania. Our Board believes Mr. Hopkins' qualifications to sit on our Board include his extensive financial expertise and his years of experience providing strategic advisory services to complex organizations.

Director Since: 2004

Synchronoss Committees:

Audit

**Business Development
(Chair)**

Compensation

**Nominating/Corporate
Governance**

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Robert Aquilina

Robert Aquilina has been an Executive Partner (a senior advisory role) for Siris Capital Group since 2011. Prior to Siris Capital Group, Mr. Aquilina was an executive of AT&T, Inc. for 22 years, with his last position being Co-President of AT&T Consumer Services and a member of the Chairman's Operating Group. Previously within AT&T, Mr. Aquilina held a variety of senior positions including President of Europe, Middle East & Africa; Vice Chairman of AT&T Unisource; Vice Chairman of World Partners; and General Manager of Global Data Services. Mr. Aquilina has an M.B.A. from University of Chicago and received a degree in Engineering from The Cooper Union for the Advancement of Science and Art. Our Board believes Mr. Aquilina's qualifications to sit on our Board include his extensive business experience and his years of experience providing strategic advisory services to complex organizations.

Director Since: 2018

Kristin S. Rinne

Kristin S. Rinne held various senior positions at ATT, including heading the company's networks technologies organization, until she retired in 2014. Ms. Rinne brought early leadership in deploying GSM technology in the United States, setting the stage for the success of the 3GPP family of technologies. Ms. Rinne formerly held the posts of vice president of technology strategy for SBC Wireless and managing director of operations at Southwestern Bell Mobile Services. Her contributions to the industry also include serving as chairperson of the Board of Governors at 3G Americas, LLC, and the Alliance for Telecommunications Industry Solutions (ATIS). Ms. Rinne is a "Women in Technology Hall-of-Famer", as well as a member of the "Wireless Hall of Fame," and was named among Fierce Wireless' "Top 10 Most Influential Women in Wireless" list from 2011 through 2014. Ms. Rinne holds a bachelor's degree from Washburn University. Our Board believes Ms. Rinne's qualifications to sit on our Board include her extensive experience in the telecommunications industry.

Director Since: 2018

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Continuing Directors Term Ending in 2021

Stephen G. Waldis

Stephen G. Waldis has served as our Executive Chairman since January 2017, having served as Chairman of the Board of Directors since 2001 Chief Executive Officer from 2000 until January 2017 and as a director since founding Synchronoss in 2000. From 2000 until 2011, Mr. Waldis also served as President. From 1994 to 2000, Mr. Waldis served as Chief Operating Officer at Vertek Corporation, a privately held professional services company serving the telecommunications industry. From 1992 to 1994, Mr. Waldis served as Vice President of Sales and Marketing of Logical Design Solutions, a provider of telecom and interactive solutions. From 1989 to 1992, Mr. Waldis worked in various technical and product management roles at AT&T. Mr. Waldis received a Bachelor of Arts degree in corporate communications from Seton Hall University. Our Board believes Mr. Waldis' qualifications to sit on our Board include his extensive experience in the software and services industry, and serving as our Chief Executive Officer and one of our founders.

**Founder and Former
Chief Executive Officer**

**Executive Chairman of the
Board**

Director Since: 2001

Synchronoss Committee:

Business Development

William J. Cadogan

William J. Cadogan served as a Senior Managing Director with Vesbridge Partners, LLC, formerly St. Paul Venture Capital, a venture capital firm from 2001 until 2006. Mr. Cadogan served as Chief Executive Officer and Chairman of the board of directors of Mahi Networks, Inc., a leading supplier of multi-service optical transport and switching solutions, from November 2004 until its merger with Meriton Networks in October 2005. Prior to joining St. Paul Venture Capital in 2001, Mr. Cadogan was Chairman and Chief Executive Officer of ADC, Inc., a leading global supplier of telecommunications infrastructure products and services. Mr. Cadogan received a Bachelor of Arts degree in electrical engineering from Northeastern University and a master in business administration degree from the Wharton School at the University of Pennsylvania. Our Board believes Mr. Cadogan's qualifications to sit on our Board include his experience as a CEO leading complex global organizations, combined with his operational and corporate governance expertise.

Director Since: 2005

Synchronoss Committees:

Audit

Business Development

Compensation (Chair)

**Nominating/Corporate
Governance (Chair)**

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Glenn Lurie

Glenn Lurie joined Synchronoss as Chief Executive and President in November 2017. Prior to joining Synchronoss, Mr. Lurie held several senior positions at AT&T Inc., most recently as President and Chief Executive Officer of AT&T's Mobility and Consumer Operations, until his retirement from AT&T in September 2017. Mr. Lurie led the team responsible for negotiating its exclusive U.S. agreement with Apple Inc. to launch the first iPhone in 2007. Mr. Lurie is a member of the Board of AvisBudget Inc. and serves on the Delphi Technology Advisory Council. He previously served as chairman of the board for the Consumer Technology Industry Association in 2016. Mr. Lurie holds a Bachelor of Arts in Business/Marketing from Seattle Pacific University.

**Chief Executive Officer
and President**

Director Since: 2017

Synchronoss Committees:

**Business Development
Series A Directors**

Frank Baker

Frank Baker joined our Board in February 2018 as part of the Siris Series A Preferred Stock transaction. Mr. Baker is a Managing Partner of Siris Capital Group, which he co-founded in 2011 and is a board member of all Siris Capital Group's portfolio companies. Mr. Baker has an M.B.A. from Harvard Business School and a degree in Economics from the University of Chicago. Mr. Baker also serves as a trustee of the University of Chicago. Our Board believes Mr. Baker's qualifications to sit on our Board include his extensive financial expertise and his years of experience providing strategic advisory services to complex organizations.

Director Since: 2018

Synchronoss Committees:

Business Development

**Nominating/Corporate
Governance**

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Peter Berger

Peter Berger joined our Board in February 2018 as part of the Siris Series A Preferred Stock transaction. Mr. Berger is a Managing Partner of Siris Capital Group, which he co-founded in 2011 and is a board member of all Siris Capital Group's portfolio companies. Mr. Berger has an M.B.A. from Columbia University Graduate School of Business and received a degree in Math and Accounting from Boston University. Our Board believes Mr. Berger's qualifications to sit on our Board include his extensive financial expertise and his years of experience providing strategic advisory services to complex organizations.

Director Since: 2018

Synchronoss Committees:

Audit (Observer)

**Nominating/ Corporate
Governance**

Incumbent Directors Not Standing for Election

James M. McCormick

James M. McCormick is a founder of Synchronoss, has been a member of our Board since our inception in 2000 and served as our Treasurer from September 2000 until December 2001. Mr. McCormick is founder and Chief Executive Officer of Vertek Corporation. Prior to founding Vertek in 1988, Mr. McCormick was a member of the Technical Staff at AT&T Bell Laboratories. Mr. McCormick received a Bachelor of Science degree in computer science from the University of Vermont and a master of science degree in computer science from the University of California Berkeley. Our Board believes Mr. McCormick's qualifications to sit on our Board include his over 25 years in the consulting, telecommunications and services business, as well as being one of our founders.

Founder

Director Since: 2000

Synchronoss Committees:

Compensation

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Donnie M. Moore

Donnie M. Moore was Senior Vice President, Finance and Administration and Chief Financial Officer for Cognos Incorporated, a publicly-held company providing business intelligence and performance management solutions, from 1989 until his retirement in 2001. From 1986 to 1989, Mr. Moore was Vice President, Finance and Chief Financial Officer of Cognos. Before joining Cognos, Mr. Moore held various positions at the Burroughs Corporation from 1973 to 1986, including Corporate Director, Plans and Analysis. Mr. Moore holds a Bachelor of Science degree in engineering from the University of Oklahoma and a master in business administration degree from the University of Houston. Our Board believes Mr. Moore's qualifications to sit on our Board include his extensive experience in the software industry and his financial expertise.

Director Since: 2007

Synchronoss Committees:

Audit (Chair)

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

The Audit Committee of our Board has appointed Ernst & Young LLP, independent registered public accounting firm, as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2019 and has further directed that management submit the appointment of the independent registered public accounting firm for ratification by the stockholders at the Annual Meeting. Ernst & Young LLP has audited the Company's financial statements since its formation in 2000. Representatives of Ernst & Young LLP are expected to be present at the Annual Meeting. They will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Neither the Company's amended and restated by-laws nor other governing documents or law require stockholder ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm. However, the Board is submitting the appointment of Ernst & Young LLP to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the appointment, the Audit Committee of the Board will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee of the Board in its discretion may direct the appointment of different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and its stockholders.

To ratify the selection by the Audit Committee of Ernst & Young LLP, as the independent registered public accounting firm of the Company for its fiscal year ended December 31, 2019, the Company must receive a "For" vote from the majority of all the outstanding shares that are present in person or represented by proxy and cast either affirmatively or negatively at the Annual Meeting. Abstentions and broker non-votes will not be counted "For" or "Against" the proposal and will have no effect on the proposal. Because this proposal is a non-routine matter, a broker or other nominee may generally vote and therefore no broker non-votes are expected to exist in connection with this proposal.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S FEES

The following table represents aggregate fees billed to the Company for fiscal years ended December 31, 2018 and December 31, 2017 by Ernst & Young LLP, the Company's principal accountant. All services described below for 2017 and 2018 were approved by the Audit Committee.

	Fiscal Year Ended	
	2018	2017
	(In thousands)	
Audit Fees(1)	\$ 3,778	\$ 27,809
Tax Services	\$ 12.5	
Other	\$ 8.5	\$ 3
Total Fees	\$ 3,799	\$ 27,812

- (1) For professional services rendered for the audits of annual financial statements, including the audit of annual financial statements and internal control over financial reporting for the years ended December 31, 2018 and 2017. The audit fees also include the review of quarterly financial statements included in the Company's quarterly reports on Form 10-Q, statutory audits of foreign subsidiaries and other regulatory filings or similar engagements. In addition, the 2017 fees included amounts related to the Company's restatement of its 2015 and 2016 annual financial statements.

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PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee's policy, subject to certain permitted exceptions for certain de minimis services, is to pre-approve all audit and permissible non-audit services rendered by Ernst & Young LLP, our independent registered public accounting firm. The Audit Committee can pre-approve specified services in defined categories of audit services, audit-related services and tax services up to specified amounts, as part of the Audit Committee's approval of the scope of the engagement of Ernst & Young LLP or on an individual case-by-case basis before Ernst & Young LLP is engaged to provide a service. The Audit Committee has determined that the rendering of the services other than audit services by Ernst & Young LLP is compatible with maintaining the principal accountant's independence. The independent registered public accounting firm and management are required to meet with the audit committee to review and discuss our annual and quarterly financial statements and related disclosures, as well as our critical accounting policies and practices. Additionally, the audit committee is responsible for reviewing the audit plan with the independent registered public accounting firm and members of management responsible for preparing our consolidated financial statements. All of the services of Ernst & Young LLP for 2017 and 2018 described above were pre-approved by the audit committee.

THE BOARD RECOMMENDS A VOTE "FOR" PROPOSAL 2

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PROPOSAL 3
ADVISORY VOTE ON EXECUTIVE COMPENSATION

As required by Section 14A of the Securities Exchange Act of 1934, as amended, we are requesting our stockholders to vote, on an advisory basis, on the compensation of our NEOs as described in the "Compensation of Executive Officers" section of this Proxy Statement. This proposal, commonly known as a "say-on-pay" proposal, gives our stockholders the opportunity to express their views on the compensation of our NEOs.

Compensation Program and Philosophy

Our executive compensation philosophy and programs are designed to attract, retain and motivate high-quality executives who possess the diverse skills and talents required to help us achieve our short and long-term financial and strategic goals. We believe that our executive compensation programs foster a performance-oriented culture that aligns our executives' interests with those of our stockholders over the long term. We believe that the compensation of our executives is both appropriate for and responsive to the goal of improving stockholder value. Specifically, we tie a significant portion of executive compensation to stockholder return in the form of at-risk or variable realizable compensation. The approval, on an advisory basis, of the compensation of the Company's NEOs as requires a "For" vote from the majority of all of the outstanding shares that are present in person or represented by proxy and cast affirmatively or negatively at the Annual Meeting. Abstentions and broker non-votes will not be counted "For" or "Against" this proposal and will have no effect on this proposal.

Compensation Discussion and Analysis

Stockholders are urged to read the "Compensation Discussion and Analysis" section of this Proxy Statement and the tables and narrative discussion that follow for detail about our executive compensation programs, including information about the fiscal year 2018 compensation of our NEOs.

Recommendation

For the above reasons, we are asking our stockholders to indicate their support for the compensation of our named executive officers as described in this Proxy Statement by voting in favor of the following resolution:

RESOLVED: That the stockholders approve, on an advisory non-binding basis, the compensation of the Company's named executive officers as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, related compensation tables, and the accompanying narrative disclosure set forth in the Proxy Statement relating to the Company's 2019 Annual Meeting of Stockholders.

Even though this say-on-pay vote is advisory and therefore will not be binding, our Compensation Committee and our Board value the opinions of our stockholders. Accordingly, we expect to take into account the outcome of the vote when considering future executive compensation decisions.

THE BOARD RECOMMENDS A VOTE "FOR" PROPOSAL 3

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PROPOSAL 4
APPROVAL OF AMENDMENT AND RESTATEMENT OF
THE SYNCHRONOSS TECHNOLOGIES, INC. 2015 EQUITY INCENTIVE PLAN

Our Board of Directors unanimously recommends that stockholders approve the amendment and restatement of the Company's 2015 Equity Incentive Plan (the "**Existing Plan**") to, among other things, increase the maximum total number of shares of our Common Stock we may issue under the Existing Plan by 5,000,000 shares (the "**Amendment**"). Our Compensation Committee approved the amendment, subject to approval of the board of directors and the stockholders, and the board of directors approved the amendment, subject to approval of the stockholders. If our stockholders do not approve the amendment, the existing version of the Existing Plan will remain in effect and unchanged.

The Amendment provides for (i) an increase of 5,000,000 shares of common stock available for issuance under the Existing Plan, (ii) with respect to 95% of the shares available for issuance under the Existing Plan as of April 4, 2019, options and stock appreciation rights, as applicable, will not be exercisable until the applicable service provider completes at least one year of service following the grant of the award, except that an award agreement may provide for accelerated exercisability in the event of the grantee's death or disability, (iii) restricted shares and stock units, as applicable, will not vest prior to the applicable service provider completes at least one year of service following the grant of the award, except that an award agreement may provide for accelerated exercisability in the event of the grantee's death, disability, retirement or involuntary termination, (iv) dividends on restricted shares and stock units, shall be subject to the same restrictions on transferability, vesting conditions and forfeitability as the underlying awards, and (v) provide the administrator of the Existing Plan with discretion to provide a holder's involuntary termination immediately prior to or following for the acceleration of vesting upon a holder's involuntary termination immediately prior to or following a change in control of the Company.

Background and Reason for the Proposal

We have approximately 1,450 employees and anticipate continued growth through 2019 and in the future. Equity awards are used as compensation vehicles by most, if not all, of the companies with which we compete for talent, and we believe that providing equity awards is critical to attract and retain key contributors. Accordingly, our Board has approved the Amendment to, among other things, an increase to the share reserve under the Existing Plan to ensure a sufficient number of shares will be available for recruiting and retention purposes. Should stockholder approval of this Proposal 4 not be obtained, no additional shares will be added to the share reserve under the Existing Plan. However, we will retain the ability to issue the shares of our Common Stock which were previously approved by stockholders for issuance under the Existing Plan.

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The effect of the proposed share increase would be as follows:

Equity Compensation Plan Information

The following table provides information as of December 31, 2018 regarding shares of common stock that may be issued under the Company's equity compensation plans:

Equity compensation plans approved by security holders	2,398,277(1)	\$22.79	0(2)
Equity compensation plans not approved by security holders	1,856,555(3)	\$9.44	386,543(4)
TOTALS	4,254,832	\$17.93	386,543

- (1) In addition, as of December 31, 2018, there were 1,769,335 shares of unvested restricted common stock, which are subject to the risk of forfeiture if the underlying time-based or performance-based vesting conditions are not satisfied.
- (2) Includes 0 shares available for issuance under the 2015 Equity Incentive Plan.
- (3) In addition, as of December 31, 2018, there were 930,750 shares of unvested restricted common stock issued pursuant to the 2018-2019 CEO New Hire LTI Plan and the 2017 New Hire Executive Incentive Plan.
- (4) Consists of shares available for issuance under the 2017 New Hire Executive Incentive Plan.

Description of Amended and Restated 2015 Equity Incentive Plan

The principal terms and provisions of the 2015 Equity Incentive Plan, as amended and restated by the Amendment (together, the "**2015 Plan**"), including the proposed amendment, are summarized below. This summary is qualified in its entirety by reference to the complete text of the Existing Plan. Stockholders are encouraged to read the actual text of the 2015 Plan, which is appended to this proxy statement as filed with the SEC as Appendix A and may be accessed from the SEC's website at www.sec.gov.

Securities Subject to 2015 Plan.

The number of shares of our Common Stock that may be issued pursuant to incentive stock options granted under the 2015 Plan shall not exceed 10,000,000. Stock options and stock appreciation rights ("SARs") granted under the 2015 Plan will reduce the 2015 Plan share reserve by one share for every share granted, and stock awards other than options and SARs granted under the 2015 Plan will reduce the 2015 Plan share reserve by 1.5 shares for every share granted.

To the extent that Options, SARs or stock units are forfeited or expire for any other reason before being exercised or settled in full, the shares of our Common Stock subject to such awards shall again become available for issuance under the 2015 Plan. If shares of our Common Stock issued

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upon the exercise of Options are reacquired by us pursuant to a forfeiture provision or repurchase right at no greater than their original exercise or purchase price (if any), then such Common Shares shall again become available for issuance under the 2015 Plan. Further, to the extent that an award is settled in cash rather than Common Shares, the cash settlement shall not reduce the number of Shares available for issuance under the 2015 Plan. Any Common Shares that again become available for issuance under the 2015 Plan shall be added back as (i) one share if such shares were subject to Options or SARs granted under

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the 2015 Plan and (ii) 1.35 shares if such shares were subject to awards other than an Option or SAR granted under the 2015 Plan.

Notwithstanding the foregoing, the following Common Shares shall not again become available for issuance under the 2015 Plan: (i) Common Shares subject to an award not delivered to a participant because the award is exercised through a reduction of shares (i.e., "net exercised"), (ii) if a SAR is settled in Common Shares, the number of shares subject to the SAR that are not delivered upon such settlement, (iii) Common Shares subject to an Award withheld to satisfy tax withholding obligations related to the Award or applied to pay the exercise price of an Option or SAR; (iv) Common Shares tendered (either through actual delivery or attestation) to pay the exercise price of an Option or SAR; or (v) Common Shares reacquired by us on the open market or otherwise using cash proceeds from the exercise of an option.

Types of Awards

The 2015 Plan provides for the grant of incentive stock options, nonstatutory stock options, restricted stock awards, stock unit awards and SARs (collectively, "stock awards") and performance cash awards.

Limitations

No one person participating in the 2015 Plan may be granted during any one fiscal year of the Company options, SARs or restricted stock or stock unit awards covering more than 2,000,000 shares of our Common Stock in the aggregate. However, we may grant to a new employee awards covering a maximum of 3,000,000 shares in the fiscal year in which his or her service as an employee first begins. Further, no one person participating in the 2015 Plan may be paid during any one fiscal year of the Company more than \$2,500,000 in cash pursuant to performance cash awards. In addition, no non-employee director may be granted during any one fiscal year of the Company awards covering more than 150,000 shares of our Common Stock in the aggregate.

The 2015 Plan specifies that no individual may be granted more than 2,000,000 RSUs subject to performance-based vesting during any fiscal year of the Company. The 2015 Plan also provides that no one person may be granted more than 2,000,000 restricted shares subject to performance-based vesting during any fiscal year of the Company. However, these limits are increased, so that we may grant to a new employee 3,000,000 RSUs and/or 3,000,000 restricted shares subject to performance-based vesting in the fiscal year of the Company in which his or her service as an employee first begins. In addition, the maximum amount that may be paid to any individual pursuant to performance cash awards for each fiscal year in a performance period shall not exceed \$2,500,000.

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The performance goals that may apply to RSUs, restricted stock awards and performance cash awards include:

Earnings (before or after taxes)	Return on operating revenue
Earnings per share	Expense or cost reduction
Earnings before interest, taxes and depreciation	Working capital
Earnings before interest, taxes, depreciation and amortization and as percentage of revenue	Sales or revenue (in the aggregate or in specific growth areas)
Total stockholder return and/or value	Economic value added (or an equivalent metric)
Return on equity or average stockholders' equity	Cash flow or cash balance
Return on assets, investment or capital employed	Operating cash flow
Operating income and as percentage of revenue	Cash flow per share
Gross margin	Share price
Operating margin	Debt reduction
Net operating income	Customer satisfaction
Net operating income after tax	Stockholders' equity
Operating profits	Net profits
Profit returns and margins	Contract awards or backlog

Market Share

Revenue excluding total advertising cost

Such performance goals also may be based solely by reference to the Company's performance or the performance of a subsidiary, division, business segment, business unit affiliate of the Company or of an individual, or based upon the relative performance of other companies or upon comparisons of any of the indicators of performance relative to other companies.

Administration. Our Compensation Committee, which is comprised of three outside members of our Board, will administer the 2015 Plan. The 2015 Plan may also be administered with respect to optionees and recipients of restricted stock who are not executive officers subject to the short-swing liability rules of the federal securities laws by our Board or a secondary committee comprised of one or more members of our Board of Directors. Our Compensation Committee (or our Board or secondary committee to the extent acting as plan administrator) has full authority

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(subject to the express provisions of the 2015 Plan) to determine the eligible individuals who are to receive awards under the 2015 Plan, the number of shares to be covered by each granted award, the date or dates on which an option or SAR is to become exercisable or other award is to vest, the maximum term for which an award is to remain outstanding, whether a granted option will be an incentive stock option that satisfies the requirements of Section 422 of the Code or a non-statutory option not intended to meet such requirements, and the other provisions of each award. Our Compensation Committee also has the discretionary authority to provide for accelerated vesting in connection with death, disability, retirement, involuntary termination, or in connection with a grantee's involuntary termination prior to or following a change in control of the Company. Our Compensation Committee has established a Key Employee Equity Awards Committee, with our Chief Executive Officer as its sole member, whose purpose is to approve stock option and restricted stock grants to our newly hired employees subject to guidelines previously approved by our Compensation Committee.

Eligibility. Employees (including officers), directors and consultants who render services to us or our subsidiary corporations (whether now existing or subsequently established) are eligible to receive awards under the 2015 Plan. However, only non-employee directors are eligible to participate in the Annual Director Grant Program (see "Annual Director Grant Program" below). As of April 22, 2019, approximately 1,450 persons (including ten executive officers and five non-employee directors) were eligible to participate in the 2015 Plan.

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No Repricings Other than in connection with certain corporate transactions, including stock splits, stock dividends, mergers, spin-offs and certain other similar transactions, unless stockholder approval is obtained, neither the 2015 Plan administrator nor any other person may decrease the exercise price for any outstanding option or SAR after the date of grant nor cancel or allow an optionee to surrender an outstanding option or SAR to the Company as consideration for the grant of a new option or SAR with a lower exercise price or the grant of another type of award under this Plan (including a cash award), the effect of which is to reduce the exercise price of any outstanding option or SAR or take any other action with respect to an option or SAR that would be treated as a repricing under the rules and regulations of Nasdaq.

Summary of Types of Awards

Option Grants

A stock option gives the optionee a right to purchase shares of our Common Stock at an exercise price that is determined at the time an option is granted. Stock options are granted pursuant to stock option agreements adopted by the plan administrator who determines the terms and conditions of options granted under the 2015 Plan, including whether they are incentive stock options ("ISOs") or nonstatutory stock options ("NSOs").

Exercise Price. The plan administrator determines the exercise price of options granted under the 2015 Plan, which may not be less than one hundred percent (100%) of the fair market value of our Common Stock on the date the option is granted except in the case of replacement options granted to service providers of entities that are acquired by us. The exercise price of options granted under the 2015 Plan may be paid in cash or, with the plan administrator's consent, in shares of our Common Stock or by withholding shares otherwise issuable upon the exercise of the option. Stock options may also be exercised through a same-day sale program, pursuant to which a designated brokerage firm is to effect the immediate sale of the shares purchased under the option and pay over to the Company, out of the sale proceeds on the settlement date, sufficient funds to cover the exercise price for the purchased shares plus all applicable withholding taxes. The plan administrator may also assist any optionee in the exercise of his or her outstanding options by authorizing a Company loan to the optionee, however, under current law, loans to an executive officer or director would generally not be permitted. The plan administrator may also permit payment of the exercise price and any withholding taxes in any other form consistent with applicable laws, regulations and rules.

Vesting and Exercisability. Options vest and become exercisable at the rate specified by the plan administrator provided that with respect to 95% of the shares available for issuance under the 2015 Plan on April 4, 2019, the stock option shall not become exercisable prior to the optionee completing at least one year of service following the grant of such stock option, except the award agreement may provide for accelerated vesting in the event of the optionee's death or disability.

Option Term and Termination of Service. The plan administrator determines the term of stock options granted under the 2015 Plan, up to a maximum of seven years. Any option held by the optionee at the time of cessation of service will not remain exercisable beyond the designated post-service exercise period, which generally is three months from the termination date. Under no circumstances, however, may any option be exercised after the specified expiration date of the option term. Each such option will normally, during such limited period, be exercisable only to the extent of the number of shares of Common Stock in which the optionee is vested at the time of cessation of service. The plan administrator has complete discretion to extend the period following the optionee's cessation of

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service during which his or her outstanding options may be exercised and/or to accelerate the exercisability of such options in whole or in part. Such discretion may be exercised at any time while the options remain outstanding, whether before or after the optionee's actual cessation of service.

Tax Limitations on Incentive Stock Options. Incentive stock options may only be granted to individuals who are employees of the Company or its parent or subsidiary corporations. During any calendar year, the aggregate fair market value (determined as of the grant date(s)) of the Common Stock for which one or more options granted to any employee under the 2015 Plan (or any other equity plan of the Company or its parent or subsidiary corporations) may for the first time become exercisable as incentive stock options under Section 422 of the Code shall not exceed \$100,000. In the case of an incentive stock option granted to a person who, at the time of grant, owns or is deemed to own stock possessing more than 10% of our combined voting power or that of any of our affiliates: (a) the exercise price must be at least 110% of the fair market value of the stock subject to the option on the grant date and (b) the term of the option must not exceed five years from the option grant date.

Stock Appreciation Rights. A SAR allows a recipient to benefit from increases in the value of our Common Stock, but does not provide any ownership interest in our Common Stock. SARs are granted pursuant to stock appreciation right agreements adopted by the plan administrator and may be granted in tandem with, or independent of, option grants under the 2015 Plan. The plan administrator determines the term of SARs granted under the 2015 Plan, up to a maximum of seven years. The plan administrator also determines the exercise price of each SAR, which cannot be less than the fair market value of our Common Stock on the date the SAR is granted except in the case of replacement SARs granted to service providers of entities that are acquired by us. Upon exercise of an independent SAR, we will pay the participant an amount equal to the product of (a) the excess of the per share fair market value of our Common Stock on the date of exercise over the exercise price, multiplied by (b) the number of shares of our Common Stock with respect to which the SAR is exercised. This amount may be paid in cash, shares of our Common Stock, or any combination thereof; provided that with respect to 95% of the shares available for issuance under the 2015 Plan on April 4, 2019, the SAR shall not become exercisable prior to the recipient completing at least one year of service following the grant of such SAR, except the SAR agreement may provide for accelerated vesting in the event of the optionee's death or disability. Tandem SARs provide the holders with the right to surrender their options for an appreciation distribution from the Company equal in amount to the excess of (a) the fair market value of the vested shares of Common Stock subject to the surrendered option on the date of exercise over (b) the aggregate exercise price payable for such shares. An appreciation distribution may, at the discretion of the Committee, be made in cash, in shares of Common Stock, or any combination thereof. Each SAR may or may not be subject to vesting tied to length of service or attainment of performance goals. If a participant's service terminates for any reason, then the participant or the participant's beneficiary may exercise any vested SARs during the post-termination exercise period specified by the plan administrator (but in no event after expiration of the SAR's term).

Restricted Stock Awards. Restricted stock awards are granted pursuant to restricted stock agreements adopted by the plan administrator which include provisions regarding the number of shares the participant may be issued, the purchase price, if any, and the restrictions to which the shares will be subject. Awards of restricted stock may be granted in consideration for (a) cash, (b) property, (c) past or future services rendered to us or our affiliates, (d) full-recourse promissory notes or (e) any other form of legal consideration approved by the plan administrator. The issued shares may be subject to a vesting schedule tied to length of service or attainment of performance goals; provided that, the restricted shares will not vest prior to the holder completing at least one year

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of service following the grant of such award, except the restricted stock agreement may provide for accelerated vesting in the event of the holder's death or disability. Any dividends on restricted shares will be subject to the same vesting conditions as applicable to the restricted shares and will be accumulated and paid when the restricted shares vest. Upon termination of the participant's service, the shares issued pursuant to a restricted stock award may be subject to forfeiture to, or repurchase by, the Company.

Restricted Stock Unit Awards. Restricted stock unit awards represent the right to receive the value of shares of our Common Stock at a specified date in the future. RSUs are granted pursuant to RSU agreements approved by the plan administrator. Upon settlement, the shares, their cash equivalent, or any combination thereof are delivered to the recipient. No cash consideration is required in connection with an RSU. Each award of RSUs may be subject to vesting tied to length of service or attainment of performance goals and may be settled immediately upon vesting or on a deferred basis; provided that the stock units will not vest prior to the holder completing at least one year of service following the grant of such stock unit, except the RSU agreement may provide for accelerated vesting in the event of the holder's death or disability. Dividend equivalents may be credited in respect of shares covered by an RSU, however, any dividend equivalents on RSUs will be subject to the same vesting conditions as applicable to the RSUs and will be accumulated and paid when the RSUs vest. Except as otherwise provided in the applicable stock unit agreement, unvested RSUs are forfeited upon termination of the recipient's service for any reason.

Performance Cash Awards. A performance cash award is a cash award that may be granted upon the attainment of performance goals for a specified period of one or more fiscal years. The plan administrator determines the performance goals and other terms and conditions of performance cash awards.

General Provisions

Change in Control. Upon the occurrence of a Change in Control, all Common Shares acquired under the 2015 Plan and all awards outstanding on the effective date of the Change in Control shall be treated in the manner described in the definitive transaction agreement (or, in the event the transaction does not entail a definitive agreement to which we are party, in the manner determined by the plan administrator). Such transaction agreement or determination need not treat all awards (or portions thereof) in an identical manner. Unless an award agreement provides otherwise, the treatment specified shall include one or more of the following with respect to each outstanding award:

The continuation of, assumption of, or substitution for each outstanding award by the continuing or succeeding entity;

If the continuing or succeeding entity does not assume or substitute equivalent awards, then full exercisability of each outstanding award, option and SAR and full vesting of the Common Shares subject to each such award, followed by their cancellation. Such full exercisability and vesting, and any exercise of an award during such period, may be contingent on the closing of the transaction;

The cancellation of each such award and a payment to the participant with respect to each share subject to the award equal to the excess of (x) the value, as determined by the plan administrator in its absolute discretion, of the property (including cash) received by the holder of a Common Share as a result of the transaction, over (if applicable) (y) the per-share exercise price of such award. Such payment may be made in installments and may be deferred until the date or dates when such award

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would have become exercisable or the Common Shares subject to such award would have vested. Such payment may be subject to vesting based on the participant's continuing service, provided that the vesting schedule shall not be less favorable than the schedule that applied prior to the transaction. Such payment may be made in the form of cash, cash equivalents, or securities of the surviving entity or its parent. In addition, any escrow, holdback, earn-out or similar provisions in the transaction agreement generally may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of Common Shares.

The assignment of any reacquisition or repurchase rights held by us in respect of an award of restricted shares to the surviving entity or its parent, with corresponding proportionate adjustments made to the price per share to be paid upon exercise of any such rights.

Our Compensation Committee also has the discretion to provide in the award agreement that an award under the 2015 Plan will immediately vest as to all or any portion of the shares subject to the award whether or not upon a Change in Control in the event of an involuntary termination prior to or following the Change in Control.

A Change in Control will be deemed to occur for purposes of the 2015 Plan in the event of (a) a merger or consolidation of the Company into another entity, provided that persons who were not stockholders prior to the transaction own 50% or more of the voting power of the successor entity thereafter; (b) a sale of all or substantially all of the Company's assets; and (c) transactions in which certain persons acquire at least 50% of our total voting power.

Valuation. For purposes of establishing the option price and for all other valuation purposes under the 2015 Plan, the fair market value of a share of Common Stock on any relevant date will be the closing price per share of Common Stock on that date, as such price is reported on Nasdaq. The market value of the Common Stock as of April 10, 2019 was \$5.63 per share which was the closing sales price as reported on Nasdaq on such date.

Changes in Capital Structure. In the event there is a specific change in our capital structure, such as a stock split, appropriate adjustments will be made to (a) the number of shares reserved under the 2015 Plan, including the limit on ISOs and the maximum number of shares that could be added to the 2015 Plan from the Predecessor Plan, (b) the maximum number of options, SARs, performance-based restricted shares, performance-based RSUs that can be granted to any participant in a fiscal year (including awards granted to our non-employee directors), and maximum cash amount paid under a performance cash award to any participant in a fiscal year, and (c) the number of shares and exercise prices, if applicable, of all outstanding stock awards.

Nontransferability of Awards. Awards granted under the 2015 Plan will not be transferable by the participant, other than by beneficiary designation, will or the laws of descent and distribution. Awards will be exercisable during the participant's lifetime only by the participant or the participant's guardian or legal representative. However, the plan administrator may permit the transfer of awards other than ISOs to certain family members of participants. In no event may an Award be transferred to anyone for any consideration including for cash or other securities.

Plan Amendments and Termination. The 2015 Plan will continue in effect until it is terminated by our Board of Directors or Compensation Committee of our Board of Directors, however no ISOs will be granted after the 10th anniversary of the date the Board of Directors approved the 2015 Plan (or, if

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later, the date the Board of Directors approves an increase in the number of shares reserved under the 2015 Plan). Our Board of Directors or Compensation Committee may amend or modify the 2015 Plan in any and all respects whatsoever. The approval of our stockholders will be obtained to the extent required by applicable law, except that stockholder approval must be obtained to amend the prohibition on decreasing the exercise price for any outstanding option or SAR. Our Board of Directors or Compensation Committee may, at any time and for any reason, terminate the 2015 Plan. Any options or awards outstanding at the time of such termination will remain in force in accordance with the provisions of the instruments evidencing such grants.

FEDERAL INCOME TAX CONSEQUENCES OF AWARDS GRANTED UNDER THE 2015 PLAN

The following is a general summary as of the date of this proxy statement of the U.S. Federal income tax consequences to participants and the Company with respect to stock awards granted under the 2015 Plan. This summary does not address state, local or foreign tax treatment, which may vary from the U.S. Federal income tax treatment. In any event, each participant should consult his or her own tax advisor as to the tax consequences of particular transactions under the 2015 Plan.

Incentive Stock Options. No taxable income is recognized by an optionee upon the grant of an ISO, and no taxable income is recognized at the time an ISO is exercised unless the optionee is subject to the alternative minimum tax. The excess of the fair market value of the purchased shares on the exercise date over the exercise price paid for the shares is includable in alternative minimum taxable income.

If the optionee holds the purchased shares for more than one year after the date the ISO was exercised and more than two years after the ISO was granted (the "required ISO holding periods"), then the optionee will generally recognize long-term capital gain or loss upon disposition of such shares. The gain or loss will equal the difference between the amount realized upon the disposition of the shares and the exercise price paid for such shares. If the optionee disposes of the purchased shares before satisfying either of the required ISO holding periods, then the optionee will recognize ordinary income equal to the fair market value of the shares on the date the ISO was exercised over the exercise price paid for the shares (or, if less, the amount realized on a sale of such shares). Any additional gain will be a capital gain and will be treated as short-term or long-term capital gain or loss depending on how long the shares were held by the optionee.

Nonstatutory Stock Options. No taxable income is recognized by an optionee upon the grant of an NSO. The optionee will generally recognize ordinary income in the year in which the option is exercised equal to the excess of the fair market value of the purchased shares on the exercise date over the exercise price paid for the shares. If the optionee is an employee or former employee, the optionee will be required to satisfy the tax withholding requirements applicable to such income. Upon resale of the purchased shares, any subsequent appreciation or depreciation in the value of the shares will be treated as short-term or long-term capital gain depending on how long the shares were held by the optionee.

Stock Appreciation Rights. In general, no taxable income results upon the grant of a SAR. A participant will generally recognize ordinary income in the year of exercise equal to the value of the shares or other consideration received. In the case of a current or former employee, this amount is subject to withholding.

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Restricted Stock Awards. A participant who receives an award of restricted stock does not generally recognize taxable income at the time of the award. Instead, the participant recognizes ordinary income when the shares vest, subject to withholding if the participant is an employee or former employee. The amount of taxable income is equal to the fair market value of the shares on the vesting date(s) less the cash, if any, paid for the shares. A participant may make a one-time election to recognize income at the time the participant receives restricted stock in an amount equal to the fair market value of the restricted stock (less any cash paid for the shares) on the date of the award by making an election under Section 83(b) of the Code.

Restricted Stock Unit Awards. In general, no taxable income results upon the grant of an RSU. The recipient will generally recognize ordinary income (subject to withholding if the recipient is an employee or former employee) equal to the fair market value of the shares that are delivered to the recipient upon settlement of the RSU.

Section 409A. The foregoing description assumes that Section 409A of the Code does not apply to an award. In general, options and stock appreciation rights are exempt from Section 409A if the exercise price per share is at least equal to the fair market value per share of our Common Stock at the time the option or stock appreciation right was granted. RSUs are subject to Section 409A unless they are settled within two and one half months after the end of the later of (i) the end of our fiscal year in which vesting occurs or (ii) the end of the calendar year in which vesting occurs. Restricted stock awards are not generally subject to Section 409A. If an award is subject to Section 409A and the provisions for the exercise or settlement of that award do not comply with Section 409A, then the participant would be required to recognize ordinary income whenever a portion of the award vested (regardless of whether it had been exercised or settled). This amount would also be subject to a 20% U.S. federal tax in addition to the U.S. federal income tax at the participant's usual marginal rate for ordinary income.

Tax Treatment of the Company. The Company will generally be entitled to an income tax deduction at the time and to the extent a participant recognizes ordinary income as a result of an award granted under the 2015 Plan. However, Section 162(m) of the Code may limit the deductibility of certain awards granted under the 2015 Plan.

New Plan Benefits and Option Grant Table

No awards will be made under the 2015 Plan until after the date of our Annual Meeting. Because the 2015 Plan is discretionary, benefits to be received by individual participants are not determinable other than as set forth below. However, pursuant to our current non-employee director compensation program established by our Board of Directors, each non-employee member of our Board of Directors is entitled to receive an initial and annual equity grant as discussed above under the heading "Director Compensation". The table below shows, as to each of the current executive officers named in the Summary Compensation Table and the various indicated groups (a) the number of shares of Common Stock for which options have been granted for (i) the one (1)-year period ended December 31, 2018

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and (ii) the period through April 10, 2019, (b) the weighted-average exercise price per share, and (c) the direct stock issuance received during each period.

Glenn Lurie, Chief Executive Officer and Director	112,352	-0-	10.62	148,306	-0-
David Clark, Chief Financial Officer	139,549	-0-	6.41	187,207	-0-
Mary Clark, Chief Marketing & Chief Product Officer	80,000	-0-	8.05	30,000	-0-
Jeffrey Miller, Chief Commercial Officer	84,357	-0-	6.20	120,968	-0-
Patrick Doran, Chief Technology Officer	22,470	-0-	10.62	29,662	-0-
All current executive officers as a group	472,434	-0-	8.15	560,635	-0-
All current directors who are not executive officers as a group	188,484	30,000	8.80	62,806	-0-

During fiscal 2019, our Compensation Committee approved the following grants and awards, subject to stockholder approval of this Proposal 4, to each of the current executive officers named in the Summary Compensation Table and the various indicated groups set forth in the table below.

Glenn Lurie	147,058	218,750
David Clark	47,048	70,000
Jeffrey Miller	29,411	43,750
Mary Clark	29,411	43,750
Patrick Doran	29,411	43,750
All current executive officers as a group	296,465	485,624
All current directors who are not executive officers as a group	223,526	142,500

Required Vote

The affirmative vote from the holders of a majority of the outstanding shares of common stock present in person or represented by proxy at the Annual Meeting is required to approve the Amendment. Abstentions and broker non-votes will have the same effect as an "Against" vote on this proposal.

THE BOARD RECOMMENDS A VOTE "FOR" PROPOSAL 4

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STOCKHOLDER PROPOSALS FOR THE NEXT ANNUAL MEETING

If you wish to submit a proposal for inclusion in next year's proxy materials or nominate a director, your proposal must be in proper form according to SEC Regulation 14A and Rule 14a-8, in conformance with the Company's by-laws and submitted in writing to Synchronoss Technologies, Inc., 200 Crossing Boulevard, Bridgewater, New Jersey 08807, Attn: Secretary to be received no later than the close of business on December 17, 2019 (120 days before the first anniversary of the date this proxy statement is released to stockholders). However, if the date of the Annual Meeting of Stockholders is changed by more than 30 days from the first anniversary of this Annual Meeting, then the deadline will be a reasonable time before the Company begins to print and send its proxy materials.

If you wish to submit a proposal to be presented at the 2020 Annual Meeting of Stockholders but which will not be included in the Company's proxy materials, your proposal must be submitted in writing and in conformance with our by-laws to Synchronoss Technologies, Inc., 200 Crossing Boulevard, Bridgewater, New Jersey 08807, Attn: Secretary no later than the close of business on the 45th day prior to the first anniversary of the date this proxy statement is released to stockholders (March 8, 2020), nor earlier than the close of business on the 75th day prior to the first anniversary of the date this proxy statement is released to stockholders (February 7, 2020). In the event that the date of the 2020 Annual Meeting of Stockholders is changed by more than 30 days from the first anniversary of this Annual Meeting, then notice must be delivered not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made.

NO INCORPORATION BY REFERENCE

In the Company's filings with the SEC, information is sometimes "incorporated by reference." This means that we are referring you to information that has previously been filed with the SEC and the information should be considered as part of the particular filing. As provided under SEC regulations, the "Audit Committee Report" and the "Compensation Committee Report" contained in this Proxy Statement specifically are not incorporated by reference into any other filings with the SEC and shall not be deemed to be "soliciting material." In addition, this Proxy Statement includes several website addresses. These website addresses (including our corporate website at www.synchronoss.com) are intended to provide inactive, textual references only and are not intended to be active hyperlinks in this proxy. The information on these websites is not part of this Proxy Statement.

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CONTACT FOR QUESTIONS AND ASSISTANCE WITH VOTING

If you have any questions or require any assistance with voting your shares or need additional copies of this Proxy Statement or voting materials, please contact:

Ronald Prague, Esq.
Executive Vice President and Chief Legal Officer
Synchronoss Technologies, Inc.
200 Crossing Boulevard
Bridgewater, NJ 08807
(800) 575-7606
Or
MacKenzie Partners, Inc.
1405 Broadway, 27th Floor
New York, NY 20018
(800) 322-2885

It is important that your shares are represented at the Annual Meeting. Whether or not you plan to attend the Annual Meeting, please vote using the Internet or by telephone or by signing and returning a proxy card, if you have received one, so your shares will be represented at the Annual Meeting. The form of Notice and this Proxy Statement have been approved by the Board of Directors and are being mailed, delivered or made available to stockholders by its authority.

The Board of Synchronoss Technologies, Inc.
Bridgewater, New Jersey
April 22, 2019

SYNCHRONOSS TECHNOLOGIES, INC.

2015 EQUITY INCENTIVE PLAN

(AMENDED AND RESTATED AS OF APRIL 4, 2019)

**SYNCHRONOSS TECHNOLOGIES, INC.
AMENDED AND RESTATED**

2015 EQUITY INCENTIVE PLAN

ARTICLE 1. INTRODUCTION.

The Amended and Restated Plan was adopted by the Board on April 4, 2019, and will become effective immediately upon its approval by the Company's stockholders. The purpose of the Plan is to promote the long-term success of the Company and the creation of stockholder value by (a) encouraging Service Providers to focus on critical long-range objectives, (b) encouraging the attraction and retention of Service Providers with exceptional qualifications and (c) linking Service Providers directly to stockholder interests through increased stock ownership. The Plan seeks to achieve this purpose by providing for Awards in the form of Options (which may be ISOs or NSOs), SARs, Restricted Shares, Stock Units and Performance Cash Awards. Capitalized terms used in this Plan are defined in Article 14.

ARTICLE 2. ADMINISTRATION.

2.1 General. The Plan may be administered by the Board or one or more Committees. Each Committee shall comply with rules and regulations applicable to it, including under the rules of any exchange on which shares of the Company's common stock are traded, and shall have the authority and be responsible for such functions as have been assigned to it.

2.2 Section 162(m). To the extent an Award is intended to qualify as performance-based compensation within the meaning of Code Section 162(m), the Plan will be administered by a Committee of two or more outside directors within the meaning of Code Section 162(m).

2.3 Section 16. To the extent desirable to qualify transactions hereunder as exempt under Exchange Act Rule 16b-3, the transactions contemplated hereunder will be approved by the entire Board or a Committee of two or more non-employee directors within the meaning of Exchange Act Rule 16b-3.

2.4 Powers of Administrator. Subject to the terms of the Plan, and in the case of a Committee, subject to the specific duties delegated to the Committee, the Administrator shall have the authority to (a) select the Service Providers who are to receive Awards under the Plan, (b) determine the type, number, vesting requirements and other features and conditions of such Awards, (c) determine whether and to what extent any Performance Goals have been attained, (d) interpret the Plan and Awards granted under the Plan, (e) make, amend and rescind rules relating to the Plan and Awards granted under the Plan, including rules relating to sub-plans established for the purposes of

satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws, (f) impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by a Participant of any Common Shares issued pursuant to an Award, including restrictions under an insider trading policy and restrictions as to the use of a specified brokerage firm for such resales,

and (g) make all other decisions relating to the operation of the Plan and Awards granted under the Plan.

2.5 Effect of Administrator's Decisions. The Administrator's decisions, determinations and interpretations shall be final and binding on all Participants and any other holders of Awards.

2.6 Governing Law. The Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware (except its choice-of-law provisions).

ARTICLE 3. SHARES AVAILABLE FOR GRANTS.

3.1 Basic Limitation. Common Shares issued pursuant to the Plan may be authorized but unissued shares or treasury shares. The aggregate number of Common Shares issued under the Plan shall not exceed the sum of (a) 8,200,000 Common Shares, (b) the number of Common Shares reserved under the Predecessor Plan that are not issued or subject to outstanding awards under the Predecessor Plan on the Effective Date and (c) any Common Shares subject to outstanding options under the Predecessor Plan on the Effective Date that subsequently expire or lapse unexercised and Common Shares issued pursuant to awards granted under the Predecessor Plan that are outstanding on the Effective Date and that are subsequently forfeited to or repurchased by the Company at no greater than the original exercise or purchase price (if any) (provided that with respect to awards granted on or after May 10, 2010, under the Predecessor Plan, any Common Shares that again become available for issuance under the Plan under this Clause (c) shall be added back as (i) one share if such shares were subject to Options or SARs granted under the Predecessor Plan and (ii) 1.35 shares if such shares were subject to Awards other than an Option or SAR granted under the Predecessor Plan) and (d) the additional Common Shares described in Article 3.3; provided, however, that no more than 6,151,101 Common Shares, in the aggregate, shall be added to the Plan pursuant to clauses (b) and (c). The number of Common Shares that are subject to Stock Awards outstanding at any time under the Plan may not exceed the number of Common Shares that then remain available for issuance under the Plan. Subject to Section 3.3, the number of Common Shares that may be awarded under the Plan shall be reduced by: (a) one share for every Option and SAR granted under the Plan; and (b) 1.5 shares for every Award other than an Option or SAR granted under the Plan. The numerical limitations in this Article 3.1 shall be subject to adjustment pursuant to Article 9.

3.2 Intentionally Omitted.

3.3 Shares Returned to Reserve. To the extent that Options, SARs or Stock Units are forfeited or expire for any other reason before being exercised or settled in full, the Common Shares subject to such Options, SARs or Stock Units shall again become available for issuance under the Plan. If Restricted Shares or Common Shares issued upon the exercise of Options are reacquired by the Company pursuant to a forfeiture provision or repurchase right at no greater than their original exercise or purchase price (if any), then such Common Shares shall again become available for issuance under the Plan. Further, to the extent that an Award is settled in cash rather than Common Shares, the cash settlement shall not reduce the number of Shares available for issuance under the Plan. Any

Common Shares that again become available for Awards under this Section 3.3 shall be added back as (i) one share if such shares were subject to

Options or SARs granted under the Plan and (ii) 1.5 shares if such shares were subject to Awards other than an Option or SAR granted under the Plan

Notwithstanding the foregoing, the following Common Shares shall not again become available for issuance under this Article 3.3: (i) Common Shares subject to an Award not delivered to a Participant because the Award is exercised through a reduction of shares subject to the Award (i.e., net exercised), (ii) if a SAR is settled in Common Shares, the number of shares subject to the SAR that are not delivered to the Participant upon such settlement, (iii) Common Shares subject to an Award not delivered to a Participant because such Common Shares are withheld to satisfy tax withholding obligations related to the Award or are applied to pay the Exercise Price of an Option or SAR; (iv) Common Shares tendered by a Participant (either through actual delivery or attestation) to pay the Exercise Price of an Option or SAR; or (v) Common Shares reacquired by the Company on the open market or otherwise using cash proceeds from the exercise of an Option.

3.4 Awards Not Reducing Share Reserve in Article 3.1. To the extent permitted under applicable stock exchange listing standards, any dividend equivalents paid or credited under the Plan with respect to Stock Units shall not be applied against the number of Common Shares that may be issued under the Plan, whether or not such dividend equivalents are converted into Stock Units. In addition, Common Shares subject to Substitute Awards granted by the Company shall not reduce the number of Common Shares that may be issued under Article 3.1, nor shall shares subject to Substitute Awards again be available for Awards under the Plan in the event of any forfeiture, expiration or cash settlement of such Substitute Awards.

3.5 Code Section 162(m) and 422 Limits. Subject to adjustment in accordance with Article 9:

(a) The maximum aggregate number of Common Shares subject to Options and SARs that may be granted under this Plan during any fiscal year to any one Participant shall not exceed 2,000,000, except that the Company may grant to a new Employee in the fiscal year in which his or her Service as an Employee first commences Options and/or SARs that cover (in the aggregate) up to an additional 1,000,000 Common Shares;

(b) The maximum aggregate number of Common Shares subject to Restricted Share awards and Stock Units that may be granted under this Plan during any fiscal year to any one Participant shall not exceed 2,000,000, except that the Company may grant to a new Employee in the fiscal year in which his or her Service as an Employee first commences Restricted Shares and/or Stock Units that cover (in the aggregate) up to an additional 1,000,000 Common Shares;

(c) The maximum aggregate number of Common Shares subject to Awards granted to an Outside Director during any fiscal year of the Company shall not exceed 150,000 shares;

(d) No Participant shall be paid more than \$2,500,000 in cash in any fiscal year pursuant to Performance Cash Awards granted under the Plan; and

- (e) No more than 10,000,000 Common Shares may be issued under the Plan upon the exercise of ISOs.

ARTICLE 4. ELIGIBILITY.

4.1 Incentive Stock Options. Only Employees who are common-law employees of the Company, a Parent or a Subsidiary shall be eligible for the grant of ISOs. In addition, an Employee who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company or any of its Parents or Subsidiaries shall not be eligible for the grant of an ISO unless the additional requirements set forth in Code Section 422(c)(5) are satisfied.

4.2 Other Awards. Awards other than ISOs may only be granted to Service Providers.

ARTICLE 5. OPTIONS.

5.1 Stock Option Agreement. Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Company. Such Option shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The Stock Option Agreement shall specify whether the Option is intended to be an ISO or an NSO. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

5.2 Number of Shares. Each Stock Option Agreement shall specify the number of Common Shares subject to the Option, which number shall adjust in accordance with Article 9.

5.3 Exercise Price. Each Stock Option Agreement shall specify the Exercise Price, which shall be such price as is determined by the Administrator in its discretion; *provided however*, that unless an Option is intended to comply with Code Section 409A (and not, for the avoidance of doubt, be exempt from Code Section 409A) the Exercise Price of any Option granted to a Participant subject to taxation in the United States shall be not be less than 100% of the Fair Market Value of a Common Share on the date of grant; *provided further* that the preceding clause shall not apply to an Option that is a Substitute Award granted in a manner that would satisfy the requirements of Code Section 409A and, if applicable, Code Section 424(a).

5.4 Exercisability and Term. Each Stock Option Agreement shall specify the date or event when all or any installment of the Option is to become vested and/or exercisable; provided that with respect to 95% of the shares available for issuance under the Plan on April 4, 2019, the Option shall not become exercisable prior to the Optionee

completing at least one year of Service following the grant of such Option. Notwithstanding the foregoing, a Stock Option Agreement may provide for accelerated exercisability in the event of the Optionee's death or disability. The Stock Option Agreement shall also specify the term of the Option; provided that, except to the extent necessary to comply with applicable foreign law, the term of an Option shall in no event exceed 7 years from the date of grant.

5.5 **Death of Optionee.** After an Optionee's death, any vested and exercisable Options held by such Optionee may be exercised by his or her beneficiary or beneficiaries. Each

Optionee may designate one or more beneficiaries for this purpose by filing the prescribed form with the Company. A beneficiary designation may be changed by filing the prescribed form with the Company at any time before the Optionee's death. If no beneficiary was designated or if no designated beneficiary survives the Optionee, then any vested and exercisable Options held by the Optionee may be exercised by his or her estate.

5.6 Modification or Assumption of Options. Within the limitations of the Plan, the Administrator may modify, extend or assume outstanding options or may accept the cancellation of outstanding options (whether granted by the Company or by another issuer) in return for the grant of new Options for the same or a different number of shares and at the same or a different exercise price or in return for the grant of a different type of Award. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, impair his or her rights or obligations under such Option. Notwithstanding anything in this Plan to the contrary, and except for the adjustment provided in Article 9, neither the Committee nor any other person may (a) decrease the exercise price of any outstanding Option after the date of grant, (b) cancel or allow an Optionee to surrender an outstanding Option to the Company in exchange for cash or as consideration for the grant of a new Option with a lower exercise price or the grant of another Award the effect of which is to reduce the exercise price of any outstanding Option, or (c) take any other action with respect to an Option that would be treated as a repricing under the rules and regulations of the Nasdaq Stock Market (or such other principal U.S. national securities exchange on which the Common Shares are traded).

5.7 Buyout Provisions. Except to the extent prohibited by Article 5.6, the Administrator may at any time (a) offer to buy out for a payment in cash or cash equivalents an Option previously granted or (b) authorize an Optionee to elect to cash out an Option previously granted, in either case at such time and based upon such terms and conditions as the Administrator shall establish.

5.8 Payment for Option Shares. The entire Exercise Price of Common Shares issued upon exercise of Options shall be payable in cash or cash equivalents at the time when such Common Shares are purchased. In addition, the Administrator may, in its sole discretion and to the extent permitted by applicable law, accept payment of all or a portion of the Exercise Price through any one or a combination of the following forms or methods:

(a) Subject to any conditions or limitations established by the Administrator, by surrendering, or attesting to the ownership of, Common Shares that are already owned by the Optionee with a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Common Shares as to which such Option will be exercised;

(b) By delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or part of the Common Shares being purchased under the Plan and to deliver all or part of the sales proceeds to the Company;

(c) Subject to such conditions and requirements as the Administrator may impose from time to time, through a net exercise procedure; or

- (d) Through any other form or method consistent with applicable laws, regulations and rules.

ARTICLE 6. STOCK APPRECIATION RIGHTS.

6.1 SAR Agreement. Each grant of a SAR under the Plan shall be evidenced by a SAR Agreement between the Optionee and the Company. Such SAR shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various SAR Agreements entered into under the Plan need not be identical.

6.2 Number of Shares. Each SAR Agreement shall specify the number of Common Shares to which the SAR pertains, which number shall adjust in accordance with Article 9.

6.3 Exercise Price. Each SAR Agreement shall specify the Exercise Price, which shall in no event be less than 100% of the Fair Market Value of a Common Share on the date of grant. The preceding sentence shall not apply to a SAR that is a Substitute Award granted in a manner that would satisfy the requirements of Code Section 409A.

6.4 Exercisability and Term. Each SAR Agreement shall specify the date when all or any installment of the SAR is to become vested and exercisable; provided that with respect to 95% of the shares available for issuance under the Plan on April 4, 2019, the SAR shall not become exercisable prior to the Optionee completing at least one year of Service following the grant of such SAR. Notwithstanding the foregoing, a SAR Agreement may provide for accelerated exercisability in the event of the Optionee's death or disability. The SAR Agreement shall also specify the term of the SAR; provided that except to the extent necessary to comply with applicable foreign law, the term of a SAR shall not exceed 7 years from the date of grant.

6.5 Exercise of SARs. Upon exercise of a SAR, the Optionee (or any person having the right to exercise the SAR after his or her death) shall receive from the Company (a) Common Shares, (b) cash or (c) a combination of Common Shares and cash, as the Administrator shall determine. The amount of cash and/or the Fair Market Value of Common Shares received upon exercise of SARs shall, in the aggregate, not exceed the amount by which the Fair Market Value (on the date of surrender) of the Common Shares subject to the SARs exceeds the Exercise Price. If, on the date when a SAR expires, the Exercise Price is less than the Fair Market Value on such date but any portion of such SAR has not been exercised or surrendered, then such SAR shall automatically be deemed to be exercised as of such date with respect to such portion. A SAR Agreement may also provide for an automatic exercise of the SAR on an earlier date.

6.6 **Death of Optionee.** After an Optionee's death, any vested and exercisable SARs held by such Optionee may be exercised by his or her beneficiary or beneficiaries. Each Optionee may designate one or more beneficiaries for this purpose by filing the prescribed form with the Company. A beneficiary designation may be changed by filing the prescribed form with the Company at any time before the Optionee's death. If no beneficiary was designated or if no designated beneficiary survives the Optionee, then any vested and exercisable SARs held by the Optionee at the time of his or her death may be exercised by his or her estate.

6.7 Modification or Assumption of SARs. Within the limitations of the Plan, the Administrator may modify, extend or assume outstanding SARs or may accept the cancellation of outstanding SARs (whether granted by the Company or by another issuer) in return for the grant of new SARs for the same or a different number of shares and at the same or a different exercise price or in return for the grant of a different type of Award. The foregoing notwithstanding, no modification of a SAR shall, without the consent of the Optionee, impair his or her rights or obligations under such SAR. Notwithstanding anything in this Plan to the contrary, and except for the adjustment provided in Article 9, neither the Committee nor any other person may: (a) decrease the exercise price of any outstanding SAR after the date of grant, (b) cancel or allow an Optionee to surrender an outstanding SAR to the Company in exchange for cash or as consideration for the grant of a new SAR with a lower exercise price or the grant of another Award the effect of which is to reduce the exercise price of any outstanding SAR, or (c) take any other action with respect to a SAR that would be treated as a repricing under the rules and regulations of the Nasdaq Stock Market (or such other principal U.S. national securities exchange on which the Common Shares are traded).

ARTICLE 7. RESTRICTED SHARES.

7.1 Restricted Stock Agreement. Each grant of Restricted Shares under the Plan shall be evidenced by a Restricted Stock Agreement between the recipient and the Company. Such Restricted Shares shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Restricted Stock Agreements entered into under the Plan need not be identical.

7.2 Payment for Awards. Restricted Shares may be sold or awarded under the Plan for such consideration as the Administrator may determine, including (without limitation) cash, cash equivalents, property, cancellation of other equity awards, full-recourse promissory notes, past services and future services, and such other methods of payment as are permitted by applicable law.

7.3 Vesting Conditions. Each Award of Restricted Shares shall be subject to vesting and/or other conditions as the Administrator may determine; provided that, the Restricted Shares will not vest prior to the holder completing at least one year of Service following the grant of such Award. Notwithstanding the foregoing, a Restricted Stock Agreement may provide for accelerated exercisability in the event of the holder's death or disability. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Restricted Stock Agreement. Such conditions, at the Administrator's discretion, may include one or more Performance Goals.

7.4 Voting and Dividend Rights. The holders of Restricted Shares awarded under the Plan shall have the same voting, dividend and other rights as the Company's other stockholders, unless the Administrator otherwise provides. A Restricted Stock Agreement, however, shall require that any cash dividends paid on Restricted Shares (a) be accumulated and paid when such Restricted Shares vest, or (b) be invested in additional Restricted Shares. Such additional Restricted Shares shall be subject to the same conditions and restrictions as the shares subject to the Stock Award with respect to which the dividends were paid. If any dividends or other distributions are paid in Common Shares, such Common Shares shall be subject to the

same restrictions on transferability, vesting conditions and forfeitability as the Restricted Shares with respect to which they were paid.

ARTICLE 8. STOCK UNITS.

8.1 Stock Unit Agreement. Each grant of Stock Units under the Plan shall be evidenced by a Stock Unit Agreement between the recipient and the Company. Such Stock Units shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Stock Unit Agreements entered into under the Plan need not be identical.

8.2 Payment for Awards. To the extent that an Award is granted in the form of Stock Units, no cash consideration shall be required of the Award recipients.

8.3 Vesting Conditions. Each Award of Stock Units shall be subject to vesting, as determined by the Administrator. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Stock Unit Agreement; provided that the Stock Units will not vest prior to the holder completing at least one year of Service following the grant of such Stock Unit. Notwithstanding the foregoing, a Stock Unit Agreement may provide for accelerated exercisability in the event of the holder's death or disability. Such conditions, at the Administrator's discretion, may include one or more Performance Goals.

8.4 Voting and Dividend Rights. The holders of Stock Units shall have no voting rights. Prior to settlement or forfeiture, Stock Units awarded under the Plan may, at the Administrator's discretion, provide for a right to dividend equivalents. Such right entitles the holder to be credited with an amount equal to all cash dividends paid on one Common Share while the Stock Unit is outstanding. Dividend equivalents shall be converted into additional Stock Units. Settlement of dividend equivalents may be made in the form of cash, in the form of Common Shares, or in a combination of both. If any dividend equivalents are paid with respect to Stock Units, then such dividend equivalents shall be subject to the same conditions, vesting schedule and restrictions as the Stock Units to which they attach.

8.5 Form and Time of Settlement of Stock Units. Settlement of vested Stock Units may be made in the form of (a) cash, (b) Common Shares or (c) any combination of both, as determined by the Administrator. The actual number of Stock Units eligible for settlement may be larger or smaller than the number included in the original Award, based on predetermined performance factors, including Performance Goals. Methods of converting Stock Units into cash may include (without limitation) a method based on the average Fair Market Value of Common Shares over a series of trading days. Vested Stock Units shall be settled in such manner and at such time(s) as specified in the Stock Unit Agreement. Until an Award of Stock Units is settled, the number of such Stock Units shall be subject to adjustment pursuant to Article 9.

8.6 Death of Recipient. Any Stock Units that become payable after the recipient's death shall be distributed to the recipient's beneficiary or beneficiaries. Each recipient of Stock Units under the Plan may designate one or more beneficiaries for this purpose by filing the prescribed form with the Company. A beneficiary designation may be changed by filing the prescribed form with the Company at any time before the Award recipient's death. If no

beneficiary was designated or if no designated beneficiary survives the Award recipient, then any Stock Units that become payable after the recipient's death shall be distributed to the recipient's estate.

8.7 Modification or Assumption of Stock Units. Within the limitations of the Plan, the Administrator may modify or assume outstanding stock units or may accept the cancellation of outstanding stock units (whether granted by the Company or by another issuer) in return for the grant of new Stock Units for the same or a different number of shares or in return for the grant of a different type of Award. The foregoing notwithstanding, no modification of a Stock Unit shall, without the consent of the Participant, impair his or her rights or obligations under such Stock Unit.

8.8 Creditors Rights. A holder of Stock Units shall have no rights other than those of a general creditor of the Company. Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Stock Unit Agreement.

ARTICLE 9. ADJUSTMENTS; DISSOLUTIONS AND LIQUIDATIONS; CORPORATE TRANSACTIONS.

9.1 Adjustments. In the event of a subdivision of the outstanding Common Shares, a declaration of a dividend payable in Common Shares, a combination or consolidation of the outstanding Common Shares (by reclassification or otherwise) into a lesser number of Common Shares or any other increase or decrease in the number of issued Common Shares effected without receipt of consideration by the Company, proportionate adjustments shall automatically be made to the following:

- (a) The number and kind of shares available for issuance under Article 3, including the numerical share limits in Articles 3.1 and 3.5;
- (b) The number and kind of shares covered by each outstanding Option, SAR and Stock Unit; or
- (c) The Exercise Price applicable to each outstanding Option and SAR, and the repurchase price, if any, applicable to Restricted Shares.

In the event of a declaration of an extraordinary dividend payable in a form other than Common Shares in an amount that has a material effect on the price of Common Shares, a recapitalization, a spin-off or a similar occurrence, the Administrator may make such adjustments as it, in its sole discretion, deems appropriate to the foregoing. Any adjustment in the number of shares subject to an Award under this Article 9.1 shall be rounded down to the nearest whole share, although the Administrator in its sole discretion may make a cash payment in lieu of a fractional share. Except as provided in this Article 9, a Participant shall have no rights by reason of any issuance by the Company of stock of any class or securities convertible into stock of any class, any subdivision or consolidation of shares of stock of any class, the payment of any stock dividend

or any other increase or decrease in the number of shares of stock of any class.

9.2 Dissolution or Liquidation. To the extent not previously exercised or settled, Options, SARs and Stock Units shall terminate immediately prior to the dissolution or liquidation of the Company.

9.3 Corporate Transactions. In the event that the Company is a party to a merger, consolidation, or a Change in Control (other than one described in Article 14.6(d)), all Common Shares acquired under the Plan and all Awards outstanding on the effective date of the transaction shall be treated in the manner described in the definitive transaction agreement (or, in the event the transaction does not entail a definitive agreement to which the Company is party, in the manner determined by the Administrator (in accordance with this Article 9.3), with such determination having final and binding effect on all parties), which agreement or determination need not treat all Awards (or portions thereof) in an identical manner. The treatment specified in the transaction agreement or by the Administrator shall include one or more of the following with respect to each outstanding Award:

- (a) The continuation of such outstanding Award by the Company (if the Company is the surviving entity);
- (b) The assumption of such outstanding Award by the surviving entity or its parent, provided that the assumption of an Option or a SAR shall comply with applicable tax requirements;
- (c) The substitution by the surviving entity or its parent of an equivalent award for such outstanding Award (including, but not limited to, an award to acquire the same consideration paid to the holders of Common Shares in the transaction), provided that the substitution of an Option or a SAR shall comply with applicable tax requirements;
- (d) If outstanding Awards, Options and SARs are not assumed, or equivalent awards are not substituted, by the surviving entity or its parent, then full exercisability and full vesting (with respect to performance vested Awards, Options or SARs, assuming the achievement of the maximum performance targets thereunder) of the Common Shares subject to such Awards, Options and SARs, followed by the cancellation of such Awards, Options and SARs. The full exercisability of such Awards, Options and SARs and full vesting of such Common Shares may be contingent on the closing of such transaction. The Optionees shall be able to exercise such Options and SARs during a period of not less than five full business days preceding the closing date of such transaction, unless (i) a shorter period is required to permit a timely closing of such merger, consolidation or Change in Control and (ii) such shorter period still offers the Optionees a reasonable opportunity to exercise such Options and SARs. Any exercise of such Options and SARs during such period may be contingent on the closing of such transaction;

(e) The cancellation of such Award and a payment to the Participant with respect to each share subject to the Award equal to the excess of (A) the value, as determined by the Administrator in its absolute discretion, of the property (including cash) received by the holder of a Common Share as a result of the transaction, over (if

applicable) (B) the per-share Exercise Price of such Award (such excess, if any, the **Spread**). Such payment may be made in installments and may be deferred until the date or dates when such Award would have become exercisable or the Common Shares subject to such Award would have vested. Such payment may be subject to vesting based on the Participant's continuing Service, provided that the vesting schedule shall not be less favorable to the Participant than the schedule under which such Award would have become exercisable or such Common Shares subject to such Award would have vested. Such payment shall be made in the form of cash, cash equivalents, or securities of the surviving entity or its parent having a value equal to the Spread. In addition, any escrow, holdback, earn-out or similar provisions in the transaction agreement may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of Common Shares, but only to the extent the application of such provisions does not adversely affect the status of the Award as exempt from Code Section 409A. If the Spread applicable to an Award (whether or not vested) is zero or a negative number, then the Award may be cancelled without making a payment to the Participant. In the event that a Stock Unit or other Award is subject to Code Section 409A, the payment described in this clause (e) shall be made on the settlement date specified in the applicable Stock Unit Agreement, provided that settlement may be accelerated in accordance with Treasury Regulation Section 1.409A-3(j)(4). For purposes of this Subsection (e), the Fair Market Value of any security shall be determined without regard to any vesting conditions that may apply to such security; or

(f) The assignment of any reacquisition or repurchase rights held by the Company in respect of an Award of Restricted Shares to the surviving entity or its parent, with corresponding proportionate adjustments made to the price per share to be paid upon exercise of any such reacquisition or repurchase rights.

For avoidance of doubt, the Administrator shall have the discretion to provide for the acceleration of vesting upon the occurrence of a Change in Control in the event of an involuntary termination prior to or following the Change in Control, whether or not the Award is to be assumed or replaced in the transaction, or in connection with a termination of the Participant's Service following a transaction.

Any action taken under this Article 9.3 shall either preserve an Award's status as exempt from Code Section 409A or comply with Code Section 409A.

ARTICLE 10. OTHER AWARDS.

10.1 Performance Cash Awards. A Performance Cash Award is a cash award that may be granted subject to the attainment of specified Performance Goals during a Performance Period. A Performance Cash Award may also require the completion of a specified period of continuous Service. The length of the Performance Period, the Performance Goals to be attained during the Performance Period, and the degree to which the Performance Goals have been attained shall be determined conclusively by the Administrator. Each Performance Cash Award shall be set forth in a written agreement or in a resolution duly adopted by the Administrator which shall contain provisions determined by the Administrator and not inconsistent with the Plan. The terms of various Performance Cash Awards need not be identical.

10.2 Other Awards. Subject in all events to the limitations under Article 3 above as to the number of Common Shares available for issuance this Plan, the Company may grant other forms of equity-based awards not specifically described herein and may grant awards under other plans or programs where such awards are settled in the form of Common Shares issued under this Plan; provided that such other equity-based award will not vest prior to the holder completing at least one year of Service following the grant of such award. Notwithstanding the foregoing, an award agreement may provide for accelerated exercisability in the event of the holder's death or disability. Such Common Shares shall be treated for all purposes under the Plan like Common Shares issued in settlement of Stock Units and shall, when issued, reduce the number of Common Shares available under Article 3.

ARTICLE 11. LIMITATION ON RIGHTS.

11.1 Retention Rights. Neither the Plan nor any Award granted under the Plan shall be deemed to give any individual a right to remain a Service Provider. The Company and its Parents, Subsidiaries and Affiliates reserve the right to terminate the Service of any Service Provider at any time, with or without cause, subject to applicable laws, the Company's certificate of incorporation and by-laws and a written employment agreement (if any).

11.2 Stockholders Rights. Except as set forth in Article 7.4 or 8.4 above, a Participant shall have no dividend rights, voting rights or other rights as a stockholder with respect to any Common Shares covered by his or her Award prior to the time when a stock certificate for such Common Shares is issued or, if applicable, the time when he or she becomes entitled to receive such Common Shares by filing any required notice of exercise and paying any required Exercise Price. No adjustment shall be made for cash dividends or other rights for which the record date is prior to such time, except as expressly provided in the Plan. For the avoidance of doubt, no dividends or dividend equivalents will be paid or credited to an unexercised Option or SAR.

11.3 Regulatory Requirements. Any other provision of the Plan notwithstanding, the obligation of the Company to issue Common Shares under the Plan shall be subject to all applicable laws, rules and regulations and such approval by any regulatory body as may be required. The Company reserves the right to restrict, in whole or in part, the delivery of Common Shares pursuant to any Award prior to the satisfaction of all legal requirements relating to the issuance of such Common Shares, to their registration, qualification or listing or to an exemption from registration, qualification or listing. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed necessary by the Company's counsel to be necessary to the lawful issuance and sale of any Common Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Common Shares as to which such requisite authority will not have been obtained.

11.4 Transferability of Awards. The Administrator may, in its sole discretion, permit transfer of an Award in a manner consistent with applicable law. Unless otherwise determined by the Administrator, Awards shall be transferable by a Participant only by (a) beneficiary designation, (b) a will or (c) the laws of descent and distribution; provided that, in any event, an ISO may only be transferred by will or by the laws of descent and distribution and may be exercised during the lifetime of the Optionee only by the Optionee or by the Optionee's guardian

or legal representative. In no event may an Award be transferred for any consideration including (without limitation) in exchange for cash or securities.

11.5 Other Conditions and Restrictions on Common Shares. Any Common Shares issued under the Plan shall be subject to such forfeiture conditions, rights of repurchase, rights of first refusal, other transfer restrictions and such other terms and conditions as the Administrator may determine. Such conditions and restrictions shall be set forth in the applicable Award Agreement and shall apply in addition to any restrictions that may apply to holders of Common Shares generally. In addition, Common Shares issued under the Plan shall be subject to such conditions and restrictions imposed either by applicable law or by Company policy, as adopted from time to time, designed to ensure compliance with applicable law or laws with which the Company determines in its sole discretion to comply including in order to maintain any statutory, regulatory or tax advantage.

ARTICLE 12. TAXES.

12.1 General. It is a condition to each Award under the Plan that a Participant or his or her successor shall make arrangements satisfactory to the Company for the satisfaction of any federal, state, local or foreign withholding tax obligations that arise in connection with any Award granted under the Plan. The Company shall not be required to issue any Common Shares or make any cash payment under the Plan unless such obligations are satisfied.

12.2 Share Withholding. To the extent that applicable law subjects a Participant to tax withholding obligations, the Administrator may permit such Participant to satisfy all or part of such obligations by having the Company withhold all or a portion of any Common Shares that otherwise would be issued to him or her or by surrendering all or a portion of any Common Shares that he or she previously acquired. Such Common Shares shall be valued on the date when they are withheld or surrendered. Any payment of taxes by assigning Common Shares to the Company may be subject to restrictions including any restrictions required by SEC, accounting or other rules.

12.3 Section 162(m) Matters(a) The Administrator, in its sole discretion, may determine whether an Award is intended to qualify as performance-based compensation within the meaning of Code Section 162(m). The Administrator may grant Awards that are based on Performance Goals but that are not intended to qualify as performance-based compensation. With respect to any Award that is intended to qualify as performance-based compensation, the Administrator shall designate the Performance Goal(s) applicable to, and the formula for calculating the amount payable under, an Award within 90 days following commencement of the applicable Performance Period (or such earlier time as may be required under Code Section 162(m)), and in any event at a time when achievement of the applicable Performance Goal(s) remains substantially uncertain. Prior to the payment of any Award that is intended to constitute performance-based compensation, the Administrator shall certify in writing whether and the extent to which the Performance Goal(s) were achieved for such Performance Period. The Administrator shall have the right to reduce or eliminate (but not to increase) the amount payable under an Award that is intended to constitute performance-based compensation.

12.4 Section 409A Matters. Except as otherwise expressly set forth in an Award Agreement, it is intended that Awards granted under the Plan either be exempt from, or comply with, the requirements of Code Section 409A. To the extent an Award is subject to Code Section 409A (a **409A Award**), the terms of the Plan, the Award and any written agreement governing the Award shall be interpreted to comply with the requirements of Code Section 409A so that the Award is not subject to additional tax or interest under Code Section 409A, unless the Administrator expressly provides otherwise. A 409A Award shall be subject to such additional rules and requirements as specified by the Administrator from time to time in order for it to comply with the requirements of Code Section 409A. In this regard, if any amount under a 409A Award is payable upon a separation from service to an individual who is considered a specified employee (as each term is defined under Code Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the Participant's separation from service or (ii) the Participant's death, but only to the extent such delay is necessary to prevent such payment from being subject to Code Section 409A(a)(1).

12.5 Limitation on Liability. Neither the Company nor any person serving as Administrator shall have any liability to a Participant in the event an Award held by the Participant fails to achieve its intended characterization under applicable tax law.

ARTICLE 13. FUTURE OF THE PLAN.

13.1 Term of the Plan. The Plan, as set forth herein, shall become effective on the date of its adoption by the Board, subject to approval of the Company's stockholders under Article 13.3 below. The Plan shall terminate automatically 10 years after the later of (a) the date when the Board adopted the Plan or (b) the date when the Board approved the most recent increase in the number of Common Shares reserved under Article 3 that was also approved by the Company's stockholders. The Plan shall serve as the successor to the Predecessor Plan, and no further Awards may be made under the Predecessor Plan after the Effective Date.

13.2 Amendment or Termination. The Board may, at any time and for any reason, amend or terminate the Plan. No Awards shall be granted under the Plan after the termination thereof. The termination of the Plan, or any amendment thereof, shall not affect any Award previously granted under the Plan.

13.3 Stockholder Approval. To the extent required by applicable law, the Plan will be subject to the approval of the Company's stockholders within 12 months of its adoption date. An amendment of the Plan shall be subject to the approval of the Company's stockholders only to the extent required by applicable laws, regulations or rules; provided, however, that an amendment to Article 3.1, the last sentence of Article 5.6 or Article 6.7 is subject to approval of the Company's stockholders.

ARTICLE 14. DEFINITIONS.

14.1 **Administrator** means the Board or any Committee administering the Plan in accordance with Article 2.

14.2 **Affiliate** means any entity other than a Subsidiary, if the Company and/or one or more Subsidiaries own not less than 50% of such entity.

14.3 **Award** means any award granted under the Plan, including as an Option, a SAR, a Restricted Share, a Stock Unit or a Performance Cash Award.

14.4 **Award Agreement** means a Stock Option Agreement, an SAR Agreement, a Restricted Stock Agreement, a Stock Unit Agreement or such other agreement evidencing an Award granted under the Plan.

14.5 **Board** means the Company's Board of Directors, as constituted from time to time, and where the context so requires, reference to the Board may refer to a Committee to whom the Board has delegated authority to administer any aspect of this Plan.

14.6 **Change in Control** means:

(a) Any person (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the beneficial owner (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total voting power represented by the Company's then-outstanding voting securities;

(b) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(c) The consummation of a merger or consolidation of the Company with or into any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) more than fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation; or

(d) Individuals who are members of the Board (the **Incumbent Board**) cease for any reason to constitute at least a majority of the members of the Board over a period of 12 months; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member shall, for purposes of this Plan, be considered as a member of the Incumbent Board.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before

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such transaction. In addition, if a Change in Control constitutes a payment event with respect to any Award which provides for a deferral of compensation and is subject to Code Section 409A, then notwithstanding anything to the contrary in the Plan or applicable Award Agreement the transaction with respect to such Award must also constitute a change in control event as defined in Treasury Regulation Section 1.409A-3(i)(5) to the extent required by Code Section 409A.

- 14.7 **Code** means the Internal Revenue Code of 1986, as amended.
- 14.8 **Committee** means a committee of one or more members of the Board, or of other individuals satisfying applicable laws, appointed by the Board to administer the Plan.
- 14.9 **Common Share** means one share of the common stock of the Company.
- 14.10 **Company** means Synchronoss Technologies, Inc., a Delaware corporation.
- 14.11 **Consultant** means a consultant or adviser who provides *bona fide* services to the Company, a Parent, a Subsidiary or an Affiliate as an independent contractor and who qualifies as a consultant or advisor under Instruction A.1.(a)(1) of Form S-8 under the Securities Act.
- 14.12 **Effective Date** means the date on which the Company's stockholders approve the Plan.
- 14.13 **Employee** means a common-law employee of the Company, a Parent, a Subsidiary or an Affiliate.
- 14.14 **Exchange Act** means the Securities Exchange Act of 1934, as amended.
- 14.15 **Exercise Price**, in the case of an Option, means the amount for which one Common Share may be purchased upon exercise of such Option, as specified in the applicable Stock Option Agreement. Exercise Price, in the case of a SAR, means an amount, as specified in the applicable SAR Agreement, which is subtracted from the Fair Market Value of one Common Share in determining the amount payable upon exercise of such SAR.
- 14.16 **Fair Market Value** means the closing price of a Common Share on any established stock exchange or a national market system on the applicable date or, if the applicable date is not a trading day, on the last trading day prior to the applicable date, as reported in a source that the Administrator deems reliable. If Common Shares are not traded on an established stock exchange or a national market system, the Fair Market Value shall be determined by the Administrator in good faith on such basis as it deems appropriate. The Administrator's determination shall be conclusive and binding on all persons.

14.17 **IPO Date** means the effective date of the registration statement filed by the Company with the Securities and Exchange Commission for its initial offering of Common Stock to the public.

14.18 **ISO** means an incentive stock option described in Code Section 422(b).

14.19 **NSO** means a stock option not described in Code Sections 422 or 423.

14.20 **Option** means an ISO or NSO granted under the Plan and entitling the holder to purchase Common Shares.

14.21 **Optionee** means an individual or estate holding an Option or SAR.

14.22 **Outside Director** means a member of the Board who is not an Employee.

14.23 **Parent** means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

14.24 **Participant** means an individual or estate holding an Award.

14.25 **Performance Cash Award** means an award of cash granted under Article 10.1 of the Plan.

14.26 **Performance Goal** means a goal established by the Administrator for the applicable Performance Period based on one or more of the performance criteria set forth in **Appendix A**. Depending on the performance criteria used, a Performance Goal may be expressed in terms of overall Company performance or the performance of a business unit, division, Subsidiary, Affiliate or an individual. A Performance Goal may be measured either in absolute terms or relative to the performance of one or more comparable companies or one or more relevant indices. The Administrator may adjust the results under any performance criterion to exclude any of the following events that occurs during a Performance Period: (a) asset write-downs, (b) litigation, claims, judgments or settlements, (c) the effect of changes in tax laws, accounting principles or other laws or provisions affecting reported results, (d) accruals for reorganization and restructuring programs, (e) extraordinary, unusual or non-recurring items, (f) exchange rate effects for non-U.S. dollar denominated net sales and operating earnings, or (g) statutory adjustments to corporate tax rates; provided, however, that if an Award is intended to qualify as performance-based compensation within the meaning of Code Section 162(m), such adjustment(s) shall only be made to the extent consistent with Code Section 162(m).

14.27 **Performance Period** means a period of time selected by the Administrator over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to a Performance Cash Award or an Award of Restricted Shares or Stock Units that vests based on the achievement of Performance Goals. Performance Periods may be of varying and overlapping duration, at the discretion of the Administrator.

14.28 **Plan** means this Synchronoss Technologies, Inc. 2015 Equity Incentive Plan, as amended from time to time.

14.29 **Predecessor Plan** means the Company's 2006 Equity Incentive Plan, as amended.

14.30 **Restricted Share** means a Common Share awarded under the Plan.

- 14.31 **Restricted Stock Agreement** means the agreement between the Company and the recipient of a Restricted Share that contains the terms, conditions and restrictions pertaining to such Restricted Share.
- 14.32 **SAR** means a stock appreciation right granted under the Plan.
- 14.33 **SAR Agreement** means the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to his or her SAR.
- 14.34 **Securities Act** means the Securities Act of 1933, as amended.
- 14.35 **Service** means service as an Employee, Outside Director or Consultant.
- 14.36 **Service Provider** means any individual who is an Employee, Outside Director or Consultant.
- 14.37 **Stock Award** means any award of an Option, a SAR, a Restricted Share or a Stock Unit under the Plan.
- 14.38 **Stock Option Agreement** means the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to his or her Option.
- 14.39 **Stock Unit** means a bookkeeping entry representing the equivalent of one Common Share, as awarded under the Plan.
- 14.40 **Stock Unit Agreement** means the agreement between the Company and the recipient of a Stock Unit that contains the terms, conditions and restrictions pertaining to such Stock Unit.
- 14.41 **Subsidiary** means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date

14.42 **Substitute Awards** means Awards or Common Shares issued by the Company in assumption of, or substitution or exchange for, Awards previously granted, or the right or obligation to make future awards, in each case by a corporation acquired by the Company or any Affiliate or with which the Company or any Affiliate combines to the extent permitted by NASDAQ Marketplace Rule 5635 or any successor thereto.

APPENDIX A

PERFORMANCE CRITERIA

The Administrator may establish Performance Goals derived from one or more of the following criteria, measured in accordance with GAAP or otherwise, when it makes Awards of Restricted Shares or Stock Units that vest entirely or in part on the basis of performance or when it makes Performance Cash Awards.

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|--|---|---|
| • Earnings (before or after taxes) | • | Working capital |
| • Earnings per share | • | Expense or cost reduction |
| • Earnings before interest, taxes and depreciation (as amount or % of revenue) | • | Sales or revenue (in the aggregate or in specific growth areas) |
| • Earnings before interest, taxes, depreciation & amortization (as amount or % of revenue) | • | Economic value added (or an equivalent metric) |
| • Total stockholder return and/or value | • | Market share |
| • Return on equity or average stockholders' equity | • | Cash flow or cash balance |
| • Return on assets, investment or capital employed | • | Operating cash flow |
| • Operating income | • | Cash flow per share |
| • Gross margin | • | Share price |
| • Operating margin | • | Debt reduction |
| • Net operating income | • | Customer satisfaction |
| • Net operating income after tax | • | Stockholders' equity |
| • Operating profits | • | Net profits |
| • Profit returns and margins | • | Contract awards or backlog |
| • Return on operating revenue | • | Revenue excluding total advertising cost |
| • To the extent that an Award is not intended to comply with Code Section 162(m), other measures of performance selected by the Administrator. | | |

