

AMBARELLA INC  
Form DEF 14A  
April 20, 2015  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**Ambarella, Inc.**

(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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No fee required.

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**AMBARELLA, INC.**

**3101 JAY STREET**

**SANTA CLARA, CA 95054**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**To Be Held On June 4, 2015**

Dear Shareholder:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of Ambarella, Inc., a Cayman Islands company, will be held on Thursday, June 4, 2015, at 9:00 a.m. Pacific Time at 3101 Jay Street, Santa Clara, CA 95054 for the following purposes:

1. To elect the two nominees for Class III director named herein to hold office until the 2018 Annual Meeting of Shareholders.
2. To ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of Ambarella, Inc. for the fiscal year ending January 31, 2016.
3. To approve, on an advisory basis, executive compensation.
4. To approve, on an advisory basis, the frequency of future advisory votes on executive compensation.
5. To conduct any other business properly brought before the meeting.

These items of business are more fully described in the Proxy Statement, which is available at [www.edocumentview.com/AMBA](http://www.edocumentview.com/AMBA). This notice, the Notice of Internet Availability, the Proxy Statement for our Annual Meeting of Shareholders and the 2015 Annual Report and form of proxy are being made available to shareholders on or about April 20, 2015. We are providing access to our proxy materials over the Internet under the rules and regulations adopted by the U.S. Securities and Exchange Commission.

The record date for the Annual Meeting is April 8, 2015. Only shareholders of record at the close of business on that date may vote at the meeting or any adjournment thereof. We are not aware of any other business to come before the Annual Meeting. You may vote over the Internet, by telephone or by mailing a proxy card. Voting over the Internet, by telephone or by written proxy will ensure your representation at the Annual Meeting if you do not attend in person. Please review the instructions on the proxy card regarding each of these voting options. The Proxy Statement explains proxy voting and the matters to be voted on in more detail. We look forward to your attendance at the Annual Meeting.

By Order of the Board of Directors

Michael Morehead

General Counsel and Secretary

Santa Clara, California

April 20, 2015

**You are cordially invited to attend the meeting in person. Your vote is important. Whether or not you expect to attend the meeting, please vote your shares as instructed in the Notice of Internet Availability, which is being mailed to you on April 20, 2015, as promptly as possible to ensure your representation at the meeting. Even if you have voted by proxy, you may still vote in person if you attend the meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must obtain a proxy issued in your name from that record holder.**

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**Ambarella, Inc.**

**3101 Jay Street**

**Santa Clara, CA 95054**

**PROXY STATEMENT**

**FOR THE 2015 ANNUAL MEETING OF SHAREHOLDERS**

**INFORMATION CONCERNING VOTING AND SOLICITATION**

In connection with the solicitation of proxies by the Board of Directors of Ambarella, Inc., a Cayman Islands company (the Board), and pursuant to the rules and regulations adopted by the U.S. Securities and Exchange Commission, we are furnishing our proxy materials to shareholders for use at our 2015 Annual Meeting of Shareholders (the Annual Meeting), and any adjournments or postponements thereof. The Annual Meeting will be held on Thursday, June 4, 2015, at 9:00 a.m. Pacific Time at the Company's corporate headquarters located at 3101 Jay Street, Santa Clara, CA 95054.

We have mailed the Notice of Internet Availability to all shareholders and beneficial owners of record as of the record date, April 8, 2015. All shareholders will have the ability to access the proxy materials via the Internet, including this Proxy Statement and our 2015 Annual Report to Shareholders for the fiscal year ended January 31, 2015. The Notice of Internet Availability includes information on how to access the proxy materials, how to submit your vote over the Internet, by phone or how to request a paper copy of the proxy materials. This Proxy Statement and our 2015 Annual Report to Shareholders are available at [www.edocumentview.com/AMBA](http://www.edocumentview.com/AMBA). If you are a shareholder of record, you also may view these materials at <http://www.envisionreports.com/AMBA>.

References to the Company, Ambarella, we, us or our throughout this Proxy Statement mean Ambarella, Inc.

**GENERAL INFORMATION ABOUT THE ANNUAL MEETING**

**Notice of Internet Availability**

Instead of mailing a paper copy of our proxy materials, we have provided access to our proxy materials over the Internet, which are available at [www.edocumentview.com/AMBA](http://www.edocumentview.com/AMBA). If you are a shareholder of record, you also may view these materials at <http://www.envisionreports.com/AMBA>. In accordance with rules and regulations adopted by the U.S. Securities and Exchange Commission, the Notice of Internet Availability has been sent to our shareholders of record and beneficial owners as of the record date, April 8, 2015. The Notice of Internet Availability includes information on how to access the proxy materials, how to submit your vote via the Internet and how to request a paper copy of the proxy materials. By accessing the proxy materials on the Internet or choosing to receive your future proxy materials by email, you will save us the cost of printing and mailing documents to you and will reduce the impact of our annual meeting of shareholders on the environment.

**Appointment of Proxy Holders**

The Board asks you to appoint Feng-Ming (Fermi) Wang, George Laplante and Michael Morehead as your proxy holders to vote your shares at the Annual Meeting. You make this appointment by voting your shares by proxy, as instructed in the Notice of Internet Availability.

If appointed by you, the proxy holders will vote your shares as you direct on the matters described in this Proxy Statement. In the absence of your direction, they will vote your shares as recommended by the Board.





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Unless you otherwise indicate, you also authorize your proxy holders to vote your shares on any matters not known by the Board at the time this Proxy Statement was made available to shareholders and which may be properly presented for action at the Annual Meeting.

### **Who Can Vote**

Only shareholders of record at the close of business on April 8, 2015 will be entitled to vote at the Annual Meeting. On this record date, there were 31,328,410 ordinary shares outstanding and entitled to vote. Each holder of ordinary shares is entitled to one vote for each share held as of April 8, 2015. There is no cumulative voting in the election of directors.

#### *Shareholder of Record: Shares Registered in Your Name*

If on April 8, 2015, your shares were registered directly in your name with Ambarella's transfer agent, Computershare Trust Company, N.A., then you are a shareholder of record. As a shareholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to vote your shares by proxy over the Internet, by telephone, or by mail as instructed in the Notice of Internet Availability to ensure your vote is counted.

#### *Beneficial Owner: Shares Registered in the Name of a Broker or Bank*

If on April 8, 2015, your shares were held, not in your name, but rather in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in street name and the Proxy Statement is being forwarded to you by that organization. The organization holding your account is considered to be the shareholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker or other agent regarding how to vote the shares in your account. You are also invited to attend the Annual Meeting. However, since you are not the shareholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other agent.

### **How You Can Vote**

You may either vote For the nominees for Class III Director or you may Withhold your vote for the nominees. For each of the other matters to be voted on, you may vote For or Against or abstain from voting.

The procedures for voting are fairly simple:

#### *Shareholder of Record: Shares Registered in Your Name*

If you are a shareholder of record, you may vote in person at the Annual Meeting, vote by proxy over the Internet, by telephone or by mail, as instructed in the Notice of Internet Availability. Whether or not you plan to attend the Annual Meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person even if you have already voted by proxy.

To vote in person, come to the Annual Meeting and we will give you a ballot when you arrive.

To vote over the telephone, dial toll-free 1-800-652-8683 using a touch-tone phone and follow the recorded instructions. You will be asked to provide the company number and control number from the proxy card. Your vote must be received by 11:59 p.m. Eastern Time on June 3, 2015 to be counted.

To vote through the Internet, go to <http://www.envisionreports.com/AMBA> to complete an electronic proxy card. Your vote must be received by 11:59 p.m. Eastern Time on June 3, 2015 to be counted.

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To vote using the proxy card (if you requested paper copies of the proxy materials to be mailed to you), simply complete, sign and date the proxy card and return it promptly in the envelope to be provided. If you return your signed proxy card to us before the Annual Meeting, we will vote your shares as you direct.

*Beneficial Owner: Shares Registered in the Name of Broker or Bank*

If you are a beneficial owner of shares registered in the name of your broker, bank, or other agent, you should receive the Notice of Internet Availability from that organization rather than from Ambarella. Simply follow the voting instructions in the Notice of Internet Availability to ensure that your vote is counted. To vote in person at the Annual Meeting, you must obtain a valid proxy from your broker, bank, or other agent. Follow the instructions from your broker or bank, or contact your broker or bank to request a proxy form.

## **Matters to be Voted Upon**

There are four matters scheduled for a vote at the Annual Meeting:

Election of the two directors named as nominees for Class III director in this Proxy Statement to hold office until the 2018 Annual Meeting of Shareholders;

Ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending January 31, 2016;

Approval, on an advisory basis, of executive compensation, as described in this Proxy Statement; and

Approval, on an advisory basis, of the frequency of future advisory votes on executive compensation.

If you are a shareholder of record and you vote via the Internet, by telephone or return a proxy card by mail, but do not select a voting preference, the persons who are authorized to vote your shares will vote:

**FOR** each of the two nominees for Class III director named herein to hold office until the 2018 annual meeting of shareholders;

**FOR** the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending January 31, 2016;

**FOR** the approval, on an advisory basis, of executive compensation, as described in this Proxy Statement; and

**FOR** the approval, on an advisory basis, of the frequency of future advisory votes on executive compensation of every one year.

If you are a beneficial owner of shares registered in the name of your broker, bank, or other agent, you should follow the voting instructions provided by your broker, bank or other agent in order to instruct your broker, bank or other agent how to vote your shares.

## **Revocation of Proxies**

Shareholders of record can revoke their proxies at any time before they are exercised in any of three ways:

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by voting in person at the Annual Meeting;

by submitting written notice of revocation to the Secretary of the Company prior to the Annual Meeting; or

by submitting another properly executed proxy of a later date prior to the Annual Meeting.

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Beneficial owners of shares held in street name must contact their broker, bank or other agent to revoke any prior voting instructions.

### **Required Vote**

Directors are elected by a plurality vote, which means that the two (2) nominees for Class III director receiving the most affirmative votes will be elected. All other matters submitted for shareholder approval, including the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the fiscal year ending January 31, 2016, require the affirmative vote of the majority of shares present in person or represented by proxy and entitled to vote.

A quorum of shareholders is necessary to hold a valid Annual Meeting. A quorum will be present if shareholders holding at least a majority of the outstanding shares entitled to vote are present at the meeting in person or represented by proxy. On the record date, there were 31,328,410 shares outstanding and entitled to vote. As a result, shareholders holding at least 15,664,206 shares will need to be present at the meeting in person or represented by proxy to constitute a quorum. Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) over the Internet, by telephone, by mail or if you attend the Annual Meeting in person. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, then either the chairman of the meeting or the holders of a majority of shares present at the meeting in person or represented by proxy may adjourn the meeting to another date.

Abstentions on any matters are treated as shares present or represented and entitled to vote on that matter and have the same effect as a vote against such matter.

If your shares are held in street name and you do not instruct your broker on how to vote your shares, your broker, in its discretion, may either leave your shares unvoted or vote your shares on routine matters. Only Proposal 2 (ratifying the appointment of our independent registered public accounting firm) is considered a routine matter. Proposal 1 (election of directors), Proposal 3 (approval of the advisory vote on executive compensation) and Proposal 4 (approval of the frequency of the advisory votes on executive compensation) are not considered routine matters, and without your instruction, your broker cannot vote your shares as to those proposals. If your broker returns a proxy but does not vote your shares, this results in a broker non-vote. Broker non-votes will be counted as present for the purpose of determining a quorum. However, as brokers do not have discretionary authority to vote on Proposal 1, Proposal 3 or Proposal 4, broker non-votes will not be counted for the purpose of determining the number of votes cast on Proposal 1, Proposal 3 or Proposal 4.

Votes will be counted by the inspector of election appointed for the meeting, who will separately count: with respect to the election of the director, For and Withhold votes and, with respect to other proposals, votes For and Against, abstentions and, if applicable, broker non-votes. Abstentions will be counted towards the vote total for Proposal 2, and will have the same effect as Against votes. Broker non-votes, although counted toward the quorum requirement, will not be counted towards the vote total for any proposal.

### **Other Matters Brought Before the Meeting**

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

### **Solicitation of Proxies**

The Company will pay for the entire cost of soliciting proxies. In addition to these proxy materials, the Company's directors and employees may also solicit proxies in person, by telephone, or by other means of

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communication. Directors and employees will not be paid any additional compensation for soliciting proxies. The Company also may reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

**Voting Results**

Preliminary voting results will be announced at the Annual Meeting. In addition, final voting results will be published in a current report on Form 8-K that the Company expects to file within four business days after the Annual Meeting. If final voting results are not available in time to file a Form 8-K within four business days after the meeting, the Company intends to file a Form 8-K to publish preliminary results and, within four business days after the final results are known, file an additional Form 8-K to publish the final results.

**Important Notice Regarding Availability of Proxy Materials**

**This Proxy Statement and our 2015 Annual Report to Shareholders are available at [www.edocumentview.com/AMBA](http://www.edocumentview.com/AMBA). Please promptly vote your shares as instructed in the Notice of Internet Availability. This will not limit your rights to attend or vote at the Annual Meeting.**

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Ambarella's Board of Directors, or the Board, currently has seven (7) members. The authorized number of directors may be changed by resolution of the Board. Vacancies on the Board may be filled only by a majority of the remaining directors even if less than a quorum, unless the Board determines that the vacancies shall be filled by the shareholders. A director elected to fill a vacancy in a class, including vacancies created by an increase in the number of directors, shall serve for the remainder of the full term of that class and until the director's successor is duly elected and qualified.

The Board is divided into three classes, Class I, Class II and Class III, which serve staggered three-year terms:

Class I directors are Dr. Chenming C. Hu and Dr. Feng-Ming ( Fermi ) Wang and their current terms will expire at the annual meeting of shareholders to be held in 2016.

Class II directors are Leslie D. Kohn, D. Jeffrey Richardson and Lip-Bu Tan and their current terms will expire at the annual meeting of shareholders to be held in 2017.

Class III directors are Christopher B. Paisley and Andrew W. Verhalen and their terms will expire at the upcoming Annual Meeting. Two (2) Class III directors will be elected at the Annual Meeting to serve until the annual meeting of shareholders to be held in 2018 or until their successors are elected and qualified. The Board, upon the recommendation of the nominating and corporate governance committee, selected Messrs. Paisley and Verhalen as nominees for election as Class III directors at the Annual Meeting. The proxies given to the proxy holders will be voted or not voted as directed and, if no direction is given, will be voted FOR the two (2) nominees. If any nominee is unable or declines to serve as director at the time of the Annual Meeting, an event not now anticipated, proxies will be voted for any nominee designated by the Board to fill the vacancy. The two (2) nominees for Class III director receiving the highest number of affirmative votes will be elected as Class III directors.

The names of the nominees for election as Class III directors, who have been nominated by the Board, and the names of the continuing directors not up for election at the Annual Meeting, along with certain biographical information about the nominees and continuing directors, including the director's business experience, public company director positions held currently or at any time during the last five years, information regarding involvement in certain legal or administrative proceedings, if applicable, and the experiences, qualifications, attributes or skills that caused the nominating and corporate governance committee to recommend that the director should continue to serve on the Board, are set forth below.

<b>Names of Nominees for Class III Directors</b>	<b>Age</b>	<b>Position(s)</b>
Christopher B. Paisley (1)	62	Director
Andrew W. Verhalen (2)(3)	59	Director

- (1) Member of Audit Committee
- (2) Member of Compensation Committee
- (3) Member of Nominating and Corporate Governance Committee

**Christopher B. Paisley** has served as a member of our Board since August 2012. Since January 2001, Mr. Paisley has served as the Dean's Executive Professor of Accounting at the Leavey School of Business at Santa Clara University. Mr. Paisley also serves on the board of directors of Bridge Capital Holdings, a bank holding company, Control4 Corporation, a supplier of home automation equipment, Equinix, Inc., a provider of network colocation and managed services, Fortinet, Inc., a provider of unified threat management solutions, and





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YuMe, Inc., a digital media advertising company. He also served as a director of 3Par Inc. from July 2006 until 3Par's acquisition by Hewlett-Packard Company in September 2010, and of Volterra Semiconductor Corporation from April 2002 until Volterra's acquisition by Maxim Integrated Products, Inc. in October 2013. Mr. Paisley holds a B.A. degree in business economics from the University of California at Santa Barbara and an M.B.A. from the Anderson School at the University of California at Los Angeles. We believe that Mr. Paisley has developed expertise in finance, including accounting and financial reporting, as a chief financial officer and in other finance roles and currently as a professor in the field of accounting and finance. Mr. Paisley also has over 15 years of outside board experience, which includes serving as audit committee chairman, at public and private companies.

**Andrew W. Verhalen** has been a member of our Board since January 2004. Mr. Verhalen has served as a General Partner of Matrix Partners, a venture capital firm, since 1992. He currently serves on the board of directors of several private technology companies in which Matrix Partners has invested and has served in the past on six public technology company boards of directors. Prior to joining Matrix Partners, Mr. Verhalen was an executive at 3Com Corporation from July 1986 through November 1991. He served as Vice President and General Manager of the Network Adapter Division for three years and as a Director or Vice President of Marketing for two years. From July 1981 to July 1986, Mr. Verhalen served in various marketing and strategic planning roles at Intel Corporation. Mr. Verhalen holds a B.S.E.E. degree, an M.Eng. degree and an M.B.A. from Cornell University. We believe that Mr. Verhalen possesses specific attributes that qualify him to serve as a member of our Board, including his experience as a technology-focused investor, which gives him in-depth knowledge of, and exposure to, current technology and industry trends and developments, providing us with insight into our industry and target markets.

<b>Names of Continuing Directors</b>	<b>Age</b>	<b>Position(s)</b>
Chenming C. Hu, Ph.D. (1)(2)	67	Director
Leslie D. Kohn	58	Chief Technology Officer and Director
D. Jeffrey Richardson (1)(3)	50	Director
Lip-Bu Tan (2)(3)(4)	55	Director
Feng-Ming ( Fermi ) Wang, Ph.D.	51	Chairman of the Board of Directors, President and Chief Executive Officer

- (1) Member of Audit Committee
- (2) Member of Compensation Committee
- (3) Member of Nominating and Corporate Governance Committee
- (4) Lead Independent Director

**Chenming C. Hu, Ph.D.** has been a member of our Board since November 2011. Since 1976 Dr. Hu has been a professor in electrical engineering and computer sciences at the University of California, Berkeley, where he has been the TSMC Distinguished Chair Professor Emeritus and Professor in the Graduate School since 2010. He was the Chief Technology Officer of TSMC from 2001 to 2004. Dr. Hu was the founding chairman of Celestry Design Technologies that was acquired by Cadence Design Systems in 2002. He is a board member of SanDisk Corporation, a provider of flash memory storage solutions, Fortinet, Inc., a provider of unified threat management solutions, and Inphi Corporation, a fabless semiconductor company. Dr. Hu previously served as a director of FormFactor, Inc. from December 2009 to December 2010 and of MoSys, Inc. from January 2005 to June 2010. Dr. Hu is a member of the U.S. National Academy of Engineering and the Chinese Academy of Sciences, and Taiwan's Academia Sinica. Dr. Hu received his B.S. degree from National Taiwan University and his M.S. degree and Ph.D. from the University of California, Berkeley, all in Electrical Engineering. We believe that Dr. Hu possesses specific attributes that qualify him to serve as a member of our board of directors, including his extensive experience in the microelectronics and semiconductor industries as Chief Technology Officer of TSMC and as a current and former board member of a number of technology companies, as well as his experience in academia as a professor of microelectronics, which gives him in-depth knowledge of current technology trends and developments.

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**Leslie D. Kohn** has served as our Chief Technology Officer and a member of our Board since he co-founded Ambarella in January 2004. Prior to co-founding Ambarella, Mr. Kohn was Chief Technology Officer and co-founder of Afara Websystems from November 2000 to July 2002. After Afara's acquisition by Sun Microsystems in July 2002, Mr. Kohn served as a fellow at Sun Microsystems until August 2003. Mr. Kohn served as Chief Architect of C-Cube Microsystems from February 1995 to October 2000. Prior to joining C-Cube Microsystems, Mr. Kohn served in engineering and management positions with Sun Microsystems, Intel Corporation and National Semiconductor. Mr. Kohn holds a B.S. degree in physics from California Institute of Technology. We believe that Mr. Kohn possesses specific attributes that qualify him to serve as a member of our Board, including his role in developing our technology, his leadership as our co-founder and his years of experience in the digital video industry.

**D. Jeffrey Richardson** has been a member of our Board since March 2014. Mr. Richardson served as a senior executive of LSI Corporation (LSI), a semiconductor company, from 2005 until LSI's acquisition by Avago Technologies Company in May 2014, including serving as LSI's Executive Vice President and General Manager of the Semiconductor Solutions Group, Executive Vice President of the Networking and Storage Products Group, Executive Vice President and General Manager of the Custom Solutions Group and as Executive Vice President of Worldwide Strategic Planning. Prior to joining LSI, Mr. Richardson served in several capacities at Intel Corporation, including as its Vice President and General Manager of Server Platform Group and Vice President and General Manager of Enterprise Platforms and Services Division. Mr. Richardson serves on the board of directors of Lattice Semiconductor Corporation, a semiconductor company, and also served on the board of directors of Volterra Semiconductor Corporation, a provider of power management semiconductors, from April 2011 to October 2013, when Volterra was acquired by Maxim Integrated Products, Inc. Mr. Richardson received a B.S. degree in electrical engineering from the University of Colorado Boulder. We believe that Mr. Richardson possesses specific attributes that qualify him to serve as a member of our Board, including his extensive managerial experience in the semiconductor industry as Chief Operating Officer of LSI and senior management positions with LSI and Intel, and as a former board member of Volterra.

**Lip-Bu Tan** has been a member of our Board since January 2004. Mr. Tan has served as Chairman of Walden International, an international venture capital firm, since he founded the firm in 1987. He has also served as President and Chief Executive Officer of Cadence Design Systems, Inc., an electronic design automation software and engineering services company, since January 2009 and as a director since 2004. Mr. Tan currently serves on the board of directors of Cadence Design Systems, Inc., Semiconductor Manufacturing International Corporation, a semiconductor manufacturing company, and SINA Corporation, an Internet portal network company. He previously served on the board of directors of Inphi Corporation, a semiconductor corporation, from 2002 to 2012, and Flextronics International Ltd. from 2003 to 2012. He holds a B.S. degree in physics from Nanyang University in Singapore, an M.S. degree in nuclear engineering from Massachusetts Institute of Technology and an M.B.A. from the University of San Francisco. We believe that Mr. Tan possesses specific attributes that qualify him to serve as a member of our Board, including his extensive experience in the electronic design and semiconductor industries as Chief Executive Officer of Cadence and as Chairman of Walden International, and as a current and former board member of a number of technology companies, as well as his expertise in international operations and corporate governance.

**Feng-Ming (Fermi) Wang, Ph.D.** has served as our Chairman of the Board of Directors, President and Chief Executive Officer since he co-founded Ambarella in January 2004. Prior to co-founding Ambarella, Dr. Wang was Chief Executive Officer and co-founder of Afara Websystems, a developer of throughput-oriented microprocessor technology, from November 2000 to July 2002 when Afara was acquired by Sun Microsystems, Inc. Before founding Afara, Dr. Wang served in various positions at C-Cube Microsystems, Inc., a digital video company from August 1991 to August 2000, and last served as Vice President and General Manager from 1997 to 2000. Dr. Wang holds a B.S. degree in electrical engineering from National Taiwan University and an M.S. degree and Ph.D. in electrical engineering from Columbia University. We believe that Dr. Wang possesses specific attributes that qualify him to serve as a member of our Board, including his service as our Chairman of the Board of Directors, President and Chief Executive Officer, his leadership as a co-founder of Ambarella and his years of experience in the digital video industry.

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**Vote Required**

The two (2) nominees for Class III director receiving the highest number of affirmative votes will be elected as Class III directors. Unless otherwise indicated, all proxies received will be voted FOR the nominees listed above.

**The Board recommends a vote FOR the election of the nominees set forth above as Class III directors of Ambarella.**

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### **INFORMATION REGARDING THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE**

#### **Board Composition**

The Board is currently composed of seven members. The Board and its committees met throughout the year on a set schedule and held special meetings from time to time as appropriate. The Board held six meetings during the 2015 fiscal year. Each director attended at least 75% of the total aggregate of the regularly scheduled and special meetings held by the Board and the committees on which such director served during his tenure in fiscal 2015. Our non-management directors meet in regularly scheduled sessions without the presence of management in executive sessions. The lead independent director of the Board presides over each such executive session. We do not have a policy regarding directors attendance at the Annual Meeting of Shareholders.

#### **Director Independence**

Our Corporate Governance Guidelines provide that a majority of our directors will be independent. Based on the review and recommendation by the nominating and corporate governance committee, the Board has determined that Chenming Hu, Christopher Paisley, Jeffrey Richardson, Lip-Bu Tan, and Andrew Verhalen, representing a majority of our directors, are independent directors under the rules of NASDAQ. In making this determination, the Board found that none of these directors or nominees for director had a material or other disqualifying relationship with Ambarella. Feng-Ming Wang, Ambarella's Chairman of the Board, President and Chief Executive Officer, and Leslie Kohn, Ambarella's Chief Technical Officer, are not independent directors by virtue of their employment with Ambarella.

In evaluating Mr. Tan's independence, the Board considered Mr. Tan's position as President and Chief Executive Officer of Cadence Design Systems, Inc., or Cadence, with whom we have an agreement to provide us with design tools. However, the Board noted that Mr. Tan did not derive any direct or indirect material benefit from such agreement, Mr. Tan did not participate in the negotiation of the agreement and our Board believes that such agreement is in our best interest and on terms no less favorable than could be obtained from other third parties. In addition, the Board noted that the dollar amounts of payments to Cadence pursuant to the agreement will not constitute a material percentage of the revenue of Cadence, or of our revenue or total operating expenses.

#### **Board Leadership Structure**

The Board is currently chaired by Dr. Wang, the President and Chief Executive Officer of Ambarella. We believe that combining the positions of Chief Executive Officer and Chairman helps to ensure that the Board and management act with a common purpose. In our view, separating the positions of Chief Executive Officer and Chairman has the potential to give rise to divided leadership, which could interfere with good decision-making or weaken our ability to develop and implement strategy. Instead, we believe that combining the positions of Chief Executive Officer and Chairman provides a single, clear chain of command to execute our strategic initiatives and business plans. In addition, we believe that a combined Chief Executive Officer and Chairman is better positioned to act as a bridge between management and the Board, facilitating the regular flow of information.

The Board determined as part of our corporate governance principles that one of our independent directors should serve as a lead director at any time when the title of chairman is held by an employee director or there is no current chairman. The Board has determined that Lip-Bu Tan qualifies as an independent director under the rules of NASDAQ. Accordingly, the Board has appointed Mr. Tan as our lead independent director. Mr. Tan presides over periodic meetings of our independent directors, has the responsibility of raising issues with management on behalf of the outside directors when appropriate and oversees the function of the Board and committees, among other responsibilities.

We believe that the current leadership structure of the Board is appropriate at the present time and allows the Board to fulfill its duties effectively and efficiently based on our current needs.

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### **Board Committees**

We have established an audit committee, a compensation committee and a nominating and corporate governance committee. Each of the committees has authority to engage legal counsel or other experts or consultants, as it deems appropriate to carry out its responsibilities. The Board has determined that each member of each committee meets the applicable NASDAQ rules and regulations regarding independence and that each member is free of any relationship that would impair his individual exercise of independent judgment with regard to Ambarella. We intend to comply with future requirements as they become applicable to us. Each of the committees operates under a written charter adopted by the Board, each of which can be found on our website at <http://investor.ambarella.com>. Each committee has the composition and responsibilities described below.

#### *Audit Committee*

The audit committee is currently composed of three directors: Mr. Paisley, Dr. Hu and Mr. Richardson. Mr. Paisley serves as the chairman of the committee. The audit committee met four times during fiscal year 2015.

The responsibilities of our audit committee include:

approving the hiring, discharging and compensation of our independent registered public accounting firm;

evaluating the qualifications, independence and performance of our independent registered public accounting firm;

reviewing our annual and quarterly financial statements and reports and discussing the statements and reports with our independent registered public accounting firm and management;

providing oversight with respect to related party transactions;

reviewing, with our independent registered public accounting firm and management, significant issues that may arise regarding accounting principles and financial statement presentation, as well as matters concerning the scope, adequacy and effectiveness of our financial controls; and

establishing procedures for the receipt, retention and treatment of complaints received by us regarding financial controls, accounting or auditing matters.

The Board has determined that Mr. Paisley qualifies as an audit committee financial expert, as defined in applicable SEC rules. The Board made a qualitative assessment of Mr. Paisley's level of knowledge and experience based on a number of factors, including his formal education and experiences as a chief financial officer for public reporting companies, as well as his service on the audit committees of other publicly traded companies. The Board has determined that Mr. Paisley's simultaneous service on multiple audit committees would not impair his ability to effectively serve on our audit committee.

#### *Compensation Committee*

The compensation committee is currently composed of three directors: Mr. Verhalen, Dr. Hu and Mr. Tan. Mr. Verhalen serves as the chairman of the committee. The compensation committee met three times during fiscal year 2015.

The responsibilities of our compensation committee include:

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reviewing and recommending policies relating to compensation and benefits of our executive officers and senior members of management;

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