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As filed with the Securities and Exchange Commission on June 10, 2011

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1
REGISTRATION STATEMENT

Under
The Securities Act of 1933

AMBARELLA, INC.

(Exact name of registrant as specified in its charter)

Cayman Islands	3674	98-0459628
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

2975 San Ysidro Way
Santa Clara, CA 95051
(408) 734-8888
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Feng-Ming Wang
Chief Executive Officer
c/o Ambarella Corporation
2975 San Ysidro Way
Santa Clara, CA 95051
(408) 734-8888

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Larry W. Sonsini Aaron J. Alter Wilson Sonsini Goodrich & Rosati, P.C. 650 Page Mill Road Palo Alto, CA 94304 (650) 493-9300	Michael Morehead General Counsel c/o Ambarella Corporation 2975 San Ysidro Way Santa Clara, CA 95051 (408) 734-8888	Andrew S. Williamson Latham & Watkins LLP 140 Scott Drive Menlo Park, CA 94025 (650) 328-4600

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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. (Check one):

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price[1][2]	Amount of Registration Fee
Ordinary Shares, $0.0001 par value per share	$65,000,000	$7,546.50

(1) Includes offering price of ordinary shares that may be purchased by the underwriters to cover over-allotments, if any.
(2) Estimated solely for the purpose of computing the registration fee pursuant to Rule 457(o) under the Securities Act of 1933.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Commission acting pursuant to said Section 8(a) may determine.

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement of which this preliminary prospectus is a part and which is filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PROSPECTUS (Subject to Completion)
Issued June 10, 2011

Shares

Ambarella

Ordinary Shares

Ambarella, Inc. is offering ordinary shares. This is our initial public offering and no public market currently exists for our ordinary shares. We anticipate that the initial public offering price will be between $ and $ per ordinary share.

We intend to apply to list our ordinary shares on under the symbol " ."

Investing in our ordinary shares involves risks. See "Risk Factors" beginning on page 8.

PRICE $ A SHARE

	Price to Public	***Underwriting Discounts and Commissions***	***Proceeds to Ambarella***
Per Share	*$*	*$*	*$*
Total	*$*	*$*	*$*

We have granted the underwriters the right to purchase up to an additional ordinary shares to cover over-allotments.

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

The underwriters expect to deliver the ordinary shares to purchasers on , 2011.

MORGAN STANLEY *DEUTSCHE BANK SECURITIES*

STIFEL NICOLAUS WEISEL *NEEDHAM & COMPANY, LLC*

, 2011

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You should rely only on the information contained in this prospectus or in any free writing prospectus prepared by or on behalf of us and delivered or made available to you. Neither we nor the underwriters have authorized anyone to provide you with additional or different information. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are offering to sell, and seeking offers to buy, our ordinary shares only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of our ordinary shares.

For investors outside the United States: Neither we nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the ordinary shares and the distribution of this prospectus outside of the United States.

Until , 2011 (the 25th day after the date of this prospectus), all dealers that buy, sell or trade in our ordinary shares, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in our ordinary shares, you should carefully read this entire prospectus, including our audited consolidated financial statements and the related notes and the information set forth under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," in each case included elsewhere in this prospectus.

AMBARELLA, INC.

We are a leading developer of semiconductor processing solutions for video that enable high-definition video capture, sharing and display. We combine our processor design capabilities with our 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. Our system-on-a-chip, or SoC, designs fully integrate high-definition video processing, image sensor processing, audio processing and system functions onto a single chip, delivering exceptional video and image quality, differentiated functionality and low power consumption.

We sell our solutions into multiple end markets, including consumer cameras and Internet Protocol, or IP, security cameras, which we refer to as the camera market, as well as broadcast encoding and IP video delivery applications, which we refer to as the infrastructure market. Our solutions enable the creation of high quality video content in the camera market and, in the infrastructure market, help to efficiently manage IP video traffic, which is rapidly becoming the predominant form of global IP traffic. We have shipped more than 15 million SoCs since our inception in 2004.

The inherent flexibility of our technology platform enables us to deliver our solutions for numerous applications in multiple markets. We initially focused on the infrastructure market, where we were able to differentiate our solutions to broadcast customers based on high performance, low power consumption, small size and transmission and storage efficiency. Leveraging these same capabilities, we then designed high-performance solutions for the camera market, including for portable consumer and networked video devices. As a result of the differentiated attributes of our solution, we became a leading provider of video processing solutions for hybrid cameras, which capture both high-definition video and high-resolution still images. In addition, we have recently released the iOne, our first SoC solution designed to serve an emerging class of Android-enabled devices referred to as smart cameras, which combine the high-resolution image capture capabilities of hybrid cameras with advanced networking and application processing functionalities. We are currently selling our third generation solutions into the infrastructure market, and our fourth generation solutions into the camera market.

We sell our solutions to leading original design manufacturers, or ODMs, and original equipment manufacturers, or OEMs, globally. We refer to ODMs as our customers and OEMs as our end customers, except as otherwise indicated or as the context otherwise requires. In the camera market, our video processing solutions are designed into products from leading OEMs including Eastman Kodak Company, GoPro, Samsung Electronics Co., Ltd. and Sony Corporation, who source our solutions from ODMs including Ability Enterprise Co., Ltd., Asia Optical Co. Inc., Chicony Electronics Co., Ltd., DXG Technology Corp., Hon Hai Precision Industry Co., Ltd. and Sky Light Digital Ltd. In the infrastructure market, our solutions are designed into products from leading OEMs including Harmonic Inc., Motorola Mobility, Inc. and Telefonaktiebolaget LM Ericsson, who source our solutions from leading ODMs such as Plexus Corp.

We employ a fabless manufacturing strategy and are currently shipping the majority of our solutions in the 65 and 45 nanometer, or nm, process nodes, and have a proven track record of developing and delivering multiple solutions with first-pass silicon success. As of March 31, 2011, we had 395 employees worldwide, the

majority of whom are in research and development. Our headquarters are located in Santa Clara, California, and we also have research and development design centers and business development offices in China, Hong Kong, Japan, South Korea and Taiwan. For our fiscal years ended January 31, 2010 and January 31, 2011, we recorded revenue of $71.5 million and $94.7 million, and net income of $13.3 million and $13.9 million, respectively. We have generated net income in each quarter beginning with the first quarter of fiscal year 2010 and we have generated cash from operations in each of fiscal years 2009, 2010 and 2011.

Video Industry and Device Trends

Video content is growing at a significant rate. According to the Cisco Visual Networking Index, the sum of all forms of video, including television, video on demand, Internet and peer-to-peer, will be approximately 90% of global consumer IP traffic by 2015, and video will comprise 66% of total mobile data traffic in 2015, a 35 times increase in traffic over 2010. The market trends that are fundamentally changing the way video is created, distributed and consumed include the continuing penetration of broadband, advancements in video quality, increasing numbers of video capture devices, growing user-generated content and the emergence of the video cloud.

These trends are continuing to shape video capture, distribution and consumption and are driving the evolution of end-user preferences and demand. For instance, the demand for enhanced video resolution has been increasing in both the camera and infrastructure markets. In the market for digital still cameras, resolution, measured in megapixels, has been the primary differentiator between competing products and often is a leading factor in consumers' purchasing decisions. Similarly, as raw high-definition video requires significant amounts of storage capacity and bandwidth to store and transmit content, new compression technologies, such as H.264, have emerged to enable efficient storage of high-definition video and smaller file sizes for captured video. Consumer demand has also been driving development of devices that are more portable and simpler to use and that have greater connectivity and functionality, such as the ability to capture video in standard and high definition concurrently.

Given the complexity of video processing, meeting all end-user demands in a single device is challenging. As a result, solution providers often compromise on one or more key specifications. For example, in portable consumer device and networked video applications, where power consumption and device size are critical attributes, many video capture devices available in the market today will sacrifice image quality in order to achieve low power and a compact footprint. Furthermore, many current compression solutions for these applications are developed from architectures that were originally optimized for still image, rather than video, processing needs. As a result, these solutions use inefficient video compression algorithms, which severely limits overall system performance and can result in higher storage and power consumption requirements, slower video-transfer speeds and longer upload times. In the infrastructure market, solutions based on inefficient architectures tend to consume more power and have bigger form factors, thereby lowering the number of available channels per encoder and also severely limiting the ability to deliver multiple streams of video simultaneously.

Many leading video and image capture OEMs have used proprietary technologies to try to address these technical challenges. However, many of these OEMs are vertically integrated and generally allocate fewer resources to semiconductor design solutions than are necessary, and hence are not generally able to produce low-cost or leading edge technologies quickly and efficiently. As a result, OEMs are increasingly migrating toward integrating third-party video processing solutions in their devices to offer exceptional and differentiated products.

The Ambarella Solution

Our video and image processing SoCs, based on our proprietary technology platform, are highly configurable and satisfy the needs of numerous applications in the camera and infrastructure markets. Our high-definition video and image processing solutions enable our customers to deliver exceptional quality video and still imagery in small, easy-to-use devices with low power requirements.

- ***Infrastructure Market.*** Our SoC solutions enable high-performance, low power consumption broadcast devices with small form factors, thereby reducing bandwidth needs, energy usage and costs of additional hardware. Our solutions enable an increased number of channels per encoder due to high compression efficiencies. They also make possible a new class of transcoders that can simultaneously encode and stream multiple video formats to different end devices and can change video resolution and transmission rates based on available IP bandwidth and the display capability of receiving devices.
- ***Camera Market.*** In addition to enabling small device size and low power consumption, our SoC solutions make possible differentiated functionalities such as simultaneous video and image capture and multiple-stream video capture. For networked video devices, our solutions enable cameras that power high-definition IP surveillance at low latencies to provide effective remote monitoring and control.
- ***New and Emerging Markets.*** In the future, we intend to continue to customize and adapt our solutions to meet the needs of additional large and emerging markets and to pursue markets where our technology platform can serve as the core processing solution.

Our Competitive Strengths

Our platform technology solutions provide performance attributes that meet the highest standards of the infrastructure market, satisfy the stringent demands of the camera market and enable integration of high-definition image capture capabilities in portable platforms. We believe that our leadership position in high-definition video and image processing solutions is the result of our competitive strengths, including:

- ***High Performance, Low Power Video and Image Algorithm Expertise.*** Our solutions provide full high-definition video at exceptional resolution and frame rates. In addition, our extensive algorithm expertise enables our solutions to achieve low power consumption without compromising performance.
- ***Proprietary Video Processing Architecture.*** Our proprietary video processing architecture is designed to efficiently integrate our advanced algorithms into our SoCs to offer exceptional storage and transmission efficiencies at low power across multiple products and end markets. We engineered our very-large-scale integration, or VLSI, architecture with a focus on high-performance video applications as opposed to solutions that are based on a still-image processing architecture with add-on video capabilities.
- ***Highly Integrated SoC Solutions Based on a Scalable Platform.*** Our product families leverage our core high-performance and scalable video processing architecture, combined with an extensive set of integrated peripherals, which enables our platform to address the requirements of a variety of applications and end markets.
- ***Comprehensive and Flexible Software.*** Our years of investment in developing and optimizing our comprehensive and flexible software serve as the foundation of our high-performance video application solutions. Key components of our software include highly-customized middleware that integrates many unique features for efficient scheduling and other system-level functions, as well as firmware that is optimized to reduce power requirements and improve performance.
- ***Key Global Relationships with Leading ODM and OEM Customers.*** Our solutions have been designed into top-tier OEM brands currently in the market. Our collaborations with leading ODMs give us extensive visibility into critical product design, development and production timelines, and keep us at the forefront of technological innovation.

Our Strategy

Our objective is to be the leading provider of processing solutions for high-definition video and imaging. Key elements of our strategy are to:

- ***Extend Our Technology Leadership.*** We intend to continue to invest in the development of video processing solutions designed to meet increasingly higher performance requirements and lower cost

and lower power demands of our customers while offering increased capabilities. We believe that continued investment in our proprietary technology platform will enable us to increase our technological leadership in terms of the performance and the functionality of our solutions.

- ***Deepen and Expand Our Customer Relationships*.** We intend to continue to build and strengthen our relationships with existing customers and also diversify our customer base. Our close relationships with leading ODMs and OEMs provide us with insight into product roadmaps and trends in the marketplace, which we intend to leverage to identify new opportunities and applications for our solutions, and we intend to continue to actively engage with ODMs and OEMs at every stage of their design cycles.
- ***Target New Applications Requiring Low Power, High-Definition Video Processing*.** We intend to leverage our core technology platform to address other processing markets that have high performance, low power and low latency requirements. We believe that the flexibility of our technology platform enables us to penetrate new markets efficiently and cost effectively.
- ***Leverage Our Global Business Infrastructure.*** We are committed to continue growing our global infrastructure. Our proximity to key customers due to our extensive presence in Asia has enabled us to build strong relationships with leading ODMs and OEMs. We intend to increase our investments in research and business development personnel in Asia to further strengthen these relationships.

Risks Related to Our Business and Industry

We face numerous challenges in our business and industry, including those described under “Risk Factors.” In particular, we may be subject to risks associated with:

- our dependence on a small number of customers;
- our reliance on our solutions being designed into our customers’ product offerings and the success of such product offerings;
- lengthy competitive selection processes for achieving design wins;
- a lack of long-term supply contracts with our third-party manufacturing vendors;
- our ability to accurately forecast our customers’ demand for our solutions;
- our dependence on sales of a limited number of video and image processing solutions;
- less than expected growth of our target markets;
- our ability to develop and introduce new or enhanced solutions on a timely basis; and
- our ability to penetrate new markets.

Corporate Information

We were organized as an exempted company with limited liability under the laws of the Cayman Islands in January 2004. Our principal executive offices are located at 2975 San Ysidro Way, Santa Clara, California 95051, and our telephone number is (408) 734-8888. Our website address is http://www.ambarella.com. Information contained on, or accessible through, our website is not part of this prospectus. Unless the context requires otherwise, references in this prospectus to “Ambarella,” “company,” “we,” “us” and “our” refer to Ambarella, Inc. and its wholly owned subsidiaries on a consolidated basis.

“Ambarella,” “AmbaCast” and “AmbaClear” are our trademarks. All other trademarks and trade names appearing in this prospectus are the property of their respective owners. We do not intend our use or display of other parties’ trademarks, trade names or service marks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of us by, these other parties.

THE OFFERING

Ordinary shares offered by us	shares
Ordinary shares to be outstanding immediately after the completion of this offering	shares (if the underwriters exercise their over-allotment option in full)
Over-allotment option	shares
Use of proceeds	We intend to use the net proceeds for general corporate purposes including working capital and capital expenditures. See “Use of Proceeds.”
symbol	“ ”

The number of ordinary shares to be outstanding immediately after the completion of this offering is based on 90,510,832 ordinary shares outstanding as of January 31, 2011 and excludes:

- 17,194,147 ordinary shares issuable upon the exercise of options outstanding as of January 31, 2011, at a weighted-average exercise price of $0.97 per share;
- 163,317 shares issuable upon the exercise of warrants outstanding as of January 31, 2011 to purchase redeemable convertible preference shares, at an exercise price of $0.796 per share, which will convert into warrants to purchase 163,317 ordinary shares upon the completion of this offering;
- ordinary shares reserved for future issuance under our 2011 Equity Incentive Plan, as well as shares originally reserved for issuance under our 2004 Stock Plan, but which may become available for awards under our 2011 Equity Incentive Plan, which plan will become effective in connection with this offering and contains provisions that will automatically increase its share reserve each year, as more fully described in “Executive Compensation—Equity Incentive Plans;” and
- ordinary shares reserved for future issuance under our 2011 Employee Stock Purchase Plan, which plan will become effective in connection with this offering, as more fully described in “Executive Compensation—Equity Incentive Plans.”

Unless otherwise indicated, this prospectus reflects and assumes the following:

- the conversion of all of our outstanding redeemable convertible preference shares into an aggregate of 55,206,656 ordinary shares upon the completion of this offering;
- the conversion of all of our outstanding warrants to purchase redeemable convertible preference shares into warrants to purchase an aggregate of 163,317 ordinary shares upon the completion of this offering;
- the filing of our amended and restated memorandum and articles of association immediately prior to the completion of this offering;
- no exercise after January 31, 2011 of outstanding options or warrants; and
- no exercise by the underwriters of their over-allotment option.

SUMMARY CONSOLIDATED FINANCIAL DATA

The summary consolidated statements of operations data for the fiscal years ended January 31, 2009, 2010 and 2011 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. Historical results are not necessarily indicative of the results to be expected in the future. You should read this summary consolidated financial data together with the sections titled "Selected Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements and related notes, all included elsewhere in this prospectus.

	Year Ended January 31,		
	2009	2010	2011
	(in thousands, except share and per share data)		
Consolidated Statements of Operations Data:			
Revenue	$ 41,747	$ 71,525	$ 94,739
Cost of revenue	13,494	24,045	34,500
Gross profit	28,253	47,480	60,239
Operating expenses:			
Research and development	26,576	27,638	34,449
Selling, general and administrative	4,605	6,894	10,313
Total operating expenses	31,181	34,532	44,762
Income (loss) from operations	(2,928)	12,948	15,477
Other income (loss), net	216	(114)	(47)
Income (loss) before income taxes	(2,712)	12,834	15,430
Provision (benefit) for income taxes	240	(454)	1,501
Net income (loss)	$ (2,952)	$ 13,288	$ 13,929
Net income (loss) per share attributable to ordinary shareholders:			
Basic[1]	$ (0.10)	$ 0.11	$ 0.12
Diluted[1]	$ (0.10)	$ 0.11	$ 0.11
Weighted-average shares used to compute net income (loss) per share attributable to ordinary shareholders:			
Basic[1]	28,960,142	31,255,579	33,563,822
Diluted[1]	28,960,142	34,945,403	40,981,828
Pro forma net income per share attributable to ordinary shareholders (unaudited):			
Basic[1]			$ 0.15
Diluted[1]			$ 0.14
Weighted-average shares used to compute pro forma net income per share attributable to ordinary shareholders (unaudited):			
Basic[1]			88,770,478
Diluted[1]			96,188,484

(1) See Note 9 and Note 10 to our audited consolidated financial statements for an explanation of the method used to calculate the basic and diluted net income (loss) per ordinary share, unaudited pro forma basic and diluted net income per ordinary share and the number of shares used in the computation of the per share amounts.

Stock-based compensation expense included in the above line items was as follows:

	Year Ended January 31,		
	2009	2010	2011
	(in thousands)		
Cost of revenue	$ 18	$ 24	$ 41
Research and development	467	735	1,058
Selling, general and administrative	187	331	757
Total stock-based compensation	$672	$1,090	$1,856

The following table presents a summary of our balance sheet data as of January 31, 2011:

- on an actual basis;
- on a pro forma basis to reflect the conversion of all of our outstanding redeemable convertible preference shares into an aggregate of 55,206,656 ordinary shares upon completion of this offering and the conversion of all of our outstanding warrants to purchase redeemable convertible preference shares into warrants to purchase 163,317 ordinary shares upon the completion of this offering; and
- on a pro forma as adjusted basis to reflect the pro forma conversions described above and the sale of ordinary shares in this offering at an assumed initial public offering price of $ per share, the mid-point of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	As of January 31, 2011		
	Actual	Pro Forma	Pro Forma as Adjusted
		(in thousands)	
Consolidated Balance Sheet Data:			
Cash, cash equivalents and restricted cash	$42,139	$ 42,139	$
Working capital	35,764	35,764	
Total assets	64,133	64,133	
Total liabilities	25,964	25,964	
Redeemable convertible preference shares	39,273	—	
Total shareholders' equity (deficit)	(1,104)	38,169	

A $1.00 increase (decrease) in the assumed public offering price of $ per share would increase (decrease), on an as adjusted basis, each of cash, cash equivalents and restricted cash, working capital, total assets and total shareholders' equity by approximately $, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. Each increase (decrease) of 1,000,000 shares in the number of shares offered by us would increase (decrease) each of cash, cash equivalents and restricted cash, working capital, total assets and total shareholders' equity by approximately $, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted information discussed above is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering determined at pricing.

RISK FACTORS

Investing in our ordinary shares involves a high degree of risk. You should carefully consider the risks described below together with all of the other information included in this prospectus, including our financial statements and the related notes, before making a decision to buy our ordinary shares. The risks and uncertainties described below are not the only ones we face. If any of the following risks actually occurs, our business, financial condition, results of operations and growth prospects could be harmed. In that case, the trading price of our ordinary shares could decline and you might lose all or part of your investment in our ordinary shares. Additional risks and uncertainties not currently known to us or that we currently deem immaterial may also impair our business operations.

Risks Related to Our Business and Our Industry

We depend on a small number of customers for a significant portion of our revenue. If we fail to retain or expand our customer relationships, our revenue could decline.

We sell our video and image processing system-on-a-chip, or SoC, solutions to original equipment manufacturers, or OEMs, who include our SoCs in their products, and to original design manufacturers, or ODMs, who include our SoCs in the products that they supply to OEMs. We refer to ODMs as our customers and OEMs as our end customers, except as otherwise indicated or as the context otherwise requires. We derive a significant portion of our revenue from a small number of ODMs and we anticipate that we will continue to do so for the foreseeable future. In the fiscal year ended January 31, 2011, sales directly and through our logistics providers to our five largest customers collectively accounted for approximately 57% of our revenue, and sales to our 10 largest customers collectively accounted for approximately 82% of our revenue. In the fiscal year ended January 31, 2010, sales directly and through our logistics providers to our five largest customers collectively accounted for approximately 63% of our revenue, and sales to our 10 largest customers collectively accounted for approximately 83% of our revenue. During fiscal year 2011, our largest ODM customer accounted for approximately 19% of our revenue, primarily serving two large OEM end customers.

We believe that our operating results for the foreseeable future will continue to depend on sales to a relatively small number of customers. In the future, these customers may decide not to purchase our SoC solutions at all, may purchase fewer solutions than they did in the past or may alter their purchasing patterns. As substantially all of our sales to date have been made on a purchase order basis, these customers may cancel, change or delay product purchase commitments with little or no notice to us and without penalty. For example, we recently achieved a significant customer design win and projected substantial future revenue from that customer as a result of that design win. Subsequently, based on changes in that customer's assessment of the end-user market, among other factors, the customer abruptly shut down its business unit with respect to which we achieved the design win, with no notice to us. The loss of a significant customer could happen again at any time and without notice, and such loss would likely harm our financial condition and results of operations.

In addition, our relationships with some customers may deter other potential customers who compete with these customers from buying our solutions. To attract new customers or retain existing customers, we may offer these customers favorable prices on our solutions. In that event, our average selling prices and gross margins would decline. The loss of a key customer, a reduction in sales to any key customer or our inability to attract new customers could seriously impact our revenue and harm our results of operations.

If our customers do not design our solutions into their product offerings or if our customers' product offerings are not commercially successful, our business would suffer.

Our video and image processing SoCs are generally incorporated into our customers' products at the design stage, which is referred to as a design win. As a result, we rely on OEMs to design our solutions into the products that they design and sell. Without these design wins, our business would be harmed. We often incur significant

expenditures developing a new SoC solution without any assurance that an OEM will select our solution for design into its own product. Once an OEM designs a competitor's device into its product, it becomes significantly more difficult for us to sell our SoC solutions to that customer because changing suppliers involves significant cost, time, effort and risk for the customer. Furthermore, even if an OEM designs one of our SoC solutions into its product, we cannot be assured that the OEM's product will be commercially successful or that we will receive any revenue from that OEM. If our customers' products incorporating our SoC solutions fail to meet the demands of their customers or otherwise fail to achieve market adoption, our revenue and business would suffer.

Achieving design wins is subject to lengthy competitive selection processes that require us to incur significant expenditures. Even if we begin a product design, a customer may decide to cancel or change its product plans, resulting in no revenue from such expenditures.

We are focused on getting digital video camera manufacturers to incorporate our video and image processing solutions in their products at the design stage. These efforts to achieve design wins typically are lengthy and can require us to incur design and development expenditures and dedicate scarce engineering resources in pursuit of a single customer opportunity. We may not prevail in the competitive selection process and, even when we do achieve a design win, we may never generate any revenue despite incurring development expenditures. These risks are exacerbated by the fact that some of our customers' products likely will have short life cycles.

After securing a design win, we may experience delays in generating revenue from our solutions as a result of the lengthy product development cycle typically required, if we generate any revenue at all as a result of such design win.

Our customers generally take a considerable amount of time to evaluate our solutions. The typical time from early engagement by our sales force to actual product introduction runs from nine to 12 months for the camera market, and 12 to 24 months for the infrastructure market. The delays inherent in these lengthy sales cycles increase the risk that a customer will decide to cancel, curtail, reduce or delay its product plans, causing us to lose anticipated sales. In addition, any delay or cancellation of a customer's plans could harm our financial results, as we may have incurred significant expense and generated no revenue. Finally, our customers' failure to successfully market and sell their products could reduce demand for our SoC solutions and harm our business, financial condition and results of operations. If we were unable to generate revenue after incurring substantial expenses to develop any of our solutions, our business would suffer.

We do not have long-term supply contracts with our third-party manufacturing vendors, and they may not allocate sufficient capacity to us at reasonable prices to meet future demands for our solutions.

The semiconductor industry is subject to intense competitive pricing pressure from customers and competitors. Accordingly, any increase in the cost of our solutions, whether by adverse purchase price variances or adverse manufacturing cost variances, will reduce our gross margins and operating profit. We currently do not have long-term supply contracts with any of our third-party vendors and we typically negotiate pricing on a purchase order-by-purchase order basis. Therefore, they are not obligated to perform services or supply product to us for any specific period, in any specific quantities, or at any specific price, except as may be provided in a particular purchase order. Availability of foundry capacity has in the recent past been limited due to strong demand. The ability of our foundry vendors to provide us with product, which is sole sourced at each foundry, is limited by their available capacity and existing obligations. Foundry capacity may not be available when we need it or at reasonable prices. None of our third-party foundry or assembly and test vendors has provided contractual assurances to us that adequate capacity will be available to us to meet our anticipated future demand for our solutions. Our foundry and assembly and test vendors may allocate capacity to the production of other companies' products while reducing deliveries to us on short notice. In particular, other customers that are larger and better financed than we are or that have long-term agreements with our foundry or assembly and test vendors may cause our foundry or assembly and test vendors to reallocate capacity to those customers, decreasing the

capacity available to us. If, in the future, we enter into arrangements with suppliers that include additional fees to expedite delivery, nonrefundable deposits or loans in exchange for capacity commitments or commitments to purchase specified quantities over extended periods, such arrangements may be costly, reduce our financial flexibility and be on terms unfavorable to us, if we are able to secure such arrangements at all. Moreover, if we are able to secure foundry capacity, we may be obligated to use all of that capacity or incur penalties. These penalties could harm our financial results. To date, we have not entered into any such arrangements with our suppliers. If we need additional foundry or assembly and test subcontractors because of increased demand or the inability to obtain timely and adequate deliveries from our current vendors, we may not be able to do so cost-effectively, if at all.

Our customers may cancel their orders, change production quantities or delay production. If we fail to accurately forecast demand for our solutions, revenue shortfalls, or excess, obsolete or insufficient inventory could result.

Our customers typically do not provide us with firm, long-term purchase commitments. Substantially all of our sales are made on a purchase order basis, which permits our customers to cancel, change or delay their product purchase commitments with little or no notice to us and without penalty to them. Because production lead times often exceed the amount of time required by our customers to fill their orders, we often must build in advance of orders, relying on an imperfect demand forecast to project volumes and product mix.

Our SoCs are incorporated into products manufactured by or for our end customers, and as a result, demand for our solutions is influenced by the demand for our customers' products. Our ability to accurately forecast demand can be adversely affected by a number of factors, including inaccurate forecasting by our customers, miscalculations by our customers of their inventory requirements, changes in market conditions, adverse changes in our product order mix and fluctuating demand for our customers' products. Even after an order is received, our customers may cancel these orders or request a decrease in production quantities. Any such cancellation or decrease subjects us to a number of risks, most notably that our projected sales will not materialize on schedule or at all, leading to unanticipated revenue shortfalls and excess or obsolete inventory that we may be unable to sell to other customers.

Alternatively, if we are unable to project customer requirements accurately, we may not build enough SoCs, which could lead to delays in product shipments and lost sales opportunities in the near term, as well as force our customers to identify alternative sources, which could affect our ongoing relationships with these customers. We have in the past had customers significantly increase their requested production quantities with little or no advance notice. If we do not fulfill customer demands in a timely manner, our customers may cancel their orders and we may be subject to customer claims for cost of replacement. In addition, the rapid pace of innovation in our industry could render portions of our inventory obsolete. Excess or obsolete inventory levels could result in unexpected expenses or increases in our reserves that could adversely affect our business, operating results and financial condition. In addition, any significant future cancellations or deferrals of product orders could harm our margins, increase our write-offs due to product obsolescence and restrict our ability to fund our operations.

We are dependent on sales of a limited number of video and image processing solutions, and a decline in market adoption of these solutions could harm our business.

From inception through January 31, 2011, our revenue has been generated from the sale of a limited number of high-definition video and image processing SoC solutions in the camera and infrastructure markets. Moreover, we currently derive a significant amount of our revenue from the sale of our SoCs for use in the camera market and we expect to do so for the next several years. As a result, continued market adoption of our SoC solutions, particularly in portable digital video cameras, is critical to our future success. If demand for our SoC solutions were to decline, or demand for digital video cameras declines, does not continue to grow or does not grow as expected, our revenue would decline and our business would be harmed.

Our target markets may not grow or develop as we currently expect and are subject to market risks, any of which could harm our business, revenue and operating results.

To date, our revenue has been attributable to demand for our video and image processing SoCs in the camera and infrastructure markets and the growth of these overall markets. We initially focused on the infrastructure market, and then leveraged our knowledge and experience to design solutions for the camera market. We now derive the majority of our revenue from the camera market. We recently released the iOne, our first SoC solution designed specifically to serve an emerging class of advanced video capture devices referred to as smart cameras. Our operating results are increasingly affected by trends in the camera market. These trends include demand for higher resolution, demand for increasing functionality, evolving standards for video compression, and greater storage and connectivity requirements. We may be unable to predict the timing or development of these markets with accuracy. For example, we expect continuing convergence of the camera market and the smart phone and tablet markets, which may adversely impact the growth of our current markets. In the networked video market, a slower than expected adoption rate for digital technology in place of analog solutions could slow the demand for our solutions. Also, the transition of digital still cameras, or DSCs, into hybrid cameras, which has been our primary area of focus in the camera market, has been slower than we anticipated. If our target markets do not grow or develop in ways that we currently expect, demand for our video and image processing SoCs may not materialize as expected and our business and operating results could suffer.

If we fail to develop and introduce new or enhanced solutions on a timely basis, our ability to attract and retain customers could be impaired and our competitive position could be harmed.

We operate in a dynamic environment characterized by rapidly changing technologies and technological obsolescence. To compete successfully, we must design, develop, market and sell new or enhanced solutions that provide increasingly higher levels of performance and functionality and that meet the cost expectations of our customers. Our existing or future solutions could be rendered obsolete by the introduction of new products by our competitors; convergence of other markets, such as smart phones, with or into the camera market; the market adoption of products based on new or alternative technologies; or the emergence of new industry standards for video compression. In addition, the markets for our solutions are characterized by frequent introduction of next-generation and new products, short product life cycles, increasing demand for added functionality and significant price competition. If we or our customers are unable to manage product transitions in a timely and cost-effective manner, our business and results of operations would suffer.

Our failure to anticipate or timely develop new or enhanced solutions in response to technological shifts could result in decreased revenue and our competitors achieving design wins that we sought. In particular, we may experience difficulties with product design, manufacturing, marketing or qualification that could delay or prevent our development, introduction or marketing of new or enhanced solutions. In addition, delays in development could impair our relationships with our customers and negatively impact sales of our solutions under development. Moreover, it is possible that our customers may develop their own product or adopt a competitor's solution for products that they currently buy from us. If we fail to introduce new or enhanced solutions that meet the needs of our customers or penetrate new markets in a timely fashion, we will lose market share and our operating results will be adversely affected.

If we fail to penetrate new markets, our revenue and financial condition could be harmed.

Currently, we sell most of our products to OEMs and ODMs of high-definition portable video cameras and broadcasting equipment. Our future revenue growth, if any, will depend in part on our ability to expand beyond these markets with our video and image processing SoC solutions, particularly in markets for hybrid and smart cameras. Each of these markets presents distinct and substantial risks. If any of these markets do not develop as we currently anticipate or if we are unable to penetrate them successfully, our revenue could decline.

The hybrid camera market is dominated by only a few OEMs, including Canon Inc., Nikon Corporation and Sony Corporation. These OEMs are large, multinational corporations with substantial negotiating power relative to us. Meeting the technical requirements and securing design wins with any of these companies will require a

substantial investment of our time and resources. We cannot assure you that we will secure design wins from these or other companies or that we will achieve revenue from the sales of our solutions into the hybrid camera market.

Finally, the market for smart cameras is new and still developing. We recently introduced our first solution specifically designed for this market and cannot predict how or to what extent demand for our solutions in this market will develop.

If we fail to penetrate these or other new markets we are targeting, our revenue likely will decrease over time and our financial condition could suffer.

The average selling prices of video and image processing solutions in our target markets have historically decreased over time and will likely do so in the future, which could harm our revenue and gross margins.

Average selling prices of semiconductor products in the markets we serve have historically decreased over time and we expect such declines to continue to occur for our solutions over time. Our gross margins and financial results will suffer if we are unable to offset reductions in our average selling prices by reducing our costs, developing new or enhanced SoC solutions on a timely basis with higher selling prices or gross margins, or increasing our sales volumes. Additionally, because we do not operate our own manufacturing, assembly or testing facilities, we may not be able to reduce our costs as rapidly as companies that operate their own facilities, and our costs may even increase, which could also reduce our gross margins. In the past, we have reduced the prices of our SoC solutions in anticipation of future competitive pricing pressures, new product introductions by us or our competitors and other factors. We expect that we will have to do so again in the future.

We face intense competition and expect competition to increase in the future, which could have an adverse effect on our revenue and market share.

The global semiconductor market in general, and the video and image processing markets in particular, are highly competitive. We compete in different target markets to various degrees on the basis of a number of competitive factors, including our solutions' performance, features, functionality, energy efficiency, size, ease with which our solution may be integrated into our customers' products, customer support, reliability and price, as well as on the basis of our reputation. We expect competition to increase and intensify as more and larger semiconductor companies enter our markets, and as the internal resources of large OEMs grow. Increased competition could result in price pressure, reduced profitability and loss of market share, any of which could harm our business, revenue and operating results.

Our competitors range from large, international companies offering a wide range of semiconductor products to smaller companies specializing in narrow markets. Our primary competitors in the camera market include Fujitsu Limited, HiSilicon Technologies Co., Ltd., Texas Instruments Incorporated and Zoran Corporation, as well as vertically integrated divisions of consumer device OEMs, including Canon Inc., Panasonic Corporation and Sony Corporation. Our primary competitors in the infrastructure market include Intel Corporation, Magnum Semiconductor, Inc. and Texas Instruments Incorporated. Certain of our customers and suppliers also have divisions that produce products competitive with ours. We expect competition in our current markets to increase in the future as existing competitors improve or expand their product offerings. In addition, as we expand our business into new sectors of these markets, such as smart cameras, we expect to face competition from other large semiconductor companies, such as Broadcom Corporation, NVIDIA Corporation, Qualcomm Incorporated and Samsung Electronics Co., Ltd.

Our ability to compete successfully depends on elements both within and outside of our control, including industry and general economic trends. Many of our competitors are substantially larger, have greater financial, technical, marketing, distribution, customer support and other resources, are more established than we are and

have significantly better brand recognition and broader product offerings which may enable them to better withstand adverse economic or market conditions in the future. Our ability to compete will depend on a number of factors, including:

- our ability to anticipate market and technology trends and successfully develop solutions that meet market needs;
- our success in identifying and penetrating new markets, applications and customers;
- our ability to understand the price points and performance metrics of competing products in the marketplace;
- our solutions' performance and cost-effectiveness relative to that of competing products;
- our ability to gain access to leading design tools and product specifications at the same time as our competitors;
- our ability to develop and maintain relationships with key OEMs and ODMs;
- our ability to expand international operations in a timely and cost-efficient manner;
- our ability to deliver products in volume on a timely basis at competitive prices; and
- our ability to recruit design and application engineers with expertise in image video and image processing technologies, and sales and marketing personnel.

Our competitors may also establish cooperative relationships among themselves or with third parties or acquire companies that provide similar products to ours. As a result, new competitors or alliances may emerge that could acquire significant market share. Any of these factors, alone or in combination with others, could harm our business and result in a loss of market share and an increase in pricing pressure.

If we are unable to manage any future growth, we may not be able to execute our business plan and our operating results could suffer.

Our business has grown rapidly. Our future operating results depend to a large extent on our ability to successfully manage any expansion and growth, including the challenges of managing a company with headquarters in the United States and the majority of its employees in Asia. To manage our growth successfully and handle the responsibilities of being a public company, we believe we must effectively, among other things:

- recruit, hire, train and manage additional qualified engineers for our research and development activities, particularly in our offices in Asia and especially for the positions of semiconductor design and systems and applications engineering;
- add additional sales personnel;
- add additional finance and accounting personnel;
- implement and improve our administrative, financial and operational systems, procedures and controls; and
- enhance our information technology support for enterprise resource planning and design engineering by adapting and expanding our systems and tool capabilities, and properly training new hires as to their use.

We are increasing our investment in research and development and other functions to grow our business. We are likely to incur the costs associated with these increased investments earlier than some of the anticipated benefits and the return on these investments, if any, may be lower, may develop more slowly than we expect or may not materialize.

If we are unable to manage our growth effectively, we may not be able to take advantage of market opportunities or develop new solutions, and we may fail to satisfy customer product or support requirements, maintain product quality, execute our business plan or respond to competitive pressures.

A substantial portion of our revenue is processed through a single logistics provider and the loss of this logistics provider may cause disruptions in our shipments, which may adversely affect our operations and financial condition.

We sell substantially all of our solutions through a single logistics provider, WT Microelectronics Co., Ltd., or WT, which serves as our non-exclusive sales representative in all of Asia other than Japan. Approximately 74%, 84% and 91% of our revenue was derived from sales through WT for the fiscal years ended January 31, 2009, 2010 and 2011, respectively. We anticipate that a significant portion of our revenue will continue to be derived from sales through WT in the foreseeable future. Our current agreement with WT is effective until January 2012, unless it is terminated earlier by either party for any or no reason with 90 days written notice or by failure of the breaching party to cure a material breach within 30 days following written notice of such material breach by the non-breaching party. Our agreement with WT will automatically renew for additional successive 12-month terms unless at least 60 days before the end of the then-current term either party provides written notice to the other party that it elects not to renew the agreement. Termination of the relationship with WT, either by us or by WT, could result in a temporary or permanent loss of revenue. We may not be successful in finding suitable alternative logistics providers on satisfactory terms, or at all, and this could adversely affect our ability to effectively sell our solutions in certain geographical locations or to certain end customers. Additionally, if we terminate our relationship with WT, we may be obligated to repurchase unsold product, which could be difficult or impossible to sell to other end customers. Furthermore, WT, or any successor or other logistics providers we do business with, may face issues obtaining credit, which could impair their ability to make timely payments to us.

Fluctuations in our operating results on a quarterly and annual basis could cause the market price of our ordinary shares to decline.

Our revenue and operating results have fluctuated significantly from period to period in the past and are likely to do so in the future. In particular, our business tends to be seasonal with higher revenue in our third quarter as our customers typically increase their production to meet year-end demand for their products. As a result, you should not rely on period-to-period comparisons of our operating results as an indication of our future performance. In future periods, our revenue and results of operations may be below the expectations of analysts and investors, which could cause the market price of our ordinary shares to decline.

Factors that may affect our operating results include:

- changes in the competitive dynamics of our markets, including new entrants or pricing pressures;
- variances in order patterns by our customers, particularly any of our significant customers;
- our ability to successfully define, design and release new solutions in a timely manner that meet our customers' needs;
- changes in manufacturing costs, including wafer, test and assembly costs, mask costs, manufacturing yields and product quality and reliability;
- timely availability of adequate manufacturing capacity from our manufacturing subcontractors;
- the timing of product announcements by our competitors or by us;
- future accounting pronouncements and changes in accounting policies;
- volatility in our share price, which may lead to higher stock-based compensation expense;
- general socioeconomic and political conditions in the countries where we operate or where our products are sold or used; and
- costs associated with litigation, especially related to intellectual property.

Moreover, the semiconductor industry has historically been cyclical in nature, reflecting overall economic conditions as well as budgeting and buying patterns of consumers. We expect these cyclical conditions to continue. As a result, our quarterly operating results are difficult to predict, even in the near term. Our expense

levels are relatively fixed in the short term and are based, in part, on our expectations of future revenue. If revenue levels are below our expectations, we may experience declines in margins and profitability or incur losses.

If we do not sustain our growth rate, we may not be able to execute our business plan and our operating results could suffer.

We have experienced significant growth in a short period of time. Our revenue increased from $21.5 million in fiscal year 2008 to $94.7 million in fiscal year 2011. We may not achieve similar growth rates in future periods. You should not rely on our revenue growth, gross margins or operating results for any prior quarterly or annual periods as an indication of our future operating performance. If we are unable to maintain adequate revenue growth, our financial results could suffer and our stock price could decline.

Due to our limited operating history, we may have difficulty accurately predicting our future revenue and appropriately budgeting our expenses.

We were incorporated in 2004 and first generated product revenue in the third quarter of fiscal year 2006. As a result, we have a limited operating history from which to predict future revenue. This limited operating experience, combined with the rapidly evolving nature of the markets in which we sell our solutions, substantial uncertainty concerning how these markets may develop and other factors beyond our control, limits our ability to accurately forecast quarterly or annual revenue. In addition, because we record substantially all of our revenue from sales when we have received notification from our logistics providers that they have sold our products, some of the revenue we record in a quarter may be derived from sales of products shipped to our logistics providers during previous quarters. This revenue recognition methodology limits our ability to forecast quarterly or annual revenue accurately. We are currently expanding our staffing and increasing our expenditures in anticipation of future revenue growth. If our revenue does not increase as anticipated, we could incur significant losses due to our higher expense levels if we are not able to decrease our expenses in a timely manner to offset any shortfall in future revenue.

While we intend to continue to invest in research and development, we may be unable to make the substantial investments that are required to remain competitive in our business.

The semiconductor industry requires substantial investment in research and development in order to bring to market new and enhanced solutions. Our research and development expense was $26.6 million in fiscal year 2009, $27.6 million in fiscal year 2010, and $34.4 million in fiscal year 2011. We expect to continue to increase our research and development expenditures as compared to prior periods as part of our strategy of focusing on the development of innovative and sustainable video and image processing solutions. We do not know whether we will have sufficient resources to maintain the level of investment in research and development required to remain competitive. In addition, we cannot assure you that the technologies which are the focus of our research and development expenditures will become commercially successful or generate any revenue.

The complexity of our solutions could result in unforeseen delays or expenses from undetected defects, errors or bugs in hardware or software which could reduce the market adoption of our new solutions, damage our reputation with current or prospective customers and adversely affect our operating costs.

Highly complex SoC solutions such as ours frequently contain defects, errors and bugs when they are first introduced or as new versions are released. We have in the past and may in the future experience these defects, errors and bugs. If any of our solutions have reliability, quality or compatibility problems, we may not be able to successfully correct these problems in a timely manner or at all. In addition, if any of our proprietary features contain defects, errors or bugs when first introduced or as new versions of our solutions are released, we may be unable to timely correct these problems. Consequently, our reputation may be damaged and customers may be reluctant to buy our solutions, which could harm our ability to retain existing customers and attract new customers, and could adversely affect our financial results. In addition, these defects, errors or bugs could

interrupt or delay sales to our customers. If any of these problems are not found until after we have commenced commercial production of a new product, we may incur significant additional development costs and product recall, repair or replacement costs. These problems may also result in claims against us by our customers or others.

The loss of any of our key personnel could seriously harm our business, and our failure to attract or retain qualified management, engineering, sales and marketing talent could impair our ability to grow our business.

We believe our future success will depend in large part upon our ability to attract, retain and motivate highly skilled management, engineering and sales and marketing personnel. The loss of any key employees or the inability to attract, retain or motivate qualified personnel, including engineers and sales and marketing personnel, could delay the development and introduction of, and harm our ability to sell, our solutions. We believe that our future success is dependent on the contributions of Fermi Wang, our co-founder, Chairman of the Board of Directors, President and Chief Executive Officer, Les Kohn, our co-founder and Chief Technology Officer, George Laplante, our Chief Financial Officer, Didier LeGall, our Executive Vice President, and Christopher Day, our Vice President, Marketing and Business Development. Each of these executive officers is an at-will employee. The loss of the services of Dr. Wang, Mr. Kohn, Mr. Laplante, Dr. LeGall, Mr. Day, other executive officers or certain other key personnel could harm our business, financial condition and results of operations. For example, if any of these individuals were to leave unexpectedly, we could face substantial difficulty in hiring qualified successors and could experience a loss in productivity during the search for any such successor and while any successor is integrated into our business and operations.

Our key technical and engineering personnel represent a significant asset and serve as the source of our technological and product innovations. We plan to recruit software and system engineers with expertise in video processing technologies, primarily in Taiwan and China. We may not be successful in attracting, retaining and motivating sufficient numbers of technical and engineering personnel to support our anticipated growth. The competition for qualified engineering personnel in our industry, and particularly in Asia, is very intense. If we are unable to hire, train and retain qualified engineering personnel in a timely manner, our ability to grow our business will be impaired. In addition, if we are unable to retain our existing engineering personnel, our ability to maintain or grow our revenue will be adversely affected.

Camera manufacturers incorporate components supplied by multiple third parties, and a supply shortage or delay in delivery of these components could delay orders for our solutions by our customers.

Our customers purchase components used in the manufacture of their cameras from various sources of supply, often involving several specialized components, including lenses and sensors. Any supply shortage or delay in delivery by third-party component suppliers may prevent or delay production of our customers' products. For example, in the hybrid camera market, the unavailability of complementary metal-oxide semiconductor, or CMOS, sensors could slow adoption of our solutions into the hybrid camera market. In addition, replacement or substitute components may not be available on commercially reasonable terms, or at all. As a result of delays in delivery or supply shortages of third-party components, orders for our solutions may be delayed or canceled and our business may be harmed.

We outsource our wafer fabrication, assembly and testing operations to third parties, and if these parties fail to produce and deliver our products according to requested demands in specification, quantity, cost and time, our reputation, customer relationships and operating results could suffer.

We rely on third parties for substantially all of our manufacturing operations, including wafer fabrication, assembly and testing. To date, the majority of our SoCs have been manufactured on a turnkey basis by Global UniChip Corporation, or GUC, in Taiwan, from whom we purchase fully assembled and tested products. The wafers used by GUC in the assembly of our products are manufactured by Taiwan Semiconductor Manufacturing Co., Ltd., or TSMC, in Taiwan. Beginning in fiscal year 2010, we began to use Samsung Electronics Co., Ltd., or

Samsung, in South Korea, from whom we have the option to purchase both fully assembled and tested products as well as raw wafers. GUC subcontracts the assembly of the products it supplies to us to Advanced Semiconductor Engineering, Inc. and Siliconware Precision Industries Co., Ltd. Samsung subcontracts the assembly and initial testing of the products it supplies to us to Signetics Corporation and STATS ChipPAC Ltd. Final testing of all of our products is handled by King Yuan Electronics Co., Ltd. or Sigurd Corporation under the supervision of our engineers. We depend on these third parties to supply us with material of a requested quantity in a timely manner that meets our standards for yield, cost and manufacturing quality. We do not have any long-term supply agreements with any of our manufacturing suppliers. If one or more of these vendors terminates its relationship with us, or if we encounter any problems with our manufacturing supply chain, our ability to ship our solutions to our customers on time and in the quantity required would be adversely affected, which in turn could cause an unanticipated decline in our sales and damage our customer relationships.

If our foundry vendors do not achieve satisfactory yields or quality, our reputation and customer relationships could be harmed.

The fabrication of our video and image processing SoC solutions is a complex and technically demanding process. Minor deviations in the manufacturing process can cause substantial decreases in yields, and in some cases, cause production to be suspended. Our foundry vendors, from time to time, experience manufacturing defects and reduced manufacturing yields. Changes in manufacturing processes or the inadvertent use of defective or contaminated materials by our foundry vendors could result in lower than anticipated manufacturing yields or unacceptable performance of our SoCs. Many of these problems are difficult to detect at an early stage of the manufacturing process and may be time consuming and expensive to correct. Poor yields from our foundry vendors, or defects, integration issues or other performance problems in our solutions, could cause us significant customer relations and business reputation problems, harm our financial results and give rise to financial or other damages to our customers. Our customers might consequently seek damages from us for their losses. A product liability claim brought against us, even if unsuccessful, would likely be time consuming and costly to defend.

Each of our SoC solutions is manufactured at a single location. If we experience manufacturing problems at a particular location, we would be required to transfer manufacturing to a new location or supplier. Converting or transferring manufacturing from a primary location or supplier to a backup fabrication facility could be expensive and could take two or more quarters. During such a transition, we would be required to meet customer demand from our then-existing inventory, as well as any partially finished goods that could be modified to the required product specifications. We do not seek to maintain sufficient inventory to address a lengthy transition period because we believe it is uneconomical to keep more than minimal inventory on hand. As a result, we may not be able to meet customer needs during such a transition, which could delay shipments, cause production delays, result in a decline in our sales and damage our customer relationships.

We may experience difficulties in transitioning to new wafer fabrication process technologies or in achieving higher levels of design integration, which may result in reduced manufacturing yields, delays in product deliveries and increased costs.

We aim to use the most advanced manufacturing process technology appropriate for our products that is available from our third-party foundries. As a result, we periodically evaluate the benefits of migrating our solutions to smaller geometry process technologies in order to improve performance and reduce costs. We believe this strategy will help us remain competitive. These ongoing efforts require us from time to time to modify the manufacturing processes for our products and to redesign some products, which in turn may result in delays in product deliveries. We may face difficulties, delays and increased expense as we transition our products to new processes and potentially to new foundries. We depend on Samsung and TSMC, as the principal foundries for our products, to transition to new processes successfully. We cannot assure you that Samsung or TSMC will be able to effectively manage such transitions or that we will be able to maintain our relationship with Samsung or TSMC or develop relationships with new foundries. If we or our foundries experience significant delays in transitioning to smaller geometries or fail to efficiently implement transitions, we could experience reduced

manufacturing yields, delays in product deliveries and increased costs, all of which could harm our relationships with our customers and our operating results. As new processes become more prevalent, we expect to continue to integrate greater levels of functionality, as well as more end-customer and third-party intellectual property, into our solutions. We may not be able to achieve higher levels of design integration or deliver new integrated solutions on a timely basis.

We rely on third-party vendors to supply software development tools to us for the development of our new products and we may be unable to obtain the tools necessary to develop or enhance new or existing products.

We rely on third-party software development tools to assist us in the design, simulation and verification of new products or product enhancements. To bring new products or product enhancements to market in a timely manner, or at all, we need software development tools that are sophisticated enough or technologically advanced enough to complete our design, simulations and verifications. In the future, the design requirements necessary to meet consumer demands for more features and greater functionality from our solutions may exceed the capabilities of available software development tools. Unavailability of software development tools may result in our missing design cycles or losing design wins, either of which could result in a loss of market share or negatively impact our operating results.

Because of the importance of software development tools to the development and enhancement of our solutions, our relationships with leaders in the computer-aided design industry, including Cadence Design Systems, Inc., Mentor Graphics Corporation and Synopsys, Inc., are critical to us. We have invested significant resources to develop relationships with these industry leaders. We believe that utilizing next-generation development tools to design, simulate and verify our products will help us remain at the forefront of the video compression market, and develop solutions that utilize leading-edge technology on a rapid basis. If these relationships are not successful, we may be unable to develop new products or product enhancements in a timely manner, which could result in a loss of market share, a decrease in revenue or negatively impact our operating results.

Our failure to adequately protect our intellectual property rights could impair our ability to compete effectively or defend ourselves from litigation, which could harm our business, financial condition and results of operations.

Our success depends, in part, on our ability to protect our intellectual property. We rely primarily on patent, copyright, trademark and trade secret laws, as well as confidentiality and non-disclosure agreements and other contractual protections, to protect our proprietary technologies and know-how. As of March 31, 2011, we had 11 issued and allowed patents in the United States, three issued patents in China, and 46 pending and provisional patent applications in the United States. Even if the pending patent applications are granted, the rights granted to us may not be meaningful or provide us with any commercial advantage. For example, these patents could be opposed, contested, circumvented, designed around by our competitors or be declared invalid or unenforceable in judicial or administrative proceedings. The failure of our patents to adequately protect our technology might make it easier for our competitors to offer similar products or technologies. Our foreign patent protection is generally not as comprehensive as our U.S. patent protection and may not protect our intellectual property in some countries where our products are sold or may be sold in the future. Many U.S.-based companies have encountered substantial intellectual property infringement in foreign countries, including countries where we sell products. Even if foreign patents are granted, effective enforcement in foreign countries may not be available.

The legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain and evolving. We cannot assure you that others will not develop or patent similar or superior technologies, products or services, or that our patents, trademarks and other intellectual property will not be challenged, invalidated or circumvented by others.

Unauthorized copying or other misappropriation of our proprietary technologies could enable third parties to benefit from our technologies without paying us for doing so, which could harm our business. Monitoring unauthorized use of our intellectual property is difficult and costly. Although we are not aware of any unauthorized use of our intellectual property in the past, it is possible that unauthorized use of our intellectual property may have occurred or may occur without our knowledge. We cannot assure you that the steps we have taken will prevent unauthorized use of our intellectual property. Our failure to effectively protect our intellectual property could reduce the value of our technology in licensing arrangements or in cross-licensing negotiations.

We may in the future need to initiate infringement claims or litigation in order to try to protect our intellectual property rights. Litigation, whether we are a plaintiff or a defendant, can be expensive, time-consuming and may divert the efforts of our technical staff and management, which could harm our business, whether or not such litigation results in a determination favorable to us. If we are unable to protect our proprietary rights or if third parties independently develop or gain access to our or similar technologies, our business, revenue, reputation and competitive position could be harmed.

Third-party assertions of infringement of their intellectual property rights could result in our having to incur significant costs and cause our operating results to suffer.

The semiconductor industry is characterized by vigorous protection and pursuit of intellectual property rights and positions, which has resulted in protracted and expensive litigation for many companies. Certain of our customers have received and, particularly as a public company, we expect that in the future we may receive, communications from others alleging our infringement of their patents, trade secrets or other intellectual property rights. Any lawsuits resulting from such allegations could subject us to significant liability for damages and invalidate our proprietary rights. Any potential intellectual property litigation also could force us to do one or more of the following:

- stop selling products or using technology that contain the allegedly infringing intellectual property;
- lose the opportunity to license our technology to others or to collect royalty payments based upon successful protection and assertion of our intellectual property against others;
- incur significant legal expenses;
- pay substantial damages to the party whose intellectual property rights we may be found to be infringing;
- redesign those products that contain the allegedly infringing intellectual property; or
- attempt to obtain a license to the relevant intellectual property from third parties, which may not be available on reasonable terms or at all.

Any significant impairment of our intellectual property rights from any litigation we face could harm our business and our ability to compete.

Any potential dispute involving our patents or other intellectual property could affect our customers, which could trigger our indemnification obligations to them and result in substantial expense to us.

In any potential dispute involving our patents or other intellectual property, our customers could also become the target of litigation. Certain of our customers have received notices from third parties claiming to have patent rights in certain technology and inviting our customers to license this technology. Because we indemnify our customers for intellectual property claims made against them for products incorporating our technology, any litigation could trigger technical support and indemnification obligations under some of our license agreements, which could result in substantial expense to us. In addition to the time and expense required for us to supply support or indemnification to our customers, any such litigation could severely disrupt or shut down the business of our customers, which in turn could hurt our relations with our customers and cause the sale of our products to decrease.

We rely on third parties to provide services and technology necessary for the operation of our business. Any failure of one or more of our vendors, suppliers or licensors to provide such services or technology could harm our business.

We rely on third-party vendors to provide critical services, including, among other things, services related to accounting, human resources, information technology and network monitoring that we cannot or do not create or provide ourselves. We depend on these vendors to ensure that our corporate infrastructure will consistently meet our business requirements. The ability of these third-party vendors to successfully provide reliable and high-quality services is subject to technical and operational uncertainties that are beyond our control. While we may be entitled to damages if our vendors fail to perform under their agreements with us, our agreements with these vendors limit the amount of damages we may receive. In addition, we do not know whether we will be able to collect on any award of damages or that these damages would be sufficient to cover the actual costs we would incur as a result of any vendor's failure to perform under its agreement with us. Upon expiration or termination of any of our agreements with third-party vendors, we may not be able to replace the services provided to us in a timely manner or on terms and conditions, including service levels and cost, that are favorable to us, and a transition from one vendor to another vendor could subject us to operational delays and inefficiencies until the transition is complete.

Additionally, we incorporate third-party technology into some of our products, and we may do so in future products. The operation of our products could be impaired if errors occur in the third-party technology we use. It may be more difficult for us to correct any errors in a timely manner, if at all, because the development and maintenance of the technology is not within our control. We cannot assure you that these third parties will continue to make their technology, or improvements to the technology, available to us, or that they will continue to support and maintain their technology. Further, due to the limited number of vendors of some types of technology, it may be difficult to obtain new licenses or replace existing technology. Any impairment of the technology of or our relationship with these third parties could harm our business.

We are subject to warranty and product liability claims and to product recalls.

From time to time, we are subject to warranty claims that may require us to make significant expenditures to defend these claims or pay damage awards. In the future, we may also be subject to product liability claims. In the event of a warranty claim, we may also incur costs if we compensate the affected customer. We maintain product liability insurance, but this insurance is limited in amount and subject to significant deductibles. There is no guarantee that our insurance will be available or adequate to protect against all claims. We also may incur costs and expenses relating to a recall of one of our customers' products containing one of our devices. The process of identifying a recalled product in consumer devices that have been widely distributed may be lengthy and require significant resources, and we may incur significant replacement costs, contract damage claims from our customers and reputational harm. Costs or payments made in connection with warranty and product liability claims and product recalls could harm our financial condition and results of operations.

Rapidly changing industry standards could make our video and image processing solutions obsolete, which would cause our operating results to suffer.

We design our video and image processing solutions to conform to video compression standards, including MPEG-4 and H.264, set by industry standards setting bodies such as ITU-T Video Coding Experts Group and the ISO/IEC Moving Picture Experts Group. Generally, our solutions comprise only a part of a camera or broadcast infrastructure equipment device. All components of these devices must uniformly comply with industry standards in order to operate efficiently together. We depend on companies that provide other components of the devices to support prevailing industry standards. Many of these companies are significantly larger and more influential in driving industry standards than we are. Some industry standards may not be widely adopted or implemented uniformly, and competing standards may emerge that may be preferred by our customers or end users. If our customers or the suppliers that provide other device components adopt new or competing industry standards with

which our solutions are not compatible, or if the industry groups fail to adopt standards with which our solutions are compatible, our existing solutions would become less desirable to our customers. As a result, our sales would suffer, and we could be required to make significant expenditures to develop new SoC solutions. In addition, existing standards may be challenged as infringing upon the intellectual property rights of other companies or may be superseded by new innovations or standards.

Products for communications applications are based on industry standards that are continually evolving. Our ability to compete in the future will depend on our ability to identify and ensure compliance with these evolving industry standards. The emergence of new industry standards could render our solutions incompatible with products developed by other suppliers. As a result, we could be required to invest significant time and effort and to incur significant expense to redesign our solutions to ensure compliance with relevant standards. If our solutions are not in compliance with prevailing industry standards for a significant period of time, we could miss opportunities to achieve crucial design wins.

We are subject to the cyclical nature of the semiconductor industry.

The semiconductor industry is highly cyclical and is characterized by constant and rapid technological change, rapid product obsolescence, price erosion, evolving standards, short product life cycles and wide fluctuations in product supply and demand. The industry experienced a significant downturn during the recent global recession. These downturns have been characterized by diminished product demand, production overcapacity, high inventory levels and accelerated erosion of average selling prices. Any future downturns could harm our business and operating results. Furthermore, any significant upturn in the semiconductor industry could result in increased competition for access to third-party foundry and assembly capacity. We are dependent on the availability of this capacity to manufacture and assemble our SoC solutions. None of our third-party foundry or assembly contractors has provided assurances that adequate capacity will be available to us in the future.

The use of open source software in our products, processes and technology may expose us to additional risks and compromise our proprietary intellectual property.

Our products, processes and technology sometimes utilize and incorporate software that is subject to an open source license. Open source software is typically freely accessible, usable and modifiable. Certain open source software licenses, such as the GNU General Public License, require a user who intends to distribute the open source software as a component of the user's software to disclose publicly part or all of the source code to the user's software. In addition, certain open source software licenses require the user of such software to make any derivative works of the open source code available to others on terms unfavorable to us or at no cost. This can subject previously proprietary software to open source license terms.

While we monitor the use of open source software in our products, processes and technology and try to ensure that no open source software is used in such a way as to require us to disclose the source code to the related product, processes or technology when we do not wish to do so, such use could inadvertently occur. Additionally, if a third-party software provider has incorporated certain types of open source software into software we license from such third-party for our products, processes or technology, we could, under certain circumstances, be required to disclose the source code to our products, processes or technology. This could harm our intellectual property position and our business, results of operations and financial condition.

Some of our operations and a significant portion of our customers and our subcontractors are located outside of the United States, which subjects us to additional risks, including increased complexity and costs of managing international operations and geopolitical instability.

We have research and development design centers and business development offices in China, Hong Kong, Japan, South Korea and Taiwan, and we expect to continue to conduct business with companies that are located outside the United States, particularly in Asia. Even customers of ours that are based in the United States often

use contract manufacturers based in Asia to manufacture their products, and these contract manufacturers typically purchase products directly from us. As a result of our international focus, we face numerous challenges and risks, including:

- increased complexity and costs of managing international operations;
- longer and more difficult collection of receivables;
- difficulties in enforcing contracts generally;
- geopolitical and economic instability and military conflicts;
- limited protection of our intellectual property and other assets;
- compliance with local laws and regulations and unanticipated changes in local laws and regulations, including tax laws and regulations;
- trade and foreign exchange restrictions and higher tariffs;
- travel restrictions;
- timing and availability of import and export licenses and other governmental approvals, permits and licenses, including export classification requirements;
- foreign currency exchange fluctuations relating to our international operating activities;
- transportation delays and other consequences of limited local infrastructure, and disruptions, such as large scale outages or interruptions of service from utilities or telecommunications providers;
- difficulties in staffing international operations;
- heightened risk of terrorist acts;
- local business and cultural factors that differ from our normal standards and practices;
- differing employment practices and labor relations;
- regional health issues and natural disasters; and
- work stoppages.

Our third-party contractors are concentrated in Taiwan, an area subject to earthquakes and other natural disasters. Any disruption to the operations of these contractors could cause significant delays in the production or shipment of our products.

The majority of our products are manufactured by third-party contractors located in Taiwan. The risk of an earthquake or tsunami in Taiwan and elsewhere in the Pacific Rim region is significant due to the proximity of major earthquake fault lines. For example, in December 2006 a major earthquake occurred in Taiwan and in March 2011 a major earthquake and tsunami occurred in Japan. Although we are not aware of any significant damage suffered by our third-party contractors as a result of such natural disasters, the occurrence of additional earthquakes or other natural disasters could result in the disruption of our foundry vendor or assembly and test capacity. Any disruption resulting from such events could cause significant delays in the production or shipment of our products until we are able to shift our manufacturing, assembling or testing from the affected contractor to another third-party vendor. We may not be able to obtain alternate capacity on favorable terms, or at all.

If our operations are interrupted, our business and reputation could suffer.

Our operations and those of our manufacturers are vulnerable to interruption caused by technical breakdowns, computer hardware and software malfunctions, software viruses, infrastructure failures, fires, earthquakes, power losses, telecommunications failures, terrorist attacks, wars, Internet failures and other events

beyond our control. Any disruption in our services or operations could result in a reduction in revenue or a claim for substantial damages against us, regardless of whether we are responsible for that failure. We rely on our computer equipment, database storage facilities and other office equipment, which are located primarily in the seismically active San Francisco Bay Area and Taiwan. If we suffer a significant database or network facility outage, our business could experience disruption until we fully implement our back-up systems.

Our management has limited public company experience. As a result of becoming a public company, we will be subject to additional regulatory compliance requirements, including Section 404 of the Sarbanes-Oxley Act of 2002, and if we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud.

We have never operated as a public company and will incur significant legal, accounting and other expenses that we did not incur as a private company. The individuals who constitute our management team have limited experience managing a publicly-traded company, and limited experience complying with the increasingly complex and changing laws pertaining to public companies. Our management team and other personnel will need to devote a substantial amount of time to compliance, and we may not effectively or efficiently manage our transition into a public company.

We expect rules and regulations such as the Sarbanes-Oxley Act of 2002 to increase our legal and finance compliance costs and to make some activities more time consuming and costly. For example, Section 404 of the Sarbanes-Oxley Act requires that our management report on, and our independent auditors attest to, the effectiveness of our internal control structure and procedures for financial reporting. Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. Section 404 compliance may divert internal resources and will take a significant amount of time and effort to complete. We may not be able to successfully complete the procedures and certification and attestation requirements of Section 404 by the time we will be required to do so. In addition, these Sarbanes-Oxley Act requirements may be modified, supplemented or amended from time to time. Implementing these changes may take a significant amount of time and may require specific compliance training of our personnel. In the future, we may discover areas of our internal controls that need improvement. If our auditors or we discover a material weakness or significant deficiency, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in our financial statements and harm our stock price. Any inability to provide reliable financial reports or prevent fraud could harm our business. We may not be able to effectively and timely implement necessary control changes and employee training to ensure continued compliance with the Sarbanes-Oxley Act and other regulatory and reporting requirements. Our recent growth rate could present challenges to maintain the internal control and disclosure control standards applicable to public companies. If we fail to successfully complete the procedures and certification and attestation requirements of Section 404, or if in the future our Chief Executive Officer, Chief Financial Officer or independent registered public accounting firm determines that our internal controls over financial reporting are not effective as defined under Section 404, we could be subject to sanctions or investigations by , the Securities and Exchange Commission, or SEC, or other regulatory authorities. Furthermore, investor perceptions of our company may suffer, and this could cause a decline in the market price of our stock. We cannot assure you that we will be able to fully comply with the requirements of the Sarbanes-Oxley Act or that management or our auditors will conclude that our internal controls are effective in future periods. Irrespective of compliance with Section 404, any failure of our internal controls could have a material adverse effect on our stated results of operations and harm our reputation.

If we fail to hire additional finance personnel, strengthen our financial reporting systems and infrastructure, and implement a new enterprise resource planning system, we may not be able to timely and accurately report our financial results or comply with the requirements of being a public company, including compliance with the Sarbanes-Oxley Act and SEC reporting requirements, which in turn would significantly harm our reputation and our business.

We intend to hire additional accounting and finance personnel with system implementation experience and Sarbanes-Oxley compliance expertise. Any inability to recruit and retain such finance personnel would have an adverse impact on our ability to accurately and timely prepare our financial statements. We may be unable to locate and hire qualified professionals with requisite technical and public company experience when and as needed. In addition, new employees will require time and training to learn our business and operating processes and procedures. If our finance and accounting organization is unable for any reason to respond adequately to the increased demands that will result from being a public company, the quality and timeliness of our financial reporting may suffer, which could result in the identification of material weaknesses in our internal controls. Any consequences resulting from inaccuracies or delays in our reported financial statements could cause the trading price of our ordinary shares to decline and could harm our business, operating results and financial condition.

If we fail to strengthen our financial reporting systems, infrastructure and internal control over financial reporting to meet the demands that will be placed upon us as a public company, including the requirements of the Sarbanes-Oxley Act, we may be unable to report our financial results timely and accurately and prevent fraud. We expect to incur significant expense and devote substantial management effort toward ensuring compliance with Section 404.

We also intend to implement a new enterprise resource planning, or ERP, system. This project will require significant investment of capital and human resources, the re-engineering of many processes of our business and the attention of many employees who would otherwise be focused on other aspects of our business. Any disruptions, delays or deficiencies in the design and implementation of the new ERP system could result in potentially much higher costs than we had anticipated and could adversely affect our ability to develop and launch solutions, provide services, fulfill contractual obligations, file reports with the SEC in a timely manner, otherwise operate our business or otherwise impact our controls environment. Any of these consequences could have an adverse effect on our results of operations and financial condition.

Changes to financial accounting standards may affect our results of operations and could cause us to change our business practices.

We prepare our consolidated financial statements to conform to generally accepted accounting principles, or GAAP, in the United States. These accounting principles are subject to interpretation by the American Institute of Certified Public Accountants, the SEC and various bodies formed to interpret and create appropriate accounting rules and regulations. Changes in those accounting rules can have a significant effect on our financial results and may affect our reporting of transactions completed before a change is announced. Changes to those rules or the questioning of current practices may adversely affect our reported financial results or the way we conduct our business.

The complexity of calculating our tax provision may result in errors that could result in restatements of our financial statements.

We are incorporated in the Cayman Islands and our operations are subject to income and transaction taxes in the United States, China, Hong Kong, Japan, South Korea, Taiwan and other jurisdictions in which we do business. Due to the complexity associated with the calculation of our tax provision, we have hired independent tax advisors to assist us. If we or our independent tax advisors fail to resolve or fully understand certain issues, there may be errors that could result in us having to restate our financial statements. Restatements are generally costly and could adversely impact our results of operations or have a negative impact on the trading price of our ordinary shares.

Changes in effective tax rates or adverse outcomes resulting from examination of our income tax returns could adversely affect our results.

Our future effective tax rates could be adversely affected if earnings are lower than anticipated in countries where we have lower statutory rates and higher than anticipated in countries where we have higher statutory rates, by changes in the valuation of our deferred tax assets and liabilities, or by changes in tax laws, regulations, accounting principles or interpretations thereof. In addition, our income tax returns are subject to continuous examination by the Internal Revenue Service and other tax authorities. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes. We cannot assure you that the outcomes from these continuous examinations will not have an adverse effect on our operating results and financial condition.

Unfavorable tax law changes, an unfavorable governmental review of our tax returns, changes in our geographical earnings mix or imposition of withholding taxes on repatriated earnings could adversely affect our effective tax rate and our operating results.

Our operations are subject to income and transaction taxes in the Cayman Islands, the United States, China, Hong Kong, Japan, South Korea, Taiwan and other jurisdictions in which we do business. A change in the tax laws in the jurisdictions in which we do business, including an increase in tax rates or an adverse change in the treatment of an item of income or expense, possibly with retroactive effect, could result in a material increase in the amount of taxes we incur. In particular, past proposals have been made to change certain U.S. tax laws relating to foreign entities with U.S. connections, which may include us. For example, previously proposed legislation has considered treating certain foreign corporations as U.S. domestic corporations (and therefore taxable on all of their worldwide income) if the management and control of the foreign corporation occurs, directly or indirectly, primarily within the United States. If such legislation were enacted, we could, depending on the precise form, be subject to U.S. taxation notwithstanding our domicile outside the United States. In addition, the U.S. government has proposed various other changes to the U.S. international tax system, certain of which could adversely impact foreign-based multinational corporate groups, and increased enforcement of U.S. international tax laws. Although none of these proposed U.S. tax law changes has yet been enacted, and they may never be enacted in their current forms, it is possible that these or other changes in the U.S. tax laws could significantly increase our U.S. income tax liability in the future.

We are subject to periodic audits or other reviews by tax authorities in the jurisdictions in which we conduct our activities. Any such audit, examination or review requires management’s time, diverts internal resources and, in the event of an unfavorable outcome, may result in additional tax liabilities or other adjustments to our historical results.

Because we conduct operations in multiple jurisdictions, our effective tax rate is influenced by the amounts of income and expense attributed to each such jurisdiction. If such amounts were to change so as to increase the amounts of our net income subject to taxation in higher-tax jurisdictions, or if we were to commence operations in jurisdictions assessing relatively higher tax rates, our effective tax rate could be adversely affected. In addition, we may determine that it is advisable from time to time to repatriate earnings from subsidiaries under circumstances that could give rise to imposition of potentially significant withholding taxes by the jurisdictions in which such amounts were earned, without our receiving the benefit of any offsetting tax credits, which could also adversely impact our effective tax rate.

We may be classified as a passive foreign investment company which could result in adverse U.S. federal income tax consequences for U.S. holders.

Based on the current and anticipated valuation of our assets and the composition of our income and assets, we do not expect to be considered a “passive foreign investment company,” or PFIC, for U.S. federal income tax purposes for our 2012 fiscal year or the foreseeable future. However, a separate determination must be made at the close of each taxable year as to whether we are a PFIC for that taxable year and we cannot assure you that we will not be a PFIC for our 2012 fiscal year or any future taxable year. Under current law, a non-U.S. corporation

will be considered a PFIC for any taxable year if either (a) at least 75% of its gross income is passive income or (b) at least 50% of the value of its assets, generally based on an average of the quarterly values of the assets during a taxable year, is attributable to assets that produce or are held for the production of passive income. PFIC status depends on the composition of our assets and income and the value of our assets, including, among others, a pro rata portion of the income and assets of each subsidiary in which we own, directly or indirectly, at least 25% by value of the subsidiary's equity interests, from time to time. Because we currently hold, and expect to continue to hold following this offering, a substantial amount of cash or cash equivalents, and because the calculation of the value of our assets may be based in part on the value of our ordinary shares which may fluctuate after this offering and may fluctuate considerably given that market prices of technology companies historically often have been volatile, we may be a PFIC for any taxable year. If we were treated as a PFIC for any taxable year during which a U.S. holder held ordinary shares, certain adverse U.S. federal income tax consequences could apply for such U.S. holder. See "Taxation—U.S. Federal Income Taxation—PFIC."

Fluctuations in exchange rates between and among the currencies of the countries in which we do business may adversely affect our operating results.

Our sales have been historically denominated in U.S. dollars. An increase in the value of the U.S. dollar relative to the currencies of the countries in which our end customers operate could impair the ability of our end customers to cost-effectively integrate our SoCs into their devices which may materially affect the demand for our solutions and cause these end customers to reduce their orders, which would adversely affect our revenue and business. We may experience foreign exchange gains or losses due to the volatility of other currencies compared to the U.S. dollar. A significant portion of our solutions are sold to portable video camera manufacturers located outside the United States, primarily in Asia. Sales to customers in Asia accounted for approximately 94% of our revenue in fiscal year 2011. Because most of our end customers or their ODM manufacturers are located in Asia, we anticipate that a majority of our future revenue will continue to come from sales to that region. Although a large percentage of our sales are made to customers in Asia, we believe that a significant number of the products designed by these customers and incorporating our SoCs are then sold to end users globally.

A significant number of our employees are located in Asia, principally Taiwan and China. Therefore, a portion of our payroll as well as certain other operating expenses are paid in currencies other than the U.S. dollar, such as the New Taiwan Dollar and the Chinese Yuan Renminbi. Our operating results are denominated in U.S. dollars and the difference in exchange rates in one period compared to another may directly impact period-to-period comparisons of our operating results. Furthermore, currency exchange rates have been especially volatile in the recent past and these currency fluctuations may make it difficult for us to predict our operating results.

We have not implemented any hedging strategies to mitigate risks related to the impact of fluctuations in currency exchange rates. Even if we were to implement hedging strategies, not every exposure can be hedged and, where hedges are put in place based on expected foreign exchange exposure, they are based on forecasts which may vary or which may later prove to have been inaccurate. Failure to hedge successfully or anticipate currency risks accurately could adversely affect our operating results.

We cannot predict our future capital needs and we may not be able to obtain additional financing to fund our operations.

We may need to raise additional funds in the future. Any required additional financing may not be available on terms acceptable to us, or at all. If we raise additional funds by issuing equity securities or convertible debt, investors may experience significant dilution of their ownership interest, and the newly-issued securities may have rights senior to those of the holders of our ordinary shares. If we raise additional funds by obtaining loans from third parties, the terms of those financing arrangements may include negative covenants or other restrictions on our business that could impair our operational flexibility and would also require us to incur interest expense. If additional financing is not available when required or is not available on acceptable terms, we may have to scale back our operations or limit our production activities, and we may not be able to expand our business, develop or enhance our products, take advantage of business opportunities or respond to competitive pressures which could result in lower revenue and reduce the competitiveness of our products.

Risks Related to this Offering and Ownership of Our Ordinary Shares

There has been no prior trading market for our ordinary shares, and an active trading market may not develop or be sustained following this offering.

Prior to this offering, there has been no public market for our ordinary shares, and we cannot assure you that an active trading market will develop or be sustained after this offering. The initial public offering price will be negotiated between us and representatives of the underwriters and may not be indicative of the market price of our ordinary shares after this offering.

The market price of our ordinary shares may be volatile, which could cause the value of your investment to decline.

Prior to this offering, our ordinary shares have not been traded in a public market. We cannot predict the extent to which a trading market will develop or how liquid that market might become. The initial public offering price may not be indicative of prices that will prevail in the trading market. The trading price of our ordinary shares following this offering is, therefore, likely to be highly volatile and could be subject to wide fluctuations in price in response to various factors, some of which are beyond our control. These factors include:

- changes in financial estimates, including our ability to meet our future revenue and operating profit or loss projections;
- fluctuations in our operating results or those of other semiconductor or comparable companies;
- fluctuations in the economic performance or market valuations of companies perceived by investors to be comparable to us;
- economic developments in the semiconductor or high-definition video processing industries as a whole;
- general economic conditions and slow or negative growth of related markets;
- announcements by us or our competitors of acquisitions, new products, significant contracts or orders, commercial relationships or capital commitments;
- our ability to develop and market new and enhanced solutions on a timely basis;
- commencement of or our involvement in litigation;
- disruption to our operations;
- any major change in our board of directors or management;
- political or social conditions in the markets where we sell our products;
- changes in governmental regulations; and
- changes in earnings estimates or recommendations by securities analysts.

In addition, the stock market in general, and the market for semiconductor and other technology companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. These fluctuations may be even more pronounced in the trading market shortly following this offering. These broad market and industry factors may cause the market price of our ordinary shares to decrease, regardless of our actual operating performance. These trading price fluctuations may also make it more difficult for us to use our ordinary shares as a means to make acquisitions or to use options to purchase our ordinary shares to attract and retain employees. If the market price of shares of our ordinary shares after this offering does not exceed the initial public offering price, you may not realize any return on your investment in us and may lose some or all of your investment. In addition, in the past, following periods of volatility in the overall market and the market price of a company's securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

If securities analysts or industry analysts downgrade our stock, publish negative research or reports or fail to publish reports about our business, our stock price and trading volume could decline.

The trading market for our ordinary shares will be influenced by the research and reports that industry or securities analysts publish about us, our business and our market. If one or more analysts adversely changes their recommendation regarding our stock or our competitors' stock, our stock price would likely decline. If one or more analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets which in turn could cause our stock price or trading volume to decline.

Purchasers in this offering will immediately experience substantial dilution in net tangible book value.

The initial public offering price of our ordinary shares is substantially higher than the prices paid for our ordinary shares in the past and higher than the book value of the shares we are offering. This is referred to as dilution. Accordingly, if you purchase ordinary shares in the offering, you will incur immediate dilution of approximately $ per share in the net tangible book value per share from the price you pay for our ordinary shares based on the assumed initial public offering price of $ per share. If the holders of our outstanding stock options and warrants exercise those securities, you will incur additional dilution. In addition, we may raise additional capital through public or private equity or debt offerings, subject to market conditions. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance could result in further dilution to our shareholders. For a further description of the dilution that you will experience immediately after this offering, see the section of this prospectus titled "Dilution."

The price of our stock could decrease as a result of shares being sold in the market after this offering.

Additional sales of our ordinary shares in the public market after this offering, or the perception that these sales could occur, could cause the market price of our shares to decline. Upon the completion of this offering, we will have approximately ordinary shares outstanding, assuming no exercise of the underwriters' over-allotment option. All of the ordinary shares sold in this offering will be freely transferable without restriction or additional registration under the Securities Act of 1933, as amended. Our directors, officers and other existing security holders will be subject to lock-up agreements described under the caption "Shares Eligible for Future Sale." Subject to the restrictions under Rule 144 under the Securities Act, these securities will be available for sale following the expiration of these lock-up agreements. These lock-up agreements expire 180 days after the date of this prospectus, subject to extension in certain circumstances. Approximately ordinary shares will be eligible for resale under Rule 144 immediately upon the expiration of the applicable lock-up period. In addition, Morgan Stanley & Co. LLC and Deutsche Bank Securities Inc., as representatives of the underwriters, may also release shares subject to the lock-up prior to the expiration of the lock-up period at their discretion.

In addition, after this offering, the holders of approximately ordinary shares, including ordinary shares issuable upon conversion of our redeemable preference shares upon the completion of this offering, will be entitled to cause us to register the sale of those shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration.

We intend to file a registration statement under the Securities Act covering ordinary shares reserved for issuance under our stock plans. This registration statement is expected to be filed after the date of this prospectus and will automatically become effective upon filing. Accordingly, shares registered under this registration statement will be available for sale in the open market unless those shares are subject to vesting restrictions with us or the contractual restrictions described above.

A limited number of shareholders will have the ability to influence the outcome of director elections and other matters requiring shareholder approval.

After this offering, our executive officers and directors and their affiliates will beneficially own, in the aggregate, approximately % of our outstanding ordinary shares, assuming no exercise of the underwriters' over-allotment option. These shareholders, if they acted together, could exert substantial influence over matters requiring approval by our shareholders, including electing directors, adopting new compensation plans and approving mergers, acquisitions or other business combination transactions. This concentration of ownership may discourage, delay or prevent a change of control of our company, which could deprive our shareholders of an opportunity to receive a premium for their stock as part of a sale of our company and might reduce our stock price. These actions may be taken even if they are opposed by our other shareholders, including those who purchase shares in this offering.

Management will have broad discretion over the use of proceeds from this offering.

The net proceeds from this offering will be used for working capital and other general corporate purposes. In addition, we may use a portion of the net proceeds to acquire or invest in complementary businesses or products or to obtain the right to use complementary technologies. We have not reserved or allocated specific amounts for these purposes, and we cannot specify with certainty how we will use the net proceeds. Accordingly, management will have considerable discretion in the application of the net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. The net proceeds may be used for corporate purposes that do not increase our operating results or market value. Until the net proceeds are used, they may be placed in investments that do not produce income or that lose value.

We do not intend to pay dividends on our ordinary shares and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our ordinary shares.

We have never declared or paid any cash dividends on our ordinary shares and do not currently intend to do so for the foreseeable future. We currently intend to invest our future earnings, if any, to fund our growth. Therefore, you are not likely to receive any dividends on your ordinary shares for the foreseeable future and the success of an investment in our ordinary shares will depend upon any future appreciation in their value. There is no guarantee that our ordinary shares will appreciate in value or even maintain the price at which our shareholders have purchased their shares.

Provisions of our post-offering memorandum and articles of association and Cayman Islands corporate law may discourage or prevent an acquisition of us which could adversely affect the value of our ordinary shares.

Provisions of our post-offering memorandum and articles of association and Cayman Islands law may have the effect of delaying or preventing a change of control or changes in our management. These provisions include the following:

- the division of our board of directors into three classes;
- the right of our board of directors to elect a director to fill a vacancy created by the expansion of our board of directors or due to the resignation or departure of an existing board member;
- prohibition of cumulative voting in the election of directors which would otherwise allow less than a majority of shareholders to elect director candidates;
- the requirement for the advance notice of nominations for election to our board of directors or for proposing matters that can be acted upon at a shareholders' meeting;
- the ability of our board of directors to issue, without shareholder approval, such amounts of preference shares as the board of directors deems necessary and appropriate with terms set by our board of directors, which rights could be senior to those of our ordinary shares;

- the elimination of the rights of shareholders to call a special meeting of shareholders and to take action by written consent in lieu of a meeting; and
- the required approval of a special resolution of the shareholders, being a two-thirds vote of shares held by shareholders present and voting at a shareholder meeting, to alter or amend the provisions of our post-offering memorandum and articles of association.

Holders of our ordinary shares may face difficulties in protecting their interests because we are incorporated under Cayman Islands law.

Our corporate affairs are governed by our amended and restated memorandum and articles of association, by the Companies Law (as the same may be supplemented or amended from time to time) of the Cayman Islands and by the common law of the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under Cayman Islands law are not as clearly established as under statutes or judicial precedent in existence in jurisdictions in the United States. Therefore, you may have more difficulty in protecting your interests in the face of actions by our management, directors or controlling shareholders than would shareholders of a corporation incorporated in a jurisdiction in the United States due to the comparatively less developed nature of Cayman Islands law in this area.

Unlike many jurisdictions in the United States, Cayman Islands law does not specifically provide for shareholder appraisal rights on a merger or consolidation of a company. This may make it more difficult for you to assess the value of any consideration you may receive in a merger or consolidation or to require that the offeror give you additional consideration if you believe the consideration offered is insufficient.

Shareholders of Cayman Islands exempted companies, such as our company, have no general rights under Cayman Islands law to inspect corporate records and accounts or to obtain copies of lists of shareholders of the company. Our directors have discretion under our articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

Subject to limited exceptions, under Cayman Islands law, a minority shareholder may not bring a derivative action against the board of directors.

Holders of our ordinary shares may have difficulty obtaining or enforcing a judgment against us because we are incorporated under the laws of the Cayman Islands.

It may be difficult or impossible for you to bring an action against us in the Cayman Islands if you believe your rights have been infringed under U.S. securities laws. There is no statutory recognition in the Cayman Islands of judgments obtained in the United States, although the courts of the Cayman Islands will in certain circumstances recognize and enforce a non-penal judgment of a foreign court of competent jurisdiction without retrial on the merits. While there is no binding authority on this point, this is likely to include, in certain circumstances, a non-penal judgment of a United States court imposing a monetary award based on the civil liability provisions of the U.S. federal securities laws. The Grand Court of the Cayman Islands may stay proceedings if concurrent proceedings are being brought elsewhere. There is uncertainty as to whether the Grand Court of the Cayman Islands would recognize or enforce judgments of United States courts obtained against us predicated upon the civil liability provisions of the securities laws of the United States or any state thereof and whether the Grand Court of the Cayman Islands would hear original actions brought in the Cayman Islands against us predicated upon the securities laws of the United States or any state thereof. See the section titled “Description of Share Capital—Differences in Corporate Law.”

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that are based on our management's beliefs and assumptions and on information currently available to our management. The forward-looking statements are contained principally in, but not limited to, the sections titled "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business" and "Executive Compensation." Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, industry environment, potential growth opportunities and the effects of competition. Forward-looking statements include statements that are not historical facts and can be identified by terms such as "anticipates," "believes," "could," "seeks," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "should," "will," "would" or similar expressions and the negatives of those terms. Forward-looking statements include, but are not limited to, statements about:

- anticipated trends, challenges and growth in our business and the markets in which we operate;
- our ability to address market and customer demands and to timely develop new or enhanced solutions to meet those demands;
- our goals and strategies;
- our plans for future solutions and continued investment in research and development;
- our ability to retain and expand our customer relationships and to achieve design wins;
- our expectations regarding our revenue, gross margin and expenses;
- our expectations regarding competition in our existing and new markets;
- our third-party manufacturing vendors' capacity and pricing;
- our and our customers' and our vendors' ability to respond successfully to technological or industry developments;
- our ability to attract and retain a qualified management team and other qualified personnel;
- our plans to implement a new enterprise resource planning system;
- our anticipated cash needs and our estimates regarding our capital requirements and our needs for additional financing;
- our intellectual property rights;
- the average selling prices of semiconductor products;
- the industry standards to which our solutions conform;
- possible sources of new revenue; and
- our expectations regarding the use of proceeds from this offering.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Also, forward-looking statements represent our management's beliefs and assumptions only as of the date of this prospectus. You should read this prospectus and the documents that we have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect.

Important factors that could cause actual results to differ materially from our expectations are disclosed under "Risk Factors" and elsewhere in this prospectus, including, without limitation, in conjunction with the forward-looking statements appearing elsewhere in this prospectus.

Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

This prospectus also contains estimates and other information concerning our industry and the camera and infrastructure markets, including market size and growth rates that we obtained from industry publications, surveys and forecasts, including Cisco Visual Networking Index, Infonetics Research, Nielsen Company and International Data Corporation. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates. Although we believe the information in these industry publications, surveys and forecasts is reliable, we have not independently verified the accuracy or completeness of the information.

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately $ million, based on an assumed initial public offering price of $ per share, the mid-point of the price range set forth on the cover of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters fully exercised their over-allotment option, we estimate that our net proceeds would be approximately $ million after deducting estimated underwriting discounts and commissions. A $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same. We may also increase or decrease the number of shares we are offering. Each increase (decrease) of 1,000,000 shares in the number of shares offered by us would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The principal purposes for this offering are to increase our working capital, create a public market for our ordinary shares, facilitate our access to the public capital markets and increase our visibility in our markets.

We intend to use our proceeds from this offering for general corporate purposes, including working capital and capital expenditures. In addition, we also may use a portion of the net proceeds to acquire complementary businesses, products or technologies. However, we are not currently contemplating any such acquisitions.

As of the date of this prospectus, however, we have not determined all of the anticipated uses for the proceeds of this offering or the amounts that we will actually spend on the uses set forth above. The amount and timing of actual expenditures may vary significantly depending upon a number of factors, including the amount of cash generated from our operations, competitive and technological developments and the rate of growth, if any, of our business. Accordingly, our management will have significant flexibility in applying the net proceeds of this offering. Pending use of the net proceeds as described above, we intend to invest the net proceeds of this offering in short-term, interest-bearing, investment-grade securities.

DIVIDEND POLICY

We have never declared or paid cash dividends. We currently intend to retain all available funds and any future earnings to support the operation, and to finance the growth and development, of our business. We do not anticipate paying any cash dividends in the foreseeable future. Any future determination to declare cash dividends will be made at the discretion of our board of directors, and will depend on our financial condition, operating results, capital requirements, general business conditions and other factors that our board of directors may deem relevant.

CAPITALIZATION

The following table describes our capitalization as of January 31, 2011:

- on an actual basis;
- on a pro forma basis to reflect the conversion of all of our outstanding redeemable convertible preference shares into 55,206,656 ordinary shares and the conversion of warrants to purchase redeemable convertible preference shares into warrants to purchase ordinary shares upon completion of this offering and the filing of our post-offering amended and restated memorandum and articles of association, which will occur immediately prior to the completion of this offering; and
- on a pro forma as adjusted basis to reflect the pro forma conversions described immediately above and the sale of ordinary shares in this offering at an assumed initial public offering price of $ per share, the mid-point of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

You should read this table together with "Selected Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated financial statements and related notes included elsewhere in this prospectus.

	As of January 31, 2011		
	Actual	Pro Forma	Pro Forma as Adjusted
	(in thousands, except share and per share data)		
Series A redeemable convertible preference shares, $0.0001 par value per share—25,250,000 shares authorized, 25,250,000 shares issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	$10,044	$ —	$ —
Series B redeemable convertible preference shares, $0.0001 par value per share—16,331,659 shares authorized, 16,331,659 shares issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	12,937	—	—
Series C redeemable convertible preference shares, $0.0001 par value per share—17,000,000 shares authorized, 13,624,997 shares issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	16,292	—	—
Ordinary shares, $0.0001 par value per share—200,000,000 shares authorized, 35,304,176 shares issued and outstanding, actual; shares authorized, 90,510,832 shares issued and outstanding, pro forma; and shares authorized, shares issued and outstanding, pro forma as adjusted	3	9	
Preference shares, $0.0001 par value per share, no shares authorized, issued or outstanding, actual; shares authorized, no shares issued and outstanding, pro forma and pro forma as adjusted	—	—	—
Additional paid-in capital	6,493	45,760	
Accumulated deficit	(7,600)	(7,600)	
Total shareholders' equity (deficit)	(1,104)	38,169	
Total capitalization	$38,169	$ 38,169	

This table excludes the following shares:

- 17,194,147 ordinary shares issuable upon the exercise of options outstanding as of January 31, 2011, at a weighted-average exercise price of $0.97 per share;
- 163,317 shares issuable upon the exercise of warrants outstanding as of January 31, 2011 to purchase redeemable convertible preference shares, at an exercise price of $0.796 per share, which will convert into warrants to purchase 163,317 ordinary shares upon the completion of this offering;
- ordinary shares reserved for future issuance under our 2011 Equity Incentive Plan, as well as shares originally reserved for issuance under our 2004 Stock Plan, but which may become available for awards under our 2011 Equity Incentive Plan, which plan will become effective in connection with this offering and contains provisions that will automatically incase its share reserve each year, as more fully described in "Executive Compensation—Equity Incentive Plans;" and
- ordinary shares reserved for future issuance under our 2011 Employee Stock Purchase Plan, which plan will become effective in connection with this offering, as more fully described in "Executive Compensation—Equity Incentive Plans."

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the mid-point of the price range reflected on the cover page of this prospectus, would increase (decrease) each of additional paid-in capital, total shareholders' equity and total capitalization by approximately $, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. Each increase (decrease) of 1,000,000 shares in the number of shares offered by us would increase (decrease) each of additional paid-in capital, total shareholders' equity and total capitalization by approximately $, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted information discussed above is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing.

DILUTION

If you invest in our ordinary shares in this offering, your interest will be diluted to the extent of the difference between the initial public offering price per share of our ordinary shares and the pro forma as adjusted net tangible book value per ordinary share immediately after this offering. As of January 31, 2011, our pro forma net tangible book value was $37.4 million, or $0.41 per ordinary share. Our pro forma net tangible book value per ordinary share represents the amount of our total tangible assets reduced by the amount of our total liabilities and divided by the total number of ordinary shares outstanding as of January 31, 2011, after giving effect to the conversion of our redeemable convertible preference shares into 55,206,656 ordinary shares and the conversion of our warrants to purchase redeemable convertible preference shares into 163,317 ordinary shares.

After giving effect to our sale in this offering of ordinary shares at the assumed initial public offering price of $ per share, the mid-point of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of January 31, 2011 would have been $ million, or $ per ordinary share. This represents an immediate increase of net tangible book value of $ per ordinary share to our existing shareholders and an immediate dilution of $ per ordinary share to new investors. The following table illustrates this per share dilution:

Assumed initial public offering price per ordinary share		$
Pro forma net tangible book value per ordinary share as of January 31, 2011	$0.41	
Increase in pro forma net tangible book value per ordinary share attributable to sale of ordinary shares in this offering		
Pro forma as adjusted net tangible book value per ordinary share after giving effect to this offering		
Dilution in pro forma net tangible book value per ordinary share to investors in this offering		$

If the underwriters fully exercise their over-allotment option, the pro forma as adjusted net tangible book value per ordinary share after giving effect to this offering would be $ per ordinary share, and the dilution in pro forma net tangible book value per ordinary share to investors in this offering would be $ per ordinary share.

The following table summarizes, on a pro forma as adjusted basis as of January 31, 2011, the total number of ordinary shares purchased from us, the total consideration paid and the average price per share paid by existing shareholders and by new investors purchasing our ordinary shares in this offering at the assumed initial public offering price of $ per share, the mid-point of the price range set forth on the front cover of this prospectus, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us:

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing shareholders	90,510,832		$42,366,427		$ 0.47
New investors					
Totals		100%		100%	

This above discussion and table exclude the following shares:

- 17,194,147 ordinary shares issuable upon the exercise of options outstanding as of January 31, 2011 at a weighted-average exercise price of $0.97 per share;
- 163,317 shares issuable upon the exercise of warrants outstanding as of January 31, 2011 to purchase redeemable convertible preference shares, at an exercise price of $0.796 per share, which will convert into warrants to purchase 163,317 ordinary shares upon the completion of this offering;

- ordinary shares reserved for future issuance under our 2011 Equity Incentive Plan, as well as shares originally reserved for issuance under our 2004 Stock Plan, but which may become available for awards under our 2011 Equity Incentive Plan, which plan will become effective in connection with this offering and contains provisions that will automatically increase its share reserve each year, as more fully described in "Executive Compensation—Equity Incentive Plans;" and
- ordinary shares reserved for future issuance under our 2011 Employee Stock Purchase Plan, which plan will become effective in connection with this offering, as more fully described in "Executive Compensation—Equity Incentive Plans."

If the underwriters fully exercise their over-allotment option, our existing shareholders would own % and our new investors would own % of the total number of ordinary shares outstanding upon completion of this offering. The total consideration paid by our existing shareholders would be approximately $42.4 million, or %, and the total consideration paid by our new investors would be $ million, or %.

If all of the stock options and warrants outstanding at January 31, 2011 were exercised, then our existing shareholders, including the holders of these options and warrants, would own % and our new investors would own % of the total number of ordinary shares outstanding upon completion of this offering. The total consideration paid by our existing shareholders, including the holders of these stock options and warrants, would be approximately $59.1 million, or %, and the total consideration paid by our new investors would be $ million, or %. The average price per share paid by our existing shareholders would be $0.55 and the average price per share paid by our new investors would be $.

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share would increase (decrease) our pro forma as adjusted net tangible book value by $, or $ per share, and the pro forma dilution per share to investors in this offering by $ per share, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase of 1,000,000 shares in the number of shares offered by us would increase our pro forma as adjusted net tangible book value by approximately $, or $ per share, and the pro forma dilution per share to investors in this offering would be $ per share, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, a decrease of 1,000,000 shares in the number of shares offered by us would decrease our pro forma as adjusted net tangible book value by approximately $, or $ per share, and the pro forma dilution per share to investors in this offering would be $ per share, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma information discussed above is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing.

SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated financial data should be read together with our audited consolidated financial statements and the related notes thereto and the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in this prospectus.

We derived the consolidated statements of operations data for the fiscal years ended January 31, 2009, 2010 and 2011 and the consolidated balance sheet data as of January 31, 2010 and 2011 from our audited consolidated financial statements included elsewhere in this prospectus. The consolidated statements of operations data for the fiscal years ended January 31, 2007 and 2008 and the consolidated balance sheet data as of January 31, 2007, 2008 and 2009 are derived from our audited consolidated financial statements which are not included in this prospectus. Our historical results are not necessarily indicative of our future results.

	Year Ended January 31,				
	2007	2008	2009	2010	2011
	(in thousands, except share and per share data)				
Consolidated Statements of Operations Data:					
Revenue	$ 3,140	$ 21,489	$ 41,747	$ 71,525	$ 94,739
Cost of revenue	304	5,462	13,494	24,045	34,500
Gross profit	2,836	16,027	28,253	47,480	60,239
Operating expenses:					
Research and development	14,058	19,001	26,576	27,638	34,449
Selling, general and administrative	1,748	3,462	4,605	6,894	10,313
Total operating expenses	15,806	22,463	31,181	34,532	44,762
Income (loss) from operations	(12,970)	(6,436)	(2,928)	12,948	15,477
Other income (loss), net	775	772	216	(114)	(47)
Income (loss) before income taxes	(12,195)	(5,664)	(2,712)	12,834	15,430
Provision (benefit) for income taxes	121	248	240	(454)	1,501
Net income (loss)	$ (12,316)	$ (5,912)	$ (2,952)	$ 13,288	$ 13,929
Net income (loss) per share attributable to ordinary shareholders:					
Basic[(1)]	$ (0.61)	$ (0.24)	$ (0.10)	$ 0.11	$ 0.12
Diluted[(1)]	$ (0.61)	$ (0.24)	$ (0.10)	$ 0.11	$ 0.11
Weighted-average shares used to compute net income (loss) per share attributable to ordinary shareholders:					
Basic[(1)]	20,300,771	24,923,748	28,960,142	31,255,579	33,563,822
Diluted[(1)]	20,300,771	24,923,748	28,960,142	34,945,403	40,981,828
Pro forma net income per share attributable to ordinary shareholders (unaudited):					
Basic[(1)]					$ 0.15
Diluted[(1)]					$ 0.14
Weighted-average shares used to compute pro forma net income per share attributable to ordinary shareholders (unaudited):					
Basic[(1)]					88,770,478
Diluted[(1)]					96,188,484

(1) See Note 9 and Note 10 to our audited consolidated financial statements for an explanation of the method used to calculate basic and diluted net income (loss) per ordinary share, unaudited pro forma basic and diluted net income per ordinary share and the number of shares used in the computation of the per share amounts.

Stock-based compensation expense included in the above line items was as follows:

	Year Ended January 31,				
	2007	2008	2009	2010	2011
	(in thousands)				
Cost of revenue	$ —	$ 12	$ 18	$ 24	$ 41
Research and development	51	164	467	735	1,058
Selling, general and administrative	8	51	187	331	757
Total stock-based compensation	$ 59	$ 227	$ 672	$ 1,090	$ 1,856

	As of January 31,				
	2007	2008	2009	2010	2011
	(in thousands)				
Consolidated Balance Sheet Data:					
Cash, cash equivalents and restricted cash	$ 18,933	$ 17,843	$ 17,140	$ 31,599	$42,139
Working capital	13,641	8,747	6,749	20,148	35,764
Total assets	21,625	25,658	25,430	47,768	64,133
Total liabilities	7,781	17,051	18,606	25,928	25,964
Redeemable convertible preference shares	39,273	39,273	39,273	39,273	39,273
Total shareholders' equity (deficit)	(25,429)	(30,666)	(32,449)	(17,433)	(1,104)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the financial condition and results of our operations should be read together with the "Selected Consolidated Financial Data" and audited consolidated financial statements and related notes included elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and elsewhere in this prospectus, particularly in the "Risk Factors" section.

Overview

We are a leading developer of semiconductor processing solutions for video that enable high-definition video capture, sharing and display. We combine our processor design capabilities with our 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. Our system-on-a-chip, or SoC, designs fully integrate high-definition video processing, image sensor processing, audio processing and system functions onto a single chip, delivering exceptional video and image quality, differentiated functionality and low power consumption.

The inherent flexibility of our technology platform enables us to deliver our solutions for numerous applications in multiple markets, including consumer pocket video cameras, wearable sport cameras, Internet Protocol, or IP, security cameras, and ruggedized outdoor cameras, which we refer to as the camera market, and broadcast encoding and IP video delivery applications, which we refer to as the infrastructure market. Our solutions enable the creation of high quality video content in the camera market and, in the infrastructure market, help to efficiently manage IP video traffic, which is rapidly becoming the predominant form of global IP traffic. We initially focused on the infrastructure market, where we were able to differentiate our solutions to broadcast customers based on high performance, low power consumption, small size and transmission and storage efficiency. Leveraging these same capabilities, we then designed high-performance solutions for the camera market, including for portable consumer and networked video devices. As a result of the differentiated attributes of our solution, we became a leading provider of video processing solutions for hybrid cameras, which capture both high-definition video and high-resolution still images. In addition, we have recently released the iOne, our first SoC solution designed to serve an emerging class of Android-enabled devices referred to as smart cameras, which combine the high-resolution image capture capabilities of hybrid cameras with advanced networking and application processing functionalities.

The history of our product development, manufacturing and sales and marketing efforts is as follows:

- From our inception in 2004 to 2005, we were primarily engaged in the design and development of our core proprietary video and image processing technology, including our core system architecture, video and still image processing algorithms and system software, as well as the design of our first-generation video processor SoC, the A1.
- In December 2005, we launched our first-generation 130 nanometer, or nm, A1 SoC based on our AmbaCast and AmbaClear technologies targeting primarily the broadcast infrastructure market. We commenced commercial shipments into the broadcast infrastructure market in May 2006 and subsequently into the camera market.
- In 2007, we launched and commenced commercial shipments of our second-generation video processor, the 90 nm A2 SoC, targeting primarily hybrid cameras as well as the broadcast infrastructure market and networked video devices.
- In 2008, we launched and commenced commercial shipments of our 65 nm A2S SoC targeting hybrid cameras.

- In 2009, we launched and commenced commercial shipments of the A5 SoC, our next-generation video and image processor for hybrid cameras and networked video devices.
- In 2009, we also launched and commenced commercial shipments of our A6 SoC targeting the infrastructure market to enable full high-definition 1080p60 television broadcasting as well as transcoding applications.
- In 2010, we launched and commenced commercial shipments of our 45 nm A5S SoC, an ultra-low power chip targeting hybrid cameras and networked video devices.
- In 2010, we launched and commenced commercial shipments of the A7 SoC, our first full high-definition 1080p60 solution targeting hybrid cameras and networked video devices.
- In 2010, we also launched and commenced commercial shipments of our S3D chip, a pre-processing solution that works in conjunction with our video processing SoCs to enable full high-definition 3D video content capture using hybrid cameras.
- In 2011, we launched our iOne smart camera processing solution, which enables advanced networking and application processing capabilities for Android operating system-based devices.

We sell our solutions to leading original design manufacturers, or ODMs, and original equipment manufacturers, or OEMs, globally. We refer to ODMs as our customers and OEMs as our end customers, except as otherwise indicated or as the context otherwise requires. In the camera market, our video processing solutions are designed into products from leading OEMs including Eastman Kodak Company, GoPro, Samsung Electronics Co., Ltd. and Sony Corporation, who source our solutions from ODMs including Ability Enterprise Co., Ltd., Asia Optical Co. Inc., Chicony Electronics Co., Ltd., DXG Technology Corp., Hon Hai Precision Industry Co., Ltd. and Sky Light Digital Ltd. In the infrastructure market, our solutions are designed into products from leading OEMs including Harmonic Inc., Motorola Mobility, Inc. and Telefonaktiebolaget LM Ericsson, who source our solutions from leading ODMs such as Plexus Corp.

We have shipped more than 15 million SoCs since our inception in 2004. We employ a fabless manufacturing strategy and are currently shipping the majority of our solutions in the 65 nm and 45 nm process nodes, and have a proven track record of developing and delivering multiple solutions with first-pass silicon success. As of March 31, 2011, we had 395 employees worldwide, the majority of whom are in research and development. Our headquarters are located in Santa Clara, California, and we also have research and development design centers and business development offices in China, Hong Kong, Japan, South Korea and Taiwan.

Our sales model focuses on direct alignment with our customers through close coordination of our sales and marketing and system engineering teams. We have direct sales personnel covering the United States and Asia focusing primarily on major OEM customers, and have sales offices in Santa Clara, California and Hong Kong. We also employ a business development workforce in China, Japan, South Korea and Taiwan to work closely with local ODMs that support our broader customer base.

A substantial portion of our revenue is derived from sales through our logistics provider, WT Microelectronics Co., Ltd., or WT, who serves as our non-exclusive sales representative in all of Asia other than Japan. For the fiscal years ended January 31, 2009, 2010 and 2011, approximately 74%, 84% and 91% of our revenue, respectively, was derived from sales through WT. We anticipate that a significant portion of our revenue will continue to be derived from sales through WT for the foreseeable future.

Our revenue has grown from approximately $3.1 million in fiscal year 2007 to $94.7 million in fiscal year 2011. Sales to customers in Asia accounted for approximately 75%, 91% and 94% of our revenue in the fiscal years ended January 31, 2009, 2010 and 2011, respectively. As many of our OEM customers or their ODM manufacturers are located in Asia, we anticipate that a majority of our revenue will continue to come from sales to customers in that region. Although a large percentage of our sales are made to customers in Asia, we believe that a significant number of the products designed by these customers and incorporating our SoCs are then sold

to end users globally. In 2011, 75% of our revenue was attributable to sales of our solutions into the camera market and 25% of our revenue was attributable to sales of our solutions into the infrastructure market. To date, all of our sales have been denominated in U.S. dollars. For more information about our revenue by geographic region, see Note 13 to our audited consolidated financial statements.

We derive a significant portion of our revenue from a small number of ODM customers, and we anticipate that we will continue to do so for the foreseeable future. In fiscal year 2011, sales directly and through our logistics providers to our five largest customers collectively accounted for approximately 57% of our revenue and our 10 largest customers collectively accounted for approximately 82% of our revenue.

We rely on third parties for substantially all of our manufacturing operations, including wafer fabrication, assembly and testing. We currently manufacture the majority of our solutions in 65 nm and 45 nm silicon wafer production process geometries utilizing the services of several different foundries. To date, the majority of our SoCs have been supplied by Global UniChip Corporation, or GUC, in Taiwan, from whom we purchase fully assembled and tested products. The wafers used by GUC in the assembly of our products are manufactured by Taiwan Semiconductor Manufacturing Co., Ltd., or TSMC, in Taiwan. Beginning in fiscal year 2010, we also began to use Samsung Electronics Co., Ltd., or Samsung, in South Korea, from whom we have the option to purchase both fully assembled and tested products as well as raw wafers. GUC subcontracts the assembly of the products it supplies to us to Advanced Semiconductor Engineering, Inc., or ASE, and Siliconware Precision Industries Co., Ltd. Samsung subcontracts the assembly and initial testing of the products it supplies to us to Signetics Corporation and STATS ChipPAC Ltd. All test software and related processes for our products are developed by our engineers. We continually monitor the results of testing at all of our test contractors to ensure that our testing procedures are properly implemented. Final testing of all of our products is handled by King Yuan Electronics Co., Ltd. or by Sigurd Corporation under the supervision of our engineers. We depend on these parties to supply us with material of a requested quantity in a timely manner that meets our standards for yield, cost and manufacturing quality. We do not have long-term supply agreements with any of our manufacturing suppliers.

We engage in substantial research and development efforts to develop new products and integrate additional features and capabilities into our high-definition video and image processing solutions. Our research and development team is comprised of semiconductor, system hardware and system software designers. Our design teams have extensive experience in large-scale semiconductor and system design, including architecture description, logic and circuit design, implementation and verification. We have assembled our core team of experienced engineers and systems designers in three research and development design centers located in the United States, China and Taiwan. For the fiscal years ended January 31, 2009, 2010 and 2011, our research and development expense was $26.6 million, $27.6 million and $34.4 million, respectively. We expect to continue to invest significant resources in research and development.

Our business depends on winning competitive bid selection processes, known as design wins, to enable our solutions to be incorporated into our customers' products. These selection processes are typically lengthy, and our sales cycles will vary based on market served, whether the design win is with an existing or a new customer and whether our solution being designed in our customer's device is a first generation or subsequent generation solution. Our customers' products can be complex and, if our engagement results in a design win, can require significant time and effort before there is volume production. We incur significant design and development expenditures prior to recognizing any related revenue, and in some instances we may not recognize any revenue at all. We do not have any long-term purchase commitments with any of our customers, all of whom purchase our solutions on a purchase order basis. Once one of our solutions is incorporated into a customer's design, however, we believe that our solution is likely to remain a component of the customer's product for its life cycle because of the time and expense associated with redesigning a product or substituting an alternative solution. Product life cycles in our target markets vary by application.

Our ability to achieve revenue growth in the future will depend, among other factors, on our ability to further penetrate existing markets, and to obtain design wins and leverage our existing core architecture, software and system expertise in emerging markets where high-definition video capture, sharing and display are critical attributes.

References in this prospectus to years and quarters refer to calendar years and quarters, except as otherwise indicated or as the context otherwise requires.

Factors Affecting Our Performance

Design Wins. We closely monitor design wins by customer and end market. We consider design wins to be critical to our future success, although the revenue generated by each design win can vary significantly. Our long-term sales expectations are based on forecasts from customers and internal estimations of customer demand factoring in the expected time to market for end customer products incorporating our solutions and associated revenue potential.

Pricing, Product Cost and Margins. Our pricing and margins depend on the volumes and the features of the solutions we provide to our customers. Additionally, we make significant investments in new solutions for both cost improvements and new features that we expect to drive revenue and maintain margins. In general, solutions incorporated into more complex configurations, such as those used in the infrastructure market, have higher prices and higher gross margins as compared to solutions sold into the camera market. Our average selling price, or ASP, can vary by market and application due to market-specific supply and demand, the maturation of products launched in previous years and the launch of new products.

We continually monitor the cost of our solutions. As we rely on third-party manufacturers for the production of our products, we maintain a close relationship with these suppliers to continually monitor production yields, component costs and design efficiencies.

Sales Volume. A typical design win can generate a wide range of sales volumes for our solutions, depending on the end market demand for our customers' products. This can depend on several factors, including the reputation of the end customer, market penetration, product capabilities, size of the end market that the product addresses and our end customers' ability to sell their products. In certain cases, we may provide volume discounts on sales of our solutions, which may be offset by lower manufacturing costs related to higher volumes. In general, our customers with greater market penetration and better branding tend to develop products that generate larger volumes over the product life cycle.

Customer Product Life Cycle. We estimate our customers' product life cycles based on the customer, type of product and end market. In general, products launched in the camera market have shorter life cycles than those sold into the infrastructure market. We typically commence commercial shipments from six to 15 months following a design win. A portable consumer device typically has a product life cycle of six to 18 months. For networked video devices, the product life cycle can range from 12 to 36 months. In the infrastructure market, the product life cycle can range from 24 to 60 months.

Results of Operations

Revenue

We derive substantially all of our revenue from the sale of high-definition video and image processing SoC solutions to OEMs and ODMs, either directly or through our logistics providers. Our SoC solutions have been used in the camera and infrastructure markets, and we expect these will be the primary markets for our solutions for the foreseeable future. We derive a substantial portion of our revenue from sales made indirectly through our logistics provider, WT Microelectronics Co., Ltd.

We typically experience seasonal fluctuations in our quarterly revenue with our third fiscal quarter normally being the highest revenue quarter. This fluctuation has been driven primarily by increased sales into the camera

market as our customers build inventory in preparation for the holiday shopping season. More generally, our average selling prices fluctuate based on the mix of our solutions sold in a period which reflects the impact of both changes in unit sales of existing solutions as well as the introduction and sales of new solutions. Our solutions are typically characterized by a life cycle that begins with higher average selling prices and lower volumes, followed by broader market adoption, higher volumes and average selling prices that are lower than initial levels.

Cost of Revenue and Gross Margin

Cost of revenue includes the cost of materials such as wafers processed by third-party foundries, costs associated with packaging, assembly and test, and our manufacturing support operations such as logistics, planning and quality assurance. Cost of revenue also includes indirect costs such as warranty, inventory valuation reserves and other general overhead costs.

Gross profit is revenue less cost of revenue. Gross margin is gross profit expressed as a percentage of revenue. We expect that our gross margin may fluctuate from period to period as a result of changes in average selling price, product mix and the introduction of new products by us or our competitors. In general, solutions incorporated into more complex configurations, such as those used in the infrastructure market, have higher prices and higher gross margins, as compared to solutions sold into the camera market. As semiconductor products mature and unit volumes sold to customers increase, their average selling prices typically decline. These declines may be paired with improvements in manufacturing yields and lower wafer, packaging and test costs, which offset some of the margin reduction that could result from lower selling prices. We believe that our gross margin may continue to decline for the foreseeable future as we continue to penetrate the highly competitive camera market and as we launch our solutions into new markets.

Research and Development

Research and development expense consists primarily of personnel costs, including salaries, stock-based compensation and employee benefits. The expense also includes costs of development incurred in connection with our collaborations with our foundries, costs of licensing intellectual property from third parties for product development, costs of development for software and hardware tools, cost of fabrication of mask sets for prototype products, and allocated depreciation and facility expenses. All research and development costs are expensed as incurred. We expect our research and development expense to increase in absolute dollars as we continue to enhance and expand our product features and offerings.

Selling, General and Administrative

Selling, general and administrative expense consists primarily of personnel costs, including salaries, stock-based compensation and employee benefits for our sales, marketing, finance, human resources, information technology and administrative personnel. The expense also includes professional service costs related to accounting, tax, legal services, and allocated depreciation and facility expenses. We expect our selling expense to increase in absolute dollars as we expand the size of our sales and marketing organization to support our anticipated growth. We expect our general and administrative expense to increase in absolute dollars and as a percent of revenue as we develop the infrastructure necessary to operate as a public company, which includes increased audit and legal fees, costs to comply with the Sarbanes-Oxley Act of 2002 and the rules and regulations applicable to companies listed on , investor relations costs, as well as higher insurance premiums.

Other Income (Loss), Net

Other income (loss), net consists primarily of gain and loss from foreign currency transactions and remeasurements. It also includes gain and loss from revaluation of fair value of warrants to purchase our redeemable convertible preference shares and interest earned from investing in money market funds.

Provision (Benefit) for Income Taxes

We conduct our business in many countries and regions and are subject to taxation in many jurisdictions. We are incorporated in the Cayman Islands and we have subsidiaries in the United States, China, Taiwan, Hong Kong, South Korea and Japan. As a result, our worldwide operating income is subject to varying tax rates. Consequently, our effective tax rate is highly dependent upon the geographic distribution of our earnings or losses and the tax laws and regulations in each geographical region.

The following table sets forth a summary of our statement of operations for the periods indicated:

	Year Ended January 31,		
	2009	2010	2011
		(in thousands)	
Revenue	$41,747	$71,525	$94,739
Cost of revenue	13,494	24,045	34,500
Gross profit	28,253	47,480	60,239
Operating expenses:			
Research and development	26,576	27,638	34,449
Selling, general and administrative	4,605	6,894	10,313
Total operating expenses	31,181	34,532	44,762
Income (loss) from operations	(2,928)	12,948	15,477
Other income (loss), net	216	(114)	(47)
Income (loss) before income taxes	(2,712)	12,834	15,430
Provision (benefit) for income taxes	240	(454)	1,501
Net income (loss)	$ (2,952)	$13,288	$13,929

The following table sets forth a summary of our statement of operations as a percentage of revenue of each line item:

	Year Ended January 31,		
	2009	2010	2011
Revenue	100%	100%	100%
Cost of revenue	32	34	36
Gross profit	68	66	64
Operating expenses:			
Research and development	64	39	36
Selling, general and administrative	11	10	11
Total operating expenses	75	49	47
Income (loss) from operations	(7)	17	17
Other income (loss), net	1	—	—
Income (loss) before income taxes	(6)	17	17
Provision (benefit) for income taxes	1	(1)	2
Net income (loss)	(7)%	18%	15%

Comparison of the Fiscal Years Ended January 31, 2009, 2010 and 2011

Revenue

	Year Ended January 31,			Change			
				2010		2011	
	2009	2010	2011	Amount	%	Amount	%
				(dollars in thousands)			
Revenue	$41,747	$71,525	$94,739	$ 29,778	71%	$ 23,214	32%

Revenue increased for the fiscal year ended January 31, 2011 due to an increase in the number of units sold across all markets. This unit increase reflected a broader adoption of our A6 and A5S SoCs by current and new customers, as well as growth in sales of our A5 SoC in the camera market. The launch and adoption of the lower-priced A5S SoC in the camera market enabled us to continue to expand penetration into our end customers' products. Increased revenue from sales into the infrastructure market reflected increased expenditures on capital equipment by end customers and the wider adoption of our A6 SoC launched in the previous fiscal year.

Revenue increased for the fiscal year ended January 31, 2010 due primarily to the increased unit sales of our A5, A2S and A2 SoCs in the camera market. In addition, we were also able to sell our A5 SoCs at higher ASPs than the previous generation SoCs that we sold into these markets in the prior year. This increase was partially offset by a reduction in revenue in the infrastructure market as a result of reduced capital expenditures for infrastructure equipment by end users due to weaker macroeconomic conditions.

Cost of Revenue and Gross Margin

	Year Ended January 31,			Change			
				2010		2011	
	2009	2010	2011	Amount	%	Amount	%
				(dollars in thousands)			
Cost of revenue	$13,494	$24,045	$34,500	$ 10,551	78%	$ 10,455	43%
Gross profit	28,253	47,480	60,239	19,227	68	12,759	27
Gross margin	68%	66%	64%	—	(2)%	—	(2)%

Cost of revenue increased for the fiscal years ended January 31, 2011 and January 31, 2010 primarily due to the increased number of units purchased by our customers.

Gross margin decreased year-over-year in both years primarily because we derived a higher proportion of our revenue from sales into the camera market.

Research and Development

	Year Ended January 31,			Change			
				2010		2011	
	2009	2010	2011	Amount	%	Amount	%
				(dollars in thousands)			
Research and development	$26,576	$27,638	$34,449	$ 1,062	4%	$ 6,811	25%

Research and development expense increased for the fiscal year ended January 31, 2011 primarily due to an increase in engineering headcount and new product development costs, which were partially offset by lower license fees associated with software design tools. Our research and development engineering headcount increased to 300 at January 31, 2011 compared to 244 at January 31, 2010, resulting in an increase in personnel costs and stock-based compensation expense of approximately $5.0 million. For the fiscal year ended January 31, 2011, product development costs incurred at our foundries increased from $4.6 million in the prior fiscal year to $7.3 million as we developed more new SoCs compared to the prior year.

Research and development expense increased for the fiscal year ended January 31, 2010 primarily due to an increase in engineering headcount, new product development costs and higher license fees for design tools. Our research and development engineering headcount increased to 244 at January 31, 2010 compared to 192 at January 31, 2009, resulting in an increase in personnel costs and stock-based compensation expense of approximately $2.7 million. For the fiscal year ended January 31, 2010, product development costs incurred at our foundries declined from $7.5 million in the prior fiscal year to $4.6 million as we developed fewer new SoCs compared to the prior year.

Selling, General and Administrative

	Year Ended January 31,			Change 2010		Change 2011	
	2009	2010	2011	Amount	%	Amount	%
				(dollars in thousands)			
Selling, general and administrative	$ 4,605	$ 6,894	$10,313	$ 2,289	50%	$ 3,419	50%

Selling, general and administrative expense increased over each of the last two fiscal years primarily due to increases in headcount and outside services to support our expanding business and operations. Our selling, general and administrative headcount increased from 36 at January 31, 2009 to 54 at January 31, 2010 and to 72 at January 31, 2011. Personnel costs, including stock-based compensation expense, were approximately $3.7 million, $5.3 million and $7.8 million for the fiscal years ended January 31, 2009, 2010 and 2011, respectively.

Other Income (Loss), Net

	Year Ended January 31,			Change 2010		Change 2011	
	2009	2010	2011	Amount	%	Amount	%
				(dollars in thousands)			
Other income (loss), net	$ 216	$ (114)	$ (47)	$ (330)	(153)%	$ 67	59%

In fiscal year 2011, other income (loss), net was primarily attributable to changes in exchange rates related to foreign currency offset by interest income. In fiscal year 2010, other income (loss), net was the result of warrant-revaluation expense and foreign exchange losses partially offset by total interest income.

Provision (Benefit) for Income Taxes

	Year Ended January 31,		
	2009	2010	2011
		(in thousands)	
Current:			
U.S. federal tax	$ 116	$ 678	$ 306
U.S. state taxes	67	143	—
Non-U.S. foreign taxes	170	235	708
	353	1,056	1,014
Deferred:			
U.S. federal tax	—	(1,414)	473
U.S. state taxes	—	(205)	10
Non-U.S. foreign taxes	(113)	109	4
	(113)	(1,510)	487
Provision (benefit) for income taxes	$ 240	$ (454)	$ 1,501

Income tax expense was $1.5 million for the fiscal year ended January 31, 2011, as compared to an income tax benefit of $0.5 million for the fiscal year ended January 31, 2010. The increase in income tax expense in the fiscal year ended January 31, 2011 was primarily due to a valuation allowance release of $1.5 million during the fiscal year ended January 31, 2010 combined with increased profitability in certain taxable jurisdictions.

We recorded an income tax benefit of $0.5 million for the fiscal year ended January 31, 2010 as compared to an income tax expense of $0.2 million for the fiscal year ended January 31, 2009. The change in income tax expense was primarily due to a valuation allowance release of $1.5 million during the fiscal year ended January 31, 2010, partially offset by an increase in profitability in certain taxable jurisdictions.

Selected Quarterly Results of Operations

The following table presents our unaudited quarterly results of operations for the eight quarters in the period ended January 31, 2011. This unaudited quarterly information has been prepared on the same basis as our audited consolidated financial statements and includes all adjustments, consisting of only normal recurring adjustments, necessary for the fair statement of the information for the quarters presented. You should read this table together with our audited consolidated financial statements and the related notes thereto included elsewhere in this prospectus. Our quarterly results of operations will vary in the future. The results of operations for any quarter are not necessarily indicative of any future results.

	For the Three Months Ended							
	Apr. 30, 2009	Jul. 31, 2009	Oct. 31, 2009	Jan. 31, 2010	Apr. 30, 2010	Jul. 31, 2010	Oct. 31, 2010	Jan. 31, 2011
	(in thousands)							
Revenue	$11,894	$16,944	$24,735	$17,952	$21,260	$23,322	$28,069	$22,088
Cost of revenue	3,289	5,817	8,861	6,078	6,835	8,688	11,328	7,649
Gross profit	8,605	11,127	15,874	11,874	14,425	14,634	16,741	14,439
Operating expenses:								
Research and development	5,871	6,201	7,706	7,860	7,935	8,915	8,891	8,708
Selling, general and administrative	1,422	1,528	1,890	2,054	2,242	2,513	2,569	2,989
Total operating expenses	7,293	7,729	9,596	9,914	10,177	11,428	11,460	11,697
Income from operations	1,312	3,398	6,278	1,960	4,248	3,206	5,281	2,742
Other income (loss), net	(17)	(9)	(30)	(58)	8	13	(6)	(62)
Income before income taxes	1,295	3,389	6,248	1,902	4,256	3,219	5,275	2,680
Provision (benefit) for income taxes	177	124	222	(977)	554	653	399	(105)
Net income	$ 1,118	$ 3,265	$ 6,026	$ 2,879	$ 3,702	$ 2,566	$ 4,876	$ 2,785

The following table presents the unaudited quarterly results of operations as a percentage of revenue:

	For the Three Months Ended							
	Apr. 30, 2009	Jul. 31, 2009	Oct. 31, 2009	Jan. 31, 2010	Apr. 30, 2010	Jul. 31, 2010	Oct. 31, 2010	Jan. 31, 2011
Revenue	100%	100%	100%	100%	100%	100%	100%	100%
Cost of revenue	28	34	36	34	32	37	40	35
Gross profit	72	66	64	66	68	63	60	65
Operating expenses:								
Research and development	49	37	31	44	37	38	32	39
Selling, general and administrative	12	9	8	11	11	11	9	14
Total operating expenses	61	46	39	55	48	49	41	53
Income from operations	11	20	25	11	20	14	19	12
Other income (loss), net	—	—	—	—	—	—	—	—
Income before income taxes	11	20	25	11	20	14	19	12
Provision (benefit) for income taxes	1	1	1	(5)	3	3	1	1
Net income	10%	19%	24%	16%	17%	11%	17%	13%

We typically experience seasonal fluctuations in our quarterly revenue with our third fiscal quarter normally being the highest revenue quarter. This seasonality is primarily the result of increased sales into the camera market as our customers build inventory in preparation for the holiday shopping season. For example, for the third fiscal quarter ended October 31, 2009, our revenue increased approximately 46% from the second fiscal quarter ended July 31, 2009. However, our revenue for the fourth fiscal quarter ended January 31, 2010 decreased approximately 27% from the third fiscal quarter ended October 31, 2009.

Cost of revenue generally varies with revenue and product mix. However, industry-wide capacity constraints and potential delays in our supply chain can increase our cost of revenue in any given period. For example, in the fiscal quarter ended October 31, 2010, our cost of revenue increased because GUC temporarily increased our purchase price for certain of our chips and required us to pay additional fees in order to meet our scheduled production.

Our gross margin also generally varies with revenue and product mix. In general, solutions incorporated into more complex configurations, such as those used in the infrastructure market, have higher prices and higher gross margins, as compared to solutions sold into the camera market. We expect that our gross margin will vary materially from quarter to quarter primarily based on the percentage of our revenue that is attributable to the camera market versus the infrastructure market and also the mix of products that we sell in those markets. We believe that our gross margin may continue to decline for the foreseeable future as we continue to penetrate the highly competitive camera market and as we launch our solutions into new markets.

Research and development expense generally increased sequentially primarily due to an increase in engineering headcount and the costs associated with conceptual formulation, design, construction of prototypes, testing of product alternatives and third-party technology licensing agreements to support our new product development projects. Research and development expense as a percentage of revenue will fluctuate from quarter to quarter primarily based on fluctuations in revenue and the timing of our investments in new products.

Selling, general and administrative expense increased primarily due to increases in headcount, business development efforts and outside professional services to support our growing sales and marketing efforts and higher legal and accounting fees. Selling, general and administrative expense as a percentage of revenue will fluctuate from quarter to quarter primarily based on the timing of these expenses.

Liquidity and Capital Resources

Sources of Liquidity

We have generated net income in each quarter beginning with the first quarter of fiscal year 2010 and we have generated cash from operations in each of fiscal years 2009, 2010 and 2011. As of January 31, 2011, we had cash and cash equivalents of $41.9 million.

Cash Flows

The following table summarizes our cash flows for the periods indicated:

	Year Ended January 31,		
	2009	2010	2011
		(in thousands)	
Net cash provided by operating activities	$ 94	$15,189	$13,025
Net cash provided by (used in) investing activities	(1,577)	(5,719)	2,059
Net cash provided by financing activities	202	567	213
Net increase (decrease) in cash and cash equivalents	$(1,281)	$10,037	$15,297

Net Cash Provided by Operating Activities

Net cash provided by operating activities in fiscal year 2011 primarily reflected net income of $13.9 million, increased by non-cash operating charges for depreciation and amortization of $1.6 million and stock-based compensation of $1.9 million. Operating cash flows were also provided by decreases in accounts receivable of $0.3 million and deferred tax assets of $0.5 million, and an increase in accounts payable of $1.6 million, which were offset by increases in inventory of $5.7 million and decreases in accrued liabilities of $0.3 million and deferred revenue of $0.5 million. The increases in our inventory and accounts payable resulted from higher production volumes to support increased sales of our solutions.

Net cash provided by operating activities in fiscal year 2010 primarily reflected net income of $13.3 million, increased by non-cash operating charges for depreciation and amortization of $1.3 million and stock-based compensation of $1.1 million. Operating cash flows were also provided by increases in accounts payable of $0.6 million, accrued liabilities of $3.7 million and deferred revenue of $2.0 million, which were offset by increases in accounts receivable of $4.2 million, inventory of $1.2 million and deferred tax assets of $1.5 million. Our accounts payable and accrued liabilities increased as a result of increased production volumes to support growing sales and the cost of licensed third-party technology and intellectual property to support new product development. Our deferred revenue increased as a result of increased shipments of our solutions. Receivables and inventories increased primarily due to an increase in sales in fiscal year 2010 and forecasted sales for fiscal year 2011. In fiscal year 2010, we released $1.5 million of tax valuation allowance as a result of positive evidence of continuing profit of our business, which resulted in an increase in deferred tax assets of $1.5 million at the end of fiscal year 2010.

Net cash provided by operating activities in fiscal year 2009 primarily reflected a net loss of $3.0 million, offset by non-cash operating charges for depreciation of $1.0 million and stock-based compensation of $0.7 million. Operating cash flows were also provided by a decrease in inventory of $0.9 million, increases in accounts payable of $2.0 million and deferred revenue of $1.2 million, which were offset by an increase in accounts receivable of $1.2 million and a decrease in accrued liabilities of $1.5 million. The decline in inventory and increases in accounts receivable and deferred revenue resulted from our significant revenue growth and product shipments of our solutions. The increase in accounts payable resulted from higher production volumes to support our rapidly growing sales.

Net Cash Provided by (Used in) Investing Activities

Net cash provided by investing activities during fiscal year 2011 consisted of $0.2 million invested in certificates of deposit, $1.0 million invested in a private company, $0.9 million in purchases of property and equipment and $0.8 million in purchases of intangible assets. These investments were offset by the receipt of $5.0 million in cash from the maturity of certificates of deposit purchased in fiscal year 2010.

Net cash used in investment activities during fiscal year 2010 consisted of $5.0 million invested in certificates of deposit, $0.4 million in purchases of property and equipment and $0.9 million in purchases of intangible assets. These investments were partially offset by receipt of $0.6 million in cash from the maturity of a certificate of deposit.

Net cash used in investment activities during fiscal year 2009 consisted of $0.6 million invested in certificates of deposit and $1.0 million for purchases of property and equipment.

Net Cash Provided by Financing Activities

Net cash provided by financing activities was $0.2 million, $0.6 million and $0.2 million in fiscal years 2009, 2010 and 2011, respectively, which resulted from exercises of stock options.

Operating and Capital Expenditure Requirements

We have generated net income in each quarter beginning with the first quarter of fiscal year 2010 and we have generated cash from operations in each of fiscal years 2009, 2010 and 2011. We believe that our anticipated cash generated from operations and our existing cash balances will be sufficient to meet our anticipated cash requirements through at least the next 12 months. In the future, we expect our operating and capital expenditures to increase as we increase headcount, expand our business activities and implement and enhance our information technology and enterprise resource planning systems. We expect our accounts receivable and inventory balances to increase, and to be partially offset by increases in accounts payable, which will result in a greater need for working capital. If our available cash balances and net proceeds from this offering are insufficient to satisfy our future liquidity requirements, we may in the future seek to sell equity or convertible debt securities or borrow funds commercially. The sale of equity and convertible debt securities may result in dilution to our shareholders and those securities may have rights senior to those of our ordinary shares. If we raise additional funds through the issuance of convertible debt securities, these securities could contain covenants that would restrict our operations. We may require additional capital beyond our currently anticipated amounts. Additional capital may not be available to us on reasonable terms, or at all.

Our short- and long-term capital requirements will depend on many factors, including the following:

- our ability to generate cash from operations;
- our ability to control our costs;
- the emergence of competing or complementary technologies or products;
- the costs of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights, or participating in litigation-related activities; and
- our acquisition of complementary businesses, products and technologies.

Contractual Obligations, Commitments and Contingencies

Our principal contractual obligations consist of operating leases for office facilities, operating leases for certain software and non-cancellable purchase obligations primarily related to inventory purchases.

The following table summarizes our outstanding contractual obligations as of January 31, 2011:

	Payment Due by Period as of January 31, 2011 (in thousands)					
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	All Other
Contractual Obligations						
Facilities under operating leases[1]	$ 3,594	$ 1,323	$1,478	$793	$ —	$ —
Technology license or other obligations under operating leases[2]	1,127	811	284	32	—	—
Noncancellable purchase obligations[3]	15,552	15,552	—	—	—	—
Uncertain tax liabilities[4]	773	—	—	—	—	773
Total	$21,046	$17,686	$1,762	$825	$ —	$773

(1) Facilities under operating leases represent facilities in Santa Clara, California, Taiwan, China, Hong Kong, Japan and South Korea. The leases for our Santa Clara, California headquarters and Hong Kong have three-year terms and terminate in fiscal year 2014. The leases for two China facilities have five-year and three-year terms and terminate in fiscal year 2016 and 2014, respectively. The leases for Japan and South Korea have two-year terms and terminate in fiscal year 2013. The lease for our Taiwan office is a year-to-year term.

(2) Technology license obligations under operating leases represent future cash payments for software or other technology licenses which are used in product design or daily operation.

(3) Non-cancellable purchase obligations consist primarily of inventory purchase obligations with our independent contract manufacturers.

(4) Uncertain tax liabilities represent our liabilities for uncertain tax positions as of January 31, 2011. We are unable to reasonably estimate the timing of payments in individual years due to uncertainties in the timing of the effective settlement of tax positions.

Off-Balance Sheet Arrangements

Since our inception, we have not engaged in any off-balance sheet arrangements, including the use of structured finance, special purpose entities or variable interest entities.

Quantitative and Qualitative Disclosure of Market Risks

We had cash, cash equivalents and restricted cash totaling $17.1 million, $31.6 million and $42.1 million at January 31, 2009, 2010 and 2011, respectively. Our cash, cash equivalents and restricted cash consist of cash in standard bank accounts and investments in certificates of deposit. The primary objectives of our investment activities are to preserve principal and provide liquidity without significantly increasing risk. Our cash and cash equivalents are held for working capital purposes. We do not enter into investments for trading or speculative purposes.

Foreign Currency Risk

To date, all of our product sales and inventory purchases have been denominated in U.S. dollars. We therefore have not had any foreign currency risk associated with these two activities. The functional currency of all of our entities is the U.S. dollar. Our operations outside of the United States incur operating expenses and hold assets and liabilities denominated in foreign currencies, principally the Chinese Yuan Renminbi and the New Taiwan Dollar. Our results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates. However, we believe that the exposure to foreign currency fluctuation from operating expenses is immaterial at this time as the related costs do not constitute a significant portion of our total expenses. As we grow our operations, our exposure to foreign currency risk could become more significant.

To date, we have not entered into any foreign currency exchange contracts and currently do not expect to enter into foreign currency exchange contracts for trading or speculative purposes.

Recent Authoritative Accounting Guidance

See Note 1 to our audited consolidated financial statements for information regarding recently issued accounting pronouncements.

Critical Accounting Policies and Significant Management Estimates

Our audited consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles, or GAAP. In connection with the preparation of our audited consolidated financial statements, we are required to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. On an ongoing basis, we evaluate the estimates, judgments and assumptions including those related to revenue recognition, allowance for doubtful accounts, inventory valuation, impairment of long-lived assets, impairment of financial instruments, warranty costs, valuation of equity instruments, stock-based compensation, deferred income tax assets, valuation allowances and uncertain tax positions. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgment and estimates. These estimates, judgments and assumptions are based on historical experience and on various other factors that we believe to be reasonable under the circumstances. Our actual results could differ from these estimates under different assumptions or conditions, and such differences could be material. Our significant accounting policies are summarized in Note 1 to our audited consolidated financial statements included elsewhere in this prospectus.

Revenue Recognition

We generate revenue from the sale of our SoCs to OEMs or ODMs, either directly or through logistics providers. Revenue from sales directly to OEMs and ODMs is generally recognized upon shipment provided persuasive evidence of an arrangement exists, legal title to the products has transferred, the fee is fixed or determinable, and collection of the resulting receivable is reasonably assured. We provide our logistics providers with the right to return excess levels of inventory and with future price adjustments. Given our inability to reasonably estimate these price changes and returns, revenue and costs related to shipments to our logistics providers are deferred until we have received notification from our logistics providers that they have sold our products. Information reported by our 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, we record a trade receivable as there is a legally enforceable right to receive payment, reduce inventory for the value of goods shipped as legal title has passed to the logistics provider and defer the related margin as deferred revenue in our consolidated balance sheets. Any price adjustments are recorded as a reduction 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 our SoCs are used. These arrangements may also entitle us to a share of the product margin ultimately realized by the OEM. The minimum guaranteed amount of revenue related to the sale of our products subject to these arrangements is recognized upon shipment as persuasive evidence of the arrangement exists, legal title to our products has transferred, the fee is fixed and collection of the resulting receivable is reasonably assured. Additional amounts earned by us resulting from the margin sharing arrangement and determination of the end products into which our products are ultimately incorporated are recognized when end-customer sales volume is reported to us.

We also sell a limited amount of software under perpetual licenses that include post contract customer support, or PCS. We do not have evidence of fair value for the PCS and, accordingly, license revenue is

recognized ratably over the estimated support period in accordance with ASC 985, Software Revenue Recognition. The revenue from those licenses comprised 3%, 3% and 2% of our revenue in fiscal years 2009, 2010 and 2011, respectively.

Inventory Valuation

We record inventories at the lower of cost (on a first-in, first-out basis) or current market value. Inventory reserves are recorded for estimated obsolescence or unmarketable inventories based on forecasts about future demand and market conditions. If actual market conditions are less favorable than projected, or if future demand for our solutions decreases, additional inventory write-down may be required. Once inventory is written-down, a new accounting basis has been established and, accordingly, it is not reversed until the inventory is sold or scrapped. To date, we have not recognized any material loss related to inventory.

Warranty Costs

We provide a one-year warranty on our products. We accrue for the estimated warranty costs at the time when revenue is recognized. The warranty accruals are regularly monitored by management based upon historical experience and any specifically identified failures. While we engage in extensive product quality assessment, actual failure rates for our solutions, material usage or service delivery costs could differ from estimates in which case revisions to the estimated warranty liability would be required. As of both January 31, 2010 and 2011, our accrued warranty liability was $0.4 million.

Stock-Based Compensation

Stock-based compensation for equity awards granted to employees and directors is based upon the estimated fair value on the grant date. We use the Black-Scholes option pricing model to determine the fair value for each option grant and recognize expense using the straight-line attribution method (net of estimated forfeitures) over the requisite service period, which is typically the vesting period of each award. Stock-based compensation expense is classified in the statement of operations based on the work performed by the employee who received stock-based compensation.

Determining the fair value of stock-based awards on the grant date requires the input of various assumptions, including stock price of the underlying ordinary share, exercise price of the stock option, expected volatility, expected term, risk-free interest rate and dividend rate. The expected term was calculated using the simplified method as prescribed by the guidance provided by the Securities and Exchange Commission, as neither relevant historical experience nor other relevant data are available to estimate future exercise behavior. The expected volatility is based on the historical volatilities of securities of comparable companies whose shares are publicly traded. The risk-free interest rate is derived from the average U.S. Treasury constant maturity rates during the respective periods commensurate with the expected term. The expected dividend yield is zero because we historically have not paid dividends and have no present intention to pay dividends. We use historical data to estimate pre-vesting option forfeitures and record stock-based compensation only for those options that are expected to vest. Forfeitures are estimated at the time of grant and revised if necessary in subsequent periods if actual forfeitures differ from estimates.

We recognize non-employee stock-based compensation expense based on the estimated fair value of the equity instrument determined by the Black-Scholes option pricing model. The fair value of the non-employee equity awards is remeasured at each reporting period until services required under the arrangement have been completed, which is the vesting date.

	Year Ended January 31,		
	2009	2010	2011
Stock Options:			
Volatility	63%	62%	63%
Risk-free interest rate	3.23%	2.69%	1.79%
Expected term (years)	6.04	6.07	6.05
Dividend yield	—	—	—

The accounting guidance for stock-based compensation prohibits the recognition of a deferred tax asset for an excess tax benefit that has not yet been realized. To date, we have not realized any excess tax benefit.

In order to determine the fair value of our ordinary shares, we regularly engage an independent appraiser to assist us in the valuation of such ordinary shares. Our board of directors directs these regular valuations and has input into determining the relevant objective and subjective factors accounted for in each valuation. Our board of directors also reviews the assumptions and inputs used in connection with such valuations so that they are consistent with our board of directors' best estimate of our business condition, prospects and operating performance at each valuation date. The deemed fair value per ordinary share underlying our stock option grants is determined by our board of directors with input from management at each grant date and after considering the most recent independent valuation.

Set forth below is a summary of our stock option grants for the fiscal year ended January 31, 2011 and through March 31, 2011 and the contemporaneous valuation for such grants, as well as the associated per share exercise price, which equaled or exceeded the fair value of our ordinary shares:

Date of Grant	Number of Shares	Exercise Price ($ per share)	Estimated Fair Value ($ per share)
February 25, 2010	118,000	1.92	1.92
April 13, 2010	450,000	1.92	1.92
June 8, 2010	381,000	1.92	1.92
July 7, 2010	208,000	1.92	1.92
September 1, 2010	112,000	1.96	1.96
November 3, 2010	3,242,600	1.96	1.96
December 10, 2010	100,000	1.96	1.96
March 8, 2011	1,666,400	1.96	1.96

Because there has been no public market for our ordinary shares, our board of directors has determined the estimated fair value of our ordinary shares. Historically, our board of directors reviews and discusses a variety of factors when exercising their judgment in determining the deemed fair value of our ordinary shares. These factors generally include the following:

Company-specific factors

- our operating and financial performance and revenue outlook;
- the status of product development;
- the level of competition for our existing and planned solutions;
- the amount and pricing of our preference share financings with outside investors in arms'-length transactions;
- the rights, preferences and privileges of those preference shares relative to those of our ordinary shares;
- the hiring of key personnel;

- the historical lack of a public market for our ordinary and preference shares;
- the likelihood of achieving a liquidity event, such as an initial public offering or a sale of our company given prevailing market conditions and the nature and history of our business;
- industry recognitions and awards;
- the development of end customer relationships; and
- market adoption and success of our end customers' products.

Industry-specific factors

- industry information such as aggregate market and unit volume growth;
- public trading prices of the common stock of companies in our industry;
- emerging trends and issues; and
- the performance of similarly-situated companies in our industry.

General economic factors

- trends in consumer spending, including consumer confidence;
- overall economic indicators, including gross domestic product, unemployment and manufacturing data; and
- the general economic outlook.

Our contemporaneous ordinary share valuations primarily utilize various income and market valuation approaches. The income approach is based on the premise that the value of a business is the present value of the future earning capacity that is available for distribution to investors. This approach involves estimating the discounted cash flow for our business by projecting the free cash flows of each year, calculating a terminal value, and then discounting these cash flows back to a present value at an appropriate discount rate. The market approach is based on the premise that a business can be valued by comparing it to other companies which are being acquired or which are publicly traded. It involves selecting publicly traded companies or recently merged and acquired companies similar to us in terms of size, product market, liquidity, financial leverage, revenue, profitability, growth and other factors, calculating multiples of revenue or EBITDA for these companies and applying these multiples to our business. The prior sales of company shares included in the market approach involves examining any historical transactions involving the sale of our redeemable convertible preference shares. Once the total equity value is computed and weighted under the various approaches, we allocate value to the security using an appropriate allocation method.

Prior to October 2009, we utilized the Option Pricing Method to allocate value between securities by treating them as a call option on a portion of the future value of a business. We used the Black-Scholes model with the following assumptions:

- share price, which is the underlying value of asset calculated from the valuation approach;
- estimated time to a liquidity event;
- average comparable public companies' stock volatilities, calculated on a weekly basis over the years prior to the valuation date; and
- risk-free interest rate of U.S. Treasury bonds corresponding to the years of time to liquidity as of the valuation date.

Commencing in October 2009, our board of directors began utilizing the Probability Weighted Expected Return Method to allocate the enterprise value between securities. The Probability Weighted Expected Return Method is used to estimate the value of our ordinary shares based upon an analysis of the future value of our ordinary shares under each of the following scenarios occurring within a two-year period from the date of each valuation:

- an initial public offering of our ordinary shares at a price per ordinary share resulting in the holders of our preference shares choosing to convert into ordinary shares;
- a sale of the company to an acquiror at a price per ordinary share resulting in the holders of our preference shares potentially choosing to convert into ordinary shares based on the economic value of the sale to such holders, thereby receiving their liquidation preference and a portion of the remaining proceeds;
- remaining a private company; and
- dissolution of the company.

The assumptions around fair value represented our management's best estimate at the time of the valuation, but they are highly subjective and inherently uncertain. If management had made different assumptions, our calculation of the option's fair value and the resulting stock-based compensation expense could differ, perhaps materially, from the amounts recognized in our audited consolidated financial statements.

Aggregate Intrinsic Value of Outstanding Stock Options

Based upon an assumed initial public offering price of $ per share, the mid-point of the range reflected on the cover page of this prospectus, the aggregate intrinsic value of outstanding stock options vested and expected to vest as of January 31, 2011 was $ million, of which $ million related to vested options and $ million related to options expected to vest.

	January 31, 2011	Weighted-Average Exercise Price	IPO Price	Excess of IPO Price	Aggregate Intrinsic Value
Vested	6,604,680	$ 0.56			
Expected to vest	10,210,447	1.22			
Total vested and expected-to-vest stock options	16,815,127	$ 0.96			

Allowance for Doubtful Accounts

We frequently monitor cash collections from our logistics providers and end customers. We perform ongoing credit evaluation of our customers and generally require no collateral. We assess the need for allowances for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments by considering factors such as historical collection experience, credit quality, aging of the accounts receivable balances and current economic conditions that may affect a customer's ability to pay. To date, we have not experienced any material bad debt and, therefore, no allowance for doubtful accounts has been recorded. However, our prior experience may not be indicative of future losses and if the financial condition of our customers were to deteriorate and result in inability to make payments, losses may be incurred. Our accounts receivable are concentrated among relatively few customers. Therefore, a negative change in liquidity or financial position of any one of these customers could make it difficult for us to collect our accounts receivable and require us to establish or increase our allowance for doubtful accounts.

Income Taxes

We record 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 our 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.

We apply 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 our tax positions and tax benefits, we consider and evaluate numerous factors, which may require periodic adjustments and which may not reflect the final tax liabilities. We adjust our 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 audited consolidated financial statements, we are required to estimate our taxes in each of the jurisdictions in which we operate. We estimate 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 our consolidated balance sheets. In general, deferred tax assets represent future tax benefits to be received when certain expenses previously recognized in the 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, we consider 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.

We make estimates and judgments about our future taxable income based on assumptions that are consistent with our 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.

BUSINESS

Company Overview

We are a leading developer of semiconductor processing solutions for video that enable high-definition video capture, sharing and display. We combine our processor design capabilities with our 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. Our system-on-a-chip, or SoC, designs fully integrate high-definition video processing, image sensor processing, audio processing and system functions onto a single chip, delivering exceptional video and image quality, differentiated functionality and low power consumption.

The inherent flexibility of our technology platform enables us to deliver our solutions for numerous applications in multiple markets, including consumer pocket video cameras, wearable sport cameras, Internet Protocol, or IP, security cameras, and ruggedized outdoor cameras, which we refer to as the camera market, and broadcast encoding and IP video delivery applications, which we refer to as the infrastructure market. Our solutions enable the creation of high quality video content in the camera market and, in the infrastructure market, help to efficiently manage IP video traffic, which is rapidly becoming the predominant form of global IP traffic. We initially focused on the infrastructure market, where we were able to differentiate our solutions to broadcast customers based on high performance, low power consumption, small size and transmission and storage efficiency. Leveraging these same capabilities, we then designed high-performance solutions for the camera market, including for portable consumer and networked video devices. As a result of the differentiated attributes of our solution, we became a leading provider of video processing solutions for hybrid cameras, which capture both high-definition video and high-resolution still images. In addition, we have recently released the iOne, our first SoC solution designed to serve an emerging class of Android-enabled devices referred to as smart cameras, which combine the high-resolution image capture capabilities of hybrid cameras with advanced networking and application processing functionalities. We are currently selling our third-generation solutions into the infrastructure market, and our fourth-generation solutions into the camera market.

We sell our solutions to leading original design manufacturers, or ODMs, and original equipment manufacturers, or OEMs, globally. We refer to ODMs as our customers and OEMs as our end customers, except as otherwise indicated or as the context otherwise requires. In the camera market, our video processing solutions are designed into products from leading OEMs including Eastman Kodak Company, GoPro, Samsung Electronics Co., Ltd. and Sony Corporation, who source our solutions from ODMs including Ability Enterprise Co., Ltd., Asia Optical Co. Inc., Chicony Electronics Co., Ltd., DXG Technology Corp., Hon Hai Precision Industry Co., Ltd. and Sky Light Digital Ltd. In the infrastructure market, our solutions are designed into products from leading OEMs including Harmonic Inc., Motorola Mobility, Inc. and Telefonaktiebolaget LM Ericsson, who source our solutions from leading ODMs such as Plexus Corp.

We have shipped more than 15 million SoCs since our inception in 2004. We employ a fabless manufacturing strategy and are currently shipping the majority of our solutions in the 65 and 45 nanometer, or nm, process nodes, and have a proven track record of developing and delivering multiple solutions with first-pass silicon success. As of March 31, 2011, we had 395 employees worldwide, the majority of whom are in research and development. Our headquarters are located in Santa Clara, California, and we also have research and development design centers and business development offices in China, Hong Kong, Japan, South Korea and Taiwan. For our fiscal years ended January 31, 2010 and January 31, 2011, we recorded revenue of $71.5 million and $94.7 million, and net income of $13.3 million and $13.9 million, respectively. We have generated net income in each quarter beginning with the first quarter of fiscal year 2010 and we have generated cash from operations in each of fiscal years 2009, 2010 and 2011.

Industry Background

Trends Impacting the Video Content Creation and Distribution Markets

Video content is growing at a significant rate. According to the Cisco Visual Networking Index, the sum of all forms of video, including television, video on demand, Internet and peer-to-peer, will be approximately 90% of global consumer IP traffic by 2015, and video will comprise 66% of total mobile data traffic in 2015, a 35 times increase in traffic over 2010. The market trends that are fundamentally changing the way video is created, distributed and consumed include the following:

- ***Penetration of Broadband.*** Broadband and mobile Internet connectivity have become increasingly pervasive over the past decade, causing the number of Internet users globally with access to high-speed connections to increase significantly. According to Infonetics Research, the number of global wireline and wireless broadband users is expected to grow from 791 million in 2009 to 2.4 billion by 2014, a compounded annual growth rate of 25.4%. The availability of high-speed connections allows users to more easily download and share large files such as movies and high-quality images, as well as access new broadband-enabled applications such as streaming video, Internet Protocol Television, or IPTV, and video conferencing.
- ***Advancements in Video Quality*.** Significant improvements in user experience, including the increasing penetration of high-definition displays offering enhanced, high-resolution video and new functionalities, are driving growth in video applications. According to the Nielsen Company, more than half of U.S. households with televisions now have a high-definition television and receive high-definition signals, with penetration rates almost tripling between March 2008 and March 2010. Enhanced video quality on smaller screens is also driving the rapid adoption of high-definition displays in platforms such as notebook and tablet computers, smart phones and cameras. In addition to video quality, new display technologies such as three-dimensional, or 3D, technologies are also providing better overall video experiences for users.
- ***Increasing Number of Video Capture Devices*.** Traditionally, video has been captured using large, power intensive and expensive dedicated devices. Recent improvements in video capture quality, device size and cost have allowed video capture functionality to be incorporated into a broad range of devices. For example, in the camera market, smart cameras, cell phones, notebook and tablet computers and other handheld devices are increasingly incorporating video capture and wireless connectivity capabilities, thereby enabling users to generate and share rich media content and to communicate in more immersive ways such as video conferencing. In the IP video segment of the camera market, growth is being driven by customers' demand for high-definition imaging and networking capabilities to replace aging analog and standard-definition systems currently used for security applications. According to International Data Corporation, or IDC, the worldwide digital still camera and camcorder market is expected to grow from 150 million units in 2009 to 206 million units in 2014. According to IDC the percentage of digital still cameras sold with high-definition video capability in the United States was 36% in 2009 and is forecasted to grow to nearly 100% in 2012. IDC forecasts the IP security surveillance camera market will grow from 3.4 million units in 2009 to 15.0 million units in 2014.
- ***Growing User-Generated Content.*** Historically, most video content was created by media companies, professional studios and large broadcasters that possessed the equipment, expertise and other resources necessary to produce and distribute such programming. However, with the proliferation of low-cost digital video devices and greater penetration of broadband connectivity, individuals are playing a greater role in content creation and distribution than ever before. Websites such as YouTube and Facebook have enabled an effective new channel to widely distribute, store and display video and other rich media. In addition to user-created videos, other user-generated content such as video conferencing and video instant messaging through services provided by Apple Inc., Google Inc. and Skype among others, are becoming increasingly popular. According to the Cisco Visual Networking Index, global video communications traffic will increase 500% from 2010 to 2015.

- ***Emergence of the Video Cloud.*** A new ecosystem, known as the video cloud, is fundamentally changing the way users access and consume video content. Video content has traditionally been delivered to end users by broadcasters through dedicated infrastructure such as cable networks, or locally through media including video tapes, DVDs or other storage devices. The proliferation of broadband connections, coupled with the development of the infrastructure necessary to receive, store and distribute large amounts of rich multimedia content online, has enabled video to be streamed on-demand to users over the Internet from distributed sources such as data centers. The video cloud has led to new business models such as streaming video services provided by companies like Netflix, Inc.

Evolving End-User Requirements for Video Capture and Distribution

These trends are continuing to shape video capture, distribution and consumption and are driving the evolution of end-user preferences and demand. We believe that key end-user requirements include:

- ***Higher Definition and Higher Frame Rates.*** The demand for enhanced video resolution has been increasing in both the camera and infrastructure markets. In the market for digital still cameras, for example, resolution, measured in megapixels, has been the primary differentiator between competing products and often is a leading factor in consumers' purchasing decisions. Consumers expect video quality to be comparable to high-resolution still images, which is driving a transition from standard to full high-definition video capture capabilities. Additionally, video quality is improving as new display technologies are enabling higher frame rates, or the frequency with which consecutive frames of a video are displayed, thereby enhancing the resolution of moving objects. In the infrastructure market, consumer demand for viewing full high-definition content has prompted broadcasters to seek solutions that enable more channels per encoder while offering improved video quality at lower costs.
- ***Higher Transmission and Storage Efficiency.*** Raw high-definition video requires significant amounts of storage capacity and bandwidth to store and transmit content. In recent years, H.264 has emerged as the most popular standard to efficiently store high-definition video, offering three times as much compression as the prior standard, MPEG-2, and enabling smaller file sizes for captured video. Specifically, in the camera market, smaller file sizes reduce storage needs and allow higher transmission speeds, enabling faster uploading of video files. Improved compression efficiency also benefits networked video devices, where higher compression ratios require less network bandwidth and improve performance of video-intensive applications such as Skype and Apple, Inc.'s FaceTime. In the infrastructure market, highly compressed video streams enable more channels per transponder, thereby reducing the cost per channel. Improved compression efficiency is expected to become an increasingly important aspect of video distribution, as users consume less video from traditional sources such as cable and more from the Internet, where video is delivered on-demand from distributed sources such as video in the cloud.
- ***Connectivity.*** Integrated wireless capability using mobile broadband protocols and wireless links such as Wi-Fi is becoming an increasingly prevalent feature across many classes of devices, including portable video capture devices. Rather than storing images and video to local media and transferring to a computer later, users are demanding the ability to transfer and share their video content in real time including to websites such as YouTube, Facebook and online media albums. In the camera market, connected portable devices also offer users the ability to watch broadcast video and user-generated content on their devices. In addition, the integration of advanced wireless and application processing capabilities with hybrid cameras is creating an emerging class of connected devices referred to as smart cameras. Furthermore, networked video devices are incorporating more robust connectivity to enable functionalities such as remote monitoring over the Internet.
- ***Emerging Functionalities.*** Users are increasingly demanding additional functionalities in portable consumer devices. For instance, demand is increasing for the ability to take high-resolution digital still images while simultaneously capturing one or more streams of live video. This functionality is being addressed by a current class of hybrid cameras that combine high-definition video and digital still

image capture together in a single device. Furthermore, consumers are also demanding application processing capabilities to allow them to run leading mobile operating systems such as Android and the ability to capture 3D videos and conduct low latency video conferences on portable devices.

- ***Portability.*** Consumers are demanding increasingly smaller video capture devices with no loss of functionality. This includes not only stand-alone camcorders, but also integrated video capture solutions in hybrid and smart cameras, smart phones, notebook and tablet computers and other devices. The more portable video capture devices are, the more readily accessible they are to capture events or video at any time and in any location. In the consumer market, a premium is placed on low power consumption so that battery life is maximized.
- ***Simplicity*.** Device manufacturers and software developers continually struggle to balance enhanced functionality with a simpler user experience. Consumer preference has moved away from video capture devices with multiple buttons and controls to less complex devices with fewer buttons and more intuitive graphical user interfaces and software applications. Users also expect video and images to be captured and stored in a format which can be edited, displayed and shared quickly, easily and without the need to upload to a computer.
- ***Transcoding*.** The ability to decode and simultaneously re-encode high-quality video streams in multiple formats, which is commonly referred to as transcoding, using dense, small form-factor and power-efficient hardware is a critical requirement for content providers and the video cloud. Given the differing connection speeds and capacities in current communication networks, broadcasters must be able to deliver video to end users at varying bit-rate and quality levels. Furthermore, the significant increase in the number and types of devices capable of displaying video, from high-definition televisions to cell phones, requires broadcasters and other distributors to have the capability to provide video content in multiple formats and source resolutions. As new platforms and formats emerge for the delivery and playback of video content, the ability to transcode multiple video streams will become increasingly critical. Content distributors also place a premium on equipment that can meet these high-performance transcoding requirements while minimizing energy consumption and occupying as small a footprint as possible within their facilities.

Limitations of Current Video Content Creation and Distribution Solutions

A device that captures video includes four primary components: a lens, an image sensor, a video processor and storage memory. The video processor is the most complex of these four primary components as it converts raw video input into a format that can be stored and distributed efficiently. Optimizing this process represents a significant engineering challenge that only a limited number of companies have successfully overcome. The processor is based on a suite of signal processing and compression algorithms implemented using hardware specifically built to process video and audio and is supported by system and software architectures to manipulate, store and distribute data efficiently.

Given the complexity of video processing, meeting all end-user demands in a single device is challenging. As a result, solution providers often compromise on one or more key specifications. For example, in portable consumer device and networked video applications, where power consumption and device size are critical attributes, many video capture devices available in the market today will sacrifice image quality in order to achieve low power and a compact footprint. Furthermore, many current compression solutions for these applications are developed from architectures that were originally optimized for still image, rather than video, processing needs. As a result, these solutions use inefficient video compression algorithms, which severely limits overall system performance and can result in higher storage and power consumption requirements, slower video-transfer speeds and longer upload times. In the infrastructure market, solutions based on inefficient architectures tend to consume more power and have bigger form factors, thereby lowering the number of available channels per encoder and also severely limiting the ability to deliver multiple streams of video simultaneously.

Many leading video and image capture OEMs have used proprietary technologies to try to address these technical challenges. However, many of these OEMs are vertically integrated and generally allocate fewer resources to semiconductor design solutions than are necessary, and hence are not generally able to produce low-cost leading edge technologies quickly and efficiently. As a result, OEMs are increasingly migrating toward integrating third-party video processing solutions in their devices to offer exceptional and differentiated products.

Our Solution

Our video and image processing SoCs, based on our proprietary technology platform, are highly configurable and satisfy the needs of numerous applications in the camera and infrastructure markets. Our high-definition video and image processing solutions enable our customers to deliver exceptional quality video and still imagery in small, easy-to-use devices with low power requirements.

- ***Infrastructure Market.*** Our SoC solutions enable high-performance, low power consumption broadcast devices with small form factors, thereby reducing bandwidth needs, energy usage and costs of additional hardware. Our solutions enable an increased number of channels per encoder due to high compression efficiencies. They also make possible a new class of transcoders that can simultaneously encode and stream multiple video formats to different end devices and can change video resolution and transmission rates based on available bandwidth and the display capability of receiving devices.
- ***Camera Market.*** In addition to enabling small device size and low power consumption, our SoC solutions make possible differentiated functionalities such as simultaneous video and image capture and multiple-stream video capture. For networked video devices, our solutions enable cameras that power high-definition IP surveillance at low latencies to provide effective remote monitoring and control.
- ***New and Emerging Markets.*** In the future, we intend to continue to customize and adapt our solutions to meet the needs of additional large and emerging markets and to pursue markets where our technology platform can serve as the core processing solution.

Our Competitive Strengths

Our platform technology solutions provide performance attributes that meet the highest standards of the infrastructure market and satisfy the stringent demands of the camera market and enable integration of high-definition image capture capabilities in portable devices. We believe that our leadership position in high-definition video and image processing solutions is the result of our competitive strengths, including:

- ***High Performance, Low Power Video and Image Algorithm Expertise.*** Our solutions provide full high-definition video at exceptional resolution and frame rates. Our extensive algorithm expertise enables our solutions to achieve low power consumption without compromising performance. Our solutions achieve high storage and transmission efficiencies through innovative and complex video and image algorithms that significantly reduce the output bit-rate. This smaller storage footprint has several direct benefits to the performance of our solutions, including lower memory storage requirements and reduced bandwidth needs for transmission, which is more conducive to sharing content between devices. These benefits are particularly important in transcoding and video cloud applications.
- ***Proprietary Video Processing Architecture.*** Our proprietary video processing architecture is designed to efficiently integrate our advanced algorithms into our SoCs to offer exceptional storage and transmission efficiencies at lower power across multiple products and end markets. We engineered our very-large-scale integration, or VLSI, architecture with a focus on high-performance video applications as opposed to solutions that are based on a still-image processing architecture with add-on video capabilities. Due to our primary focus on video processing applications, we believe that our solutions offer exceptional performance metrics with lower power requirements and reduced die sizes. Our integrated algorithms and architecture also enable simultaneous processing of multiple video and image streams.

- ***Highly Integrated SoC Solutions Based on a Scalable Platform.*** Our product families leverage our core high-performance video processing architecture, combined with an extensive set of integrated peripherals, which enables our platform to address the requirements of a variety of applications and end markets. Traditional solutions have generally relied upon significant customization to meet the specific requirements of each market, resulting in longer design cycles and higher development costs. Our flexible and highly scalable platform enables us to address multiple markets with reduced design cycles and costs. Our platform also enables us to develop fully integrated SoC solutions that provide the system functionalities required by our customers on a single chip. Our deep system integration expertise enables us to integrate core video processing functionality with many peripheral functions such as multiple inputs/outputs, lens controllers, flash controllers and remote control interfaces to reduce system complexity and interoperability issues. Furthermore, we have successfully migrated our process nodes from 130 nm to 45 nm since our founding and have a proven track record of developing and delivering multiple solutions with first-pass silicon success.
- ***Comprehensive and Flexible Software.*** Our years of investment in developing and optimizing our comprehensive and flexible software serve as the foundation of our high-performance video application solutions. Key components of our software include highly customized middleware that integrates many unique features for efficient scheduling and other system-level functions, and the firmware that is optimized to reduce power requirements and improve performance. In addition, we provide to our customers a fully functional software development kit with a suite of application programming interfaces, or APIs, which allows them to rapidly integrate our solution, adjust product specifications and provide additional functionality to their systems, thereby enabling them to differentiate their product offerings and reduce time to market.
- ***Key Global Relationships with Leading ODM and OEM Customers.*** Our solutions have been designed into top-tier OEM brands currently in the market. We have established collaborative relationships with almost all of the leading ODMs and OEMs that serve our markets. Our collaborations with ODMs give us extensive visibility into critical product design, development and production timelines, and keep us at the forefront of technological innovation. We actively engage with OEMs on design specifications and with ODMs on product implementation. Additionally, approximately 70% of our employees are located in the Greater China region, strategically placing us near many of our customers and allowing us to provide superior sales, design and technical support and to strengthen our customer relationships.

Our Strategy

Our objective is to be the leading provider of processing solutions for high-definition video and imaging. Key elements of our strategy include:

- ***Extend Our Technology Leadership.*** We intend to continue to invest in the development of video processing solutions designed to meet increasingly higher performance requirements and lower cost and lower power demands of our customers while offering increased capabilities. We intend to leverage our existing technical expertise and continue to invest significant resources both in our current solutions and in developing solutions that address new markets as well as new segments of existing markets. We will continue to recruit and develop expertise in the area of high-performance processor design and algorithm and software development, and build on our proprietary intellectual property position in high-definition video processing. We believe that continued investment in our proprietary technology platform will enable us to increase our technological leadership in terms of the performance and the functionality of our solutions. For example, we recently released the iOne, which combines high-resolution video and image capture capabilities with advanced networking and application processing functionalities.

- ***Deepen and Expand Our Customer Relationships.*** We intend to continue to build and strengthen our relationships with existing customers and also diversify our customer base. Our close relationships with leading ODMs and OEMs provide us with insight into product roadmaps and trends in the marketplace, which we intend to leverage to identify new opportunities and applications for our solutions, and we intend to continue to actively engage with ODMs and OEMs at every stage of their design cycles. Once integrated into a customer's design, our product lifecycles tend to be for the life of the product, and we intend to maintain our incumbent position with our customers by continually improving our solutions to meet their evolving needs.
- ***Target New Applications Requiring Low Power, High-Definition Video Processing.*** We intend to leverage our core technology platform to address other processing markets that have high performance, low power and low latency requirements. For instance, in 2010 we began shipping our first solutions for networked video devices, where high-definition has become a differentiating factor among competitive offerings, and in late 2010 we released our first solution for smart cameras. In addition, we also intend to explore other adjacent markets in which we are able to leverage our core processor design and software expertise. We believe that the flexibility of our technology platform enables us to penetrate new markets efficiently and cost effectively.
- ***Leverage Our Global Business Infrastructure.*** We are committed to continue growing our global infrastructure. Our proximity to key customers due to our extensive presence in Asia has enabled us to build strong relationships with leading ODMs and OEMs. We intend to increase our investments in research and business development personnel in Asia to further strengthen these relationships. We believe that growing our highly integrated global organization also provides us with a favorable cost structure while enabling continued advancement of our technology. Our global structure provides us access to an international pool of engineering and management talent, allowing us to recruit and retain highly accomplished personnel with proven expertise in video and image processing solutions.

Products

We are currently shipping production volumes of our SoCs that incorporate the fourth generation of our core technology platform. We provide customers with guidelines known as reference designs so that they can efficiently incorporate our solutions in their product designs.

The chart below sets out key product lines, descriptions and target markets for each of the successive generations of our products:

First Generation	Second Generation	Third Generation	Fourth Generation
 Products: A1, A199 1080p30, 1080i60 resolution Low power (1W consumption) *Hybrid camera* *Professional broadcast encoder*	 Products: A250, A270, A299 1080p30 / 720p60 resolution *Hybrid camera* *Professional broadcast encoder* *IP-security and surveillance*	 Products: A530, A550 Full HD video recording/playback *Hybrid camera*	 Products: A760, A770 High-speed capture 1080p60 video, 32MP still photos *Hybrid camera* *IP-security and surveillance*
			 Products: A680, A688 H.264, MPEG-2 Transcoding *Professional broadcast encoder*
		 Products: A2S30, A2S50, A2S60, A2S65, A2S70 1080p30/720p60 resolution *Hybrid camera*	 Products: A5S30, A5S50 1080p30/1080i60 resolution High quality still photography *Hybrid camera* *IP-security and surveillance*
			 Products: A5L30, A5L50, A5L60, A5L70 720p60/1080p30 resolution *Hybrid camera*
			 Products: S3D 3D Camera Co-processor 1080p60 resolution Works with A5S, A7, iOne *Hybrid camera*
			 Product: iOne Triple ARM CPUs, 3D graphics Multi-media HD video playback Full duplex 1080p30 encode/decode *Smart cameras, Android-enabled*

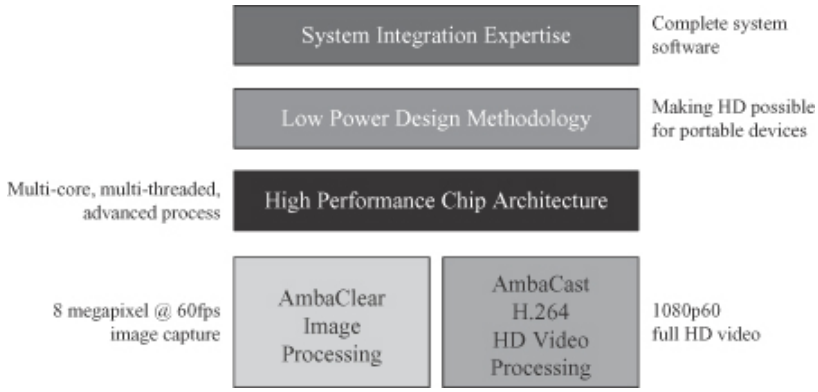
Technology

Our semiconductor processing solutions enable high-definition (1920x1080p60) video and image capture, video compression, sharing and display while offering exceptional power, size and performance characteristics.

Key differentiators of our technology include:

- algorithms to compress video signals with high efficiency;
- algorithms for high-speed image capture with high image quality;
- architecture that processes image signals at very high rates, enabling simultaneous capture of still images and high-definition video;
- low-power architecture with minimal system memory footprint;
- programmable architecture that balances quality, power and die size; and
- full software development kit comprised of APIs to facilitate integration into customers' products.

Our technology platform, comprised of our video and image processors, is based on a high-performance, low-power architecture supported by a high level of system integration. The building blocks of our platform are illustrated below:



Our technology platform enables the capture of high-resolution still images and high-definition video while simultaneously encoding high-definition video for high-quality storage and lower resolution video for Internet sharing and wireless networking. Dual stream video capture enhances the consumer experience by offering the ability to instantaneously share captured video without having to go through a transcoding process.

AmbaClear

Our proprietary image signal processing architecture, known as AmbaClear, incorporates advanced algorithms to convert raw sensor data to high-resolution still and high-definition video images concurrently. Image processing algorithms include sensor, lens and color correction, demosaicing, which is a process used to reconstruct a full color image from incomplete color samples, noise filtering, detail enhancement and image format conversion. For example, raw sensor data can be captured at up to eight megapixel resolution at 60 frames per second and filtered down to two megapixels for high-definition video processing while selected eight megapixel frames are concurrently processed by the still image processor. This image processing reduces noise in the input video and improves video quality resulting in better storage and transmission efficiencies.

AmbaCast

Our proprietary high-definition video processing architecture, known as AmbaCast, incorporates advanced algorithms for motion estimation, motion-compensated temporal filtering, mode decision and rate control. Successful implementation of these computationally intensive steps has helped us maximize compression efficiency. We support all three compression profiles—baseline, main and high—as specified in the H.264 standard.

Our solutions for the broadcast infrastructure market allow OEMs to offer both the H.264 and MPEG-2 encoding formats. Although H.264 has become the industry standard, MPEG-2 is still widely used as the format of both standard and high-definition digital television signals that are broadcast by terrestrial (over-the-air), cable and direct broadcast satellite TV systems. All of our video encoding solutions have decoding capabilities as well.

Design Methodology

The success of our technology platform stems from our algorithm-driven design methodology. We test and verify our algorithms on our proprietary architectural model prior to implementing our algorithms in hardware. Our advanced verification methodology validates our approach through simultaneous modeling of architecture, algorithms and the hardware itself. This redundant approach enables us to identify and remediate any weaknesses early in the development cycle, providing a solid foundation on which we build our hardware implementation, and enhances our ability to achieve first-pass silicon success. We have a long history of using several process nodes from 130 nm through 45 nm. We possess extensive expertise in video and imaging algorithms as well as deep sub-micron digital and mixed-signal design experience.

The building blocks of our technology platform have enabled us to develop a solution targeting smart cameras.

Smart Camera Processor

Smart cameras combine hybrid cameras with advanced networking and application processing functionalities. Our smart camera processing solution, the iOne, is designed to run the Android operating system, which enables advanced mobile applications including web-browsing, video and still image browsing and editing, and video communications. We believe the first application of the Android operating system in video capture devices will be to enable wireless connectivity.

The iOne, which we introduced in January 2011, integrates AmbaClear and AmbaCast technology with a multicore ARM CPU running Android and a 3D graphics engine capable of rendering at full high-definition resolution. Additionally, because of the connected nature of the smart camera, our iOne SoC solution has the capability of playing back the majority of Internet-based video content in all of the major formats—H.264, MPEG-4, VC-1 and MPEG-2—at full high-definition resolution and 60 frames per second (1080p60). Our iOne SoC solution has exceptional performance with low power consumption supporting 1080p60 decoding by utilizing a 32-bit DRAM system rather than the conventional 64-bit DRAM system. The iOne smart camera solution also provides numerous connectivity options including mass storage, Wi-Fi, cellular networking, GPS and Bluetooth.

Customers

We sell our solutions to leading ODMs and OEMs globally. In the camera market, our video processing solutions are designed into products from leading OEMs including Eastman Kodak Company, GoPro, Samsung Electronics Co., Ltd. and Sony Corporation, who source our solutions from leading ODMs including Ability Enterprise Co., Ltd., Asia Optical Co. Inc., Chicony Electronics Co., Ltd., DXG Technology Corp., Hon Hai Precision Industry Co., Ltd. and Sky Light Digital Ltd. In the infrastructure market, our solutions are designed into products from leading OEMs including Harmonic Inc., Motorola Mobility, Inc. and Telefonaktiebolaget LM Ericsson, who source our solutions from leading ODMs such as Plexus Corp.

Sales to customers in Asia accounted for approximately 75%, 91% and 94% of our revenue in the fiscal years ended January 31, 2009, 2010 and 2011, respectively. As many of our OEM end customers or their ODM manufacturers are located in Asia, we anticipate that a majority of our revenue will continue to come from sales to customers in that region. Although a large percentage of our sales are made to customers in Asia, we believe that a significant number of the products designed by these customers and incorporating our SoCs are then sold to end users globally. In 2011, 75% of our revenue was attributable to sales of our solutions into the camera market and 25% of our revenue was attributable to sales of our solutions into the infrastructure market. For example, Eastman Kodak Company, a leading OEM camera manufacturer, uses multiple ODMs in Asia while selling many of their products that incorporate our solutions in the United States. To date, all of our sales have been denominated in U.S. dollars.

We work closely with our end customer OEMs and ODMs throughout their product design cycles that often last six to nine months for the camera market and 12 to 18 months for the infrastructure market. As a result, we are able to develop long-term relationships with our customers as our technology becomes embedded in their products. Consequently, we believe we are well positioned to not only be designed into our customers' current products, but also to continually develop next-generation, high-definition video and image processing solutions for their future products.

The product life cycles in the camera market typically range from six to 18 months, but could last up to three years or more. The product life cycles in the infrastructure market typically range from two to five years, where new product introductions occur less frequently. For many of our solutions, early engagement with our customers' technical staff is necessary for success. To ensure an adequate level of early engagement, our application and development engineers work closely with our customers to adjust product specifications and add functionality into their products.

Approximately 74%, 84% and 91% of our revenue was derived from sales through our logistics provider, WT Microelectronics Co., Ltd., for the fiscal years ended January 31, 2009, 2010 and 2011, respectively. We currently rely, and expect to continue to rely, on a limited number of customers for a significant portion of our revenue. In fiscal year 2011, sales directly and through our logistics providers to our five largest customers collectively accounted for approximately 57% of our revenue and sales to our 10 largest customers collectively accounted for approximately 82% of our revenue. In fiscal year 2010, sales directly and through our logistics providers to our five largest customers collectively accounted for 63% of our revenue, and sales to our 10 largest customers collectively accounted for approximately 83% of our revenue. During fiscal year 2011, our largest ODM customer accounted for approximately 19% of our revenue, primarily serving two large OEM end customers. Two of our ODM customers, Plexus Corp. and Asia Optical Co. Inc., each accounted for more than 10% of our revenue in fiscal year 2011.

Sales and Marketing

We sell our solutions worldwide using both our direct sales force and logistics providers. We have direct sales personnel covering the United States and Asia, and we operate sales offices in Santa Clara, California and Hong Kong, and business development offices in China, Japan, South Korea and Taiwan. In addition, in each of these locations, we employ a staff of field applications engineers to provide direct engineering support locally to our customers.

Our sales cycles typically require a significant investment of time and a substantial expenditure of resources before we can realize revenue from the sale of our solutions, if any. Our typical sales cycle consists of a multi-month sales and development process involving our customers' system designers and management and our sales personnel and software engineers. If successful, this process culminates in a customer's decision to use our solutions in its system, which we refer to as a design win. Our sales efforts are typically directed to the OEM of the product that will incorporate our video and image processing solution, but the eventual design and incorporation of our SoC into the product may be handled by an ODM on behalf of the OEM. Volume production may begin within six to 18 months after a design win, depending on the complexity of our customer's product and other factors upon which we may have little or no influence. Once our solutions have been incorporated into a customer's design, they are likely to be used for the life cycle of the customer's product. Conversely, a design loss to a competitor will likely preclude any opportunity for future revenue from such customer's product.

Our sales are generally made pursuant to purchase orders received approximately four to 12 weeks prior to the scheduled product delivery date, depending upon the current manufacturing lead time at the time the purchase order is received. These purchase orders may be cancelled without charge upon notification within an agreed period of time in advance of the delivery date, which is typically 30 days. Due to the scheduling requirements of our foundries and assembly and test contractors, we generally provide our foundries and contractors with our production forecasts and place firm orders for products with our suppliers up to 18 weeks prior to the anticipated delivery date, usually without a purchase order from our own customers. Our standard warranty provides that our SoCs containing defects in materials, workmanship or performance may be returned for a refund of the purchase price or for replacement, at our discretion.

A substantial portion of our revenue is derived from sales through our logistics provider, WT Microelectronics Co., Ltd., or WT, which serves as our non-exclusive sales representative in all of Asia other than Japan. For the fiscal years ended January 31, 2009, 2010 and 2011, approximately 74%, 84% and 91% of our revenue was derived from sales through WT, respectively. We anticipate that a significant portion of our sales will be processed through WT for the foreseeable future. We do not have long-term supply agreements with WT, our customers or our end customers to purchase our solutions.

Manufacturing

We employ a fabless business model and use third-party foundries and assembly and test contractors to manufacture, assemble and test our solutions. This outsourced manufacturing approach allows us to focus our resources on the design, sales and marketing of our solutions and avoid the cost associated with owning and operating our own manufacturing facility. Our engineers work closely with foundries and other contractors to increase yields, lower manufacturing costs and improve quality. In addition, we believe outsourcing many of our manufacturing and assembly activities provides us the flexibility needed to respond to new market opportunities, simplifies our operations and significantly reduces our capital requirements. We do not have a guaranteed level of production capacity from any of our suppliers' facilities to produce our solutions. We carefully qualify each of our suppliers and their subcontractors and processes in order to meet the extremely high-quality and reliability standards required of our solutions.

Wafer Fabrication

We have a long history of using several process nodes from 130 nm through 45 nm. We currently manufacture the majority of our solutions in 65 nm and 45 nm silicon wafer production process geometries utilizing the services of two different foundries. To date, the majority of our SoCs have been supplied by Global UniChip Corporation, or GUC, in Taiwan, from whom we purchase fully assembled and tested products. The wafers used by GUC in the assembly of our products are manufactured by Taiwan Semiconductor Manufacturing Co., Ltd., or TSMC, in Taiwan. Beginning in fiscal year 2010, we began to use Samsung in South Korea, from whom we have the option to purchase both fully assembled and tested products as well as raw wafers.

Assembly and Testing

GUC subcontracts the assembly of the products it supplies to us to Advanced Semiconductor Engineering, Inc., or ASE, and Siliconware Precision Industries Co., Ltd., or SPIL. Samsung subcontracts the assembly and initial testing of the products it supplies to us to Signetics Corporation and STATS ChipPAC Ltd. All test solutions for our products are developed by our engineers. We continually monitor the results of testing at all of test contractors to ensure that our testing procedures are properly implemented. Final testing of all of our products is handled by King Yuan Electronics Co., Ltd., or KYEC, or by Sigurd Corporation under the supervision of our engineers.

As part of our total quality assurance program, our quality management system has been certified to ISO 9001:2000 standards. Our foundry suppliers are also ISO 9001 certified.

Research and Development

We believe our technology is a competitive advantage and engage in substantial research and development efforts to develop new products and integrate additional features and capabilities into our high-definition video processing solutions. We believe that our continued success depends on our ability to both introduce improved versions of our existing solutions and to develop new solutions for the markets that we serve. Our research and development team is comprised of both semiconductor and software designers. Our semiconductor design team has extensive experience in large-scale semiconductor design, including architecture description, logic and circuit design, implementation and verification. Our software design team has extensive experience in development and verification of software for the high-definition video market. Because the integration of hardware and software is a key competitive advantage of our solutions, our hardware and software design teams work closely together throughout the product development process. The experience of our hardware and software design teams enables us to effectively assess the tradeoffs and advantages when determining which features and capabilities of our solutions should be implemented in hardware and in software.

We have assembled a core team of experienced engineers and systems designers in three research and development design centers located in the United States, China and Taiwan.

For the fiscal years ended January 31, 2009, 2010 and 2011, our research and development expense was $26.6 million, $27.6 million and $34.4 million, respectively.

Competition

The global semiconductor market in general, and the video and image processing markets in particular, are highly competitive. We expect competition to increase and intensify as more and larger semiconductor companies enter our markets. Increased competition could result in price pressure, reduced profitability and loss of market share, any of which could materially and adversely affect our business, revenue and operating results.

Currently, our competitors range from large, international companies offering a wide range of semiconductor products to smaller companies specializing in narrow markets. Our primary competitors in the camera market include Fujitsu Limited, HiSilicon Technologies Co., Ltd., Texas Instruments Incorporated and Zoran Corporation, as well as vertically integrated divisions of consumer device OEMs, including Canon Inc., Panasonic Corporation and Sony Corporation. Our primary competitors in the infrastructure market include Intel Corporation, Magnum Semiconductor, Inc. and Texas Instruments Incorporated. Certain of our customers and suppliers also have divisions that produce products competitive with ours. We expect competition in our current markets to increase in the future as existing competitors improve or expand their product offerings. In addition, as we expand our business into new sectors of these markets, such as smart cameras, we expect to face competition from other large semiconductor companies, such as Broadcom Corporation, NVIDIA Corporation, Qualcomm Incorporated and Samsung Electronics Co., Ltd.

Our ability to compete successfully depends on elements both within and outside of our control, including industry and general economic trends. Many of our competitors are substantially larger, have greater financial, technical, marketing, distribution, customer support and other resources, are more established than we are, and have significantly better brand recognition and broader product offerings which may enable them to better withstand adverse economic or market conditions in the future.

Our ability to compete successfully in the rapidly evolving high-definition video processing field depends on several factors, including:

- the design and manufacturing of new solutions that anticipate the video processing and integration needs of our customers' next-generation products and applications;
- performance, as measured by video and still picture image quality, resolution and frame processing rates;
- power consumption;

- the ease of implementation by customers;
- the strength of customer relationships;
- the selection of the foundry process technology and architecture tradeoffs to meet customers' product requirements in a timely manner;
- reputation and reliability;
- customer support; and
- the cost of the total solution.

We believe we compete favorably with respect to each of these factors, particularly because our solutions typically provide high performance and low power consumption video, efficient integration of our advanced algorithms, exceptional storage and transmission efficiencies at lower power, highly-integrated SoC solutions based on a scalable platform, and comprehensive and flexible software. We cannot ensure, however, that our solutions will continue to compete favorably or that we will be successful in the face of increasing competition from new products introduced by existing or new competitors.

Intellectual Property

We rely on a combination of intellectual property rights, including patents, trade secrets, copyrights and trademarks, and contractual protections, to protect our core technology and intellectual property. As of March 31, 2011, we had 11 issued and allowed patents in the United States, three issued patents in China and 46 pending and provisional patent applications in the United States. The issued and allowed patents in the United States expire beginning in 2024 through 2026. Many of our issued patents and pending patent applications relate to image and video processing and high-definition video compression.

We may not receive competitive advantages from any rights granted under our patents, and our patent applications may not result in the issuance of any new patents. In addition, any patent we hold may be opposed, contested, circumvented, designed around by a third-party or found to be unenforceable or invalidated. Others may develop technologies that are similar or superior to our proprietary technologies, duplicate our proprietary technologies or design around patents owned or licensed by us.

In addition to our own intellectual property, we also use third-party licenses for certain technologies embedded in our SoC solutions. These are typically non-exclusive contracts provided under royalty-accruing or paid-up licenses. These licenses are generally perpetual or automatically renewed for so long as we continue to pay any maintenance fees that may be due. To date, maintenance fees have not constituted a significant portion of our capital expenditures. While we do not believe our business is dependent to any significant degree on any individual third-party license, we expect to continue to use and may license additional third-party technology for our solutions.

We generally control access to and use of our confidential information through employing internal and external controls, including contractual protections with employees, contractors and customers. We rely in part on U.S. and international copyright laws to protect our mask work. All employees and consultants are required to execute confidentiality agreements in connection with their employment and consulting relationships with us. We also require them to agree to disclose and assign to us all inventions conceived or made in connection with the employment or consulting relationship.

Despite our efforts to protect our intellectual property, unauthorized parties may still copy or otherwise obtain and use our software, technology or other information that we regard as proprietary intellectual property. In addition, we intend to expand our international operations, and effective patent, copyright, trademark and trade secret protection may not be available or may be limited in foreign countries.

The semiconductor industry is characterized by vigorous protection and pursuit of intellectual property rights and positions, which has resulted in protracted and expensive litigation for many companies. Our customers have in the past received and, particularly as a public company, we expect that in the future we may receive, communications from various industry participants alleging infringement of their patents, trade secrets or other intellectual property rights by our solutions. Any lawsuits could subject us to significant liability for damages, invalidate our proprietary rights and harm our business and our ability to compete. Any litigation, regardless of success or merit, could cause us to incur substantial expenses, reduce our sales and divert the efforts of our technical and management personnel. In the event we receive an adverse result in any litigation, we could be required to pay substantial damages, seek licenses from third parties, which may not be available on reasonable terms or at all, cease sale of products, expend significant resources to develop alternative technology or discontinue the use of processes requiring the relevant technology.

Employees

At March 31, 2011, we employed a total of 395 people, including 101 in the United States and 294 in Asia, primarily in China and Taiwan. We also engage temporary employees and consultants. None of our employees are either represented by a labor union or subject to a collective bargaining agreement. We have not experienced any work stoppages, and we consider our relations with our employees to be good.

Facilities

Our principal executive offices are located in Santa Clara, California, consisting of approximately 22,000 square feet of office space under a lease that expires in March 2013. This facility accommodates our principal sales, marketing, advanced research and development, and administrative activities. We also lease approximately 52,000 square feet of office space in facilities located in Hsinchu and Taipei, Taiwan under lease agreements that automatically renew each year. These Taiwan facilities accommodate research and development, business development, operations, finance and administrative support. We lease approximately 24,000 square feet of office space in Shanghai and Shenzhen, China, under leases that expire in November 2015 and February 2013, respectively, to support research and development and business development. We lease additional facilities in Hong Kong for business development and inventory warehousing and in Japan and South Korea for our local business development personnel.

We believe that our existing facilities are sufficient for our current needs. We intend to add new facilities and expand our existing facilities as we add employees and grow our business, and we believe that suitable additional or substitute space will be available on commercially reasonable terms to meet our future needs.

Legal Proceedings

We are not currently a party to any legal proceedings. From time to time, however, we may become involved in legal proceedings and claims arising in the ordinary course of our business. The semiconductor industry is characterized by frequent claims and litigation, including claims regarding patent and other intellectual property rights as well as improper hiring practices. Any such claims, even if not meritorious, could result in the expenditure of significant financial and managerial resources.

MANAGEMENT

Executive Officers and Directors

The following table sets forth certain information about our executive officers and directors and their respective ages as of May 31, 2011:

Name	Age	Position(s)
Executive Officers:		
Feng-Ming (“Fermi”) Wang, Ph.D.	47	Chairman of the Board of Directors, President and Chief Executive Officer
Les Kohn	54	Chief Technology Officer and Director
George Laplante	59	Chief Financial Officer
Didier LeGall, Ph.D.	56	Executive Vice President
Christopher Day	47	Vice President, Marketing and Business Development
Non-Employee Directors:		
Kenneth A. Goldman(1)	61	Director
Lip-Bu Tan(1)(2)(3)	51	Director
Andrew W. Verhalen(1)(2)(3)	54	Director

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

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 February 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 as Vice President and General Manager of C-Cube Microsystems, Inc., a digital video company, from August 1991 to August 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 of directors, including his service as our Chairman of the Board of Directors, President and Chief Executive Officer, his leadership as our co-founder and his years of experience in the digital video industry.

Les Kohn has served as our Chief Technology Officer since he co-founded Ambarella in February 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 of directors, including his role in developing Ambarella’s technology, his leadership as our co-founder and his years of experience in the digital video industry.

George Laplante has served as our Chief Financial Officer since March 2011. From May 2009 to March 2011, Mr. Laplante served as a management consultant and interim chief financial officer to several private technology companies. From March 2007 to May 2009, Mr. Laplante served as the Chief Financial Officer and

Secretary of Santur Corporation, a manufacturer of laser technology for the communications industry. From September 2000 to December 2006, Mr. Laplante served as the Chief Financial Officer and Secretary of 2Wire, Inc., a provider of broadband services platforms. Prior to joining 2Wire, Mr. Laplante held finance and management positions at Action Computer Supplies Holdings Plc., ACS Distribution, Inc., Arneson Marine, Inc., Molecular Computer, and Televideo Systems, Inc. Mr. Laplante began his career as a CPA with Arthur Andersen & Company. Mr. Laplante holds a B.A. degree in Economics from Southern Connecticut State College and a Masters in Accountancy from Bowling Green State University.

Didier LeGall, Ph.D. has served as our Executive Vice President since June 2004. Prior to joining Ambarella, Dr. LeGall was a co-founder and Chief Technology Officer of C-Cube Microsystems, where he worked from 1990 to June 2001, when C-Cube Microsystems was acquired by LSI Corporation. After the acquisition, Dr. LeGall served as Vice President and General Manager of LSI Corporation from June 2001 to June 2004. Prior to co-founding C-Cube Microsystems, Dr. LeGall was manager of the Visual Communication group at Bell Communications Research (Bellcore), a telecommunications research and development company from 1985 to 1990. Dr. LeGall held an adjunct professorship at Columbia University from 1985 to 1989 and served as Chairman of Motion Picture Experts Group from 1989 to 1995. Dr. LeGall holds a B.S. equivalent degree from Ecole Centrale de Lyon, France and an M.S. degree and Ph.D. in electrical engineering from the University of California, Los Angeles.

Christopher Day has served as our Vice President, Marketing and Business Development since March 2010. Prior to joining Ambarella, Mr. Day was President and Chief Executive Officer of Mobilygen, Inc., a video compression company from March 2007 to October 2008, prior to acquisition by Maxim Integrated Products, Inc., and then served as Executive Director of Business Management of Maxim until March 2010. From February 2002 to February 2007, Mr. Day served as General Manager of Media Processing at NXP Semiconductors N.V., formerly Philips Semiconductor. From February 1998 to May 2001, Mr. Day served as Senior Director of Marketing for C-Cube Microsystems. Prior to joining C-Cube Microsystems, Mr. Day held sales and marketing positions at AuraVision, Inc., Motorola, Inc., and Hitachi, Ltd. Mr. Day holds a B.S. degree in computer and microprocessor systems from Essex University in the United Kingdom, and an M.B.A. from Santa Clara University.

Kenneth A. Goldman has been a member of our board of directors since September 2009. Mr. Goldman has been the Vice President and Chief Financial Officer of Fortinet, Inc., a provider of unified threat management solutions, since September 2007. From November 2006 to August 2007, Mr. Goldman served as Executive Vice President and Chief Financial Officer of Dexterra, Inc., a provider of mobile enterprise software. From August 2000 until March 2006, Mr. Goldman served as Senior Vice President, Finance and Administration and Chief Financial Officer of Siebel Systems, Inc., a supplier of customer software solutions and services. From December 1999 to December 2003, Mr. Goldman served as an advisory council member of the Financial Accounting Standards Board Advisory Council. Mr. Goldman serves on the board of directors of BigBand Networks, Inc., a provider of broadband multimedia infrastructure, Infinera Corporation, a provider of digital optical networking systems, and NXP Semiconductors NV, a semiconductor company. Mr. Goldman served on the board of directors of Starent Networks Corp., a provider of networking solutions, from February 2006 until December 2009 when it was acquired by Cisco Systems, Inc.; Juniper Networks, Inc., an IP network solutions company, from September 2003 to January 2008; and Leadis Technology, Inc., a fabless semiconductor company, from January 2004 to September 2008. Mr. Goldman is currently on the board of trustees of Cornell University and was formerly a member of the Treasury Advisory Committee on the Auditing Profession, a public committee that made recommendations in September 2008 to encourage a more sustainable auditing profession. Mr. Goldman holds a B.S. in Electrical Engineering from Cornell University and an M.B.A. from the Harvard Business School. We believe that Mr. Goldman possesses specific attributes that qualify him to serve as a member of our board of directors, such as his strong financial background and experience, including his experience as the Chief Financial Officer at a number of public and private companies and his experience as a member of the audit committee of a number of public and private company boards of directors.

Lip-Bu Tan has been a member of our board of directors since February 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., Flextronics International Ltd., Inphi Corporation, Semiconductor Manufacturing International Corporation and SINA Corporation. He previously served on the board of directors of Centillium Communications, Inc. from 1997 to 2007, Creative Technology, Ltd. from 1990 to 2009, Integrated Silicon Solution, Inc. from 1990 to 2007, Leadis Technology, Inc. from 2002 to 2006, and MindTree Ltd. from 2006 to 2009. 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 of directors, including his extensive experience in the electronic design and semiconductor industries as Chief Executive Officer of Cadence and as Chairman of Walden International, an international venture capital firm, 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.

Andrew W. Verhalen has been a member of our board of directors since February 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 M.B.A., Masters of Engineering and B.S.E.E. degrees from Cornell University. We believe that Mr. Verhalen possesses specific attributes that qualify him to serve as a member of our board of directors, 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 and his service as a board member for numerous technology companies.

There are no family relationships among any of our directors or executive officers.

Board Composition

We currently have five directors on our board of directors. The authorized number of directors may be changed by resolution of our board of directors. Immediately after this offering, our board of directors will be divided into three classes with staggered three-year terms as follows:

- the Class I director will be Dr. Wang, and his term will expire at the annual meeting of shareholders to be held in 2012;
- the Class II directors will be Messrs. Kohn and Tan, and their terms will expire at the annual meeting of shareholders to be held in 2013; and
- the Class III directors will be Messrs. Goldman and Verhalen, and their terms will expire at the annual meeting of shareholders to be held in 2014.

At each annual meeting of shareholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. This classification of the board of directors into three classes with staggered three-year terms may have the effect of delaying or preventing changes in our control or management.

Independent Directors

In June 2011, our board of directors undertook a review of the independence of each director and considered whether any director has a material relationship with us that could compromise his ability to exercise independent judgment in carrying out his responsibilities. As a result of this review, our board of directors determined that all of our directors, other than Dr. Wang and Mr. Kohn, qualify as "independent" directors in accordance with the listing requirements and rules and regulations of , resulting in a majority of independent directors on our board of directors. Dr. Wang and Mr. Kohn are not considered independent because they are employees of Ambarella. In evaluating Mr. Tan's independence, the board of directors considered Mr. Tan's position as President and Chief Executive Officer of Cadence Design Systems, Inc., or Cadence, with whom we have several agreements to provide us with design tools. However, the board of directors noted that Mr. Tan did not derive any direct or indirect material benefit from such agreements, Mr. Tan did not participate in the negotiation of these agreements and our board of directors believes that such agreements are in our best interest and on terms no less favorable than could be obtained from other third parties. In addition, the board of directors noted that the dollar amounts of payments to Cadence pursuant to these agreements will not constitute a material percentage of the revenue of Cadence, or of our revenue or total operating expenses.

Rights to Designate Board Members

Pursuant to a voting agreement that we entered into with certain holders of our ordinary shares and certain holders of our redeemable convertible preference shares:

- a fund affiliated with Benchmark Capital has the right to designate a director to our board of directors, which seat is currently vacant;
- a fund affiliated with Walden International has the right to designate a director to our board of directors, who is currently Mr. Tan;
- a fund affiliated with Matrix Partners has the right to designate a director to our board of directors, who is currently Mr. Verhalen;
- holders of our ordinary shares have the right to designate two directors to our board of directors, who are currently Mr. Kohn and Dr. Wang, one of whom shall be our Chief Executive Officer; and
- holders of our ordinary shares and redeemable convertible preference shares, voting as a single class, have the right, subject to the approval of the existing board of directors, to designate a director to our board of directors, who is currently Mr. Goldman.

The provisions of this voting agreement will terminate upon the completion of this offering and there will be no further contractual arrangements regarding the election of our directors.

Board Leadership Structure

Our board of directors is currently chaired by our President and Chief Executive Officer, Dr. Wang. The board of directors has also appointed Mr. Tan as its lead independent director.

The board of directors appointed Mr. Tan as the lead independent director to help reinforce the independence of the board of directors as a whole. The position of lead independent director has been structured to serve as an effective balance to a combined Chief Executive Officer/Chairman of the board of directors. The lead independent director has the responsibility to schedule and prepare agendas for meetings of outside directors, communicate with the Chief Executive Officer/Chairman, disseminate information to the rest of the board of directors in a timely manner, raise issues with management on behalf of the outside directors when appropriate and preside at executive sessions of the board of directors. As a result, we believe that the lead independent director can help ensure the effective independent functioning of the board of directors in its oversight responsibilities. In addition, we believe that the lead independent director is better positioned to build a

consensus among directors and to serve as a conduit between the other independent directors and the chairman of the board of directors, for example, by facilitating the inclusion on meeting agendas of matters of concern to the independent directors.

Role of the Board in Risk Oversight

One of the key functions of our board of directors is informed oversight of our risk management process. The board of directors does not have a standing risk management committee, but rather administers this oversight function directly through the board of directors as a whole, as well as through its standing committees that address risks inherent in their respective areas of oversight. In particular, our board of directors is responsible for monitoring and assessing strategic risk exposure. Our audit committee has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. The audit committee also monitors compliance with legal and regulatory requirements, in addition to oversight of the performance of our external audit function. Our nominating and corporate governance committee monitors the effectiveness of our corporate governance guidelines. Our compensation committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking.

Board Committees

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee, each of which has the composition and responsibilities described below. Our board of directors may in the future establish other committees to facilitate the management of our business.

Audit Committee

Our audit committee currently consists of Messrs. Goldman, Tan and Verhalen, each of whom our board of directors has determined to be independent under the listing standards. The chair of our audit committee is Mr. Goldman, whom our board of directors has determined is an "audit committee financial expert" within the meaning of the Securities and Exchange Commission, or SEC, regulations. Mr. Goldman satisfies the independence requirements under the listing standards and Rule 10A-3(b)(1) of the Securities Exchange Act of 1934, or the Exchange Act. Each member of our audit committee can read and understand fundamental financial statements in accordance with audit committee requirements. In arriving at this determination, the board has examined each audit committee member's scope of experience and the nature of their current and past employment in the corporate finance sector. The board of directors also considered Mr. Goldman's service on the audit committees of BigBand Networks, Inc., Infinera Corporation and NXP Semiconductors N.V., all publicly-traded companies. Our board of directors has determined that Mr. Goldman's simultaneous service on multiple audit committees would not impair his ability to effectively serve on our audit committee.

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.

Compensation Committee

Our compensation committee consists of Messrs. Verhalen and Tan, each of whom our board of directors has determined to be independent under the listing standards, to be a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act and to be an "outside director" as that term is defined in Section 162(m) of the Internal Revenue Code of 1986, as amended, or Section 162(m). Mr. Verhalen serves as the chair of our compensation committee.

The responsibilities of our compensation committee include:

- reviewing and recommending policies relating to compensation and benefits of our executive officers and senior members of management;
- reviewing and approving corporate goals and objectives relevant to the compensation of our Chief Executive Officer and other executive officers, and evaluating the performance of our Chief Executive Officer and other executive officers in light of the established goals and objectives;
- reviewing and recommending to the board of directors changes with respect to the compensation of our directors; and
- administering our stock option plans, stock purchase plans, compensation plans and similar programs, including the adoption, amendment and termination of such plans.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of Messrs. Tan and Verhalen, each of whom our board of directors has determined is independent under the listing standards. Mr. Tan serves as the chair of our nominating and corporate governance committee.

The functions of our nominating and corporate governance committee include:

- reviewing and assessing the performance of our board of directors, including its committees and individual directors, as well as the size of our board of directors;
- identifying, evaluating and recommending candidates for membership on our board of directors, including nominations by shareholders of candidates for election to our board of directors;
- reviewing and evaluating incumbent directors;
- making recommendations to our board of directors regarding the membership of the committees of the board of directors; and
- reviewing and recommending to our board of directors changes with respect to corporate governance practices and policies.

Our nominating and corporate governance committee does not have a formal policy with respect to diversity of our board of directors; however, our board of directors and the nominating and corporate governance committee believe that it is essential that the directors represent diverse viewpoints.

Compensation Committee Interlocks and Insider Participation

None of the members of the compensation committee is currently or has been at any time one of our officers or employees. None of our executive officers has ever served as a member of the board of directors or compensation committee of any other entity that has or has had one or more executive officers serving as a member of our board of directors or our compensation committee.

Code of Business Conduct and Ethics

Our board of directors has adopted a code of business conduct and ethics. The code of business conduct and ethics will apply to all of our employees, officers, agents and representatives, including directors and consultants. Our board of directors also has adopted a code of ethics for our Chief Executive Officer and senior financial officers, including our Chief Financial Officer and principal accounting officer, relating to ethical conduct, conflicts of interest and compliance with law. Upon completion of this offering, such code of ethics for our Chief Executive Officer and senior financial officers will be posted on our website at www.ambarella.com. We intend to disclose future amendments to such code, or waivers of its requirements, applicable to any principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions or our directors on our website identified above. The inclusion of our website address in this prospectus does not include or incorporate by reference the information on our website into this prospectus.

Summary of Director Compensation

To date, none of our non-employee directors has received any cash compensation for serving on the board of directors. Following the completion of this offering, we expect to implement an annual cash and equity compensation program for our non-employee directors.

We have reimbursed and will continue to reimburse our non-employee directors for their travel, lodging and other reasonable expenses incurred in attending meetings of our board of directors and committees of the board of directors.

Directors who are employees do not receive any compensation for their service on our board of directors.

Fiscal Year 2011 Director Compensation

The following table provides information regarding the compensation earned during the fiscal year ended January 31, 2011 by our non-employee directors:

Name	Stock Option Awards ($)[1]	Total ($)
Kenneth A. Goldman	$ 22,690	$ 22,690
Lip-Bu Tan	$ 113,450	$113,450
Andrew W. Verhalen	$ 113,450	$113,450

(1) Amount shown represents the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for the applicable options granted in fiscal year 2011. Assumptions used in the calculation of these amounts are included in Note 8 to our audited consolidated financial statements included in this prospectus. All options were granted under our 2004 Stock Plan. There can be no assurance that options will be exercised (in which case no value will be realized by the holder) or that the value of the options on exercise will approximate the fair value as computed in accordance with FASB ASC Topic 718.

As of January 31, 2011, our non-employee directors held outstanding stock options as follows:

Name	Stock Options
Kenneth A. Goldman	120,000[1]
Lip-Bu Tan	100,000[2]
Andrew W. Verhalen	100,000[2]

(1) Includes a stock option to purchase 100,000 shares granted on October 29, 2009 with an aggregate grant date fair value of $86,340 and an exercise price of $1.47 per share, granted in connection with Mr. Goldman's election to our board of directors. Such stock option is early exercisable, with 1/48

of the shares subject to the stock option vesting in 48 equal monthly installments beginning from October 29, 2009. Also includes a stock option to purchase 20,000 shares granted on November 3, 2010 with a grant date fair value of $22,690 and an exercise price of $1.96 per share. Such stock option is early exercisable, with 1/48 of the shares subject to the stock option vesting in 48 equal monthly installments beginning from August 1, 2010.

(2) Represents a stock option to purchase 100,000 shares granted on November 3, 2010 with an aggregate grant date fair value of $113,450 and an exercise price of $1.96 per share. Such stock option is early exercisable, with 1/48 of the shares subject to the stock option vesting in 48 equal monthly installments beginning from August 1, 2010.

The exercise price of each stock option granted equaled or exceeded the fair market value of our ordinary shares on the date of grant as determined by our board of directors.

EXECUTIVE COMPENSATION

The following discussion and analysis of compensation arrangements of our named executive officers for fiscal year 2011 should be read together with the compensation tables and related disclosures set forth below. This discussion contains forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt may differ materially from currently planned programs as summarized in this discussion.

Compensation Discussion and Analysis

Compensation Summary

Pay for Performance

The cornerstone of our executive compensation program is pay for performance. Accordingly, while we pay competitive base salaries and other benefits, a significant portion of our named executive officers' compensation opportunity is based on variable pay.

Corporate Governance Best Practices

Our compensation committee stays informed of developing executive compensation best practices and strives to implement them. In this regard, it should be noted:

- In keeping with our egalitarian corporate culture, neither our named executive officers nor our employees receive car allowances, club memberships or any other special perquisites;
- We do not provide our named executive officers or other employees with any change of control benefits on a single trigger;
- Total annual cash incentive payments to any named executive officer are capped at two times their target amount; and
- Our management and our outside counsel have performed a risk analysis with respect to our compensation plans and policies.

Overview

This Compensation Discussion and Analysis discusses the compensation programs and policies for our Chief Executive Officer, our Chief Financial Officer and our other three most highly compensated executive officers during fiscal year 2011 as determined by the rules of the SEC. We refer to these executive officers as our "named executive officers." The "named executive officers" for fiscal year 2011 are:

Name	Position(s)
Feng-Ming (Fermi) Wang, Ph.D.	Chairman of the Board of Directors, President and Chief Executive Officer
Victor Lee	Former Chief Financial Officer[1]
Les Kohn	Chief Technology Officer
Didier LeGall, Ph.D.	Executive Vice President
Christopher Day	Vice President, Marketing and Business Development

(1) Mr. Lee served as our Chief Financial Officer until March 2011. The board of directors appointed George Laplante as our Chief Financial Officer effective March 7, 2011.

Our executive compensation program has focused primarily on attracting executive talent to manage and operate our business, retaining individuals who are key to our growth and success, and rewarding individuals who help us achieve our business objectives. To support these objectives, we provide a competitive total compensation package to our executive officers that we believe achieves the following:

- motivates and rewards highly-talented individuals whose skills, knowledge and performance are critical to our success;
- links overall compensation to achieving corporate and individual objectives set at the beginning of each year;
- creates long-term incentives for management to increase shareholder value by having a significant portion of compensation tied to our long-term success; and
- provides total compensation that is fair, reasonable and competitive.

The primary components of compensation for our named executive officers are base salary, performance-based cash bonuses, equity-based compensation and severance and change of control benefits, with particular emphasis on the equity-based component as we have sought to align the interests of our executive officers and shareholders while preserving cash.

The following information should be read together with the compensation tables and related disclosures set forth below.

Framework for Determining Executive Compensation

The compensation committee of our board of directors is responsible for overseeing and assisting the board of directors in evaluating and approving the executive compensation programs for our executive officers and reports to the full board of directors on its discussions, decisions and other actions. We utilize a discretionary approach for determining the named executive officers' compensation, which is based upon the business judgment and experience of our compensation committee members and, for executives other than him, our Chief Executive Officer. We rely in part on the experience and familiarity of our board members with total aggregate compensation levels paid by technology companies of similar scale to ours. Our board members have obtained this experience and familiarity as venture capitalists and/or senior executives at technology companies. We have not retained a compensation consultant to assist our compensation committee in setting executive compensation, though we may choose to do so in the future. We do not benchmark our compensation levels against a peer group of companies, though we plan to do so in the future. We have not adopted any policies or guidelines for allocating compensation between long-term and short-term compensation, between cash and non-cash compensation, or among different forms of non-cash compensation, however a significant amount of our executive officers' total compensation is in the form of variable compensation.

For executive officers other than Dr. Wang, our Chief Executive Officer, our compensation committee typically seeks and considers input from Dr. Wang regarding such executive officers' responsibilities, performance and compensation. Specifically, Dr. Wang makes recommendations regarding base salary increases, annual performance-based cash incentive compensation and the grant of long-term equity incentive compensation to our named executive officers other than himself. These recommendations reflect compensation levels that Dr. Wang believes are commensurate with an executive officer's individual functional role and responsibility level, individual performance, knowledge and skill set, as well as our company's performance and the market for the position.

Dr. Wang also generally participates in our compensation committee's deliberations about executive compensation matters, but does not participate in the deliberation or determination of his own compensation. Our compensation committee considers Dr. Wang's recommendations with respect to executive officers other than himself but is not required to follow any of his recommendations and may adjust compensation up or down as it

determines in its discretion. Following deliberations, the compensation committee then approves the type and amount of compensation for all of our named executive officers, including Dr. Wang. The compensation packages typically are then approved by the full board of directors.

Elements of Executive Compensation

The compensation of our executive officers consists of the following principal components:

- base salary;
- performance-based cash bonuses;
- equity incentive awards; and
- severance and change of control benefits.

We strive to achieve an appropriate mix between cash compensation and equity incentive awards to meet our objectives. We do not apply any formal or informal policies or guidelines for allocating compensation between current and long-term compensation, or between cash and equity compensation. We believe the most important indicator of whether our compensation objectives are being met is our ability to motivate our executive officers to deliver superior performance and retain them to continue their careers with us on a cost-effective basis. Our board of directors, led by our compensation committee, generally conducts an annual review of our executive compensation, as well as the mix of components used to compensate our executive officers. Our board of directors relied on its collective judgment, recommendations from Dr. Wang (for executives other than Dr. Wang), the relative pay among the management team members and its assessment of each executive officer's role and overall contribution to the business in determining the size and mix of compensation for each executive.

Each of the principal components of our executive compensation program is discussed in more detail below.

Base Salary

Our base salaries are intended to provide financial stability, predictability and security of compensation for our executive officers for fulfilling their core job responsibilities. The base salaries of our named executive officers are primarily based on the scope of their responsibilities, experience, performance and contributions, and our compensation committee's understanding of compensation paid to similarly situated executives. None of our executive officers has an employment agreement that provides for automatic or scheduled increases in base salary. From the time of our incorporation through our 2009 fiscal year, our base salaries reflected our status as a start-up company focused principally on technology and product development and efficient use of limited cash resources. However, beginning in fiscal year 2010, our revenue began to increase substantially and we generated positive cash flows. Accordingly, our board of directors approved increases in base salaries of our executive officers in light of their additional responsibilities as we focused on increased product development, increased customer penetration, continued revenue growth and financial performance and other long-term objectives.

Dr. Wang typically recommends base salaries for our named executive officers other than himself to our compensation committee for consideration during the fourth quarter of each fiscal year. Our compensation committee considers Dr. Wang's recommendations with respect to our named executive officers other than himself but is not required to follow any of his recommendations and may adjust the amount of a recommended base salary up or down as it determines in its discretion. Our compensation committee also evaluates Dr. Wang's base salary during the fourth quarter of each fiscal year. Decisions regarding salary increases may take into account the executive's current salary, equity ownership and the amounts paid to an executive's peers inside our company. Adjustments to executive officer base salaries are typically approved by the full board of directors in the first quarter of each fiscal year.

In February 2010, our board of directors approved an increase in Dr. Wang's salary for fiscal year 2011 from $216,000 to $250,000 in light of our strong financial and operating performance in the 2010 fiscal year,

Dr. Wang's increased responsibilities resulting from our increased headcount and operations and his success in meeting other long-term objectives.

In February 2010, our board of directors also approved increases in base salaries for Messrs. Lee and Kohn and Dr. LeGall from $200,000 to $210,000 for fiscal year 2011 in light of our performance in the 2010 fiscal year and their success in meeting other long-term objectives.

In November 2010, our board of directors, upon a recommendation from the compensation committee, approved increases in base salaries for each of our executive officers in light of our continued growth in revenue and customer penetration, our increased research and development efforts, the officers' responsibilities related to product development and customer engagements and increased responsibilities relating to preparing us for an initial public offering, as well as our compensation committee's understanding of compensation paid to similarly situated executives at other technology companies. These salary increases went into effect in November 2010.

The following table sets forth the annual base salary for each of our named executive officers for our 2011 and 2012 fiscal years (with the fiscal year 2012 base salaries taking effect in November 2010 as described above):

Name	Fiscal Year 2011 Base Salary	Fiscal Year 2012 Base Salary
Fermi Wang	$ 250,000	$ 300,000
Victor Lee[1]	$ 210,000	$ 250,000
Les Kohn	$ 210,000	$ 275,000
Didier LeGall	$ 210,000	$ 240,000
Christopher Day[2]	$ 200,000	$ 220,000

(1) Mr. Lee's 2012 fiscal year annual base salary will be pro-rated based upon his partial year of service.
(2) Mr. Day's 2011 fiscal year annual base salary was pro-rated based upon his partial year of service.

Additionally, our new Chief Financial Officer, Mr. Laplante, will receive an annual base salary of $300,000 in our 2012 fiscal year, pro-rated for his partial year of service.

Performance-Based Cash Bonuses

We provide an annual cash bonus for our executive officers. Annual cash bonuses are intended to reward our executives for achieving corporate financial and operational goals, as well as individual objectives. Amounts payable under the annual cash incentive bonus plan are generally calculated as a percentage of the applicable executive's base salary. The compensation committee and board of directors also recognized that achievement of corporate goals would require a team effort among management, and therefore the target bonus percentages should reflect internal parity with the largest percentage allocated to our Chief Executive Officer in light of his greater responsibility for our overall success and performance. For fiscal years 2011 and 2012, Dr. Wang's target cash bonus is 50% of his annual base salary, while each of the other named executive officers (as well as our new Chief Financial Officer, Mr. Laplante) has a target cash bonus of up to 30% of his annual base salary. The targets are subject to the achievement of performance objectives and are generally earned if the named executive officer exceeds the performance objectives. Performance in excess of the stated goals and objectives would entitle the executive officers to bonuses that exceeded the target amounts. In addition, our compensation committee or board of directors has discretion to pay performance bonuses that are below, meet or exceed the targets. Total payments to any named executive officer, however, are capped at two times their target amount.

Dr. Wang typically recommends corporate performance objectives to our compensation committee for approval. In establishing the bonus plan for fiscal year 2011, Dr. Wang and the compensation committee deemed it appropriate to link compensation to our actual financial performance and, to foster a team approach, all

executives should have the same percentage of their bonus tied to the corporate objectives. In addition to the corporate performance objectives, Dr. Wang proposes individual performance objectives for the fiscal year for each of our named executive officers other than himself. Individual performance objectives vary from year to year and are tailored to the responsibilities and key objectives of such executive. The compensation committee sets Dr. Wang's individual objectives based on input from Dr. Wang, as well as its own understanding of our primary goals and objectives.

For Dr. Wang, these individual objectives included product development, customer engagements, increased headcount, progress toward an initial public offering, and overall operating performance. For Mr. Lee, these individual objectives were focused around increased headcount, progress toward an initial public offering and overall financial performance. For Mr. Kohn, these individual objectives were focused around technology development, product development and exploring potential strategic relationship opportunities. For Dr. LeGall, these individual objectives were focused on achieving design wins, customer engagements and exploring potential strategic relationship opportunities. For Mr. Day, these individual objectives were focused around exploring new market opportunities, product roadmaps and customer engagements.

The components of the fiscal year 2011 cash incentive bonuses were as follows:

- 60% of each executive's target bonus was based upon the amount of revenue recorded by us in fiscal year 2011;
- 30% of each executive's target bonus was based upon the amount of gross profit recognized by us in fiscal year 2011; and
- 10% of each executive's target bonus was based upon the achievement of individual objectives tailored to gauge the performance of each executive in his respective role, as described above.

For the 2011 fiscal year, Dr. Wang was eligible for a target bonus of $131,250, Mr. Lee was eligible for a target bonus of $66,000, Mr. Kohn was eligible for a target bonus of $67,875, Dr. LeGall was eligible for a target bonus of $65,250 and Mr. Day was eligible for a target bonus of $61,500.

In the first quarter of each fiscal year, our compensation committee reviews the performance of our company and of our named executive officers in the prior year and determines the amount of the performance bonus to be paid to each named executive officer. Our compensation committee typically seeks and considers input from Dr. Wang regarding the performance of our named executive officers other than himself in relation to the individual performance objectives established for the particular year and the amount of any performance bonus for those named executive officers, but is not required to follow any of his recommendations and may adjust the amount of a recommended performance bonus up or down as it determines in its discretion. The amount of cash bonus awarded to each executive officer is then approved by the full board of directors in the first quarter of each fiscal year.

For fiscal year 2011, our actual revenue and gross profit met the corporate financial targets set for the management team at a combined level of 96.7%. The board of directors determined that Dr. Wang had substantially achieved the individual objectives set for him for fiscal year 2011 based upon our product development efforts, customer engagements, increased headcount and overall operating performance. Based on the foregoing criteria, our board of directors awarded a performance bonus of $126,918 to Dr. Wang for fiscal year 2011.

The compensation committee also determined, based on input from Dr. Wang, that the other executive officers substantially achieved their individual performance objectives for the 2011 fiscal year. Based on the foregoing criteria, our board of directors awarded performance bonuses to our named executive officers for fiscal year 2011 as follows: Mr. Lee was awarded $63,846, Mr. Kohn was awarded $65,660, Dr. LeGall was awarded $63,120, and Mr. Day was awarded $59,493. Mr. Day's performance bonus was not pro-rated for his partial year of service.

We do not have a formal policy regarding adjustment or recovery of awards or payment if the relevant performance measures upon which the awards or payments are based are subsequently restated or otherwise adjusted in a manner that would have reduced the size of the award or payment.

Equity Incentive Awards

Historically, equity-based compensation has been our primary long-term incentive compensation component. Our equity-based compensation is intended to retain executive officers through the use of time-based vesting while tying our long-term financial performance and shareholder value creation to the executive officer's financial gain. We believe that both time-based vesting and shared financial success are long-term incentives that motivate executive officers to grow revenue and earnings, enhance shareholder value and align the interests of our shareholders and executives. The vesting feature of our equity grants contributes to executive officer retention as this feature provides an incentive to our executive officers to remain in our employ during the vesting period. Because employees profit from stock options only if our share price increases relative to the stock option's exercise price, we believe stock options provide meaningful incentives to employees to achieve increases in the value of our shares over time. To date, all equity awards to executive officers, other than initial sales of founder shares to Dr. Wang and Mr. Kohn, have been in the form of stock options granted at fair market value with time-based vesting.

Generally, upon commencement of employment, executives are awarded initial stock option grants carrying a service-based vesting condition, with 1/4 of the shares generally vesting one year from the vesting commencement date and the remaining shares vesting in equal monthly installments over the following 36 months. Historically, our practice has been to review equity awards to existing employees, including our executive officers, after two years of service and annually thereafter and to make additional awards if appropriate. These additional awards to our executive officers generally vest in equal monthly installments over 48 months, subject to continued service. The level of equity-based compensation is reviewed periodically and additional option grants are made from time to time. In the future, we expect our compensation committee to review equity-based compensation levels, along with our base salary and annual cash incentives, on an annual basis.

All stock options awarded to our executive officers to date have been granted by the full board of directors. These grants have been made as and when necessary, as determined by our board of directors, rather than at a specific time each year.

In November 2010, our named executive officers were awarded stock options under our 2004 Stock Plan based on our compensation committee's annual review. These awards were granted in recognition of our named executive officers' efforts during the previous year after considering the continued growth and development of our business as well as the additional roles and responsibilities of the executives going forward. In determining the size of the equity awards, our compensation committee considered the functional role and responsibility of the executive officer's position, the executive's performance, the amount of equity previously awarded to him and the vesting status of such awards, the total number of equity awards outstanding, the potential dilutive effect of the awards on our shareholders and, in the case of awards to executive officers other than Dr. Wang, the recommendation of Dr. Wang. These factors were considered as a whole without specific weighting or formula.

The following table presents the stock options granted in fiscal year 2011 to our named executive officers:

Name	Date of Award	Number of Shares
Fermi Wang	11/3/2010	300,000
Victor Lee	11/3/2010	60,000(1)
Les Kohn	11/3/2010	220,000
Didier LeGall	11/3/2010	80,000
Christopher Day	4/13/2010	450,000(2)
	11/3/2010	40,000

(1) Mr. Lee's stock option vests over a period of 12 months beginning August 1, 2010. This stock option will cease vesting upon Mr. Lee's termination of service with us following a transition period.

(2) Mr. Day was granted a stock option in April 2010 for 450,000 shares in connection with his commencement of employment with us in March 2010.

Our new Chief Financial Officer, Mr. Laplante, received a new hire stock option for 1,348,000 shares in March 2011. This option vests as to 1/4 of the shares subject to such stock option on the first anniversary of the grant date and as to 1/48 of the shares subject to such stock option each month thereafter, so as to be 100% vested on the fourth anniversary of the grant date, subject to his continued service.

We have historically granted stock options at exercise prices of no less than the fair market value of our ordinary shares on the date of grant as determined by our board of directors. The exercise price of all stock options granted after the completion of this offering will be equal to the fair market value of our ordinary shares on the date of grant, which generally will be determined by reference to the market price of our ordinary shares. We do not have a program, plan or practice of selecting grant dates for equity incentive awards to our executive officers in coordination with the release of material non-public information. As a privately-owned company, there has been no market for our ordinary shares. The compensation committee may adopt a formal policy regarding the timing of grants at a later date.

We encourage our executives to hold a significant equity interest but we have not adopted a formal policy nor set specific ownership guidelines.

Severance and Change of Control Benefits

Employment of our executive officers is "at will." We have entered into severance and change of control agreements with each of our named executive officers pursuant to which they are entitled to receive compensation and other benefits in connection with certain terminations of employment and terminations of employment in connection with a change of control event.

Our goal in providing certain severance and change of control benefits is to offer sufficient cash continuity protection such that our executives will focus their full time and attention on the requirements of our business rather than the potential implications for their respective positions. We prefer to have certainty and internal parity regarding the potential severance amounts payable to our named executive officers under certain circumstances, rather than negotiating severance at the time that a named executive officer's employment terminates. We have also determined that accelerated vesting provisions are appropriate because they will encourage our named executive officers to stay focused in such circumstances, rather than the potential implications for them.

These agreements are described in more detail below under "Employment, Severance and Change of Control Arrangements."

Compensation Risk Analysis

Our management and outside legal counsel evaluated the risk inherent in our executive and non-executive compensation programs. The analysis concluded that, among other things:

- incentive plans are well-aligned with compensation design principles that generally follow best practices;
- management incentives are capped at 200% of target for individuals;
- neither our named executive officers nor our employees receive car allowances, club memberships or any other special perquisites; and
- we do not offer any unusual benefits or compensation programs.

Broad Based Employee Benefits

We believe that establishing competitive benefit packages for our employees is an important factor in attracting and retaining highly qualified personnel. Our named executive officers are eligible to participate in all of our employee benefit plans, such as medical, dental, disability, vision, group life and accidental death and dismemberment insurance, our patent incentive program and our 401(k) plan, in each case on the same basis as other U.S.-based salaried employees. We do not offer club memberships, automobile allowances, tickets to sporting events or concerts or other perquisites to any of our named executive officers as that would be inconsistent with our egalitarian corporate culture. We have offered our new Chief Financial Officer, Mr. Laplante, a $5,000 per month housing allowance for up to 12 months, subject to his continuing employment, as part of his initial compensation package.

Accounting and Tax Considerations

Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended, or the Internal Revenue Code, which will become applicable to us upon the closing of this offering, generally disallows a tax deduction for compensation in excess of $1.0 million paid to any and each of our Chief Executive Officer and other highest paid officers in office at year end. Qualifying performance-based compensation is not subject to the deduction limitation if specified requirements are met. Going forward, we intend to periodically review the potential consequences of Section 162(m) and we generally intend to structure the performance-based portion of our executive compensation, where feasible, to comply with exemptions to Section 162(m) so that the compensation remains tax deductible to us. However, our compensation committee may, in its judgment, authorize compensation payments that do not comply with the exemptions in Section 162(m) when it believes that such payments are appropriate to attract and retain executive talent.

We account for equity compensation paid to our employees under applicable accounting guidance for stock-based compensation arrangements, which requires us to estimate and record an expense over the service period of the award. Accordingly, stock-based compensation cost is measured and recorded at grant date, based on the fair value of the awards, and is recognized as an expense over the requisite employee service period.

Fiscal Year 2011 Summary Compensation Table

The following table summarizes information regarding the compensation awarded to, earned by or paid to our principal executive, our principal financial officer serving at the end of fiscal year 2011 and our other three most highly compensated executive officers during the fiscal year ended January 31, 2011. We refer to these individuals as our named executive officers.

Name and Position(s)	Fiscal Year	Salary ($)[1]	Stock Option Awards ($)[2]	Non-Equity Incentive Plan Compensation ($)[3]	All Other Compensation ($)	Total ($)
Feng-Ming (“Fermi”) Wang *Chairman of the Board of Directors, President and Chief Executive Officer*	2011	262,500	340,350	126,918	—	729,768
Victor Lee[4] *Former Chief Financial Officer*	2011	220,000	68,070	63,846	—	351,916
Les Kohn *Chief Technology Officer*	2011	226,250	249,590	65,660	20,000[5]	561,500
Didier LeGall *Executive Vice President*	2011	217,500	90,760	63,120	—	371,380
Christopher Day *Vice President, Marketing and Business Development*	2011	173,750	562,115	59,493	—	795,358

(1) The base salaries of our executive officers were increased, effective November 1, 2010 in connection with additional responsibilities and duties they assumed with respect to our business

development. Dr. Wang's base salary was increased from $250,000 to $300,000, Mr. Lee's base salary was increased from $210,000 to $250,000, Mr. Kohn's base salary was increased from $210,000 to $275,000, and Dr. LeGall's base salary was increased from $210,000 to $240,000. Mr. Day joined us in March 2010 at a base salary of $200,000, which was increased to $220,000 effective November 1, 2010.

(2) Amounts shown in this column do not reflect dollar amounts actually received by our named executive officers. Instead, these amounts reflect the aggregate grant date fair value of each stock option granted in the fiscal year ended January 31, 2011 calculated in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in Note 9 to our audited consolidated financial statements included in this prospectus. As required by SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. Our named executive officers will only realize compensation to the extent the trading price of our ordinary shares is greater than the exercise price of such stock options.

(3) Reflects performance-based cash bonuses paid to our executive officers for performance in fiscal 2011.

(4) Mr. Lee served as our Chief Financial Officer until March 2011.

(5) Reflects payments made under our patent incentive program.

In March 2011, George Laplante was hired as our Chief Financial Officer with an annual base salary of $300,000 and was granted an option to purchase 1,348,400 ordinary shares.

Fiscal Year 2011 Grants of Plan-Based Awards

The following table provides information regarding all grants of plan-based awards that were made to or earned by our named executive officers during fiscal year 2011. The information in this table supplements the dollar value of stock options set forth in the "Fiscal Year 2011 Summary Compensation Table" by providing additional details about the awards.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Option Awards: Number of Securities Underlying Stock Options (#)	Exercise or Base Price of Stock Option Awards ($/Share)	Grant Date Fair Value of Stock and Stock Option Awards ($)[2]
		Threshold ($)	Target ($)[1]	Maximum ($)[1]			
Feng-Ming ("Fermi") Wang	11/3/2010	—	—	—	300,000	1.96	340,350
	N/A	—	131,250	262,500	—	—	—
Victor Lee	11/3/2010	—	—	—	60,000	1.96	68,070
	N/A	—	66,000	132,000	—	—	—
Les Kohn	11/3/2010	—	—	—	220,000	1.96	249,590
	N/A	—	67,875	135,750	—	—	—
Didier LeGall	11/3/2010	—	—	—	80,000	1.96	90,760
	N/A	—	65,250	130,500	—	—	—
Christopher Day	11/3/2010	—	—	—	40,000	1.96	45,380
	4/13/2010	—	—	—	450,000	1.92	516,735
	N/A	—	61,500	133,000	—	—	—

(1) Our non-equity incentive plan awards, and how they were determined, are based upon a formula that includes some discretion as to amounts paid, as discussed under "Executive Compensation—Compensation Discussion and Analysis—Performance-Based Cash Bonuses" elsewhere in this prospectus. These amounts represent the target and maximum amounts that could have been earned for fiscal year 2011. Actual amounts earned for fiscal year 2011 are included in the "Fiscal Year 2011 Summary Compensation Table" above.

(2) Amounts represent the aggregate grant date fair value of stock options granted in fiscal year 2011, calculated in accordance with FASB ASC Topic 718. See Note 8 to our audited consolidated financial statements included in this prospectus for a discussion of assumptions made in determining the grant date fair value and compensation expense of our stock options.

Outstanding Equity Awards at Fiscal 2011 Year-End

	Option Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable[1]	Number of Securities Underlying Unexercised Options (#) Unexercisable[2]	Option Exercise Price ($)[3]	Option Expiration Date
Feng-Ming (“Fermi”) Wang	302,083	197,917[4]	0.65	7/9/2018
	18,062	32,938[5]	1.47	10/28/2019
	159,020	289,980[5]	1.47	10/28/2019
	31,250	268,750[6]	1.96	11/2/2020
Victor Lee	277,776[7]	—	0.27	9/12/2017
	50,000[8]	—	0.65	7/9/2018
	—	225,000[9]	1.47	10/28/2019
	—	60,000[10]	1.96	11/2/2020
Les Kohn	241,666	158,334[4]	0.65	7/9/2018
	27,847	23,563[5]	0.71	7/8/2019
	78,402	170,188[5]	0.71	7/8/2019
	22,916	197,084[6]	1.96	11/2/2020
Didier LeGall	250,000[11]	—	0.27	8/27/2017
	135,937	89,063[4]	0.65	7/9/2018
	63,750	116,250[5]	0.71	7/8/2019
	8,333	71,667[6]	1.96	11/2/2020
Christopher Day	—	450,000[12]	1.92	4/12/2020
	4,166	35,834[6]	1.96	11/2/2020

(1) Unless otherwise noted, shares subject to the stock option are vested in full.

(2) Vesting of each stock option is contingent upon the executive officer’s continued service.

(3) Represents the fair market value of our ordinary share on the date of grant, as determined by our board of directors. For more information on our methodology for determining the exercise price of the options, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Significant Management Estimates—Stock-Based Compensation” appearing elsewhere in this prospectus.

(4) The shares subject to the stock option vest over a four-year period commencing on August 1, 2008, with 1/48 of the shares vesting on a monthly basis.

(5) The shares subject to the stock option vest over a four-year period commencing on August 1, 2009, with 1/48 of the shares vesting on a monthly basis.

(6) The shares subject to the stock option vest over a four-year period commencing on August 1, 2010, with 1/48 of the shares vesting on a monthly basis.

(7) Includes 162,036 unvested shares that are exercisable prior to vesting subject to our right to repurchase any shares that fail to vest prior to a termination of service. The unvested shares vest at the rate of 23,148 per month.

(8) The shares subject to the stock option vest over a four-year period, with 1/4 of the shares vesting on August 1, 2009, and the remainder vesting in 36 equal monthly installments thereafter. The option may be exercised prior to vesting, subject to our right to repurchase any shares that fail to vest prior

to a termination of service in accordance with this vesting schedule. As of January 31, 2011, 30,208 of the shares were vested and the remaining 19,792 shares were unvested and will vest monthly over the remainder of the vesting period.

(9) The shares subject to the stock option vest over a four-year period commencing August 27, 2011, with 1/48 of the shares vesting on a monthly basis.

(10) The shares subject to the stock option vest over a 12-month period commencing on August 1, 2011, with 1/12 of the shares vesting on a monthly basis.

(11) The shares subject to the stock option vest over a four-year period commencing on June 16, 2008 with 1/48 of the shares vesting on a monthly basis. The option may be exercised prior to vesting, subject to our right to repurchase any shares that fail to vest prior to a termination of service in accordance with this vesting schedule.

(12) The shares subject to the stock option vest over a four-year period, with 1/4 of the shares vesting on March 29, 2011, and the remainder vesting in 36 equal monthly installments thereafter.

Employment, Severance and Change of Control Arrangements

Each of Victor Lee, Didier LeGall and Christopher Day has entered into an offer letter with us that sets forth such officer's starting base salary and the number of shares to be awarded pursuant to an initial stock option grant and that provides that such officer is eligible to participate in our standard employee benefit plans. Each offer letter also provides that such officer is an at-will employee and his employment may be terminated at anytime by us. Mr. Lee's offer letter further provided that if Mr. Lee's employment terminates within 12 months after a change of control of the company, Mr. Lee would be entitled to certain severance benefits; these provisions were superseded by the change of control and severance agreement entered into with Mr. Lee, as described below.

Each of Fermi Wang, Victor Lee, Les Kohn, Didier LeGall and Christopher Day has entered into a change of control and severance agreement with us, as described below.

Potential Payments Upon Termination or Change of Control

Under our form of change of control and severance agreement, our named executive officers are entitled to the benefits and payments described below in the event their employment with us is terminated involving certain circumstances.

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

- the payment of accrued salary and vacation;
- payment of a lump sum equal to 100% (Dr. Wang and Messrs. Lee and Kohn) or 50% (Dr. LeGall and Mr. Day) of the executive officer's then-current annual base salary;
- payment of a prorated portion of the executive officer's annual target bonus;
- immediate acceleration of twelve months (Dr. Wang and Messrs. Lee and Kohn) or six months (Dr. LeGall and Mr. Day) of vesting of outstanding options to the extent such options vest based solely on service to the company over time; and
- company-paid premiums for COBRA continuation coverage for up to twelve months (Dr. Wang and Messrs. Lee and Kohn) or six months (Dr. LeGall and Mr. Day) after the date of termination.

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

- the payment of accrued salary and vacation;

- payment of a lump sum equal to 100% of the executive officer's then-current annual base salary;
- payment of a prorated portion of the executive officer's annual target bonus;
- immediate acceleration of vesting of 100% (Dr. Wang and Messrs. Lee and Kohn) or 50% (Dr. LeGall and Mr. Day) of outstanding options to the extent such options vest based solely on services to the company over time; and
- company-paid premiums for COBRA continuation coverage for up to 12 months after the date of termination.

In addition to the foregoing benefits, Dr. Wang and Messrs. Kohn and Lee would also receive a gross-up payment if the executive officer is required to pay excise tax under Section 4999 of the Code, with the amount of such gross-up payment equal to the amount of excise tax. No other executive would receive a gross-up payment. In the event that the severance and other benefits payable to Dr. LeGall or Mr. Day constitute "parachute payments" under Section 280G of the Code and would be subject to the excise tax imposed by Section 4999 of the Code, then such executive's benefits will be either (i) delivered in full or (ii) delivered to such lesser extent which would result in no portion of such benefits being subject to the excise tax, whichever results in the receipt by such executive on an after-tax basis of the greatest amount of benefits.

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

For purposes of the change of control and severance agreements above, "change of control" means the occurrence of any of the following events: (i) any person becomes the beneficial owner, directly or indirectly, of our securities representing 50% or more of the total voting power represented by our then-outstanding voting securities (except that any change in the ownership of our stock as a result of a private financing that is approved by the Board will not be considered a change of control); (ii) any person acquires more than 50% of the value of our assets over a twelve-month period; (iii) the consummation of a merger or consolidation with any other entity, other than a merger or consolidation that would result in our voting securities outstanding immediately prior thereto continuing to represent at least 50% of the total voting power represented by our voting securities or the voting securities of such surviving entity (or its parent) outstanding immediately after such merger or consolidation; or (iv) the replacement of a majority of the Board during any twenty-four month period by directors whose appointment or election is not approved by a majority of the members of the Board prior to the date of the appointment or election.

For purposes of the change of control and severance agreements above, "good reason" means the executive officer's voluntary resignation from all positions such officer holds with us, effective within 90 days after the occurrence of: (i) a reduction by us of the executive officer's base salary or annual target bonus in effect immediately prior to such reduction (other than reductions in connection with similar percentage reductions imposed on all executive-level employees); (ii) a reduction by us of the executive officer's health or welfare benefits in effect immediately prior to such reduction (other than reductions in connection with similar percentage reductions imposed on all executive-level employees); (iii) our requiring the executive officer to move his primary work location to a location that increases his one-way commute by more than 30 miles from

our then-current location; (iv) our failure to continue in effect any material compensation or benefit plan or practice in which the executive officer is eligible to participate in immediately prior to the change of control; (v) our failure to obtain the assumption, in all material respects, of the change of control agreement by any of our successors; or, for certain of the executive officers, (vi) a material diminution in such executive officer's authority, duties, responsibilities, title or reporting structure; provided that the executive officer must provide written notice to us of the existence of one of these conditions within 60 days after its initial existence, and we must be provided with a period of 30 days during which we may cure the circumstances giving rise to the condition, in which case no good reason will exist.

The following table summarizes the payments that would be made to our named executive officers upon the occurrence of a termination of employment qualifying for severance benefits or upon a change of control, assuming that each named executive officer's termination of employment with our company occurred on January 31, 2011 or in the event that a qualifying termination of employment in connection with a change of control of our company occurred on January 31, 2011, as applicable. Amounts shown do not include (i) accrued but unpaid salary through the date of termination, or (ii) other benefits earned or accrued by the named executive officer during his employment that are available to all salaried employees, such as accrued vacation.

	Termination Without Cause (No change of control) ($)	Termination Without Cause (Within three months before or twelve months after change of control) ($)
Fermi Wang		
Cash Severance Attributable to Salary	$ 300,000	$ 300,000
Cash Severance Attributable to Bonus	131,250	131,250
Acceleration of Stock Options[1]	225,000	417,501
Continued Health Benefits[2]	24,025	24,025
Total	$ 680,275	$ 872,776
Victor Lee		
Cash Severance Attributable to Salary	$ 250,000	$ 250,000
Cash Severance Attributable to Bonus	66,000	66,000
Acceleration of Stock Options[1]	317,778	410,018
Continued Health Benefits[2]	8,945	8,945
Total	$ 642,723	$ 734,963
Les Kohn		
Cash Severance Attributable to Salary	$ 275,000	$ 275,000
Cash Severance Attributable to Bonus	67,875	67,875
Acceleration of Stock Options[1]	224,750	449,606
Continued Health Benefits[2]	13,285	13,285
Total	$ 580,910	$ 805,766
Didier LeGall		
Cash Severance Attributable to Salary	$ 120,000	$ 240,000
Cash Severance Attributable to Bonus	65,250	65,250
Acceleration of Stock Options[1]	117,781	378,809
Continued Health Benefits[2]	7,175	14,350
Total	$ 310,206	$ 698,409
Christopher Day		
Cash Severance Attributable to Salary	$ 110,000	$ 220,000
Cash Severance Attributable to Bonus	61,500	61,500
Acceleration of Stock Options[1]	2,250	9,000
Continued Health Benefits[2]	10,625	21,250
Total	$ 184,375	$ 311,750

(1) The value of accelerated stock options was calculated by multiplying (x) the number of shares subject to acceleration by (y) the difference between the estimated fair market value of an ordinary share on January 31, 2011, which was $1.96, and the per share exercise price of the unvested shares subject to acceleration.

(2) Represents the aggregate full premium payments that would be required to be paid to or on behalf of each named executive officer to provide continued health insurance coverage under COBRA (based on the executive's health insurance coverage as of January 31, 2011) for the maximum period available to the executive officer.

Dr. Wang and Messrs. Kohn and Lee would also receive a gross-up payment if the executive officer is required to pay excise tax under Section 4999 of the Code with the amount of such gross-up payment equal to the amount of excise tax. No other executive would receive a gross-up payment. In the event that the severance and other benefits payable to Dr. LeGall or Mr. Day constitute "parachute payments" under Section 280G of the Code and would be subject to the excise tax imposed by Section 4999 of the Code, then such executive's benefits will be either (i) delivered in full or (ii) delivered to such lesser extent which would result in no portion of such benefits being subject to the excise tax, whichever results in the receipt by such executive on an after-tax basis of the greatest amount of benefits.

In addition to the benefits described above, our 2004 Stock Plan provides for the acceleration of vesting of awards in certain circumstances in connection with a change of control of our company. See "2004 Stock Plan" below.

Equity Incentive Plans

2004 Stock Plan

Our board of directors adopted, and our shareholders approved, the 2004 Stock Plan, as amended, or the 2004 Plan. The 2004 Plan was last amended on March 8, 2011. The 2004 Plan provides for the grant of incentive stock options within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), nonstatutory stock options, and stock purchase rights to acquire restricted stock. Upon the completion of this offering, no additional stock options or other stock awards will be granted under the 2004 Plan and the 2004 Plan will be terminated. However, all outstanding stock options and other stock rights previously granted under the 2004 Plan will remain subject to the terms of the 2004 Plan.

Share Reserve

We currently have reserved a total of 43,620,680 ordinary shares for issuance under the 2004 Plan. As of January 31, 2011, 23,304,176 ordinary shares had been issued upon the exercise of stock options granted under the 2004 Plan, net of repurchases; stock options to purchase 17,194,147 ordinary shares at a weighted-average exercise price of $0.97 per share were outstanding; and 2,852,677 shares remained available for future grant under the 2004 Plan.

Administration

Our board of directors or a committee appointed by the board of directors administers the 2004 Plan, referred to as the administrator. Subject to the provisions of the 2004 Plan, the administrator has the authority to construe and interpret the 2004 Plan and to determine the terms of awards, including the recipients, the exercise price, if any, the number of shares covering each award, the fair market value of an ordinary share, the vesting schedule applicable to the awards, together with any vesting acceleration, the form of consideration, if any, payable upon exercise of the award, and the terms of the award agreement for use under the 2004 Plan. The administrator also has the authority, subject to the terms of the 2004 Plan, to amend existing awards to reduce their exercise price, to institute an exchange program by which outstanding awards may be surrendered in exchange for cash and/or awards that may have different exercise prices and terms.

Eligibility

The 2004 Plan provides for the grant of equity awards, including stock options and stock purchase rights to acquire restricted stock, to our employees, directors and consultants. Incentive stock options may be granted only to employees. Stock awards other than incentive stock options may be granted to employees, directors and consultants.

Stock Options

The administrator may grant incentive and/or nonstatutory stock options under the 2004 Plan, provided that incentive stock options are granted only to employees. The exercise price of such options must equal at least the fair market value of an ordinary share of the company on the date of grant and the term of an option may not exceed 10 years, provided that an incentive stock option held by a participant who owns more than 10% of the total combined voting power of all classes of our share capital or our parent or subsidiaries may not have a term in excess of five years and must have an exercise price of at least 110% of the fair market value of an ordinary share on the grant date. The administrator will determine the methods of payment of the exercise price of an option, which may include cash, shares or other method acceptable to the administrator. Subject to the provisions of the 2004 Plan, the administrator determines the remaining terms of the options (e.g., vesting). After the termination of service of an employee, director or consultant, the participant may exercise his or her option, to the extent vested as of such date of termination, for the period of time stated in his or her option agreement. However, in no event may an option be exercised later than the expiration of its term.

Stock Purchase Rights

Stock purchase rights to acquire restricted stock may be granted pursuant to restricted stock purchase agreements adopted under the 2004 Plan. Stock purchase rights are grants of rights to purchase our ordinary shares that are subject to various restrictions, including restrictions on transferability and forfeiture provisions. After the administrator determines that it will offer stock purchase rights, it will advise the purchaser of the terms, conditions and restrictions related to the offer, including the number of shares that the purchaser is entitled to purchase, the price to be paid (if any) and the time within which the purchaser must accept such offer. A purchaser accepts the offer by execution of a restricted stock purchase agreement in the form determined by the administrator. Once the stock purchase right is exercised, the purchaser will have rights equivalent to a shareholder.

Transferability of Awards

Unless determined otherwise by the administrator, options and stock purchase rights may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or the laws of descent and distribution, and may be exercised during the lifetime of the optionee, only by the optionee.

Certain Adjustments

In the event of certain changes in our capitalization, such as a distribution, stock split or recapitalization, in order to prevent diminution or enlargement of the benefits or potential benefits available under the 2004 Plan, appropriate adjustments will be made to the class and number of shares that may be delivered under the 2004 Plan and to the class, number of shares and price per share of all outstanding stock options and stock purchase rights.

Dissolution or Liquidation

If we dissolve or liquidate, then outstanding stock options or stock purchase rights under the 2004 Plan will terminate immediately prior to the consummation of such dissolution or liquidation.

Merger or Change in Control

In the event of a merger or change in control, as defined in the 2004 Plan, each outstanding award will be assumed or substituted for by the successor corporation (or its parent or subsidiary). If the surviving or acquiring corporation does not assume or substitute for outstanding awards, then such awards will fully vest and become fully exercisable, for a specified period prior to the transaction. The administrator will notify the award holder that such award will be fully exercisable for such period of time and will terminate upon expiration of such period.

Plan Amendment, Termination

Our board of directors has the authority to amend or terminate the 2004 Plan provided such action does not impair the rights of any participant. Certain amendments require shareholder approval. Upon the completion of this offering, no additional stock options or other stock awards will be granted under the 2004 Plan and the 2004 Plan will be terminated. However, all outstanding stock options and other stock rights previously granted under the 2004 Plan will remain subject to the terms of the 2004 Plan.

2011 Equity Incentive Plan

Our board of directors has adopted, and we expect our shareholders will approve, our 2011 Equity Incentive Plan, or the EIP, prior to the closing of this offering. Subject to shareholder approval, the EIP is effective upon its adoption by our board of directors, but is not expected to be used until after the completion of this offering. The EIP permits the grant of incentive stock options, within the meaning of Section 422 of the Code, to our employees and any of our parent and subsidiary corporations' employees, and the grant of nonstatutory stock options, stock appreciation rights, restricted stock, restricted stock units, performance units, performance shares, deferred stock units and dividend equivalents to our employees, directors and consultants and our parent and subsidiary corporations' employees and consultants.

Share Reserve

The maximum aggregate number of shares issuable under the EIP is ordinary shares, plus (i) any shares that as of the completion of this offering, have been reserved but not issued pursuant to any awards granted under the 2004 Plan and are not subject to any awards granted thereunder, and (ii) any shares subject to stock options or similar awards granted under the 2004 Plan that expire or terminate without having been exercised in full and shares issued pursuant to awards granted under the 2004 Plan that are forfeited to or repurchased by us, with the maximum number of shares to be added to the EIP from the 2004 Plan equal to up to shares. In addition, our EIP provides for annual increases in the number of shares available for issuance under the EIP on the first day of each fiscal year beginning with 2013, by an amount equal to the least of:

- shares;
- percent of our outstanding ordinary shares as of the last day of our immediately preceding fiscal year; or
- such lesser amount, if any, as our board of directors may determine.

Shares issued pursuant to awards under the EIP that we repurchase or that expire, are forfeited or are surrendered pursuant to an exchange program, as well as shares used to pay the exercise price of an award or to satisfy the tax withholding obligations related to an award, will become available for future grant under the EIP. In addition, to the extent that an award is paid out in cash rather than shares, such cash payment will not reduce the number of shares available for issuance under the EIP.

Administration

Our board of directors or a committee appointed by the board of directors will administer the EIP, referred to as the administrator. In the case of awards intended to qualify as "performance-based compensation" within the meaning of Code Section 162(m), the committee will consist of two or more "outside directors" within the meaning of Code Section 162(m).

Subject to the provisions of the EIP, the administrator has the power to determine the terms of awards, including the recipients, the exercise price, if any, the number of shares covering each award, the fair market value of an ordinary share, the vesting schedule applicable to the awards, together with any vesting acceleration, the form of consideration, if any, payable upon exercise of the award, and the terms of the award agreement for use under the EIP. The administrator also has the authority, subject to the terms of the EIP, to amend existing awards to reduce their exercise price, to allow participants the opportunity to transfer outstanding awards to a financial institution or other person or entity selected by the administrator, to institute an exchange program by which outstanding awards may be surrendered in exchange for cash and/or awards that may have different exercise prices and terms, and to prescribe rules and to construe and interpret the EIP and awards granted under the EIP.

Stock Options

The administrator may grant incentive and/or nonstatutory stock options under the EIP, provided that incentive stock options are only granted to employees. The exercise price of such options must equal at least the fair market value of an ordinary share of the company on the date of grant. The term of an option may not exceed 10 years. Provided, however, that an incentive stock option held by a participant who owns more than 10 percent of the total combined voting power of all classes of our stock or our parent or subsidiaries, may not have a term in excess of five years and must have an exercise price of at least 110 percent of the fair market value of an ordinary share on the grant date. The administrator will determine the methods of payment of the exercise price of an option, which may include cash, shares or other method acceptable to the administrator. Subject to the provisions of the EIP, the administrator determines the remaining terms of the options (e.g., vesting). After the termination of service of an employee, director or consultant, the participant may exercise his or her option, to the extent vested as of such date of termination, for the period of time stated in his or her option agreement. However, in no event may an option be exercised later than the expiration of its term.

Stock Appreciation Rights

Stock appreciation rights may be granted under the EIP. Stock appreciation rights allow the recipient to receive the appreciation in the fair market value of an ordinary share between the exercise date and the date of grant. Subject to the provisions of our EIP, the administrator determines the terms of stock appreciation rights, including when such rights vest and become exercisable and whether to settle such awards in cash or with ordinary shares, or a combination of both, except that the per share exercise price for the shares to be issued pursuant to the exercise of a stock appreciation right will be no less than 100 percent of the fair market value per share on the date of grant. Stock appreciation rights may have a term of no more than 10 years from the date of grant. The specific terms will be set forth in an award agreement.

Restricted Stock

Restricted stock may be granted under the EIP. Restricted stock awards are grants of our ordinary shares that are subject to various restrictions, including restrictions on transferability and forfeiture provisions. Shares of restricted stock will vest and the restrictions on such shares will lapse, in accordance with terms and conditions established by the administrator. The specific terms will be set forth in an award agreement, which if the award of restricted stock has a purchase price, also will provide that such purchase price must be paid no more than 10 years following the date of grant.

Restricted Stock Units

Restricted stock units may be granted under the EIP. Each restricted stock unit granted is a bookkeeping entry representing an amount equal to the fair market value of one ordinary share of the company. The administrator determines the terms and conditions of restricted stock units including the vesting criteria, which may include achievement of specified performance criteria or continued service to us, and the form and timing of payment. The administrator, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed. The administrator determines in its sole discretion whether an award will be settled in stock, cash or a combination of both. The specific terms will be set forth in an award agreement.

Performance Units and Performance Shares

Performance units and performance shares may be granted under the EIP. Performance units and performance shares are awards that will result in a payment to a participant if performance goals established by the administrator are achieved or the awards otherwise vest. The administrator will establish organizational or individual performance goals in its discretion, which, depending on the extent to which they are met, will determine the number and/or the value of performance units and performance shares to be paid out to participants. Performance units shall have an initial dollar value established by the administrator prior to the grant date. Performance shares will have an initial value equal to the fair market value of an ordinary share of the company on the grant date. The specific terms will be set forth in an award agreement.

Other Awards

The EIP also permits the grant of dividend equivalents and deferred stock units. Dividend equivalents are a credit, payable in cash, to the account of a participant in an amount equal to the cash dividends paid on a share for each share represented by an award held by the participant. Dividend equivalents are subject to the same vesting restrictions as the related shares subject to such award. The administrator determines in its discretion whether to grant dividend equivalents to a participant.

Deferred stock units consist of restricted stock, restricted stock units, performance shares or performance units that the administrator, in its sole discretion, permits to be paid out in installments or on a deferred basis. The administrator determines the rules and procedures governing such deferred stock unit award.

Transferability of Awards

Unless the administrator provides otherwise, the EIP generally does not allow for the transfer of awards and only the recipient of an option or stock appreciation right may exercise such an award during his or her lifetime.

Certain Adjustments

In the event of certain changes in our capitalization, to prevent diminution or enlargement of the benefits or potential benefits available under the EIP, the administrator will make adjustments to one or more of the number of shares that may be delivered under the EIP and/or the number and price of shares covered by each outstanding award.

Dissolution or Liquidation

In the event of our proposed dissolution or liquidation, the administrator will notify participants as soon as practicable and all awards will terminate immediately prior to the consummation of such dissolution or liquidation.

Merger or Change in Control

The EIP provides that in the event of a merger or change in control, as defined under the EIP, each outstanding award will be treated as the administrator determines, except that if a successor corporation or its

parent or subsidiary does not assume or substitute an equivalent award for any outstanding award, then such award will fully vest, all restrictions on such award will lapse, all performance goals or other vesting criteria applicable to such award will be deemed achieved at 100 percent of target levels and such award will become fully exercisable, if applicable, for a specified period prior to the transaction. The award will then terminate upon the expiration of the specified period of time. If the service of an outside director is terminated on or following a change in control, other than pursuant to a voluntary resignation, his or her awards will become fully vested and exercisable, and all performance goals or other vesting requirements will be deemed achieved at 100 percent of target levels.

Clawback

In the event that we are required to restate our audited financial statements due to material noncompliance with any financial reporting requirement under securities laws, our current and former executive officers who are participants under the EIP will be required to immediately repay us any compensation they received pursuant to awards granted under the EIP during the three-year period prior to the date we were required to prepare the restatement, in an amount equal to the excess of what would have been paid to him or her under the restated financial statements.

Plan Amendment, Termination

Our board of directors has the authority to amend, suspend or terminate the EIP provided such action does not impair the rights of any participant. The EIP will automatically terminate in 2021, unless we terminate it sooner.

2011 Employee Stock Purchase Plan

Concurrently with this offering, we are establishing our 2011 Employee Stock Purchase Plan, or the ESPP. Our board of directors has adopted, and our shareholders are expected to approve, the ESPP, prior to the closing of this offering. Our executive officers and all of our other employees will be allowed to participate in our ESPP.

A total of ordinary shares will be made available for sale under our ESPP. In addition, our ESPP provides for annual increases in the number of shares available for issuance under the ESPP on the first day of each fiscal year beginning with the 2013 fiscal year, equal to the least of:

- shares;
- % of the outstanding shares of our ordinary shares on the first day of such fiscal year; or
- such other amount as may be determined by the administrator.

Our board of directors or its committee, referred to as the administrator, has full and exclusive authority to interpret the terms of the ESPP and determine eligibility.

All of our employees are eligible to participate if they are customarily employed by us or any participating subsidiary for at least 20 hours per week and more than five months in any calendar year. However, an employee may not be granted rights to purchase shares under our ESPP if such employee:

- immediately after the grant would own shares possessing 5% or more of the total combined voting power or value of all classes of our share capital; or
- holds rights to purchase shares under all of our employee stock purchase plans that would accrue at a rate that exceeds $25,000 worth of our shares for each calendar year.

Our ESPP is intended to qualify under Section 423 of the Code, and provides for consecutive, non-overlapping six-month offering periods. The offering periods generally start on the first trading day on or after March 15 and September 15 of each year, except for the first such offering period which will commence on the first trading day on or after the effective date of this offering and will end on March 15, 2012. The second offering period will begin on March 15, 2012. The administrator may, in its discretion, modify the terms of future offering periods.

Our ESPP permits participants to purchase ordinary shares through payroll deductions of up to % of their eligible compensation, which includes a participant's regular and recurring straight time gross earnings, exclusive of payments for commissions, overtime and shift premium, incentive compensation, bonuses and other similar compensation. A participant may purchase a maximum of ordinary shares during each six-month offering period.

Amounts deducted and accumulated by the participant are used to purchase our ordinary shares at the end of each six-month offering period. The purchase price of the shares will be 85% of the lower of the fair market value of our ordinary shares on the first trading day of the offering period or on the last day of the offering period. Participants may end their participation at any time during an offering period, and will be paid their accrued payroll deductions that have not yet been used to purchase ordinary shares. Participation ends automatically upon termination of employment with us.

A participant may not transfer rights granted under the ESPP other than by will, the laws of descent and distribution or as otherwise provided under the ESPP.

In the event of our merger or change in control, as defined under the ESPP, a successor corporation may assume or substitute each outstanding purchase right. If the successor corporation refuses to assume or substitute for the outstanding purchase rights, the offering period then in progress will be shortened, and a new exercise date will be set to occur before the date of our merger or change in control. The plan administrator will notify each participant that the exercise date has been changed and that the participant's option will be exercised automatically on the new exercise date unless the participant has already withdrawn from the offering period.

Our ESPP will automatically terminate in 2021, unless we terminate it sooner. In addition, our board of directors has the authority to amend, suspend or terminate our ESPP, except that, subject to certain exceptions described in the ESPP, no such action may adversely affect any outstanding rights to purchase shares under our ESPP.

401(k) Plan

We maintain a defined contribution employee retirement plan, or 401(k) plan, for our employees. Our executive officers are also eligible to participate in the 401(k) plan on the same basis as our other employees. Under our 401(k) plan, employees may elect to defer a portion of their eligible compensation, subject to applicable annual Code limits. We currently do not match any contributions made by our employees, including executives. We intend for the 401(k) plan to qualify under Section 401(a) and 501(a) of the Code so that contributions by employees to the 401(k) plan, and income earned on those contributions, are not taxable to employees until withdrawn from the 401(k) plan.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following is a summary of transactions during our last three fiscal years to which we have been a party in which any of our executive officers, directors or beneficial holders of more than 5% of our ordinary shares (on an as-converted basis), or any member of the immediate family of the foregoing persons, had or will have a direct or indirect material interest, other than compensation arrangements which are described under the section of this prospectus titled "Executive Compensation—Compensation Discussion and Analysis."

Investors' Rights Agreement

We have entered into an investors' rights agreement with the purchasers of our outstanding redeemable convertible preference shares, including but not limited to Benchmark Capital Partners IV, L.P., the entities affiliated with Walden International, Matrix Partners VII, L.P., and Wintech Microelectronics Holding Limited, which entities are the beneficial holders of more than 5% of our ordinary shares (on an as-converted basis) and, other than Benchmark Capital Partners IV, L.P., Wintech Microelectronics Holding Limited, are affiliated with certain of our directors. As of the completion of this offering, we expect that the holders of 55,206,656 ordinary shares, including the ordinary shares issuable upon the conversion of our redeemable convertible preference shares, and the holders of warrants to purchase 163,317 redeemable convertible preference shares, which will convert into warrants to purchase 163,317 ordinary shares upon the completion of this offering, will be entitled to rights with respect to the registration of their shares. For a description of these registration rights, see the section titled "Description of Share Capital—Registration Rights."

Offer Letter Agreements

We have entered into at-will offer letters with certain of our executive officers. For more information regarding these agreements, see the section titled "Executive Compensation—Employment, Severance and Change of Control Arrangements."

Severance and Change of Control Agreements

Certain of our executive officers are entitled to certain severance benefits. For information regarding these arrangements, see the section "Executive Compensation—Potential Payments Upon Termination or Change of Control."

Stock Option Grants to Executive Officers and Directors

We have granted stock options to our executive officers and members of our board of directors. For more information regarding these awards, see the sections titled "Executive Compensation—Fiscal Year 2011 Summary Compensation Table," "Executive Compensation—Fiscal Year 2011 Grants of Plan-Based Awards," "Management—Summary of Director Compensation."

Indemnification Agreements with Executive Officers and Directors

We have entered into indemnification agreements with each of our directors and executive officers pursuant to which we have agreed to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims by reason of their being such a director or officer. Effective upon the completion of this offering, we will enter into an updated indemnification agreement with each of our directors and executive officers. These indemnification agreements and our post-offering memorandum and articles of association will indemnify each of our directors and officers to the fullest extent permitted by applicable Cayman Islands law.

Sales Representative Agreement with WT Microelectronics Co., Ltd.

We are a party to the Sales Representative Agreement dated January 31, 2011 with WT Microelectronics Co., Ltd., or WT, pursuant to which WT serves a non-exclusive sales representative of the company in all of Asia

other than Japan, which Sales Representative Agreement supersedes and terminates all prior agreements with WT. Wintech Microelectronics Holding Limited and its affiliates, which are related parties of WT Microelectronics Co., Ltd., own more than 5% of our ordinary shares (on an as-converted basis). We recognized revenue from WT of approximately $30.8 million, $59.9 million and $85.7 million for the fiscal years ended January 31, 2009, January 31, 2010 and January 31, 2011, respectively.

License Agreements with Cadence Design Systems, Inc.

Beginning in fiscal year 2008, we entered into several software license agreements with Cadence Design Systems, Inc., or Cadence. A member of our board of directors, Lip-Bu Tan, is also the Chief Executive Officer, President and director of Cadence. The board of directors has noted that Mr. Tan did not derive any direct or indirect material benefit from such agreements. We committed to pay $5.1 million payable in 17 quarterly payments through June 2011. We paid $1.3 million, $1.6 million and $0.9 million for the fiscal years ended January 31, 2009, 2010 and 2011, respectively. Operating lease expenses related to these agreements included in research and development cost were approximately $1.3 million, $1.8 million and $0.6 million for the fiscal years ended January 31, 2009, 2010, and 2011, respectively. In April 2011, we committed to pay $5.1 million for additional licenses payable in 12 quarterly payments through January 2014.

Policies and Procedures for Related Party Transactions

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

PRINCIPAL SHAREHOLDERS

The following table sets forth the beneficial ownership information of our ordinary shares at January 31, 2011, and as adjusted to reflect the sale of the ordinary shares in this offering, for:

- each of our named executive officers;
- each of our directors;
- all of our executive officers and directors as a group; and
- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our ordinary shares (on an as-converted basis).

The percentage ownership information shown in the table is based upon 90,510,832 ordinary shares outstanding as of January 31, 2011, assuming the conversion of all outstanding redeemable convertible preference shares. For percentage ownership information after the offering in the table we have assumed the issuance of ordinary shares in this offering and no exercise of the underwriters' over-allotment option.

We have determined beneficial ownership in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities. In addition, the rules include ordinary shares issuable pursuant to the exercise of stock options or warrants that are either immediately exercisable or exercisable on or before April 1, 2011, which is 60 days after January 31, 2011. These shares are deemed to be outstanding and beneficially owned by the person holding those stock options for the purpose of computing the percentage ownership of that person, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them, subject to applicable community property laws. Unless otherwise noted below, the address of the persons and entities listed on the table is c/o Ambarella, Inc., 2975 San Ysidro Way, Santa Clara, CA 95051.

	Shares Beneficially Owned Prior to the Offering		Shares Beneficially Owned After Offering	
Name of Beneficial Owner	Number	Percentage	Number	Percentage
5% Shareholders				
Benchmark Capital Partners IV, L.P.(1)	16,679,229	18.4%		
Entities affiliated with Walden International(2)	13,557,371	15.0%		
Matrix Partners VII, L.P.(3)	11,922,111	13.2%		
Wintech Microelectronics Holding Limited(4)	6,922,947	7.6%		
Executive Officers and Directors				
Feng-Ming ("Fermi") Wang(5)	6,791,666	7.5%		
Victor Lee(6)	1,232,125	1.4%		
Les Kohn(7)	6,828,331	7.5%		
Didier LeGall(8)	3,488,333	3.8%		
Christopher Day(9)	119,166	*		
Kenneth A. Goldman(10)	120,000	*		
Lip-Bu Tan(11)	13,657,371	15.1%		
Andrew W. Verhalen(12)	12,022,111	13.3%		
All executive officers and directors as a group (8 persons)(13)	44,375,378	47.3%		

* Represents beneficial ownership of less than 1% of our outstanding ordinary shares.

(1) Consists of 16,679,229 shares held by Benchmark Capital Partners IV, L.P., or BCP IV, as nominee for Benchmark Capital Partners IV, L.P., Benchmark Founders' Fund IV, L.P., Benchmark Founders' Fund IV-A, L.P., Benchmark Founders' Fund IV-B, L.P., Benchmark Founders' Fund IV-X, L.P. and related individuals, or the Benchmark Funds. Benchmark Capital

Management Co. IV, L.L.C., or BCMC IV, is the general partner of BCP IV. BCMC IV's managing members are Alexandre Balkanski, Bruce Dunlevie, J. William Gurley, Kevin Harvey, Robert Kagle and Steven Spurlock. These individuals may be deemed to have shared voting and investment power over the shares held by the Benchmark Funds. Each of these individuals disclaims beneficial ownership of such shares, except to the extent of such individual's pecuniary interest therein. BCP IV's address is c/o Benchmark Capital Partners, 2480 Sand Hill Road, Suite 200, Menlo Park, CA 94025.

(2) Consists of 12,690,188 shares held by Pacven Walden Ventures V, L.P.; 291,989 shares held by Pacven Walden Ventures Parallel V-A C.V.; 291,989 shares held by Pacven Walden Ventures Parallel V-B C.V.; 44,034 shares held by Pacven Walden Ventures V Associates Fund, L.P.; 239,171 shares held by Pacven Walden Venture V-QP Associates Fund, L.P. Mr. Lip-Bu Tan, a member of our board of directors, is the sole director of Pacven Walden Management V Co. Ltd., which is the general partner of Pacven Walden Ventures V, L.P., Pacven Walden Ventures Parallel V-A C.V., Pacven Walden Ventures Parallel V-B C.V., Pacven Walden Ventures V Associates Fund, L.P. and Pacven Walden Ventures V-QP Associates Fund, L.P., or Pacven V and affiliated funds. Mr. Tan, Mary Coleman, Brian Chiang, Hock Voon Loo and Andrew Kau hold shared voting and investment power with respect to the shares held by Pacven V and affiliated funds, all of whom disclaim beneficial ownership of these shares except to the extent of any pecuniary interest therein. The address for Walden International is One California Street, Suite 2800, San Francisco, CA 94111.

(3) Consists of 11,872,634 shares held by Matrix Partners VII, L.P. and 49,477 shares held by Weston & Co. VII LLC, as nominee. Andrew W. Verhalen, a member of our board of directors, is a Managing Member of Matrix VII Management Co., L.L.C., the general partner of Matrix Partners VII, L.P. Mr. Verhalen, by virtue of his management position in Matrix VII Management Co., L.L.C., has sole voting and dispositive power with respect to the shares held by Matrix Partners VII, L.P. Mr. Verhalen disclaims beneficial ownership of these shares, expect to the extent of his pecuniary interest in such shares. Weston & Co. VII LLC, or Weston, is nominee for certain beneficial owners. Mr. Verhalen is authorized by the sole member of Weston to take any action with respect to such shares as directed by the underlying beneficial owners, and Mr. Verhalen disclaims beneficial ownership of these shares. Mr. Verhalen does not have sole or shared voting or investment control with respect to any of the shares held by Weston. The address for Matrix Partners, VII, L.P. is Bay Colony Corporate Center, 1000 Winter Street, Suite 4500, Waltham, MA 02451.

(4) The address of this entity is 14F, No. 738, Chung Cheng Rd., Chung Ho City, Taipei Hsien, Taiwan, R.O.C.

(5) Includes 591,666 shares that may be acquired pursuant to stock options exercisable within 60 days of January 31, 2011.

(6) Includes 327,776 shares that may be acquired pursuant to stock options exercisable within 60 days of January 31, 2011. Mr. Lee served as our Chief Financial Officer until March 2011.

(7) Includes 428,331 shares that may be acquired pursuant to stock options exercisable within 60 days of January 31, 2011.

(8) Includes 488,333 shares that may be acquired pursuant to stock options exercisable within 60 days of January 31, 2011.

(9) Includes 119,166 shares that may be acquired pursuant to stock options exercisable within 60 days of January 31, 2011

(10) Includes 120,000 shares that may be acquired pursuant to stock options exercisable within 60 days of January 31, 2011.

(11) Includes (i) 100,000 shares that may be acquired pursuant to stock options exercisable within 60 days of January 31, 2011 and (ii) 13,557,371 shares held by Pacven V and affiliated funds. Mr. Tan disclaims beneficial ownership of any shares held by Pacven V and affiliated funds except to the extent of any pecuniary interest therein.

(12) Includes (i) 100,000 shares that may be acquired pursuant to stock options exercisable within 60 days of January 31, 2011; (ii) 11,872,634 shares held by Matrix Partners VII, L.P.; and (iii) 49,477 shares held by Weston & Co. VII LLC. Mr. Verhalen disclaims beneficial ownership of any shares held by Matrix Partners VII, L.P. and Weston & Co. VII LLC except to the extent of any pecuniary interest therein.

(13) Includes 3,295,896 shares that may be acquired by the current directors and executive officers pursuant to stock options exercisable within 60 days of January 31, 2011.

DESCRIPTION OF SHARE CAPITAL

General

In January 2004, we were organized as an exempted company with limited liability under the laws of the Cayman Islands. As such, our affairs are governed by our amended and restated memorandum and articles of association and the Companies Law and the common law of the Cayman Islands.

Upon the filing of our post-offering amended and restated memorandum and articles of association immediately prior to the closing of this offering, our authorized share capital will consist of ordinary shares, $0.0001 par value per share, and preference shares, $0.0001 par value per share.

As of January 31, 2011, there were 90,510,832 ordinary shares outstanding, assuming the conversion of all outstanding Series A redeemable convertible preference shares, Series B redeemable convertible preference shares and Series C redeemable convertible preference shares immediately prior to the completion of this offering. As of January 31, 2011, assuming the conversion of all such outstanding redeemable convertible preference shares into ordinary shares immediately prior to the completion of this offering, we had approximately 220 shareholders of record.

As of January 31, 2011, there were 17,194,147 ordinary shares subject to outstanding options and 163,317 ordinary shares subject to outstanding warrants, assuming the conversion of all of our outstanding warrants to purchase redeemable convertible preference shares into warrants to purchase ordinary shares upon the completion of this offering.

The following is a summary of the most important terms of our share capital. Because it is only a summary, it does not contain all the information that may be important to you. For a complete description you should refer to our post-offering amended and restated memorandum and articles of association, which is filed as Exhibit 3.2 to the registration statement of which the prospectus is a part, and the applicable provisions of the Companies Law of the Cayman Islands.

Ordinary Shares

Voting Rights

Each holder of our ordinary shares is entitled to one vote for each ordinary share held on all matters submitted to a vote of the shareholders, including the election of directors. Our post-offering amended and restated memorandum and articles of association shareholders do not provide for cumulative voting rights including in respect of the election of directors. Accordingly, holders of a majority of the ordinary shares eligible to vote in any election of directors can elect all of the directors standing for election, if they should so choose.

Dividend Rights

Subject to preferences that may be applicable to any then outstanding preference shares, holders of our ordinary shares are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds.

Variation of Rights of Shares

All or any of the special rights attached to any class of our shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time be varied with the sanction of an ordinary resolution passed at a separate general meeting of the holders of the shares of that class.

Liquidation

In the event of our liquidation, dissolution or winding up, holders of our ordinary shares will be entitled to share ratably in the net assets legally available for distribution to shareholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then outstanding shares of preference shares.

Other Rights and Preferences

Holders of our ordinary shares have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to our ordinary shares. The rights, preferences and privileges of the holders of our ordinary shares are subject to and may be adversely affected by, the rights of the holders of any series of our preference shares that we may designate and issue in the future.

Preference Shares

Immediately prior to the completion of this offering, all outstanding redeemable convertible preference shares will be converted into ordinary shares and our amended and restated memorandum and articles of association will be amended and restated to delete all references to such redeemable convertible preference shares. See Note 7 to our audited consolidated financial statements for a description of the currently outstanding redeemable convertible preference shares. Under our post-offering amended and restated memorandum and articles of association, our board of directors will have the authority, without further action by the shareholders, to issue up to preference shares in one or more series, to establish from time to time the number of shares to be included in each such series, to fix the rights, preferences and privileges of the shares of each wholly unissued series and any qualifications, limitations or restrictions thereon, and to increase or decrease the number of shares of any such series, but not below the number of shares of such series then outstanding.

Our board of directors may authorize the issuance of preference shares with voting or conversion rights that could adversely affect the voting power or other rights of the holders of the ordinary shares. The issuance of preference shares, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in our control and may adversely affect the market price of the ordinary shares and the voting and other rights of the holders of ordinary shares. We have no current plans to issue any shares of preference shares.

Warrants

As of January 31, 2011, warrants exercisable for 163,317 redeemable convertible preference shares at an exercise price of $0.796 per share were outstanding. These warrants are immediately exercisable and expire in December 2014. Upon the completion of this offering, these warrants will convert into warrants to purchase 163,317 ordinary shares. These warrants also contain provisions for the adjustment of exercise price and the aggregate number of shares issuable upon the exercise of the warrant in the event of capitalizations, subdivisions and consolidations.

Registration Rights

Under our amended and restated investors' rights agreement, following the completion of this offering, we expect that the holders of 55,369,973 ordinary shares, including shares to be issued upon the conversion of the redeemable convertible preference shares and upon the exercise of warrants to purchase redeemable convertible preference shares, will have the right to require us to register their shares with the Securities and Exchange Commission so that those shares may be publicly resold, or to include their shares in any registration statement we file, in each case as described below. As applicable, we refer to these shares collectively as registrable securities.

Demand Registration Rights

At any time, other than during the 180-day period following the completion of this offering the holders of the registrable securities may demand that we effect a registration under the Securities Act covering the public offering and sale of all or part of the registrable securities held by such shareholders, provided that the value of the registrable securities that such holders propose to sell in such offering, net of any underwriters' discounts or commissions, is at least $10,000,000. Upon any such demand we must use our commercially reasonable efforts to effect the registration of the registrable securities which we have been requested to register, together with all other registrable securities that we may have been requested to register by other shareholders joining in such request. We are obligated to initiate up to two registrations in response to these demand registration rights for the holders of the registrable securities. These registration rights are subject to specified exceptions, conditions and limitations, including the right of the underwriters of such registration, if any, to limit the number of shares included in any such registration under certain circumstances. Depending on certain conditions, we may defer such registration for up to 90 days and up to two times in any 12-month period.

"Piggyback" Registration Rights

If we register any securities for public sale, then, upon written request, we must use our commercially efforts to include in such registration statement the shares of the holders of registrable securities specified in such written request, subject to certain exceptions including any shareholder-initiated demand registration, any request for Form S-3 registration, a registration relating to solely to employee benefit plans and certain other registrations. The underwriters of any underwritten offering will have the right to limit the number of registrable securities to be included in the registration statement on a pro rata basis, subject to certain restrictions.

Form S-3 Registration Rights

At any time after we are qualified to file a registration statement on Form S-3, holders of the registrable securities may demand that we file a registration statement for such shareholders on Form S-3 so long as the aggregate offering price of securities to be sold under the registration statement on Form S-3 is at least $5,000,000. We are obligated to file up to two registration statements on Form S-3 in any 12-month period. These registration rights are subject to specified exceptions, conditions and limitations, including the right of the underwriters of such registration, if any, to limit the number of shares included in any such registration under certain circumstances. Depending on certain conditions, we may defer such registration for up to 90 days and up to two times in any 12-month period.

Differences in Corporate Law

The Companies Law is modeled after similar laws in the United Kingdom and differs from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Law applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements

Mergers and Similar Arrangements. In certain circumstances the Cayman Islands Companies Law allows for mergers or consolidations between two Cayman Islands companies, or between a Cayman Islands company and a company incorporated in another jurisdiction (provided that is facilitated by the laws of that other jurisdiction).

Where the merger or consolidation is between two Cayman Islands companies, the directors of each company must approve a written plan of merger or consolidation containing certain prescribed information. That plan of merger or consolidation must then be authorized by either (i) a special resolution of the shareholders of each company voting together as one class if the shares to be issued to each shareholder in the consolidated or

surviving company will have the same rights and economic value as the shares held in the relevant constituent company, (ii) a shareholder resolution of each company passed by a majority in number representing 75% in value of the shareholders voting together as one class or (iii) such other authorization, if any, as may be specified in such constituent company's articles of association. A shareholder has the right to vote on a merger or consolidation regardless of whether the shares that such shareholder holds otherwise gives such shareholder voting rights. No shareholder resolution is required for a merger between a parent company (i.e., a company that owns issued shares that together represent at least 90% of the votes at a general meeting of a subsidiary company) and its subsidiary company, if a copy of the plan of merger is given to every member of the subsidiary company, unless the member agrees otherwise. The consent of each holder of a fixed or floating security interest of a constituent company must be obtained, unless the court waives such requirement. If the Cayman Islands Registrar of Companies is satisfied that the requirements of the Companies Law (which includes certain other formalities) have been complied with, the Registrar of Companies will register the plan of merger or consolidation.

Where the merger or consolidation involves an overseas company, the procedure is similar, except that with respect to the overseas company, the director of the Cayman Islands company is required to make a declaration to the effect that, having made due inquiry, such director is of the opinion that the requirements set out below have been met: (i) that the merger or consolidation is permitted or not prohibited by the constitutional documents of the overseas company and by the laws of the jurisdiction in which the overseas company is existing, and that those laws and any requirements of those constitutional documents have been or will be complied with; (ii) that no petition or other similar proceeding has been filed and remains outstanding or order made or resolution adopted to wind up or liquidate the overseas company in the jurisdiction in which the overseas company is existing; (iii) that no receiver, trustee, administrator or other similar person has been appointed in any jurisdiction and is acting in respect of the overseas company, its affairs or its property or any part thereof; (iv) that no scheme, order, compromise or other similar arrangement has been entered into or made in any jurisdiction whereby the rights of creditors of the overseas company are and continue to be suspended or restricted; and (v) there are no other reasons why it would be against the public interest to allow the merger or consolidation.

Where the surviving company is the Cayman Islands company, the director of the Cayman Islands company is further required to make a declaration to the effect that, having made due inquiry, such director is of the opinion that the requirements set out below have been met: (i) that the overseas company is able to pay its debts as they fall due and that the merger or consolidated is bona fide and not intended to defraud unsecured creditors of the overseas company; (ii) that in respect of the transfer of any security interest granted by the overseas company to the surviving or consolidated company (a) consent or approval to the transfer has been obtained, released or waived, (b) the transfer is permitted by and has been approved in accordance with the constitutional documents of the overseas company, and (c) the laws of the jurisdiction of the overseas company with respect to the transfer have been or will be complied with; (iii) that the overseas company will, upon the merger or consolidation becoming effective, cease to be incorporated, registered or exist under the laws of the relevant foreign jurisdiction; and (iv) that there is no other reason why it would be against the public interest to permit the merger or consolidation.

Where the above procedures are adopted, the Companies Law provides for a right of dissenting shareholders to be paid a payment of the fair value of his shares upon their dissenting to the merger or consolidation if they follow a prescribed procedure. In essence, that procedure is as follows: (i) the shareholder must give his written objection to the merger or consolidation to the constituent company before the vote on the merger or consolidation, including a statement that the shareholder proposes to demand payment for his shares if the merger or consolidation is authorized by the vote; (ii) within 20 days following the date on which the merger or consolidation is approved by the shareholders, the constituent company must give written notice to each shareholder who made a written objection; (iii) a shareholder must within 20 days following receipt of such notice from the constituent company, give the constituent company a written notice of his intention to dissent including, among other details, a demand for payment of the fair value of his shares; (iv) within seven days following the date of the expiration of the period set out in clause (ii) above or seven days following the date on

which the plan of merger or consolidation is filed, whichever is later, the constituent company, the surviving company or the consolidated company must make a written offer to each dissenting shareholder to purchase his shares at a price that the company determines is the fair value and if the company and the shareholder agree the price within 30 days following the date on which the offer was made, the company must pay the shareholder such amount; and (v) if the company and the shareholder fail to agree a price within such 30-day period, within 20 days following the date on which such 30-day period expires, the company (and any dissenting shareholder) must file a petition with the Cayman Islands Grand Court to determine the fair value and such petition must be accompanied by a list of the names and addresses of the dissenting shareholders with whom agreements as to the fair value of their shares have not been reached by the company. At the hearing of that petition, the court has the power to determine the fair value of the shares together with a fair rate of interest, if any, to be paid by the company upon the amount determined to be the fair value. Any dissenting shareholder whose name appears on the list filed by the company may participate fully in all proceedings until the determination of fair value is reached. These rights of a dissenting shareholder are not be available in certain circumstances, for example, to dissenters holding shares of any class in respect of which an open market exists on a recognized stock exchange or recognized interdealer quotation system at the relevant date or where the consideration for such shares to be contributed are shares of any company listed on a national securities exchange or shares of the surviving or consolidated company.

Moreover, Cayman Islands law also has separate statutory provisions that facilitate the reconstruction or amalgamation of companies in certain circumstances, schemes of arrangement will generally be more suited for complex mergers or other transactions involving widely held companies, commonly referred to in the Cayman Islands as a “scheme of arrangement” which may be tantamount to a merger. In the event that a merger was sought pursuant to a scheme of arrangement (the procedure of which are more rigorous and take longer to complete than the procedures typically required to consummate a merger in the United States), the arrangement in question must be approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made and who must in addition represent 3/4 in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meeting summoned for that purpose. The convening of the meetings and subsequently the terms of the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder would have the right to express to the court the view that the transaction should not be approved, the court can be expected to approve the arrangement if it satisfies itself that:

- we are not proposing to act illegally or beyond the scope of our corporate authority and the statutory provisions as to majority vote have been complied with;
- the shareholders have been fairly represented at the meeting in question;
- the arrangement is such as a businessperson would reasonably approve; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Law or that would amount to a “fraud on the minority.”

If a scheme of arrangement or takeover offer (as described below) is approved, any dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of United States corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Squeeze-out Provisions. When a takeover offer is made and accepted by holders of 90% of the shares to whom the offer is made within four months, the offeror may, within a two-month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed unless there is evidence of fraud, bad faith, collusion or inequitable treatment of the shareholders.

Further, transactions similar to a merger, reconstruction and/or an amalgamation may in some circumstances be achieved through other means to these statutory provisions, such as a share capital exchange, asset acquisition or control, through contractual arrangements, of an operating business.

Shareholders' Suits

Shareholders' Suits. Our Cayman Islands counsel is not aware of any reported class action having been brought in a Cayman Islands court. Derivative actions have been brought in the Cayman Islands courts, and the Cayman Islands courts have confirmed their availability. In principle, we will normally be the proper plaintiff and a claim against, for example, our officers or directors usually may not be brought by a shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority and be applied by a court in the Cayman Islands, exceptions to the foregoing principle apply in circumstances in which:

- a company is acting or proposing to act illegally or beyond the scope of its authority;
- the act complained of, although not beyond the scope of the authority, could be effected if duly authorized by more than the number of votes which have actually been obtained; or
- those who control the company are perpetrating a "fraud on the minority."

A shareholder may have a direct right of action against us where the individual rights of that shareholder have been infringed or are about to be infringed.

Indemnification. The Companies Law of the Cayman Islands does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our amended and restated memorandum and articles of association provides for indemnification of officers and directors for losses, damages, costs and expenses incurred in their capacities as such, except through their own actual fraud or willful default.

Corporate Governance

Cayman Islands law does not restrict transactions with directors, requiring only that directors exercise a duty of care and owe a fiduciary duty to the companies for which they serve. Under our amended and restated memorandum and articles of association, subject to any separate requirement for audit committee approval under the applicable rules of or unless disqualified by the chairman of the relevant board meeting, so long as a director discloses the nature of such director's interest in any contract or arrangement which such director is interested in, such a director may vote in respect of any contract or proposed contract or arrangement in which such director is interested and may be counted in the quorum at such meeting.

Transfer Agent and Register

The transfer agent and registrar for our ordinary shares will be after the completion of this offering.

Stock Exchange Listing

We expect to apply to have our ordinary shares listed on under the symbol " ."

SHARES ELIGIBLE FOR FUTURE SALE

Immediately prior to this offering, there has been no public market for our ordinary shares. Future sales of substantial amounts of our ordinary shares in the public market could adversely affect prevailing market prices. Furthermore, since only a limited number of shares will be available for sale shortly after this offering because of contractual and legal restrictions on resale described below, sales of substantial amounts of ordinary shares in the public market after the restrictions lapse could adversely affect the prevailing market price for our ordinary shares, as well as our ability to raise equity capital in the future.

Upon the closing of this offering, a total of ordinary shares will be outstanding, assuming that there are no exercises of options or warrants after January 31, 2011. Of these shares, all ordinary shares sold in this offering by us, plus any shares sold upon exercise of the underwriters' over-allotment option, will be freely tradable in the public market without restriction or further registration under the Securities Act, unless these shares are held by "affiliates," as that term is defined in Rule 144 under the Securities Act.

The remaining ordinary shares will be "restricted securities," as that term is defined in Rule 144 under the Securities Act. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rules 144 or 701 under the Securities Act, which are summarized below.

Subject to the lock-up agreements described below and the provisions of Rules 144 and 701 under the Securities Act, these restricted securities will be available for sale in the public market as follows:

- no shares will be eligible for sale prior to 180 days after the date of this prospectus;
- shares will be eligible for sale upon the expiration of the lock-up agreements, described below, beginning 180 days after the date of this prospectus and when permitted under Rule 144 or 701; and
- shares will be eligible for sale upon the exercise of vested options 180 days after the date of this prospectus.

In addition, of the 17,194,147 ordinary shares that were subject to stock options outstanding as of January 31, 2011, options to purchase 6,604,680 ordinary shares were vested as of January 31, 2011 and, upon their exercise, would be eligible for sale 180 days following the completion of this offering subject to lock-up agreements described below.

Rule 144

In general, under Rule 144 as currently in effect, once we have been subject to public company reporting requirements for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates, is entitled to sell such shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then such person is entitled to sell such shares without complying with any of the requirements of Rule 144.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell upon expiration of the lock-up agreements described below, within any three-month period beginning 90 days after the date of this prospectus, a number of shares that does not exceed the greater of:

- 1% of the number of ordinary shares then outstanding, which will equal approximately shares immediately after this offering; or
- the average weekly trading volume of the ordinary shares during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

Rule 701 generally allows a shareholder who purchased our ordinary shares pursuant to a written compensatory plan or contract, and who is not deemed to have been an affiliate of our company during the immediately preceding 90 days, to sell these shares in reliance upon Rule 144, but without being required to comply with the public information, holding period, volume limitation or notice provisions of Rule 144. Rule 701 also permits affiliates of our company to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are required to wait until 90 days after the date of this prospectus before selling such shares pursuant to Rule 701.

As of January 31, 2011, 23,304,176 ordinary shares had been issued in reliance on Rule 701 as a result of exercises of stock options and stock awards. These shares will be eligible for resale in reliance on this rule upon expiration of the lockup agreements described below.

Registration Rights

Upon the completion of this offering, we expect that holders of 55,369,973 ordinary shares will be entitled to rights with respect to the registration of their shares under the Securities Act, subject to the lock-up arrangement described below. Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act (except for shares held by affiliates) immediately upon the effectiveness of this registration. Any sales of securities by these shareholders could have a material adverse effect on the trading price of our ordinary shares. For a discussion of these rights, see the section titled “Description of Share Capital—Registration Rights.”

Equity Incentive Plans

We intend to file with the SEC a registration statement on Form S-8 under the Securities Act covering our ordinary shares reserved for issuance under the 2004 Stock Plan, the 2011 Equity Incentive Plan and the 2011 Employee Stock Purchase Plan. The registration statement is expected to be filed and become effective as soon as practicable after the closing of this offering. Accordingly, shares registered under the registration statement on Form S-8 will be available for sale in the open market following its effective date, subject to the lock-up arrangements described below, if applicable.

Lock-Up Agreements

We, our directors and officers and the holders of substantially all of our ordinary shares have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and Deutsche Bank Securities Inc. on behalf of the underwriters, we and they will not, during the period ending 180 days, subject to a possible extension under certain circumstances, after the date of this prospectus:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or any other securities convertible into or exercisable or exchangeable for ordinary shares;
- in the case of us, file any registration statement with the SEC relating to the offering of any ordinary shares or any securities convertible into or exercisable or exchangeable for ordinary shares; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the ordinary shares,

whether any such transaction described above is to be settled by delivery of ordinary shares or such other securities, in cash or otherwise. These agreements are described below in the section titled “Underwriters.”

TAXATION

The following discussion of the material Cayman Islands and U.S. federal income tax consequences of an investment in our ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this prospectus, all of which are subject to change, possibly with retroactive effect. This discussion does not deal with all possible tax consequences relating to an investment in our ordinary shares, such as the tax consequences under state, local and other tax laws. To the extent the discussion relates to matters of U.S. federal income tax law, and subject to the qualifications herein, it represents the opinion of Wilson Sonsini Goodrich & Rosati, Professional Corporation, our U.S. counsel.

Cayman Islands Taxation

Prospective investors should consult their professional advisors on the possible tax consequences of buying, holding or selling any ordinary shares under the laws of their country of citizenship, residence or domicile.

The following is a discussion on certain Cayman Islands income tax consequences of an investment in ordinary shares. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

No stamp duty, capital duty, registration or other issue or documentary taxes are payable in the Cayman Islands on the creation, issuance or delivery of ordinary shares. The Cayman Islands currently have no form of income, corporate or capital gains tax and no estate duty, inheritance tax or gift tax. There are currently no Cayman Islands' taxes or duties of any nature on gains realized on a sale, exchange, conversion, transfer or redemption of ordinary shares. Payments of dividends and capital in respect of ordinary shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal or a dividend or capital to any holder of ordinary shares, nor will gains derived from the disposal of ordinary shares be subject to Cayman Islands income or corporation tax as the Cayman Islands currently have no form of income or corporation taxes.

We have been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, have applied for and obtained an undertaking from the Governor of the Cayman Islands that no law enacted in the Cayman Islands during the period of 20 years from the date of the undertaking imposing any tax to be levied on profits, income, gains or appreciation shall apply to us or our operations and no such tax or any tax in the nature of estate duty or inheritance tax shall be payable (directly or by way of withholding) on ordinary shares, debentures or other obligations of ours.

U.S. Federal Income Taxation

The following are certain material U.S. federal income tax considerations relating to the ownership and disposition of our ordinary shares applicable to "U.S. Holders" (defined below). This discussion is not a comprehensive description of all U.S. federal income tax considerations that may be relevant to an investment in our ordinary shares. In addition, this discussion does not address any aspect of U.S. federal gift or estate tax, or the state, local or non-U.S. tax consequences of an investment in our ordinary shares.

This discussion applies to you only if you are a purchaser of ordinary shares in this offering and you hold and beneficially own ordinary shares as capital assets (generally property held for investment) for tax purposes. This discussion does not apply to you if you are a member of a class of holders subject to special rules, such as:

- dealers in securities;
- traders in securities that elect to use a mark-to-market method of accounting for securities holdings;
- certain financial institutions;

- insurance companies;
- regulated investment companies or real estate investment trusts;
- persons who have ceased to be U.S. citizens or to be taxed as resident aliens;
- tax-exempt organizations;
- partnerships and other entities treated as partnerships for U.S. federal income tax purposes or persons holding ordinary shares through any such entities;
- persons that hold ordinary shares as part of a hedge, straddle, constructive sale, conversion transaction or other integrated investment;
- U.S. Holders, as defined below, whose functional currency for tax purposes is not the U.S. dollar;
- persons who acquired shares pursuant to the exercise of any employee share option or otherwise as compensation;
- persons liable for alternative minimum tax; or
- persons who own or are deemed to own in the aggregate 10% or more of the voting power of our voting shares.

This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), its legislative history, existing and proposed regulations promulgated thereunder, published rulings and court decisions, all as of the date hereof. These laws are subject to change, possibly on a retroactive basis. In addition, the discussion below related to the PFIC rules relies on our assumptions regarding the projected value of our assets and the nature of our business.

There is currently no comprehensive tax treaty between the United States and the Cayman Islands.

You should consult your own tax advisor concerning the particular U.S. federal income tax consequences to you of the purchase, ownership and disposition of ordinary shares, as well as the consequences to you arising under the laws of any other taxing jurisdiction.

For purposes of this discussion, you are a "U.S. Holder" if you beneficially own ordinary shares and are for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or entity taxable as a corporation, that was created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) the trust has a valid election in effect to be treated as a U.S. person.

For U.S. federal income tax purposes, income earned through a U.S. or non-U.S. partnership or other flow-through entity is attributed to its owners. Accordingly, if a partnership or other flow-through entity holds ordinary shares, the tax treatment of the holder will generally depend on the status of the partner or other owner and the activities of the partnership or other flow-through entity. Partnerships that hold our ordinary shares, and partners in such partnerships, should consult their tax advisors.

Dividends on Ordinary Shares

We do not anticipate paying cash dividends on ordinary shares in the foreseeable future. See the section of this prospectus titled "Dividend Policy."

Subject to the discussion under the heading "PFIC" below, if we do make distributions and you are a U.S. Holder, the gross amount of any distributions you receive on your ordinary shares will generally be treated as foreign-source dividend income, but only to the extent of our current and accumulated earnings and profits, calculated according to U.S. federal income tax principles. Dividends (including withheld taxes, if any) will be subject to U.S. federal income tax as ordinary income on the day you actually or constructively receive such income. We do not intend to calculate our earnings and profits according to U.S. tax accounting principles. Accordingly, distributions on our stock, if any, will generally be reported to you as dividend distributions for U.S. tax purposes. If you are a corporation, you will not be entitled to claim the dividends-received deduction with respect to distributions you receive from us.

If you are a non-corporate holder and meet certain holding period requirements, dividend distributions on our ordinary shares generally will constitute qualified dividend income for taxable years beginning before January 1, 2013 under current law taxable at a preferential rate (generally 15%) as long as (1) our ordinary shares are readily tradable on the ; and (2) we are neither a PFIC nor treated as such with regard to you (as discussed below) for the taxable year in which the dividend was paid and the preceding taxable year. You should consult your own tax advisor as to the rate of tax that will apply to you with respect to dividend distributions, if any, you receive from us.

Sales and Other Dispositions of Ordinary Shares

Subject to the discussion under the heading "PFIC" below, when you sell or otherwise dispose of ordinary shares, you will generally recognize U.S. source capital gain or loss in an amount equal to the difference between the amount realized on the sale or other disposition and your tax basis in your ordinary shares. Your tax basis will generally equal the amount you paid for the ordinary shares. Any gain or loss you recognize will be long-term capital gain or loss if you have held the ordinary shares for more than one year at the time of disposition. If you are a non-corporate holder, any such long-term capital gain will generally be taxed at preferential rates (under current law up to a maximum of 15% for taxable years beginning before January 1, 2013). Your ability to deduct capital losses may be subject to various limitations.

PFIC

We will be classified as a PFIC for U.S. federal income tax purposes in any taxable year if either: (i) 75% or more of our gross income for the taxable year is passive income (such as certain dividends, interest or royalties) or (ii) the percentage value of our gross assets (based on an average of the quarterly values of the assets) during the taxable year that produce passive income or are held for the production of passive income is at least 50% of the value of our total assets. For purposes of the asset test, any cash, including any cash proceeds from this offering not invested in active assets shortly after this offering, cash equivalents and cash invested in short-term, interest bearing, debt instruments, or bank deposits, that is readily convertible into cash, will generally count as a passive asset. If we own at least 25% (by value) of the stock of another corporation, we will be treated, for purposes of the PFIC tests, as owning our proportionate share of the other corporation's assets and receiving our proportionate share of the other corporation's income.

We are a developer of semiconductor processing solutions for video and do not expect to be a PFIC for the 2011 taxable year or the foreseeable future. Our expectation is based on our projections of the composition of our income and the value of our assets, which is determined in part on the expected trading price of our ordinary shares. Despite our expectation, there can be no assurance that we will not be a PFIC for any taxable year, as PFIC status is determined each year and depends on the actual facts in such year. We could become a PFIC, for example, if our business and assets evolve in ways that are different from what we currently anticipate. *Our U.S. counsel expresses no opinion with respect to our expectations contained in this paragraph.*

If we are a PFIC for any taxable year during which you hold ordinary shares, we generally will continue to be treated as a PFIC with respect to you for all succeeding years during which you hold ordinary shares, unless we cease to be a PFIC and you make a "deemed sale" election with respect to the ordinary shares. If such

election is made, you will be deemed to have sold ordinary shares you hold at their fair market value on the last day of the last taxable year in which we qualified as a PFIC, and any gain from such deemed sale would be subject to the consequences described in the following two paragraphs. After the deemed sale election, your ordinary shares with respect to which the deemed sale election was made will not be treated as shares in a PFIC unless we subsequently become a PFIC.

If we are a PFIC in any taxable year, unless you make the market-to-market election described below, you will generally be subject to additional taxes and interest charges on certain "excess" distributions you receive and on any gain realized on the disposition or deemed disposition of your ordinary shares regardless of whether we continue to be a PFIC in the year in which you receive an "excess" distribution or dispose of or are deemed to dispose of your ordinary shares. Distributions in respect of your ordinary shares during the taxable year will generally constitute "excess" distributions if, in the aggregate, they exceed 125% of the average amount of distributions in respect of your ordinary shares over the three preceding taxable years or, if shorter, the portion of your holding period before such taxable year.

To compute the tax on "excess" distributions or any gain, (i) the "excess" distribution or the gain will be allocated ratably to each day in your holding period; (ii) the amount allocated to the current year and any tax year before we became a PFIC will be taxed as ordinary income in the current year; (iii) the amount allocated to other taxable years will be taxable at the highest applicable marginal rate in effect for each such year (for individuals or corporations, as applicable); and (iv) an interest charge at the rate for underpayment of taxes will be imposed with respect to the tax on any portion of the "excess" distribution or gain described under (iii) above that is allocated to such other taxable years. The tax liability for amounts allocated to taxable years prior to the year of disposition or excess distribution cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale or other disposition of the ordinary shares cannot be treated as capital, even if you hold the ordinary shares as capital assets. In addition, if we are a PFIC or, with respect to a particular U.S. Holder, we are treated as a PFIC for the taxable year in which the distribution was paid or the prior taxable year, no distribution that you receive from us will qualify for taxation at the preferential rate for non-corporate holders discussed in "Dividends on Ordinary Shares" above.

If we are treated as a PFIC with respect to you for any taxable year, to the extent any of our subsidiaries are also PFICs or we make direct or indirect equity investments in other entities that are PFICs, you may be deemed to own shares in such lower-tier PFICs that are directly or indirectly owned by us in that proportion which the value of the ordinary shares you own bears to the value of all of our ordinary shares, and you may be subject to the adverse tax consequences described in the preceding two paragraphs with respect to the shares of such lower-tier PFICs that you would be deemed to own. You should consult with your own tax advisor regarding the application of the PFIC rules to any of our subsidiaries.

If we are a PFIC in any such year, you will be able to avoid the rules described above if the ordinary shares are "marketable" and you make a timely "mark-to-market" election with respect to your ordinary shares. The ordinary shares will be "marketable" as long as they remain regularly traded on a national securities exchange, such as the . If you make this election in a timely fashion, you will generally recognize as ordinary income or ordinary loss the difference between the fair market value of your ordinary shares on the last day of any taxable year and your adjusted tax basis in the ordinary shares. Any ordinary income resulting from this election will generally be taxed at ordinary income rates. Any ordinary losses will be deductible only to the extent of the net amount of previously included income as a result of the mark-to-market election, if any. Your adjusted tax basis in the ordinary shares will be adjusted to reflect any such income or loss. If you make a mark-to-market election, any distributions we make would generally be subject to the rules discussed above under "—Dividends on Ordinary Shares," except the lower rate applicable to qualified dividend income would not apply. Because a mark-to-market election cannot be made for equity interests in any lower-tier PFICs that we own, a U.S. Holder may continue to be subject to the PFIC rules with respect to its indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes. You should consult with your own tax advisor regarding potential advantages and disadvantages to you of making a "mark-to-market" election with respect to your ordinary shares.

Alternatively, the "excess distribution" rules described above may generally be avoided by electing to treat us as a "Qualified Electing Fund," or QEF, under Section 1295 of the Internal Revenue Code of 1986, as amended. A QEF election is available only if the U.S. Holder receives an annual information statement from the PFIC setting forth its ordinary earnings and net capital gains, as calculated for U.S. federal income tax purposes. We will not provide you with the information statement necessary to make a QEF election. Accordingly, you will not be able to make such an election with respect to your ordinary shares.

Unless otherwise provided by the U.S. Treasury, each U.S. holder of a PFIC is required to file an annual report containing such information as the U.S. Treasury may require. If we are or become a PFIC, you should consult with your own tax advisor regarding reporting requirements with regard to your ordinary shares.

U.S. Information Reporting and Backup Withholding Rules

In general, dividend payments with respect to the ordinary shares and the proceeds received on the sale or other disposition of those ordinary shares may be subject to information reporting to the IRS, and to backup withholding (currently imposed at a rate of 28%). Backup withholding will not apply, however, if you (i) come within certain exempt categories and, if required, can demonstrate that fact or (ii) provide a taxpayer identification number, certify as to no loss of exemption from backup withholding and otherwise comply with the applicable backup withholding rules. To establish your status as an exempt person, you will generally be required to provide certification on IRS Form W-9. Any amounts withheld from payments to you under the backup withholding rules will be allowed as a refund or a credit against your U.S. federal income tax liability, provided that you timely furnish the required information to the IRS.

Additional Reporting Requirements

Certain U.S. Holders who are individuals are required to report information relating to an interest in our ordinary shares, subject to certain exceptions (including an exception for ordinary shares held in accounts maintained by certain financial institutions). U.S. Holders should consult their tax advisors regarding the effect, if any, of these rules on their ownership and disposition of the ordinary shares

PROSPECTIVE PURCHASERS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY ADDITIONAL TAX CONSEQUENCES RESULTING FROM PURCHASING, HOLDING OR DISPOSING OF ORDINARY SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF THE TAX LAWS OF ANY STATE, LOCAL OR FOREIGN JURISDICTION, INCLUDING ESTATE, GIFT AND INHERITANCE LAWS.

UNDERWRITERS

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC and Deutsche Bank Securities Inc. are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of ordinary shares indicated below:

Name	Number of Shares
Morgan Stanley & Co. LLC	
Deutsche Bank Securities Inc.	
Stifel, Nicolaus & Company, Incorporated	
Needham & Company, LLC	
Total	

The underwriters and the representatives are collectively referred to as the "underwriters" and the "representatives," respectively. The underwriters are offering the ordinary shares subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the ordinary shares offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the ordinary shares offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the ordinary shares covered by the underwriters' over-allotment option described below.

The underwriters initially propose to offer part of the ordinary shares directly to the public at the public offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of $ a share under the public offering price. After the initial offering of the ordinary shares, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to an aggregate of additional ordinary shares at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the ordinary shares offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional ordinary shares as the number listed next to the underwriter's name in the preceding table bears to the total number of ordinary shares listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional ordinary shares.

		Total	
	Per Share	No Exercise	Full Exercise
Public offering price	$	$	$
Underwriting discounts and commissions to be paid by us	$	$	$
Proceeds, before expenses, to us	$	$	$

The estimated offering expenses payable by us, in addition to the underwriting discounts and commissions, are approximately $ million, which includes legal, accounting and printing costs and various other fees associated with registering and listing our ordinary shares.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed five percent of the total number of ordinary shares offered by them.

Our ordinary shares have been approved for listing on the under the trading symbol “ .”

We, our directors and officers and the holders of substantially all of our outstanding ordinary shares have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and Deutsche Bank Securities Inc. on behalf of the underwriters, we and they will not, during the period ending 180 days after the date of this prospectus:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or any securities convertible into or exercisable or exchangeable for ordinary shares;
- in the case of us, file any registration statement with the Securities and Exchange Commission relating to the offering of any ordinary shares or any securities convertible into or exercisable or exchangeable for ordinary shares; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the ordinary shares,

whether any such transaction described above is to be settled by delivery of ordinary shares or such other securities, in cash or otherwise.

The restrictions described in the preceding paragraph do not apply to:

- the sale of ordinary shares to the underwriters;
- the issuance by us of ordinary shares upon the exercise of an option or a warrant or the conversion of a security outstanding on the date of this prospectus of which the underwriters have been advised in writing;
- transactions by a director, officer or shareholder relating to the ordinary shares or other securities acquired in open market transactions after the completion of the offering of the ordinary shares, provided that no filing under Section 16(a) of the Securities Exchange Act of 1934, or the Exchange Act, will be required or will be voluntarily made during the restricted period in connection with subsequent sales of ordinary shares or other securities acquired in such open market transactions;
- in the case of a director, officer or shareholder, transfers of ordinary shares or any security convertible into or exercisable for ordinary shares as a bona fide gift or by will or intestacy;
- in the case of a shareholder which is a corporation, partnership, limited liability company, trust or other business entity, (i) transfers to another corporation, partnership, limited liability company, trust or other business entity that controls, is controlled by or is under common control with such shareholder or (ii) distributions of ordinary shares or any security convertible into or exercisable for ordinary shares to its limited partners, limited liability company members or shareholders;
- in the case of a director, officer or shareholder, transfers to any trust for the direct or indirect benefit of such person or his or her immediate family and in the case of a shareholder which is a trust, distributions by the trust to its beneficiaries;
- transfers to us in connection with the repurchase of ordinary shares of employees, consultants, officers and directors at a price not greater than the amount paid by such persons for such ordinary shares upon termination of their employment or services pursuant to the terms of our equity incentive plans or other agreements under which such ordinary shares were issued;

- receipt by the holder from us of ordinary shares or other securities upon the exercise or conversion of any security convertible into or exercisable for ordinary shares or other securities, provided that such ordinary shares or other securities shall remain subject to the terms of this agreement and no filing under Section 16(a) of the Exchange Act reporting a reduction in beneficial ownership of ordinary shares will be required or voluntarily made; or
- the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of ordinary shares, provided that such plan does not provide for the transfer of ordinary shares during the restricted period and no public announcement or filing under the Exchange Act regarding the establishment of such plan shall be required of or voluntarily made by or on behalf of the directors, officers or other shareholders or us;

provided that in the case of any transfer or distribution pursuant to the fourth, fifth and sixth bullets above, it shall be a condition of the transfer or distribution that each transferee, donee or distributee shall sign and deliver a copy of the lock-up agreement and no filing under Section 16(a) of the Exchange Act reporting a reduction in beneficial ownership of ordinary shares will be required or will be made voluntarily during the 180-day restricted period.

In addition, our directors and officers and the holders of substantially all of our outstanding ordinary shares have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and Deutsche Bank Securities Inc. on behalf of the underwriters, such persons or entities will not, during the period ending 180 days after the date of this prospectus, make any demand for, or exercise any right with respect to, the registration of any ordinary shares or any security convertible into or exercisable or exchangeable for ordinary shares.

The 180-day restricted period described above will be extended if:

- during the last 17 days of the 180-day restricted period we issue an earnings release or material news or a material event relating to us occurs, or
- prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 180-day restricted period,

in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

In order to facilitate the offering of the ordinary shares, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the ordinary shares. Specifically, the underwriters may sell more ordinary shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of ordinary shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing ordinary shares in the open market. In determining the source of ordinary shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of the ordinary shares compared to the price available under the over-allotment option. The underwriters may also sell ordinary shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing ordinary shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the ordinary shares in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, ordinary shares in the open market to stabilize the price of the ordinary shares. The underwriting syndicate also may reclaim selling concessions allowed to an underwriter or a dealer for distributing the ordinary shares in the offering, if the syndicate repurchases previously distributed ordinary shares to cover syndicate short positions or to stabilize the price of the ordinary shares. These activities may raise or maintain the market price of

the ordinary shares above independent market levels or prevent or retard a decline in the market price of the ordinary shares. The underwriters are not required to engage in these activities, and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

The underwriters may in the future provide investment banking services to us for which they would receive customary compensation.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representative may agree to allocate a number of ordinary shares to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representative to underwriters that may make Internet distributions on the same basis as other allocations.

Pricing of the Offering

Prior to this offering, there has been no public market for our ordinary shares. The initial public offering price will be determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price will be our future prospects and the future prospects of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities and certain financial and operating information of companies engaged in activities similar to ours. The estimated initial public offering price range set forth on the cover page of this preliminary prospectus is subject to change as a result of market conditions and other factors.

Selling Restrictions

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of any of our ordinary shares may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any of our ordinary shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of our ordinary shares shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any of our ordinary shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any of our ordinary shares to be offered so as to enable an investor to decide to purchase any of our ordinary shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

United Kingdom

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of our ordinary shares in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to our ordinary shares in, from or otherwise involving the United Kingdom.

LEGAL MATTERS

We are being represented by Wilson Sonsini Goodrich & Rosati, Professional Corporation, Palo Alto, California with respect to matters of U.S. federal law. An investment partnership comprised of members of, and persons associated with, Wilson Sonsini Goodrich & Rosati, Professional Corporation, beneficially holds 125,000 ordinary shares (on an as-converted basis). The validity of the ordinary shares offered in this offering and certain other legal matters as to Cayman Islands law will be passed upon for us by Maples and Calder. Certain legal matters relating to this offering will be passed upon for the underwriters by Latham & Watkins LLP, Menlo Park, California, as to U.S. legal matters, and Walkers as to Cayman Islands legal matters.

EXPERTS

The audited consolidated financial statements as of January 31, 2010 and 2011 and for each of the three years in the period ended January 31, 2011 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement under the Securities Act of 1933 with respect to the ordinary shares offered by this prospectus. This prospectus does not contain all of the information set forth in the registration statement and the exhibits and schedules to the registration statement. Please refer to the registration statement, exhibits and schedules for further information with respect to the ordinary shares offered by this prospectus. Statements contained in this prospectus regarding the contents of any contract or other document are only summaries. With respect to any contract or document filed as an exhibit to the registration statement, you should refer to the exhibit for a copy of the contract or document, and each statement in this prospectus regarding that contract or document is qualified by reference to the exhibit. A copy of the registration statement and its exhibits and schedules may be inspected without charge at the Securities and Exchange Commission's public reference room, located at 100 F Street, NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings are also available to the public from the SEC's website at http://www.sec.gov.

Upon completion of this offering, we will be subject to the information reporting requirements of the Securities Exchange Act of 1934, and we intend to file reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information will be available for inspection and copying at the SEC's public reference room and the website of the SEC referred to above.

AMBARELLA, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Ambarella, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of redeemable convertible preference shares and shareholders' deficit and of cash flows present fairly, in all material respects, the financial position of Ambarella, Inc. and its subsidiaries at January 31, 2011 and January 31, 2010, and the results of their operations and their cash flows for each of the three years in the period ended January 31, 2011 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

June 10, 2011

San Jose, California

AMBARELLA, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	January 31,		Pro Forma Shareholders' Equity January 31, 2011
	2010	2011	(Unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	$ 26,599	$41,896	
Short-term investment	5,000	—	
Accounts receivable, net	9,089	8,829	
Inventories	1,679	7,410	
Restricted cash	—	243	
Deferred tax assets, current	1,069	903	
Prepaid expenses and other current assets	688	715	
Total current assets	44,124	59,996	
Property and equipment, net	1,111	1,565	
Deferred tax assets, non-current	555	235	
Intangible assets, net	1,650	810	
Other assets	328	1,527	
Total assets	$ 47,768	$64,133	
LIABILITIES, REDEEMABLE CONVERTIBLE PREFERENCE SHARES AND SHAREHOLDERS' EQUITY (DEFICIT)			
Current liabilities:			
Accounts payable	5,150	6,725	
Accrued liabilities	8,757	7,434	
Income taxes payable	256	411	
Deferred revenue, current	9,813	9,662	
Total current liabilities	23,976	24,232	
Deferred revenue, non-current	1,344	959	
Other long-term liabilities	608	773	
Total liabilities	25,928	25,964	
Commitments and contingencies (Note 12)			
Redeemable convertible preference shares (Note 7):			
Series A, B and C redeemable convertible preference shares, $0.0001 per share par value – 25,250,000, 16,331,659 and 17,000,000 shares authorized at January 31, 2010 and January 31, 2011, respectively; 25,250,000, 16,331,659 and 13,624,997 shares issued and outstanding at January 31, 2010 and January 31, 2011, respectively; no shares authorized, issued or outstanding pro forma (unaudited); initial liquidation preference of $10,100, $13,000 and $16,350 at January 31, 2010 and January 31, 2011, respectively	39,273	39,273	—
Shareholders' equity (deficit):			
Ordinary shares, $0.0001 per share par value, 200,000,000 shares authorized at January 31, 2010, January 31, 2011, and pro forma (unaudited); 34,850,594 and 35,304,176 shares issued and outstanding at January 31, 2010 and January 31, 2011; 90,510,832 shares outstanding pro forma (unaudited)	3	3	9
Additional paid-in capital	4,093	6,493	45,760
Accumulated deficit	(21,529)	(7,600)	(7,600)
Total shareholders' equity (deficit)	(17,433)	(1,104)	38,169
Total liabilities, redeemable convertible preference shares and shareholders' equity (deficit)	$ 47,768	$64,133	$ 38,169

The accompanying notes are an integral part of these consolidated financial statements

AMBARELLA, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)

	Year Ended January 31,		
	2009	2010	2011
Revenue	$ 41,747	$ 71,525	$ 94,739
Cost of revenue	13,494	24,045	34,500
Gross profit	28,253	47,480	60,239
Operating expenses:			
Research and development	26,576	27,638	34,449
Selling, general and administrative	4,605	6,894	10,313
Total operating expenses	31,181	34,532	44,762
Income (loss) from operations	(2,928)	12,948	15,477
Other income (loss), net	216	(114)	(47)
Income (loss) before income taxes	(2,712)	12,834	15,430
Provision (benefit) for income taxes	240	(454)	1,501
Net income (loss)	$ (2,952)	$ 13,288	$ 13,929
Net income (loss) per share attributable to ordinary shareholders:			
Basic	$ (0.10)	$ 0.11	$ 0.12
Diluted	$ (0.10)	$ 0.11	$ 0.11
Weighted-average shares used to compute net income (loss) per share attributable to ordinary shareholders:			
Basic	28,960,142	31,255,579	33,563,822
Diluted	28,960,142	34,945,403	40,981,828
Pro forma net income per share attributable to ordinary shareholders (unaudited):			
Basic			$ 0.15
Diluted			$ 0.14
Weighted-average shares used to compute pro forma net income per share attributable to ordinary shareholders (unaudited):			
Basic			88,770,478
Diluted			96,188,484

The accompanying notes are an integral part of these consolidated financial statements

AMBARELLA, INC.
CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERENCE SHARES AND SHAREHOLDERS' DEFICIT
(in thousands, except share data)

	Redeemable Convertible Preference Shares		Ordinary Shares		Additional Paid-in Capital	Accumulated Deficit	Total Deficit
	Shares	Amount	Shares	Amount			
Balance—January 31, 2008	55,206,656	$39,273	32,856,103	$ 3	$ 1,196	$ (31,865)	$(30,666)
Exercise of stock options, dollar amounts net of unvested stock options exercised early	—	—	493,504	—	18	—	18
Vesting of early exercised stock options	—	—	—	—	479	—	479
Stock-based compensation expense related to stock options granted to employees and consultants	—	—	—	—	672	—	672
Net loss	—	—	—	—	—	(2,952)	(2,952)
Balance—January 31, 2009	55,206,656	39,273	33,349,607	3	2,365	(34,817)	(32,449)
Exercise of stock options, dollar amounts net of unvested stock options exercised early	—	—	1,500,987	—	259	—	259
Vesting of early exercised stock options	—	—	—	—	379	—	379
Stock-based compensation expense related to stock options granted to employees and consultants	—	—	—	—	1,090	—	1,090
Net income	—	—	—	—	—	13,288	13,288
Balance—January 31, 2010	55,206,656	39,273	34,850,594	3	4,093	(21,529)	(17,433)
Exercise of stock options, dollar amounts net of unvested stock options exercised early	—	—	453,582	—	140	—	140
Vesting of early exercised stock options	—	—	—	—	404	—	404
Stock-based compensation expense related to stock options granted to employees and consultants	—	—	—	—	1,856	—	1,856
Net income	—	—	—	—	—	13,929	13,929
Balance—January 31, 2011	55,206,656	$39,273	35,304,176	$ 3	$ 6,493	$ (7,600)	$ (1,104)

The accompanying notes are an integral part of these consolidated financial statements

AMBARELLA, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended January 31,		
	2009	2010	2011
Cash flows from operating activities:			
Net income (loss)	$ (2,952)	$13,288	$13,929
Adjustment to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation of property and equipment	1,049	748	563
Loss on disposal of long-lived assets	—	2	4
Amortization of other intangible assets	—	550	1,040
Stock-based compensation	672	1,090	1,856
Changes in operating assets and liabilities:			
Accounts receivable	(1,215)	(4,242)	260
Inventories	891	(1,180)	(5,731)
Prepaid expenses and other current assets	(208)	132	(27)
Deferred tax assets	(113)	(1,510)	486
Other assets	120	179	(227)
Accounts payable	1,944	639	1,575
Accrued liabilities	(1,536)	3,692	(322)
Income taxes payable	216	(164)	155
Deferred revenue	1,226	1,965	(536)
Net cash provided by operating activities	94	15,189	13,025
Cash flows from investing activities			
Restricted cash	(578)	578	(243)
Short-term investment	—	(5,000)	5,000
Investment in a private company	—	—	(972)
Purchase of property and equipment	(999)	(357)	(896)
Purchase of intangible assets	—	(940)	(830)
Net cash provided by (used in) investing activities	(1,577)	(5,719)	2,059
Cash flows from financing activities:			
Net proceeds from exercise and repurchase of stock options	202	567	213
Net cash provided by financing activities	202	567	213
Net increase (decrease) in cash and cash equivalents	(1,281)	10,037	15,297
Cash and cash equivalents at beginning of period	17,843	16,562	26,599
Cash and cash equivalents at end of period	$16,562	$26,599	$41,896
Supplemental disclosure of cash flow information:			
Cash paid for income taxes	$ 134	$ 664	$ 657
Supplemental disclosure of noncash investing activities:			
Increase in accrued liabilities related to non-monetary assets purchases	$ —	$ 1,260	$ 125

The accompanying notes are an integral part of these consolidated financial statements

AMBARELLA, INC.

Notes to Consolidated Financial Statements

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 sensor 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 Consolidation

The Company's fiscal year ends on January 31. The consolidated financial statements of the Company and its subsidiaries have been prepared in conformity with generally accepted accounting principles in the United States ("U.S. GAAP"). All intercompany transactions and balances have been eliminated in consolidation.

Pro Forma Shareholders' Equity (Unaudited)

If the offering contemplated by this prospectus is consummated, all of the redeemable convertible preference shares will be converted into 55,206,656 ordinary shares, based on the redeemable convertible preference shares outstanding at January 31, 2011. The pro forma shareholders' equity, as adjusted for the assumed conversion of redeemable convertible preference shares, is reflected in the unaudited pro forma balance sheet.

Use of Estimates

The preparation of 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, and 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 equity instruments; (vii) the realization of tax assets and estimates of tax liabilities and tax reserves; and (viii) 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, and the valuation of preference and ordinary shares. 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.

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash, cash equivalents, short-term investments, restricted cash and accounts receivable. The Company places its cash primarily in checking and money market accounts with reputable financial institutions. 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 or cash equivalents. 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.

Foreign Currency Transactions

The U.S. dollar is the functional currency for the Company and its subsidiaries. Monetary assets and liabilities denominated in non-U.S. currencies are re-measured to U.S. dollars using current exchange rates in effect at the balance sheet date. Nonmonetary assets and liabilities are re-measured to U.S. dollars using historical exchange rates. Monetary and other accounts are re-measured to U.S. dollars using average exchange rates in effect during each period. Gains or losses from foreign currency re-measurement are included in other income (loss), net in the consolidated statements of operations, and, to date, have not been material.

Cash, Cash Equivalents and Short-Term Investment

The Company considers all highly liquid investments with maturities of less than three months at the time of purchase to be cash equivalents. Investments with original maturities at the time of acquisition greater than three months are classified as short-term investments. There were no cash equivalents as of January 31, 2010 and 2011. Short-term investment consisted of $5.0 million held in a time deposit as of January 31, 2010.

Cost Method Investment

The Company accounts for its investment in a privately held company under the cost method and reports the investment in other non-current assets. The Company monitors the carrying value of the investment and records a reduction in carrying value when a decline in value is deemed to be other than temporary. To date, the Company has not recognized any impairment losses related to this investment.

Trade Accounts Receivable and Allowances for Doubtful Accounts

Trade accounts receivable are recorded at the invoiced amount and do not include finance charges. The Company performs ongoing credit evaluation of its customers and generally requires no collateral. The Company assesses the need for allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments by considering factors such as historical collection experience, credit quality, aging of the accounts receivable balances and current economic conditions that may affect a customer's ability to pay. There were no write-offs of accounts receivable during fiscal years 2009, 2010 and 2011, and there was no allowance for doubtful accounts recorded as of January 31, 2010 and 2011, respectively.

Fair Market Value of Financial Instruments

The carrying amount reflected in the balance sheet for cash and cash equivalents, short-term investment, accounts receivable, accounts payable, accrued expenses and other current liabilities, approximate fair value due to the short-term nature of these financial instruments.

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 basis has been established and, accordingly, it is not reversed until the inventory is sold or scrapped.

Property and Equipment

Property and equipment are stated at cost and depreciated using the straight-line method over the estimated useful life of three years for computer equipment, computer software, machinery and equipment. Leasehold improvements are amortized over the shorter of the lease term or their estimated useful lives. Repairs and maintenance are charged to expense as incurred.

Intangible Assets

Technology licenses purchased from third parties and can be used in alternative research and development project are capitalized as intangible assets. Capitalized costs are amortized over an estimated economic useful life under a straight-line method and recorded as research and development expenses.

Impairment of Long-Lived Assets

The Company records long-lived assets at cost and evaluates them for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Events or changes in circumstances that may indicate that an asset is impaired include significant decreases in the market value of an asset, significant underperformance relative to expected historical or projected future results of operations, a change in the extent or manner in which an asset is utilized, significant declines in the estimated fair value of the overall Company for a sustained period, shifts in technology, loss of key management or personnel, changes in the Company's operating model or strategy and competitive forces. When the sum of the expected future undiscounted cash flows expected to be generated by the related asset group is less than its carrying amount, an impairment loss would be recognized. Should impairment exist, the impairment loss would be measured based on the excess of the carrying amount of the asset over the asset's estimated fair value. To date, the Company has not recognized any impairment losses related to long-lived assets.

Revenue Recognition

The Company generates revenue from the sale of its SoCs to OEMs or ODMs, either directly or through logistics providers. Revenue from sales directly to OEMs and ODMs is generally recognized upon shipment provided persuasive evidence of an arrangement exists, legal title to the products has transferred, the fee is fixed or determinable, and collection of the resulting receivable is reasonably assured. The Company provides its logistics providers with the right to return excess levels of inventory and with 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 consolidated balance sheets. Any price adjustments are recorded as a reduction 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 upon shipment as persuasive evidence of the arrangement exists, legal title to the products has transferred, the fee is fixed and collection of the resulting receivable is reasonably assured. Additional amounts earned by the Company resulting from the margin sharing arrangement 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 sells a limited amount of software under perpetual licenses that include post contract customer support, or PCS. The Company does not have evidence of fair value for the PCS and, accordingly, license revenue is recognized ratably over the estimated support period in accordance with ASC 985, Software Revenue Recognition. The revenue from those licenses comprised 3%, 3% and 2% of the Company's revenue in the fiscal years 2009, 2010 and 2011, respectively.

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.

Warranty Costs

The Company provides a one-year warranty on its products. The Company accrues for the estimated warranty costs at the time when revenue is recognized. The warranty accruals are regularly monitored by management based upon historical experience and any specifically identified failures. While the Company engages in extensive product quality assessment, actual product failure rates, material usage or service delivery costs could differ from estimates and revisions to the estimated warranty liability would be required. The table below summarizes the movement in the warranty accrual for the periods indicated:

	Year Ended January 31,		
	2009	2010	2011
		(in thousands)	
Beginning balance	$ 97	$ 242	$ 401
Warranty accruals	145	169	39
Settlements and adjustments	—	(10)	(15)
Ending balance	$ 242	$ 401	$ 425

Research and Development

Research and development costs are expensed as incurred and consist primarily of personnel costs, product development costs, which include engineering services, development software and hardware tools, license fees, cost of fabrication of masks for prototype products, other development materials costs, depreciation of equipment used in research and development and allocation of facilities costs.

Selling, General and Administrative

Selling, general and administrative expense consists of salaries, stock-based compensation, employee benefits, travel and trade show costs, legal, finance and human resources personnel. In addition, these expenses include fees for professional services and occupancy costs. Advertising expenses for the years ended January 31, 2009, 2010 and 2011 were not material.

Operating Leases

The Company recognizes rent expense on a straight-line basis over the term of the lease. The difference between rent expense and rent paid is recorded as deferred rent and is included in accrued expenses.

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 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 consolidated balance sheets. In general, deferred tax assets represent future tax benefits to be received when certain expenses previously recognized in the 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 made 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.

Stock-Based Compensation

The Company measures stock-based compensation for equity awards granted to employees and directors based on the estimated fair value on the grant date, and recognizes that compensation as expense using the straight-line attribution method over the requisite service period, which is typically the vesting period of each award. The Company uses the Black-Scholes option pricing model to determine the fair value of each option grant. Determining the fair value of stock-based awards on the grant date requires the input of various assumptions, including stock price of the underlying ordinary share, the exercise price of the stock option,

expected volatility, expected term, risk-free interest rate and dividend rate. The expected term was calculated using the simplified method as prescribed by the guidance provided by the Securities and Exchange Commission, as neither relevant historical experience nor other relevant data are available to estimate future exercise behavior. The expected volatility is based on the historical volatilities of similar entities whose share prices are publicly available. The risk-free interest rate is derived from the average U.S. Treasury constant maturity rates during the respective periods commensurate with the expected term. The expected dividend yield is zero because the Company has not historically paid dividends and has no present intention to pay dividends. The Company uses historical data to estimate pre-vesting option forfeitures and records stock-based compensation only for those options that are expected to vest. Forfeitures are estimated at the time of grant and revised if necessary in subsequent periods if actual forfeitures differ from estimates.

The Company recognizes non-employee stock-based compensation expense based on the estimated fair value of the equity instrument determined by the Black-Scholes option pricing model. The fair value of the non-employee awards is remeasured at each reporting period until services required under the arrangement completed, which is the vesting date.

Net Income (Loss) Per Share

The Company applies the two-class method to calculate and present net income (loss) 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 (loss) per share is computed by dividing net income (loss) allocable to ordinary shares by the weighted-average number of ordinary shares outstanding for the period. Diluted net income (loss) per share is computed by dividing net income (loss) 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 conversion of its redeemable convertible preference shares and upon exercise of warrants.

Effective April 1, 2009, the Company adopted the new accounting guidance for determining whether instruments granted in stock-based payment transactions are participating securities. The guidance clarified that 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 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 Company's computation of basic earnings per share. The net income per share data presented for all prior periods have been prepared to conform to the provisions of this accounting guidance.

Comprehensive Income (Loss)

There are no differences between comprehensive income or loss as defined by ASC 220, Comprehensive Income, and net income or loss as reported in the Company's statement of operations.

Recent Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board ("FASB") issued ASC 820, Fair Value Measurement, which defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. ASC 820 applies to other accounting pronouncements that require or permit fair value measurements. On February 1, 2008, the Company adopted the new guidance for financial assets and financial liabilities measured at fair value

on a recurring basis. On February 1, 2009, the Company adopted the new guidance for non-financial assets and non-financial liabilities measured at fair value on a nonrecurring basis. In April 2009, the FASB issued additional guidance for estimating fair value when the volume and level of activity for the asset or liability have significantly decreased that was effective for the Company in the second quarter of fiscal 2009. This includes guidance on identifying circumstances that indicate a transaction is not orderly. In August 2009, the FASB issued clarifying guidance that in circumstances in which a quoted price, in an active market, for an identical liability is not available, a reporting entity is required to measure fair value of such liability using one or more of the of the techniques prescribed by the update. In January 2010, FASB issued an amendment regarding improving disclosures about fair value measurements. This new guidance requires some new disclosures and clarifies some existing disclosure requirements about fair value measurement. The new disclosures and clarifications of existing disclosures are effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010 and for interim periods within those fiscal years. The adoption of the fair value measurements guidance increased the disclosure requirements but did not have a material impact on the Company's consolidated financial position or results of operations.

In May 2009, the FASB issued ASC 855, Subsequent Events, which establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. In February 2010, the FASB amended this guidance. The new guidance eliminates the requirement for an SEC filer to disclose the date through which it has evaluated subsequent events, clarifies the period through which conduit bond obligors must evaluate subsequent events, and refines the scope of the disclosure requirements for reissued financial statements. Entities that are not SEC filers are required to disclose both the date through which subsequent events have been evaluated and whether that date represents the date the financial statements were issued or available to be issued. The Company has adopted this guidance in connection with the issuance of its 2011 financial statements (see Note 15).

In October 2009, the FASB issued Accounting Standards Update ("ASU") No. 2009-13—Revenue Recognition (ASC 605): Multiple-Deliverable Revenue Arrangements—a consensus of the FASB Emerging Issues Task Force ("ASU 2009-13"). ASU 2009-13 addresses how to measure and allocate arrangement consideration to one or more units of accounting within a multiple-deliverable arrangement. ASU 2009-13 modifies the requirements for determining whether a deliverable can be treated as a separate unit of accounting by removing the criteria that objective evidence of fair value exist for the undelivered elements in order to account for those undelivered elements as a single unit of accounting. ASU 2009-13 is effective for the Company prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. Early adoption is permitted. The Company does not expect that the adoption of this guidance will have a material impact on its financial position, results of operations or disclosures.

In October 2009, the FASB issued ASU No. 2009-14—Software (ASC 985): Certain Revenue Arrangements That Include Software Elements—a consensus of the FASB Emerging Issues Task Force ("ASU 2009-14"). ASU 2009-14 modifies the scope of the software revenue recognition guidance to exclude arrangements that contain tangible products for which the software element is "essential" to the functionality of the tangible products. ASU 2009-14 is effective for the Company prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. Early adoption is permitted. The Company does not expect that the adoption of this guidance will have a material impact on its financial position, results of operations or disclosures.

2. Restricted Cash

As of January 31, 2011, the Company had a $243,000 certificate of deposit in Taiwan Cooperative Bank pledged in connection with a request for an application for Taiwan Government research and development grants. The pledge is restricted for use until June 2011 and has been recorded as restricted cash on the consolidated balance sheet.

3. Inventories

Inventory at January 31, 2010 and 2011 consisted of the following:

	As of January 31,	
	2010	2011
	(in thousands)	
Work-in-progress	$ —	$ 3,871
Finished goods	1,679	3,539
Total	$ 1,679	$ 7,410

4. Property and Equipment, Net

Depreciation and amortization expense was approximately $1,049,000, $748,000 and $563,000 for the years ended January 31, 2009, 2010 and 2011, respectively. Property and equipment at January 31, 2010 and 2011 consisted of the following:

	As of January 31,	
	2010	2011
	(in thousands)	
Computer equipment and software	$ 2,032	$ 2,464
Machinery and equipment	1,560	1,728
Furniture and fixtures	179	279
Leasehold improvement	296	538
	4,067	5,009
Less: accumulated depreciation and amortization	(2,956)	(3,444)
Total property and equipment, net	$ 1,111	$ 1,565

5. Intangible Assets

Intangible assets at January 31, 2010 and 2011 consisted of the following:

	As of January 31, 2010		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
		(in thousands)	
Intellectual asset	$ 2,200	$ 550	$ 1,650

	As of January 31, 2011		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
		(in thousands)	
Intellectual asset	$ 2,400	$ 1,590	$ 810

The Company purchased an intangible asset in fiscal year 2010. The asset was recorded at cost and is being amortized over its estimated useful life of three years. The aggregate amortization expense for the years ended January 31, 2010 and 2011 was $0.6 million and $1.0 million, respectively. Future amortization expense related to the intangible asset as of January 31, 2011 was as follows:

Fiscal Year	Amortization Expense (in thousands)
2012	$ 540
2013	270
Total	$ 810

6. Accrued Liabilities

Accrued liabilities at January 31, 2010 and 2011 consisted of the following:

	As of January 31, 2010	2011
	(in thousands)	
Accrued employee compensation	$4,151	$3,857
Refundable exercised unvested option	699	366
Accrued warranty	401	425
Accrued rebates	449	361
Accrued product development costs	1,779	1,584
Other accrued liabilities	1,278	841
Total accrued liabilities	$8,757	$7,434

7. Redeemable Convertible Preference Shares

Redeemable convertible preference shares at January 31, 2010 and 2011 consisted of the following:

Series	Par Value Per Share	Shares		# of Ordinary Shares Issuable Upon Conversion	# of Ordinary Shares Reserved for Conversion	Initial Liquidation Preference	Proceeds Net of Issuance Costs
		Authorized	Outstanding			(in thousands)	
A	$ 0.0001	25,250,000	25,250,000	25,250,000	25,250,000	$ 10,100	$ 10,044
B	$ 0.0001	16,331,659	16,331,659	16,331,659	16,331,659	13,000	12,937
C	$ 0.0001	17,000,000	13,624,997	13,624,997	13,624,997	16,350	16,292
		58,581,659	55,206,656	55,206,656	55,206,656	$ 39,450	$ 39,273

The rights, preferences and privileges of the Series A redeemable convertible preference shares ("Series A preference shares"), Series B redeemable convertible preference shares ("Series B preference shares") and Series C redeemable convertible preference shares ("Series C preference shares") are as follows:

Dividends

The holders of outstanding Series A preference shares, Series B preference shares and Series C preference shares are entitled to receive, when, as and if declared by the board of directors, a noncumulative dividend at the rate of $0.032, $0.0637, and $0.096 per share per annum, respectively. Such dividends are payable in preference

to any distributions for ordinary shares. After payments or setting aside for payments of such dividends, additional dividends (other than dividends for ordinary shares) shall be declared or paid among the holders of preference shares and ordinary shares then outstanding in proportion to the greatest whole number of ordinary shares held by each holder (assuming all preference shares converted into ordinary shares). No dividends have been declared or paid to date.

Conversion Rights

Each preference share is convertible, at the option of the holder, at any time, into ordinary shares determined by dividing the original issue price by the conversion price which is the same as the original issue price at (i) $0.40 in case of the Series A preference shares, (ii) $0.796 in case of the Series B preference shares, and (iii) $1.20 in case of the Series C preference shares. The conversion price of each of the series preference shares is subject to adjustment for share subdivisions (by stock split or by stock dividend), share combinations (by reclassification), similar matters affecting the ordinary shares, as well as adjustment to reduce of conversion price if the Company issues shares less than the current conversion price, with certain exceptions.

Each preference share shall automatically be converted into an ordinary share upon the earlier of (i) an initial public offering with aggregate gross proceeds of at least $30,000,000 or (ii) the date specified by written consent of holders of at least 50% of the aggregate preference shares then outstanding. In the event of winding up of the Company, so long as there are at least 4,711,055 Series B and at least 3,600,000 Series C preference shares outstanding, each of the Series B and Series C preference shares shall automatically be converted into an ordinary share only upon the receipt of a written consent of at least 50% of the aggregate preference shares then outstanding and at least 50% of the Series B and Series C preference shares then outstanding, respectively.

Liquidation

In the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, including a consolidation, merger or acquisition or sale of assets where the beneficial owners of the Company's ordinary shares and convertible preference shares own less than a majority of the resulting voting power of the surviving entity, the holders of Series A, Series B and Series C preference shares are entitled to receive an amount of $0.40, $0.796 and $1.20 per share, respectively based on the number of preference shares, plus any declared but unpaid dividends prior to any distribution to the ordinary shares. The remaining assets, if any, shall be distributed among the holders of ordinary shares pro rata based on the number of shares they hold. Should the Company's legally available assets be insufficient to satisfy the liquidation preference of the preference share holders, the entire assets will be distributed with equal priority and pro rata among the holders of preference shares in proportion to the full amounts they would have otherwise be entitled to receive.

Voting Rights

The holders of each preference share are entitled to the number of votes equal to the number of ordinary shares into which such preference shares are converted.

Warrants

In connection with a financing agreement, the Company issued warrants to purchase Series B convertible preference shares at an exercise price of $0.796 per share. The warrants are fully vested and are exercisable through December 2014. As of January 31, 2010 and 2011, a total of 163,317 warrants were outstanding.

In June 2005, the FASB issued authoritative guidance on the classification of freestanding warrants and other similar instruments on shares that are redeemable (either puttable or mandatorily redeemable). The guidance requires liability classification for warrants issued that are exercisable into convertible preferred stock. Liability classification requires the warrants to be remeasured to their fair value for each reporting period. At

January 31, 2010 and 2011, the fair value of the warrants of $173,000 and $156,000, respectively, was included in accrued liabilities and the changes in fair value have been recorded in other income (loss).

The Company utilized the Black-Scholes option pricing model to determine the fair value of the warrants of the redeemable convertible preference shares, including the consideration of underlying ordinary share price, a risk-free interest rate, expected term and expected volatility. Certain inputs used in the model are unobservable. As a result, the valuation of warrants is categorized as Level 3 in accordance with ASC 820, Fair Value Measurement. The fair values could change significantly based on future market conditions.

8. Employee Benefits and Stock-based Compensation

401(k) Plan

The Company maintains a defined contribution 401(k) plan (the "401(K) Plan") for all of its eligible U.S. employees. Under the 401(K) Plan, eligible employees may contribute up to the Internal Revenue Service annual contribution limitation. The Company is responsible for administrative costs of the Plan. The Company has not had any matching contributions to date.

Stock Option Plan

The Company's 2004 Stock Plan (the "Plan") was adopted in January 2004 and has been amended through July 2009 by the Board of Directors. The Plan provides for the issuance of incentive stock options ("ISO") or nonstatutory stock options ("NSO") or stock purchase rights. The maximum aggregate number of shares subject to options or stock purchase rights under the Plan is 43,351,000 as of January 31, 2011. NSO and stock purchase rights may be granted to employees, board of directors or consultants. ISOs may be granted only to employees. The exercise price of ISOs granted to a more than 10% of the voting power of all classes of the Company's shares shall be no less than 110% of the estimated fair market value on the grant date. The exercise price of ISOs granted to other employees and NSOs shall be no less than 100% of estimated fair market value on the grant date. Options granted under the Plan have a term of up to 10 years from grant date. Options granted to new employees generally vest 25% on the first anniversary date of the grant and the remainder ratably over the following 36 months. Vesting schedules for grants to other employees vary and are subject to approval by the board of directors.

Certain employees have the right to early exercise unvested options, subject to repurchase rights held by the Company at their original purchase price upon termination of employment until vested. As of January 31, 2011, 346,461 shares of unvested early exercised options were repurchased. There were 2,026,425 and 862,546 unvested shares subject to the Company's repurchase rights as of January 31, 2010 and 2011, respectively.

Stock-based Compensation

The majority of the Company's stock-based compensation relates to stock options. The following table presents the classification of stock-based compensation for the periods indicated:

	Year Ended January 31,		
	2009	2010	2011
	(in thousands)		
Stock-based compensation:			
Cost of revenue	$ 18	$ 24	$ 41
Research and development	467	735	1,058
Selling, general and administrative	187	331	757
Total stock-based compensation	$ 672	$ 1,090	$ 1,856

No income tax benefit on stock-based compensation was recognized for the years ended January 31, 2009, 2010 and 2011.

As of January 31, 2010, total unrecognized compensation cost related to unvested stock options was $4.1 million and is expected to be recognized over a weighted-average period of 3.27 years. As of January 31, 2011, total unrecognized compensation cost related to unvested stock options was $7.3 million and is expected to be recognized over a weighted-average period of 2.87 years.

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

	Year Ended January 31,		
	2009	2010	2011
Stock Options:			
Volatility	63%	62%	63%
Risk-free interest rate	3.23%	2.69%	1.79%
Expected term (years)	6.04	6.07	6.05
Dividend yield	—	—	—

The following table summarizes stock option activities for the periods indicated:

	Option Outstanding					
	Shares	Weighted-Average Exercise Price	Weighted-Average Grant-Date Fair Value	Total Intrinsic Value of Options Exercised (in thousands)	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value (in thousands)
Outstanding at January 31, 2008	6,066,444	0.24				
Granted	4,895,000	0.65	$ 0.39			
Exercised	(493,504)	0.41		$ 112		
Forfeited	(114,480)	0.32				
Outstanding at January 31, 2009	10,353,460	0.42				
Granted	4,593,501	0.94	$ 0.56			
Exercised	(1,500,987)	0.38		$ 699		
Forfeited	(155,623)	0.50				
Outstanding at January 31, 2010	13,290,351	0.61				
Granted	4,611,600	1.95	$ 1.14			
Exercised	(453,582)	0.47		$ 671		
Forfeited	(254,222)	0.81				
Outstanding at January 31, 2011	17,194,147	0.97			7.87	$ 17,073
Exercisable at January 31, 2011	10,755,233	0.66			7.22	$ 13,969
Vested and Expected to vest at January 31, 2011	16,815,127	0.96			7.85	$ 16,829

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 exercise price and the fair market value of the Company’s ordinary share on reporting date. The intrinsic value of exercised options is calculated based on the difference between the exercise price and the fair market value of the Company’s ordinary share as of the exercise date.

The following table summarizes information about stock options outstanding as of January 31, 2011:

	Stock Options Outstanding			Stock Options Exercisable	
Range of Exercise Prices	Shares Outstanding	Weighted-Average Remaining Contractual Life (in years)	Weighted-Average Exercise Price	Shares Exercisable	Weighted-Average Exercise Price
$0.04 - $0.08	621,000	3.29	$ 0.06	621,000	$ 0.06
$0.09 - $0.14	492,106	5.05	0.14	492,106	0.14
$0.15 - $0.27	3,040,464	6.48	0.27	3,040,464	0.27
$0.28 - $0.71	7,102,009	7.82	0.67	4,945,355	0.67
$0.72 - $1.47	1,364,625	8.75	1.47	706,954	1.47
$1.48 - $1.96	4,573,943	9.55	1.95	949,354	1.96
	17,194,147	7.87	$ 0.97	10,755,233	$ 0.66

Non-employee Stock-based Compensation

The fair value of options granted to non-employees is determined using the Black-Scholes option pricing model at each grant date and remeasured at the end of each reporting period until such options vest. The non-employee stock-based compensation was not material for the years ended January 31, 2009, 2010 and 2011, respectively.

9. Net Income (Loss) Per Share

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

	Year Ended January 31,		
	2009	2010	2011
	(in thousands, except share and per share data)		
Numerator:			
Net income (loss)	$ (2,952)	$ 13,288	$ 13,929
Less: amount allocable to preference shareholders	—	(9,442)	(9,749)
Less: amount allocable to unvested early exercised options	—	(288)	(172)
Net income (loss) allocable to ordinary shareholders—basic	$ (2,952)	$ 3,558	$ 4,008
Undistributed earnings reallocated to ordinary shareholders	—	262	514
Net income (loss) allocable to ordinary shareholders—diluted	$ (2,952)	$ 3,820	$ 4,522
Denominator:			
Weighted-average ordinary shares outstanding	33,237,702	33,786,290	35,008,308
Less: weighted-average unvested early exercised options subject to repurchase	(4,277,560)	(2,530,711)	(1,444,486)
Weighted-average ordinary shares—basic	28,960,142	31,255,579	33,563,822
Effect of potentially dilutive securities:			
Employee stock options	—	3,689,824	7,418,006
Weighted-average ordinary shares—diluted	28,960,142	34,945,403	40,981,828
Net income (loss) per ordinary share:			
Basic	$ (0.10)	$ 0.11	$ 0.12
Diluted	$ (0.10)	$ 0.11	$ 0.11

Net income has been allocated to the ordinary shares, redeemable convertible preference shares and unvested early exercised options based on their respective rights to share in dividends.

The following weighted-average potentially dilutive securities were excluded from the computation of diluted net income (loss) per share computation as their effect would have been antidilutive:

	Year Ended January 31,		
	2009	2010	2011
Options to purchase ordinary shares	3,102,019	4,999,549	2,866,906
Early exercised options subject to repurchase	4,277,560	2,530,711	1,444,486
Redeemable convertible preference shares (if-converted basis)	55,206,656	55,206,656	55,206,656
Warrants to purchase redeemable convertible preference shares (if-converted basis)	163,317	163,317	163,317
	62,749,552	62,900,233	59,681,365

10. Pro Forma Net Income per Share (Unaudited)

Pro forma basic and diluted net income per share have been computed to give effect to the conversion of the Company's redeemable convertible preference shares (using the if-converted method) into ordinary shares as though the conversion had occurred at the beginning of the periods presented.

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

	Year Ended January 31, 2011 (in thousands)
Numerator:	
Net income	$ 13,929
Less: amount allocable to unvested early exercised options	(223)
Net income allocable to ordinary shareholders—basic	$ 13,706
Undistributed earnings reallocated to ordinary shareholders	17
Net income allocable to ordinary shareholders—dilutive	$ 13,723
Denominator:	
Weighted-average ordinary shares outstanding—basic	33,563,822
Pro forma adjustments to reflect assumed weighted effect of conversion of preference shares	55,206,656
Pro forma weighted-average ordinary shares—basic	88,770,478
Effect of potentially dilutive securities:	
Employee stock options	7,418,006
Pro forma adjusted weighted-average ordinary shares - diluted	96,188,484
Net income per ordinary share:	
Basic	$ 0.15
Diluted	$ 0.14

11. Income Taxes

Income (loss) before income taxes consisted of the following for the periods indicated:

	Year Ended January 31,		
	2009	2010	2011
		(in thousands)	
U.S. operations	$ 938	$ 1,537	$ 2,758
Non-U.S. operations	(3,650)	11,297	12,672
Income (loss) before income taxes	$(2,712)	$12,834	$15,430

Income tax provision (benefit) consisted of the following:

	Year Ended January 31,		
	2009	2010	2011
		(in thousands)	
Current:			
U.S. federal tax	$ 116	$ 678	$ 306
U.S. state taxes	67	143	—
Non-U.S. foreign taxes	170	235	708
	353	1,056	1,014
Deferred:			
U.S. federal tax	—	(1,414)	473
U.S. state taxes	—	(205)	10
Non-U.S. foreign taxes	(113)	109	4
	(113)	(1,510)	487
Provision (benefit) for income taxes	$ 240	$ (454)	$1,501

Income tax provision (benefit) differed from the amounts computed by applying the U.S. federal income tax rate of 34% to pretax income (loss) as a result of the following:

	Year Ended January 31		
	2009	2010	2011
		(in thousands)	
U.S. federal tax at statutory rate	$ (922)	$ 4,363	$ 5,246
U.S. state taxes	66	(109)	9
Non-U.S. foreign tax differential	1,296	(3,106)	(3,577)
Change in valuation allowance	17	(1,489)	—
Stock-based compensation	151	258	366
U.S. R&D credit	(370)	(366)	(571)
Other	2	(5)	28
Provision (benefit) for income taxes	$ 240	$ (454)	$ 1,501

Temporary differences that give rise to significant portions of the Company's deferred tax assets and liabilities were as follows:

	As of January 31,	
	2010	2011
	(in thousands)	
Deferred tax assets:		
Deferred revenue	$ 350	$ 157
Federal and state credits	1,373	1,074
Expenses not currently deductible	896	907
Foreign credits	4,364	—
Foreign deferred	75	133
Stock-based compensation	—	124
Gross deferred tax assets	7,058	2,395
Valuation allowance	(5,409)	(1,153)
Total deferred tax assets	$ 1,649	$ 1,242
Deferred tax liabilities		
Property and equipment	(25)	(104)
Net deferred tax assets	$ 1,624	$ 1,138

The Company conducts its business in several countries and regions and is subject to taxation in those jurisdictions. The Company is incorporated in the Cayman Islands with subsidiaries in the U.S., China, Taiwan, and other foreign countries and regions. As a result, the Company's worldwide operating income is subject to varying rates of tax. Dividend distributions received from the Company's U.S. subsidiary and certain other foreign subsidiaries may be subject to local country withholding taxes when, and if, distributed. Deferred tax liabilities have not been recorded on unremitted earnings of certain subsidiaries because management's intent is to indefinitely reinvest any undistributed earnings in those subsidiaries. The liability will be approximately $1.1 million if dividends from those subsidiaries were to occur. Cumulative undistributed earnings of foreign subsidiaries for which no deferred taxes have been provided approximated $7.6 million at January 31, 2011.

The Company has federal and California state research and development credit carryforwards of approximately $0.8 million and $2.1 million at January 31, 2011, respectively. The federal research credit will begin to expire in 2030. The California credits can be carried forward indefinitely. The Company is reporting a valuation allowance against the California research credit carryforwards due to uncertainty regarding the future utilization of these deferred tax assets.

As of January 31, 2010 and 2011, the Company had deferred tax assets (net of deferred tax liabilities) before valuation allowance, of $7.0 million and $2.3 million, respectively. Realization of the deferred tax assets is dependent upon future taxable income, if any, the amount and timing of which are uncertain. Management evaluates the recoverability of deferred tax assets by tax region and had established a valuation allowance in the amount of $5.1 million, against substantially all of the Company's worldwide net deferred tax assets as of January 31, 2009. During the fourth quarter of fiscal 2010, the Company released the valuation allowance on all U.S. federal and California deferred tax assets other than California credit carryforwards as the Company has sufficient positive evidence to indicate that the valuation allowance should be released as a result of the Company's history of profitable operations in the United States.

As of January 31, 2011, the Company maintained a full valuation allowance against its California credit carryforwards and Taiwan deferred tax assets. The total valuation allowance increased by approximately $0.3 million and decreased by approximately $4.3 million during the years ended January 31, 2010 and 2011, respectively. During the fiscal year 2011, the Company concluded an audit with the Taiwan tax authority. Upon completion of the audit, the Company and the Taiwan tax authority agreed that the Company did not qualify for

$4.3 million of Taiwan tax credits claimed on previously filed Taiwan tax returns. The Taiwan tax credits were subject to a full valuation allowance as of January 31, 2010, accordingly, there was no tax expense associated with writing off the related deferred tax asset. The Company does not expect any future material adverse results from the Taiwan tax audit.

Utilization of the research credit carryforwards may be subject to an annual limitation due to the ownership percentage change limitations as defined by the U.S. Internal Revenue Code Section 382, as amended, and similar state provisions. The annual limitation may result in the expiration of the U.S. federal research credit carryforwards before utilization. Based on the Company's analysis of the limitation, the Company does not expect any tax credit carryforwards to expire as a result of a Section 382 limitation.

The Company applies the provisions of FASB's guidance on accounting for uncertainty in income taxes. As of January 31, 2011, the Company had approximately $2.0 million in unrecognized tax benefits, $1.5 million of which would affect the Company's effective tax rate if recognized. The following table sets forth a reconciliation of the beginning and ending amount of unrecognized tax benefits:

	Year Ended January 31,		
	2009	2010	2011
		(in thousands)	
Beginning balance:	$ 979	$1,281	$1,883
Additions based on tax positions related to the current year	302	602	244
Additions for tax positions of prior years	—	—	138
Reductions for tax positions of prior years	—	—	(258)
Ending balance:	$1,281	$1,883	$2,007

The Company classified $537,000 and $718,000 of income tax liabilities as noncurrent liabilities as of January 31, 2010 and 2011, respectively, because payment of cash or settlement is not anticipated within one year from the balance sheet date.

The Company recognizes interest and penalties related to uncertain tax positions as a component of income tax expense. The Company recorded $7,000, $20,000 and $22,000 of interest expense and penalties related to uncertain tax positions for the years ended January 31, 2009, 2010 and 2011, respectively. The Company recorded noncurrent liabilities of $33,000 and $55,000 related to interest and penalties related to uncertain tax positions at January 31, 2010 and 2011, respectively.

The Company and its subsidiaries are subject to U.S. federal, state, and foreign income taxes. The Company's tax returns for the fiscal 2007 through fiscal 2010 tax years remain subject to examination by federal, state and foreign tax authorities.

The Company believes that an adequate provision has been made for any adjustments that may result from tax examinations. However, the outcome of tax audits cannot be predicted with certainty. If any issues addressed in the Company's tax audits are resolved in a manner not consistent with management's expectations, the Company could be required to adjust its provision for income tax in the period such resolution occurs. Although timing of the resolution and/or closure of audits is highly uncertain, the Company does not believe it is reasonably possible that its unrecognized tax benefits would materially change in the next 12 months.

12. Commitments and Contingencies

The Company leases its principal facilities and purchased time-based software licenses under operating agreements with various expiration dates through November 2015. Net rental expenses for the years ended January 31, 2009, 2010 and 2011 were $2.9 million, $3.5 million and $2.6 million, respectively. Future annual minimum lease payments under these operating leases with initial lease terms in excess of one year are as follows:

Fiscal Year	As of January 31, 2011 (in thousands)
2012	$ 2,134
2013	1,192
2014	570
2015	454
2016	371
	$ 4,721

As of January 31, 2011, the liability for uncertain tax position was $773,000. The timing of any payments which could result from these unrecognized tax benefits will depend upon a number of factors. Accordingly, the timing of payment cannot be estimated.

Contract Manufacturer Commitments

The Company's components and products are procured and built by independent contract manufacturers based on sales forecasts. These forecasts include estimates of future demand, historical trends, analysis of sales and marketing activities, and adjustment of overall market conditions. In order to reduce manufacturing lead times and plan for adequate supply, the Company may issue purchase orders to independent contract manufacturers which are cancelable upon the agreement between the Company and the third-party. As of January 31, 2011, total purchase commitments were approximately $15.6 million.

Indemnification

The Company, from time to time, in the normal course of business, indemnifies certain vendors with whom it enters into contractual relationships. The Company has agreed to hold the other party harmless against all third-party claims in connection with the Company's future products. It is not possible to determine the maximum potential amount of liability under these indemnification obligations due to the limited history of prior indemnification claims and the unique facts and circumstances that are likely to be involved in each particular claim. The Company has not made payments under these obligations and no liabilities have been recorded for these obligations on the balance sheet as of January 31, 2010 and 2011, respectively.

13. Segment Reporting

The Company operates in one reportable segment related to the development and sales of low-power high-definition video products. The Chief Executive Officer of the Company has been identified as the Chief Operating Decision Maker (the "CODM") and manages the Company's operations as a whole and for the purpose of evaluating financial performance and allocating resources, the CODM reviews financial information presented on a consolidated basis accompanied by information by customer and geographic region.

Geographic Revenue

The following table sets forth the Company's revenue by geographic region:

	Year Ended January 31,		
	2009	2010	2011
		(in thousands)	
Hong Kong	$30,828	$60,448	$87,438
Asia Pacific	640	4,445	1,503
North America	4,583	3,504	2,668
Europe	5,696	3,128	3,130
Total revenue	$41,747	$71,525	$94,739

As of January 31, 2011, substantially all of the Company's long-lived tangible assets are located in the Asia Pacific region.

Major Customer

The only customer representing 10% or more of consolidated revenue was a logistics provider that accounted for approximately 74%, 84% and 91% of revenue in fiscal years 2009, 2010 and 2011, respectively.

14. Related-Party Transactions

The Company considers an entity to be a related party if it owns more than 10% of its total voting stock at the end of the year or if an officer or employee of an entity also serves on the board of directors.

Starting from the fiscal year 2008, the Company entered into several software license agreements with Cadence Design Systems, Inc. ("Cadence"). A member of the Company's Board of Directors is also the Chief Executive Officer, President and Director of Cadence. The Company committed to pay $5.1 million payable in 17 quarterly payments through June 2011. The Company paid $1.3 million, $1.6 million and $936,000 for the years ended January 31, 2009, 2010 and 2011, respectively. Operating lease expenses related to these agreements included in research and development cost were approximately $1.3 million, $1.8 million and $606,000 for the years ended January 31, 2009, 2010, and 2011, respectively. In April 2011, the Company committed to pay $5.1 million for additional licenses payable in 12 quarterly payments through January 2014.

In addition to the related party transactions noted above, during the years ended January 31, 2009, 2010 and 2011, the Company recognized revenue from sales to WT Microelectronics Co., Ltd ("Wintech"), the Company's logistics provider. Wintech, along with its affiliates, is an investor in the Company owning approximately 8.0% of the voting stock. The Company recognized revenue from sales to Wintech of approximately $30.8 million, $59.9 million and $85.7 million for the years ended January 31, 2009, 2010 and 2011, respectively. As of January 31, 2010 and 2011, the Company had receivables from Wintech of approximately $7.9 million and $7.8 million, respectively.

15. Subsequent Events

In connection with the issuance of the financial statements for the fiscal year ended January 31, 2011, the Company has evaluated subsequent events through June 10, 2011, the date the financial statements were issued.

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

Estimated expenses, other than underwriting discounts and commissions, payable by the registrant in connection with the sale of the ordinary shares being registered under this registration statement are as follows:

SEC registration fee	$7,546.50
FINRA filing fee	7,000.00
Listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Blue Sky fees and expenses (including legal fees)	*
Transfer agent and registrar fees and expenses	*
Miscellaneous	*
Total	$ *

* To be completed by amendment.

Item 14. Indemnification of Directors and Officers.

Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of directors and officers, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. The registrant's amended and restated memorandum and articles of association provide for indemnification of directors and officers against any liability, action, proceeding, claim, demand, costs, damages or expenses, including legal expenses, which they may incur as a result of any act or failure to act in carrying out their functions other than such liability (if any) that they may incur by reason of their own actual fraud or willful default.

In addition, the registrant has entered into separate indemnification agreements with its directors and officers, pursuant to which the registrant has agreed to indemnify its directors and officers against certain liabilities and expenses incurred by such persons in connection with claims by reason of their being such a director or officer.

Additionally, reference is made to the Underwriting Agreement filed as Exhibit 1.1 to this registration statement, pursuant to which the registrant has agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

Item 15. Recent Sales of Unregistered Securities.

During the last three years, we sold the following unregistered securities:

(1) From February 1, 2008 through January 31, 2011, we sold and issued to our employees, consultants or former service providers an aggregate of 2,544,388 ordinary shares pursuant to option exercises under the 2004 Stock Plan at prices ranging from $0.04 to $1.96 per share for an aggregate purchase price of $1,001,474.

(2) From February 1, 2008 through January 31, 2011, we granted options under our 2004 Stock Plan to purchase an aggregate of 14,100,101 ordinary shares to our employees, directors and consultants, having exercise prices ranging from $0.63 to $1.96 per share for an aggregate exercise price of $16,502,532.

The issuances of certain securities described in paragraphs (i) and (ii) above were deemed to be exempt from registration under the Securities Act of 1933, as amended, pursuant to Rule 701 thereof on the basis that the transactions were pursuant to compensatory benefit plans and contracts relating to compensation as provided under Rule 701 and otherwise made in compliance with the requirements of Rule 701. The recipients of securities in each transaction represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the securities issued in these transactions. All recipients had access, through their relationship with the registrant, to information about the registrant.

None of the transactions described above was an underwritten public offering.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits:

See Exhibit Index immediately following the signature pages.

(b) Financial statement schedules.

All other schedules have been omitted because the information required to be presented in them is not applicable or is shown in the audited consolidated financial statements or related notes.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, or the Securities Act, may be permitted to directors, officers or controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) For the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting

method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424 (§230.424 of this chapter);

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Santa Clara, California, on June 10, 2011.

AMBARELLA, INC.

By: /s/ Feng-Ming Wang
Feng-Ming Wang
Chairman of the Board of Directors,
President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Feng-Ming Wang and George Laplante, jointly and severally, as his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the Registration Statement on Form S-1 of Ambarella, Inc. and any or all amendments (including post-effective amendments) thereto and any new registration statement with respect to the offering contemplated thereby filed pursuant to Rule 462(b) of the Securities Act, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises hereby ratifying and confirming all that said attorneys-in-fact and agents, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities indicated below:

Signature	Title	Date
/s/ Feng-Ming Wang **Feng-Ming Wang**	Chairman of the Board of Directors, President and Chief Executive Officer *(Principal Executive Officer)*	June 10, 2011
/s/ George Laplante **George Laplante**	Chief Financial Officer *(Principal Financial and Accounting Officer)*	June 10, 2011
/s/ Leslie D. Kohn **Leslie D. Kohn**	Chief Technology Officer and Director	June 10, 2011
/s/ Kenneth A. Goldman **Kenneth A. Goldman**	Director	June 10, 2011
/s/ Lip-Bu Tan **Lip-Bu Tan**	Director	June 10, 2011
/s/ Andrew W. Verhalen **Andrew W. Verhalen**	Director	June 10, 2011
/s/ George Laplante **George Laplante**	(Authorized U.S. Representative)	June 10, 2011

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EXHIBIT INDEX

1.1*	Form of Underwriting Agreement
3.1.1	Amended and Restated Memorandum and Articles of Association of the registrant in effect prior to the completion of this offering
3.1.2	Resolution of the shareholders of the registrant passed on July 9, 2009 to increase the authorized share capital of the registrant
3.2*	Amended and Restated Memorandum and Articles of Association of the registrant to be effective immediately following the completion of this offering
4.1*	Specimen Ordinary Share Certificate
4.2*	Second Amended and Restated Investors' Rights Agreement, dated February 17, 2006, by and among Ambarella, Inc. and certain of its shareholders
5.1*	Opinion of Maples and Calder, special counsel to the registrant, regarding the validity of the registrant's ordinary shares being registered
8.1*	Opinion of Wilson Sonsini Goodrich & Rosati P.C., counsel to the registrant, regarding certain U.S. tax matters
10.1.1+	Amended and Restated 2004 Stock Plan
10.1.2+	Form of Stock Option Agreement under Amended and Restated 2004 Stock Plan
10.2.1*+	2011 Equity Incentive Plan
10.2.2*+	Forms of Agreement under 2011 Equity Incentive Plan
10.3*+	2011 Employee Stock Purchase Plan
10.4*+	Form of Indemnification Agreement
10.5+	Offer Letter entered into by Ambarella, Inc. with George Laplante dated March 3, 2011, as amended
10.6.1+	Form of Change of Control and Severance Agreement, entered into by Ambarella, Inc. with the Chief Executive Officer, Chief Financial Officer and Chief Technology Officer
10.6.2+	Form of Change of Control and Severance Agreement, entered into by Ambarella, Inc. with executive officers other than the Chief Executive Officer, Chief Financial Officer and Chief Technology Officer
10.7*+	Description of Executive Bonus Plan
10.8*§	Sales Representative Agreement dated January 31, 2011 by and between Ambarella, Inc. and WT Microelectronics Co., Ltd.
10.9.1	Lease dated September 29, 2006 by and between Renault & Handley Employees' Investment Co. and Ambarella Corporation
10.9.2	First Amendment to Lease dated November 12, 2009 by and between Renault & Handley Employees' Investment Co. and Ambarella Corporation
21.1	List of subsidiaries of the registrant
23.1	Consent of PricewaterhouseCoopers LLP, independent registered public accounting firm
23.2*	Consent of Maples and Calder (included in Exhibit 5.1)
24.1	Power of Attorney (contained in the signature page to this Registration Statement)

* To be filed by amendment.

\+ Indicates a management contract or compensatory plan.

§ Confidential treatment will be requested for portions of this exhibit. These portions will be omitted from this Registration Statement and will be filed separately with the Securities and Exchange Commission.

THE COMPANIES LAW (2004 REVISION)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED

MEMORANDUM AND ARTICLES

OF

ASSOCIATION

OF

AMBARELLA, INC.
(adopted by resolution dated February 17, 2006)

THE COMPANIES LAW (2004 REVISION)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED

MEMORANDUM OF ASSOCIATION

OF

AMBARELLA, INC.
(adopted by resolution dated February 17, 2006)

1 The name of the Company is **Ambarella, Inc.**

2 The registered office of the Company shall be at the offices of M&C Corporate Services Limited, PO Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, or at such other place as the Directors may from time to time decide.

3 The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Law (2004 Revision) or as the same may be revised from time to time, or any other law of the Cayman Islands.

4 The liability of each Member is limited to the amount from time to time unpaid on such Member's Shares.

5 The share capital of the Company is US$15,858.1659 divided into 100,000,000 Ordinary Shares of a par value of US$0.0001 each, 25,250,000 Series A Preference Shares of a par value of US$0.0001 each, 16,331,659 Series B Preference Shares of a par value of US$0.0001 each and 17,000,000 Series C Preference Shares of a par value of US$0.0001 each.

6 The Company has power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

7 Capitalised terms that are not defined in this Amended and Restated Memorandum of Association bear the same meaning as those given in the Amended and Restated Articles of Association of the Company.

THE COMPANIES LAW (2004 REVISION)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

AMBARELLA, INC.
(adopted by resolution dated February 17, 2006)

INTERPRETATION

1 In these Articles, Table A in the First Schedule to the Statute does not apply and, unless there is something in the subject or context inconsistent therewith:

"Articles"	means these Amended and Restated Articles of Association of the Company.
"Auditor"	means the person for the time being performing the duties of auditor of the Company (if any).
"Board of Directors"	means the board of directors of the Company.
"Company"	means the above named company.
"Conversion Price"	means (i) US$0.4000 per share for the Series A Preference Shares (subject to adjustment from time to time for Recapitalizations and as otherwise set forth elsewhere herein), (ii) US$0.7960 per share for the Series B Preference Shares subject to adjustment from time to time for Recapitalizations and (as otherwise set forth elsewhere herein) and (iii) US$1.2000 per share for the Series C Preference Shares (subject to adjustment from time to time for Recapitalizations and as otherwise set forth elsewhere herein).

"Convertible Securities"	means any evidences of indebtedness, shares or securities convertible into or exchangeable for Ordinary Shares.
"Directors"	means the directors for the time being of the Company.
"Distribution"	means the transfer of cash or other property without consideration whether by way of Dividend or otherwise, other than Dividends on Ordinary Shares payable in Ordinary Shares, or the repurchase or redemption of shares of the Company for cash or property other than Permitted Repurchases.
"Dividend"	includes an interim dividend.
"Dividend Rate"	means an annual rate of (i) US$0.0320 per share for the Series A Preference Shares (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein), (ii) US$0.0637 per share for the Series B Preference Shares (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein) and (iii) US$0.096 per share for the Series C Preference Shares (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein).
"Dollars" or "US$"	refers to the dollar currency of the United States of America and references to cents should be construed accordingly.
"Electronic Record"	has the same meaning as in the Electronic Transactions Law (2004 Revision).
"Liquidation Preference"	means (i) US$0.4000 per share for the Series A Preference Shares (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein), (ii) US$0.7960 per share for the Series B Preference Shares (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein) and (iii) US$1.2000 per share for the Series C Preference Shares (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein).

"Member"	has the same meaning as in the Statute.
"Memorandum"	means the Amended and Restated Memorandum of Association of the Company.
"Options"	means rights, options or warrants to subscribe for, purchase or otherwise acquire Ordinary Shares or Convertible Securities.
"Ordinary Resolution"	means a resolution passed by a simple majority of the Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, and includes a written resolution passed by Members holding a simple majority of the Shares. In computing the majority when a poll is demanded or on a written resolution regard shall be had to the number of votes to which each Member is entitled by the Articles.
"Ordinary Shares"	means shares in the capital of the Company of US$0.0001 par value designated as Ordinary Shares and having the rights provided for in these Articles.
"Original Issue Date"	means (i) with respect to the Series A Preference Shares, the date on which the first Series A Preference Share was issued, (ii) with respect to the Series B Preference Shares, the date on which the first Series B Preference Share was issued and (iii) with respect to the Series C Preference Shares, the date on which the first Series C Preference Share was issued.
"Original Issue Price"	means (i) US$0.4000 per share for the Series A Preference Shares (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein), (ii) US$0.7960 per share for the Series B Preference Shares (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein and (iii) US$1.2000 per share for the Series C Preference Shares (subject to adjustment from time to time for Recapitalizations as set forth elsewhere herein) .
"Permitted Repurchases"	means (i) repurchases of Ordinary Shares at their initial cost (or less if so provided in the agreement

	providing for the right of said repurchase) issued to or held by employees, officers, directors or consultants of the Company or its subsidiaries upon termination of their employment or services pursuant to agreements providing for the right of said repurchase, (ii) repurchases of Ordinary Shares issued to or held by employees, officers, directors or consultants of the Company or its subsidiaries pursuant to rights of first refusal contained in agreements providing for such right and (iii) any other repurchase or redemption of shares of the Company approved by the holders of the Ordinary Shares and Preference Shares of the Company voting as separate classes.
"Preference Shares"	means the Series A Preference Shares, the Series B Preference Shares and the Series C Preference Shares.
"Recapitalization"	means any stock dividend, stock split, combination of shares, reorganization, recapitalization, reclassification or other similar event.
"Register of Members"	means the register maintained in accordance with the Statute and includes (except where otherwise stated) any duplicate Register of Members.
"Registered Office"	means the registered office for the time being of the Company.
"Seal"	means the common seal of the Company and includes every duplicate seal.
"Securities Act"	means the United States Securities Act of 1933, as amended.
"Series A Preference Shares"	means shares in the capital of the Company of US$0.0001 par value designated as Series A Preference Shares and having the rights provided for in these Articles.
"Series B Preference Shares"	means shares in the capital of the Company of US$0.0001 par value designated as Series B Preference Shares and having the rights provided for in these Articles.

"Series C Preference Shares"	means shares in the capital of the Company of US$0.0001 par value designated as Series C Preference Shares and having the rights provided for in these Articles.
"Share" and "Shares"	means a share or shares in the Company and includes a fraction of a share.
"Special Resolution"	has the same meaning as in the Statute, and includes a unanimous written resolution.
"Statute"	means the Companies Law (2004 Revision) of the Cayman Islands.

2 In the Articles:

2.1 words importing the singular number include the plural number and vice-versa;

2.2 words importing the masculine gender include the feminine gender;

2.3 words importing persons include corporations;

2.4 "written" and "in writing" include all modes of representing or reproducing words in visible form, including in the form of an Electronic Record;

2.5 references to provisions of any law or regulation shall be construed as references to those provisions as amended, modified, re-enacted or replaced from time to time;

2.6 any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;

2.7 headings are inserted for reference only and shall be ignored in construing these Articles; and

2.8 in these Articles Section 8 of the Electronic Transactions Law shall not apply.

COMMENCEMENT OF BUSINESS

3 The business of the Company may be commenced as soon after incorporation as the Directors shall see fit.

4 The Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company, including the expenses of registration.

ISSUE OF SHARES

5 Subject to the provisions, if any, in the Memorandum and these Articles (and to any direction that may be given by the Company in general meeting) and without prejudice to any rights attached to any existing Shares, the Directors may allot, issue, grant Options over or otherwise dispose of Shares (including fractions of a Share) with or without preferred, deferred or other rights or restrictions, whether in regard to Dividend, voting, return of capital or otherwise and to such persons, at such times and on such other terms as they think proper.

6 The Company shall not issue Shares to bearer.

REGISTER OF MEMBERS

7 The Company shall maintain or cause to be maintained the Register of Members in accordance with the Statute.

CLOSING REGISTER OF MEMBERS OR FIXING RECORD DATE

8 For the purpose of determining Members entitled to notice of, or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any Dividend, or in order to make a determination of Members for any other proper purpose, the Directors may provide that the Register of Members shall be closed for transfers for a stated period which shall not in any case exceed forty (40) days. If the Register of Members shall be closed for the purpose of determining Members entitled to notice of, or to vote at, a meeting of Members, the Register of Members shall be closed for at least ten (10) days immediately preceding the meeting.

9 In lieu of, or apart from, closing the Register of Members, the Directors may fix in advance or arrears a date as the record date for any such determination of Members entitled to notice of, or to vote at any meeting of the Members or any adjournment thereof, or for the purpose of determining the Members entitled to receive payment of any Dividend or in order to make a determination of Members for any other proper purpose.

10 If the Register of Members is not so closed and no record date is fixed for the determination of Members entitled to notice of, or to vote at, a meeting of Members or Members entitled to receive payment of a Dividend, the date on which notice of the meeting is sent or the date on which the resolution of the Directors declaring such Dividend is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of

Members has been made as provided in this Article, such determination shall apply to any adjournment thereof.

CERTIFICATES FOR SHARES

11 A Member shall only be entitled to a share certificate if the Directors resolve that share certificates shall be issued. Share certificates representing Shares, if any, shall be in such form as the Directors may determine. Share certificates shall be signed by one (1) or more Directors or other person authorised by the Directors. The Directors may authorise certificates to be issued with the authorised signature(s) affixed by mechanical process. All certificates for Shares shall be consecutively numbered or otherwise identified and shall specify the Shares to which they relate. All certificates surrendered to the Company for transfer shall be cancelled and subject to these Articles no new certificate shall be issued until the former certificate representing a like number of relevant Shares shall have been surrendered and cancelled.

12 The Company shall not be bound to issue more than one (1) certificate for Shares held jointly by more than one (1) person and delivery of a certificate to one (1) joint holder shall be a sufficient delivery to all of them.

13 If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and on the payment of such expenses reasonably incurred by the Company in investigating evidence, as the Directors may prescribe, and (in the case of defacement or wearing out) upon delivery of the old certificate.

TRANSFER OF SHARES

14 If (i) an agreement between the Company and a holder of shares who wishes to transfer Shares does not specifically address the transferability of such Shares, such Shares are transferable subject to the consent of the Directors who may, in their absolute discretion, decline to register any transfer of such Shares without giving any reason, or (ii) an agreement between the Company and a holder of Shares who wishes to transfer such Shares otherwise specifically addresses the transferability of such Shares, such Shares are transferable subject to the provisions of such agreement. If the Directors refuse to register a transfer pursuant to (i) above they shall notify the transferee within two (2) months of such refusal.

15 The instrument of transfer of any Share shall be in writing and shall be executed by or on behalf of the transferor (and if the Directors so require, signed by the transferee). The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the Register of Members.

REDEMPTION AND REPURCHASE OF SHARES

16 Subject to the provisions of the Statute and these Articles, the Company may issue Shares that are to be redeemed or are liable to be redeemed at the option of the Member or the Company. The redemption of such Shares shall be effected in such manner as the Company may, by Special Resolution, determine before the issue of the Shares. The Shares as of the respective Original Issue Date are not redeemable**.**

17 Subject to the provisions of the Statute and these Articles, the Company may purchase its own Shares (including any redeemable Shares but excluding any Permitted Repurchases) provided that the Members shall have approved the manner of purchase by Ordinary Resolution.

18 The Company may make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Statute, including out of capital.

VARIATION OF RIGHTS OF SHARES

19 If at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound-up, only be varied with the consent in writing of the holders of at least fifty-five (55%) of the issued Shares of that class, or with the sanction of a Special Resolution passed at a general meeting of the holders of the Shares of that class. The Series A Preference Shares, the Series B Preference Shares and the Series C Preference Shares shall be treated as separate classes for purposes of this Article 19.

20 The provisions of these Articles relating to general meetings shall apply to every class meeting of the holders of one (1) class of Shares except that the necessary quorum shall be one (1) person holding or representing by proxy at least a majority of the issued Shares of the class.

21 The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking pari passu or senior to therewith.

COMMISSION ON SALE OF SHARES

22 The Company may, in so far as the Statute permits, pay a commission to any person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any Shares of the Company. Such commissions may be satisfied by the payment of cash and/or the issue of fully or partly paid-up Shares. The Company may also on any issue of Shares pay such brokerage as may be lawful.

CONVERSION OF PREFERENCE SHARES

23 Each Preference Share shall be convertible, at the option of the holder thereof, at any time after the date of issue of such Share for the Preference Shares, into that number of fully paid, nonassessable Ordinary Shares determined by dividing the Original Issue Price for the relevant series by the Conversion Price for such series. (The number of Ordinary Shares into which each Preference Share of a series may be converted is hereinafter referred to as the "**Conversion Rate**" for each such series). Upon any decrease or increase in the Conversion Price for any series of Preference Shares, as described in the Section titled "Adjustments to Conversion Price of Preference Shares" below, the Conversion Rate for such series shall be appropriately increased or decreased.

24 Each of the Preference Shares automatically shall be converted into fully-paid, non-assessable Ordinary Shares at the then effective Conversion Rate for such Share (i) immediately prior to the closing of an underwritten public offering pursuant to an effective registration statement covering the offer and sale of the Company's Ordinary Shares, provided that the aggregate gross proceeds to the Company are not less than US$30,000,000 (before deduction of underwriters commissions and expenses); or (ii) upon the receipt by the Company of a written request for such conversion from the holders of more than fifty percent (50%) of the Preference Shares then outstanding, or, if later, the effective date for conversion specified in such request (a "**Requested Conversion Event**"**),** (each of the events referred to in (i) and (ii) are referred to herein as an "Automatic Conversion Event"). So long as there are at least 4,711,055 Series B Preference Shares outstanding, in the event of a Requested Conversion Event that is in connection with a transaction deemed to be a winding up of the Company pursuant to Article 163 in which the holders of the Series B Preference Shares would not receive their full Liquidation Preference, then each of the Series B Preference Shares automatically shall be converted into fully-paid, non-assessable Ordinary Shares at the then effective Conversion Rate for such Share only upon the receipt by the Company of a written request for such conversion from the holders of more than fifty percent (50%) of the Preference Shares then outstanding and more than fifty percent (50%) of the Series B Preference Shares then outstanding, or, if later, the effective date for conversion specified in such request. So long as there are at least [3,600,000] Series C Preference Shares outstanding, in the event of a Requested Conversion Event that is in connection with a transaction deemed to be a winding up of the Company pursuant to

Article 163 in which the holders of the Series C Preference Shares would not receive their full Liquidation Preference, then each of the Series C Preference Shares automatically shall be converted into fully-paid, non-assessable Ordinary Shares at the then effective Conversion Rate for such Share only upon the receipt by the Company of a written request for such conversion from the holders of more than fifty percent (50%) of the Preference Shares then outstanding and more than fifty percent (50%) of the Series C Preference Shares then outstanding, or, if later, the effective date for conversion specified in such request.

25 No fractional Ordinary Shares shall be issued upon conversion of Preference Shares. In lieu of any fractional shares to which the holder would otherwise be entitled, the Company shall pay cash equal to such fraction multiplied by the then fair market value of an Ordinary Share as determined by the Board of Directors. For such purpose, all Preference Shares held by each holder of Preference Shares shall be aggregated, and any resulting fractional Ordinary Share shall be paid in cash. Before any holder of Preference Shares shall be entitled to covert the same into full Ordinary Shares, and to receive certificates therefore, he shall either (i) surrender the certificate or certificates therefore, duly endorsed, at the office of the Company or of any transfer agent for the Preference Shares or (ii) notify the Company or its transfer agent that such certificates have been lost, stolen or destroyed and execute an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates, and shall give written notice to the Company at such office that he elects to convert the same; provided, however that on the date of an Automatic Conversion Event, the outstanding Preference Shares shall be converted automatically without any further action by the holders of such Shares and whether or not the certificates representing such Shares are surrendered to the Company or its transfer agent; provided, further that the Company shall not be obligated to issue certificates evidencing the Ordinary Shares issuable upon such Automatic Conversion Event unless either the certificates evidencing such Preference Shares are delivered to the Company or its transfer agent as provided above, or the holder notifies the Company or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates. On the date of the occurrence of an Automatic Conversion Event, each holder of record of Preference Shares shall become the holder of record of the Ordinary Shares issuable upon such conversion, notwithstanding that the certificates representing such Preference Shares shall not have been received by any holder of record or Preference Shares, or that the certificates evidencing such Ordinary Shares shall not then be actually delivered to such holder.

26 The Company shall at all times reserve and keep available out of its authorized but unissued Ordinary Shares, solely for the purpose of effecting the conversion of the Preference Shares, such number of its Ordinary Shares as shall from time to time be sufficient to effect the conversion of all then outstanding Preference Shares; and if at any time the number of authorized but unissued Ordinary Shares shall not be sufficient to effect the conversion of all then outstanding Preference Shares, the Company will take such action as may, in the opinion of its counsel, be necessary to increase its

authorized but unissued Ordinary Shares to such number of Shares as shall be sufficient for such purpose. Any such conversion pursuant to this Section titled "Conversion of Preference Shares" shall be effected by the redemption of the relevant number of Preference Shares and the issue of the appropriate number of Ordinary Shares

ADJUSTMENTS TO CONVERSION PRICE OF PREFERENCE SHARES

27 For purposes of this Section titled "Adjustments to Conversion Price of Preference Shares," "**Additional Ordinary Shares**" shall mean all Ordinary Shares issued (or, pursuant to Article 29, deemed to be issued) by the Company after the adoption of these Articles, other than issues or deemed issues of:

27.1 Ordinary Shares issued or issuable to officers, directors, employees, other service providers of, or consultants to, the Company pursuant to stock grants, Option plans, purchase plans or other employee stock incentive programs, agreements or arrangements approved by the Board of Directors, or upon exercise of Options or warrants granted to such parties pursuant to any such plan or arrangement;

27.2 Ordinary Shares issued upon the exercise or conversion of Options or Convertible Securities outstanding as of the date of the filing of these Articles;

27.3 Ordinary Shares issued or issuable as a Dividend or Distribution on Preference Shares, Recapitalization or pursuant to any event for which adjustment is made pursuant to Article 33, Article 34 or Article 35 hereof;

27.4 Ordinary Shares issued in a registered public offering;

27.5 Ordinary Shares issued or issuable pursuant to the acquisition of another corporation by the Company by merger, share purchase, purchase of assets or other reorganization or pursuant to a joint venture agreement;

27.6 Ordinary Shares issued or issuable to banks, equipment lessors, or other financial institutions pursuant to a debt financing, equipment lease, bank credit arrangement, or commercial leasing transaction entered into for primarily non equity financing purposes; and

27.7 Ordinary Shares issued or issuable in any other transactions unanimously approved by the Board of Directors, which approval specifically excludes such Ordinary Shares from the definition of "Additional Ordinary Shares".

28 No adjustment in the Conversion Price of a particular series of Preference Shares shall be made in respect of the issue of Additional Ordinary Shares unless the consideration per Share (as determined pursuant to Article 31) for an Additional Ordinary Share issued or deemed to be issued by the Company is less than the Conversion Price in effect for such series of Preference Shares immediately prior to such issue.

29 In the event the Company at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of Shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number) of Ordinary Shares issuable upon the exercise of such Options or, in the case of Convertible Securities, the exercise of such Options and the conversion or exchange of the underlying securities, shall be deemed to have been issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date, provided that in any such case in which Shares are deemed to be issued:

29.1 No further adjustment in the Conversion Price of any series of Preference Shares shall be made upon the subsequent issue of Convertible Securities or Ordinary Shares in connection with the exercise of such Options or conversion or exchange of such Convertible Securities;

29.2 If such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any change in the consideration payable to the Company or in the number of Ordinary Shares issuable upon the exercise, conversion or exchange thereof (other than a change pursuant to the anti-dilution provisions of such Options or Convertible Securities such as Article 30 or pursuant to Recapitalization provisions of such Options or Convertible Securities such as Articles 33, 34 and 35 hereof), the Conversion Price of each series of Preference Shares and any subsequent adjustments based thereon shall be recomputed to reflect such change as if such change had been in effect as of the original issue thereof (or upon the occurrence of the record date with respect thereto);

29.3 No readjustment pursuant to Article 29.2 above shall have the effect of increasing the Conversion Price of a series of Preference Shares to an amount above the Conversion Price that would have resulted from any other issuances of Additional Ordinary Shares and any other adjustments provided for herein between the original adjustment date and such readjustment date;

29.4 Upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been exercised, the Conversion Price of each series of Preference Shares computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto) and any subsequent adjustments based thereon shall, upon such expiration, be recomputed as if:

29.4.1 In the case of Convertible Securities or Options for Ordinary Shares, the only Additional Ordinary Shares issued were the Ordinary Shares, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefore was the

consideration actually received by the Company for the issue of such exercised Options plus the consideration actually received by the Company upon such exercise or for the issue of all such Convertible Securities which were actually converted or exchanged, plus the additional consideration, if any, actually received by the Company upon such conversion or exchange; and

29.4.2 In the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of exercise of such Options, and the consideration received by the Company for the Additional Ordinary Shares deemed to have been then issued was the consideration actually received by the Company for the issue of such exercised Options, plus the consideration deemed to have been received by the Corporation (pursuant to Article 31) upon the issue of the Convertible Securities with respect to which such Options were actually exercised; and

29.5 If such record date shall have been fixed and such Options or Convertible Securities are not issued on the date fixed therefore, the adjustment previously made in the Conversion Price which became effective on such record date shall be cancelled as of the close of business on such record date, and thereafter the Conversion Price shall be adjusted pursuant to this Article 29 as of the actual date of their issuance.

30 In the event this Company shall issue Additional Ordinary Shares (including Additional Ordinary Shares deemed to be issued pursuant to Article 29) for a consideration per Share less than the applicable Conversion Price of a series of Preference Shares in effect immediately prior to such issue, then, the Conversion Price of the affected series of Preference Shares shall be reduced, concurrently with such issue, to a price (calculated to the nearest tenth of a cent) determined by multiplying such Conversion Price by a fraction, the numerator of which shall be the number of Ordinary Shares outstanding immediately prior to such issue plus the number of Shares which the aggregate consideration received by the Company for the total number of Additional Ordinary Shares so issued would purchase at such Conversion Price, and the denominator of which shall be the number of Ordinary Shares outstanding immediately prior to such issue plus the number of Additional Ordinary Shares so issued. Notwithstanding the foregoing, the Conversion Price shall not be reduced at such time if the amount of such reduction would be less than US$0.01, but any such amount shall be carried forward, and a reduction will be made with respect to such amount at the time of, and together with, any subsequent reduction which, together with such amount and any other amounts so carried forward, equal US$0.01 or more in the aggregate. For the purposes of this Article 30, all Ordinary Shares, Ordinary Shares issuable upon conversion of all outstanding Preference Shares and the exercise and/or conversion of any other outstanding Convertible Securities and all outstanding Options shall be deemed to be Ordinary Shares outstanding.

31 For purposes of this Section titled “Adjustments to Conversion Price of Preference Shares”, the consideration received by the Company for the issue (or deemed issue) of any Additional Ordinary Shares shall be computed as follows:

31.1 Insofar as it consists of cash, be computed at the aggregate amount of cash received by the Company before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by the Company for any underwriting or otherwise in connection with such issuance;

31.2 Insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors; and

31.3 In the event Additional Ordinary Shares are issued together with other Shares or securities or other assets of the Company for consideration which covers both, be the proportion of such consideration so received corresponding to the Additional Ordinary Shares, computed as provided in Articles 31.1 and 31.2 above, as reasonably determined in good faith by the Board of Directors.

32 The consideration per Share received by the Company for Additional Ordinary Shares deemed to have been issued pursuant to Article 29 shall be determined by dividing:

32.1 The total amount, if any, received or receivable by the Company as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Company upon the exercise of such Options or the conversion or exchange of Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities by,

32.2 The maximum number of Ordinary Shares (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

33 In the event the outstanding Ordinary Shares shall be subdivided (by stock split, by payment of a stock dividend or otherwise), into a greater number of Ordinary Shares, the Conversion Price of each series of Preference Shares in effect immediately prior to such subdivision shall, concurrently with the effectiveness of such subdivision, be proportionately decreased. In the event the outstanding Ordinary Shares shall be combined (by reclassification or otherwise) into a lesser number of Ordinary Shares, the Conversion Prices in effect immediately prior to such combination shall, concurrently with the effectiveness of such combination, be proportionately increased.

34 In the event the outstanding Preference Shares or a series of Preference Shares shall be subdivided (by stock split, by payment of a stock dividend or otherwise), into a greater number of Shares of Preference Shares, the Dividend Rate, Original Issue Price, Conversion Price and Liquidation Preference of the affected series of Preference Shares in effect immediately prior to such subdivision shall, concurrently with the effectiveness of such subdivision, be proportionately decreased. In the event the outstanding Shares of Preference Shares or a series of Preference Shares shall be combined (by Reclassification or otherwise) into a lesser number of Preference Shares, the Dividend Rate, Original Issue Price, Conversion Price and Liquidation Preference of the affected series of Preference Shares in effect immediately prior to such combination shall, concurrently with the effectiveness of such combination, be proportionately increased.

35 Subject to Article 162 below, if the Ordinary Shares issuable upon conversion of the Preference Shares shall be changed into the same or a different number of Shares of any other class or classes of stock, whether by capital reorganization, Reclassification or otherwise (other than a subdivision or combination of Shares provided for above), then, in any such event, in lieu of the number of Ordinary Shares which the holders would otherwise have been entitled to receive each holder of such Preference Shares shall have the right thereafter to convert such Preference Shares into a number of Shares of such other class or classes of stock which a holder of the number of Ordinary Shares deliverable upon conversion or such series of Preference Shares immediately before that change would have been entitled to receive in such reorganization or reclassification, all subject to further adjustment as provided herein with respect to such other Shares.

36 Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section titled “Adjustments to Conversion Price of Preference Shares,” the Company at its expense shall compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Preference Shares a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any holder of Preference Shares, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price at the time in effect and (iii) the number of Ordinary Shares and the amount, if any, of other property which at the time would be received upon the conversion of Preference Shares.

37 Notwithstanding anything herein to the contrary, any downward adjustment of the Conversion Price of any series of Preference Shares may be waived by the consent or vote of the holders of a majority of the outstanding Shares of such series either before or after the issuance causing the adjustment.

NON-RECOGNITION OF TRUSTS

38 The Company shall not be bound by or compelled to recognise in any way (even when notified) any equitable, contingent, future or partial interest in any Share, or (except only as is otherwise provided by these Articles or the Statute) any other rights in respect of any Share other than an absolute right to the entirety thereof in the registered holder.

LIEN ON SHARES

39 The Company shall have a first and paramount lien on all Shares (whether fully paid-up or not) registered in the name of a Member (whether solely or jointly with others) for all debts related to money borrowed from the Company (whether presently payable or not) by such Member or his estate, either alone or jointly with any other person, whether a Member or not, but the Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article. The registration of a transfer of any such Share shall operate as a waiver of the Company's lien thereon. The Company's lien on a Share shall also extend to any amount payable in respect of that Share.

40 The Company may sell, in such manner as the Directors think fit, any Shares on which the Company has a lien, if a sum in respect of which the lien exists is presently payable, and is not paid within fourteen (14) clear days after notice has been given to the holder of the Shares, or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the Shares may be sold.

41 To give effect to any such sale the Directors may authorise any person to execute an instrument of transfer of the Shares sold to, or in accordance with the directions of, the purchaser. The purchaser or his nominee shall be registered as the holder of the Shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the sale or the exercise of the Company's power of sale under these Articles.

42 The net proceeds of such sale after payment of costs, shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable and any residue shall (subject to a like lien for sums not presently payable as existed upon the Shares before the sale) be paid to the person entitled to the Shares at the date of the sale.

CALL ON SHARES

43 Subject to the terms of the allotment the Directors may from time to time make calls upon the Members in respect of any monies unpaid on their Shares (whether in respect of par value or premium), and each Member shall (subject to receiving at least fourteen (14) days notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on the Shares. A call may be revoked or postponed as the Directors may determine. A call may be required to be paid by instalments. A person

upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the Shares in respect of which the call was made.

44 A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.

45 The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

46 If a call remains unpaid after it has become due and payable, the person from whom it is due shall pay interest on the amount unpaid from the day it became due and payable until it is paid at such rate as the Directors may determine, but the Directors may waive payment of the interest wholly or in part.

47 An amount payable in respect of a Share on allotment or at any fixed date, whether on account of the par value of the Share or premium or otherwise, shall be deemed to be a call and if it is not paid all the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call.

48 The Directors may issue Shares with different terms as to the amount and times of payment of calls, or the interest to be paid.

49 The Directors may, if they think fit, receive an amount from any Member willing to advance all or any part of the monies uncalled and unpaid upon any Shares held by him, and may (until the amount would otherwise become payable) pay interest at such rate as may be agreed upon between the Directors and the Member paying such amount in advance.

50 No such amount paid in advance of calls shall entitle the Member paying such amount to any portion of a Dividend declared in respect of any period prior to the date upon which such amount would, but for such payment, become payable.

FORFEITURE OF SHARES

51 If a call remains unpaid after it has become due and payable the Directors may give to the person from whom it is due not less than fourteen (14) clear days notice requiring payment of the amount unpaid together with any interest, which may have accrued. The notice shall specify where payment is to be made and shall state that if the notice is not complied with the Shares in respect of which the call was made will be liable to be forfeited.

52 If the notice is not complied with, any Share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Directors. Such forfeiture shall include all Dividends or other monies declared payable in respect of the forfeited Share and not paid before the forfeiture.

53 A forfeited Share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors think fit and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Directors think fit. Where for the purposes of its disposal a forfeited Share is to be transferred to any person the Directors may authorise some person to execute an instrument of transfer of the Share in favour of that person.

54 A person any of whose Shares have been forfeited shall cease to be a Member in respect of them and shall surrender to the Company for cancellation the certificate for the Shares forfeited and shall remain liable to pay to the Company all monies which at the date of forfeiture were payable by him to the Company in respect of those Shares together with interest, but his liability shall cease if and when the Company shall have received payment in full of all monies due and payable by him in respect of those Shares.

55 A certificate in writing under the hand of one (1) Director or officer of the Company that a Share has been forfeited on a specified date shall be conclusive evidence of the fact as against all persons claiming to be entitled to the Share. The certificate shall (subject to the execution of an instrument of transfer) constitute a good title to the Share and the person to whom the Share is disposed of shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

56 The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the par value of the Share or by way of premium as if it had been payable by virtue of a call duly made and notified.

TRANSMISSION OF SHARES

57 If a Member dies the survivor or survivors where he was a joint holder, and his legal personal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest. The estate of a deceased Member is not thereby released from any liability in respect of any Share, which had been jointly held by him.

58 Any person becoming entitled to a Share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (or in any other way than by transfer) may, upon such evidence being produced as may from time to time be required by the Directors, elect either to become the holder of the Share or to have some person nominated by him as the transferee. If he elects to become the holder he shall give notice to the Company to that effect, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by that Member before his death or bankruptcy, as the case may be.

59 If the person so becoming entitled shall elect to be registered himself as holder he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

60 A person becoming entitled to a Share by reason of the death or bankruptcy or liquidation or dissolution of the holder (or in any other case than by transfer) shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the Share. However, he shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company and the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share. If the notice is not complied with within ninety (90) days the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

AMENDMENTS OF MEMORANDUM AND ARTICLES OF ASSOCIATION AND ALTERATION OF CAPITAL

61 Subject to Article 95, the Company may by Ordinary Resolution:

61.1 increase the share capital by such sum as the resolution shall prescribe and with such rights, priorities and privileges annexed thereto, as the Company in general meeting may determine;

61.2 consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;

61.3 by subdivision of its existing Shares or any of them divide the whole or any part of its share capital into Shares of smaller amount than is fixed by the Memorandum or into Shares without par value; and

61.4 cancel any Shares that at the date of the passing of the resolution have not been taken or agreed to be taken by any person.

62 All new Shares created in accordance with the provisions of the preceding Article shall be subject to the same provisions of the Articles with reference to the payment of calls, liens, transfer, transmission, forfeiture and otherwise as the Shares in the original share capital.

63 Subject to the provisions of the Statute, Article 95 and the provisions of these Articles as regards the matters to be dealt with by Ordinary Resolution, the Company may by Special Resolution:

63.1 change its name;

63.2 alter or add to these Articles;

63.3 alter or add to the Memorandum with respect to any objects, powers or other matters specified therein; and

63.4 reduce its share capital and any capital redemption reserve fund.

REGISTERED OFFICE

64 Subject to the provisions of the Statute, the Company may by resolution of the Directors change the location of its Registered Office.

GENERAL MEETINGS

65 All general meetings other than annual general meetings shall be called extraordinary general meetings.

66 The Company shall, if required by the Statute, in each year hold a general meeting as its annual general meeting, and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as the Directors shall appoint and if no other time and place is prescribed by them, it shall be held at the Registered Office on the second Wednesday in December of each year at ten o'clock in the morning. At these meetings the report of the Directors (if any) shall be presented

67 The Company may hold an annual general meeting, but shall not (unless required by Statute) be obliged to hold an annual general meeting.

68 The Directors may call general meetings, and they shall on a Members' Requisition, forthwith proceed to convene an extraordinary general meeting of the Company.

69 A Members' Requisition is a requisition of Members of the Company holding at the date of deposit of the requisition not less than ten percent in par value of the capital of the Company which as at that date carries the right of voting at general meetings of the Company.

70 The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents in like form each signed by one (1) or more requisitionists.

71 If the Directors do not within twenty-one (21) days from the date of the deposit of the requisition duly proceed to convene a general meeting to be held within a further twenty- one (21) days, the requisitionists, or any of them representing more than a majority of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of ninety (90) days after the expiration of the said twenty-one (21) days.

72 A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

NOTICE OF GENERAL MEETINGS

73 At least five (5) days' notice shall be given of any general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this regulation has been given and whether or not the provisions of the Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:

73.1 in the case of an annual general meeting, by all the Members (or their proxies) entitled to attend and vote thereat; and

73.2 in the case of an extraordinary general meeting, by a majority in number of the Members (or their proxies) having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent (95%) in par value of the Shares giving that right.

74 The accidental omission to give notice of a general meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings of that meeting.

PROCEEDINGS AT GENERAL MEETINGS

75 No business shall be transacted at any general meeting unless a quorum is present. Members being individuals present in person or by proxy or if a corporation or other non-natural person by its duly authorised representative holding a majority of the Company's then outstanding Shares shall be a quorum.

76 A person may participate at a general meeting by conference telephone or other communications equipment by means of which all the persons participating in the meeting can communicate with each other. Participation by a person in a general meeting in this manner is treated as presence in person at that meeting.

77 A resolution (including a Special Resolution) in writing (in one (1) or more counterparts) signed by all Members for the time being entitled to receive notice of and to attend and vote at general meetings (or, being corporations, signed by their duly authorised representatives) shall be as valid and effective as if the resolution had been passed at a general meeting of the Company duly convened and held. Notwithstanding the foregoing, an Ordinary Resolution in writing (in one (1) or more counterparts) signed by Members

holding a majority of the Shares for the time being entitled to receive notice of and to attend and vote at general meetings (or, being corporations, signed by their duly authorised representatives) shall be as valid and effective as if the resolution had been passed at a general meeting of the Company duly convened and held.

78 If a quorum is not present within thirty (30) minutes from the time appointed for the meeting or if during such a meeting a quorum ceases to be present, the meeting, if convened upon the requisition of Members, shall be dissolved and in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day, time or such other place as the Directors may determine, and if at the adjourned meeting a quorum is not present within thirty (30) minutes from the time appointed for the meeting the meeting shall again be adjourned.

79 The chairman, if any, of the board of Directors shall preside as chairman at every general meeting of the Company, or if there is no such chairman, or if he shall not be present within fifteen (15) minutes after the time appointed for the holding of the meeting, or is unwilling to act, the Directors present shall elect one (1) of their number to be chairman of the meeting.

80 If no Director is willing to act as chairman or if no Director is present within fifteen (15) minutes after the time appointed for holding the meeting, the Members present shall choose one (1) of their number to be chairman of the meeting.

81 The chairman may, with the consent of a meeting at which a quorum is present, (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Otherwise it shall not be necessary to give any such notice.

82 A resolution put to the vote of the meeting shall be decided on a poll of the Members at such meeting.

83 Intentionally omitted.

84 Intentionally omitted.

85 Except on a poll on the election of a chairman or on a question of adjournment, a poll shall be taken as the chairman directs, and the result of the poll shall be deemed to be the resolution of the general meeting at which the poll was demanded.

86 A poll on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll on any other question shall be taken at such time as the chairman of the general meeting directs.

87 Intentionally Omitted.

VOTES OF MEMBERS

88 Subject to any rights or restrictions attached to any Shares on a poll every Member shall have one (1) vote for every Share of which such Member is the holder; provided further that each holder of Preference Shares shall be entitled to the number of votes equal to the number of Ordinary Shares into which the Preference Shares held by such holder could be converted into pursuant to these Articles as of the record date.

89 In the case of joint holders of record, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the Register of Members.

90 A Member of unsound mind, or in respect of whom an order has been made by any court, having jurisdiction in lunacy, may vote on a poll by his committee, receiver, curator bonis, or other person on such Member's behalf appointed by that court, and any such committee, receiver, curator bonis or other person may vote by proxy.

91 No person shall be entitled to vote at any general meeting or at any separate meeting of the holders of a class of Shares unless he is registered as a Member on the record date for such meeting nor unless all calls or other monies then payable by him in respect of Shares have been paid.

92 No objection shall be raised to the qualification of any voter except at the general meeting or adjourned general meeting at which the vote objected to is given or tendered and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

93 Votes may be cast either personally or by proxy. A Member may appoint more than one (1) proxy or the same proxy under one (1) or more instruments to attend and vote at a meeting.

94 A Member holding more than one (1) Share (or shares convertible into Ordinary Shares pursuant to these Articles) need not cast the votes in respect of his Shares in the same way on any resolution and therefore may vote such Share or some or all such Shares either for or against a resolution and/or abstain from voting such Share or some or all of such Shares and, subject to the terms of the instrument appointing him, a proxy appointed under one (1) or more instruments may vote such Share or some or all of such Shares in respect of which he is appointed either for or against a resolution and/or abstain from voting.

95 As long as 20,000,000 Preference Shares of the Company remain outstanding (as adjusted for stock splits, combinations and the like), the Company shall not (by a scheme of arrangement, consolidation or otherwise), without first obtaining the approval (by vote or written consent as provided by law) of the holders of at least fifty five (55%) of the outstanding Preference Shares:

95.1 Alter, change or amend the preferences, privileges or rights of the Preference Shares set forth in these Articles if such alteration, change or amendment would adversely alter the preferences, privileges or rights of the Preference Shares;

95.2 Authorize or create (by reclassification or otherwise) any new class or series of Shares having rights, preferences or privileges with respect to Dividends or payments upon liquidation senior to or on a parity with the Preference Shares;

95.3 Make any repurchases of Shares other than Permitted Repurchases;

95.4 Change the size of the Board of Directors;

95.5 Enter into any transaction or series of transactions deemed to be a winding up of the Company pursuant to Article 163 below;

95.6 Declare or pay any Dividend or Distribution with respect to the Preference Shares or Ordinary Shares of the Company; or

95.7 Increase or decrease (other than for decreases resulting from conversion of the Preference Shares) the authorized number of shares of Preference Shares or any series thereof.

PROXIES

96 The instrument appointing a proxy shall be in writing, be executed under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation under the hand of an officer or attorney duly authorised for that purpose. A proxy need not be a Member of the Company.

97 The instrument appointing a proxy shall be deposited at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company:

97.1 Not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

97.2 In the case of a poll taken more than forty-eight (48) hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than twenty-four (24) hours before the time appointed for the taking of the poll; or

97.3 Where the poll is not taken forthwith but is taken not more than forty-eight (48) hours after it was demanded be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

provided that the Directors may in the notice convening the meeting, or in an instrument of proxy sent out by the Company, direct that the instrument appointing a proxy may be deposited (no later than the time for holding the meeting or adjourned meeting) at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company. The chairman may in any event at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited. An instrument of proxy that is not deposited in the manner permitted shall be invalid.

98 The instrument appointing a proxy may be in any usual or common form and may be expressed to be for a particular meeting or any adjournment thereof or generally until revoked. An instrument appointing a proxy shall be deemed to include the power to demand or join or concur in demanding a poll.

99 Votes given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Share in respect of which the proxy is given unless notice in writing of such death, insanity, revocation or transfer was received by the Company at the Registered Office before the commencement of the general meeting, or adjourned meeting at which it is sought to use the proxy.

CORPORATE MEMBERS

100 Any corporation or other non-natural person which is a Member may in accordance with its constitutional documents, or in the absence of such provision by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual Member.

SHARES THAT MAY NOT BE VOTED

101 Shares in the Company that are beneficially owned by the Company shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding Shares at any given time.

DIRECTORS

102 There shall be a Board of Directors consisting of up to six (6) persons; provided, however, that, subject to Article 95, the Company may from time to time by Ordinary Resolution increase or reduce the number of Directors. The holders of the Series A Preference Shares, voting as a separate series, shall be entitled to elect two (2) members of the Board of Directors at each meeting (each, a "**Series A Director**"**)**. The holders of the Series B Preference Shares, voting as a separate series, shall be entitled to elect one (1) member of the Board of Directors at each meeting (the "**Series B Director**"**)**. The holders of Ordinary Shares, voting as a separate class, shall be entitled to elect two (2) members of the Board of Directors at each meeting (each, an "**Ordinary Director**"**)**. The holders of Ordinary Shares and Preference Shares, voting together as a single class, shall elect one (1) member of the Board of Directors. If a vacancy of the Board of Directors is to be filled by the Board of Directors, only directors elected by the same class or classes of Shares as those who would be entitled to vote to fill such vacancy shall vote to fill such vacancy.

POWERS OF DIRECTORS

103 Subject to the provisions of the Statute, the Memorandum and the Articles (including, without limitation, Article 95) and to any directions given by Special Resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. A duly convened meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.

104 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Directors shall determine by resolution.

105 The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

106 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock, mortgages, bonds and other such securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

APPOINTMENT AND REMOVAL OF DIRECTORS

107 The Company may by Ordinary Resolution appoint any person to be a Director or may by Ordinary Resolution remove any Director; provided however that a Director elected by holders of a particular class of Shares may only be appointed or removed by an Ordinary Resolution of that class.

108 Subject to Section 102 and 107 of these Articles, the Directors may appoint any person to be a Director, either to fill a vacancy or as an additional Director provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the Articles as the maximum number of Directors.

VACATION OF OFFICE OF DIRECTOR

109 The office of a Director shall be vacated if:

109.1 He gives notice in writing to the Company that he resigns the office of Director; or

109.2 If he absents himself (without being represented by proxy appointed by him) from three (3) consecutive meetings of the board of Directors without special leave of absence from the Directors, and they pass a resolution that he has by reason of such absence vacated office; or

109.3 If he dies, becomes bankrupt or makes any arrangement or composition with his creditors generally; or

109.4 If he is found to be or becomes of unsound mind.

PROCEEDINGS OF DIRECTORS

110 The quorum for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed shall be three (3), and shall be one (1) if there is only one (1) Director.

111 Subject to the provisions of the Articles, the Directors may regulate their proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes.

112 A person may participate in a meeting of the Directors or committee of Directors by conference telephone or other communications equipment by means of which all the persons participating in the meeting can communicate with each other at the same time. Participation by a person in a meeting in this manner is treated as presence in person at that meeting. Unless otherwise determined by the Directors the meeting shall be deemed to be held at the place where the chairman is at the start of the meeting.

113 A resolution in writing (in one (1) or more counterparts) signed by all the Directors or all the members of a committee of Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors, or committee of Directors as the case may be, duly convened and held.

114 A Director may, or other officer of the Company on the requisition of a Director shall, call a meeting of the Directors by at least two (2) days' notice in writing to every Director which notice shall set forth the general nature of the business to be considered unless notice is waived by all the Directors either at, before or after the meeting is held.

115 The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.

116 The Directors may elect a chairman of their board and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within five (5) minutes after the time appointed for holding the same, the Directors present may choose one (1) of their number to be chairman of the meeting.

117 All acts done by any meeting of the Directors or of a committee of Directors shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and qualified to be a Director as the case may be.

118 A Director may be represented at any meetings of the board of Directors by a proxy appointed in writing by him. The proxy shall count towards the quorum and the vote of the proxy shall for all purposes be deemed to be that of the appointing Director.

PRESUMPTION OF ASSENT

119 A Director of the Company who is present at a meeting of the board of Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the chairman or secretary of the meeting before the adjournment thereof or shall forward such dissent by registered post to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

DIRECTORS' INTERESTS

120 A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.

121 A Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

122 A Director of the Company may be or become a director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company.

123 No person shall be disqualified from the office of Director or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director shall be in any way interested be or be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or transaction by reason of such Director holding office or of the fiduciary relation thereby established. A Director shall be at liberty to vote in respect of any contract or transaction in which he is interested provided that the nature of the interest of any Director in any such contract or transaction shall be disclosed by him at or prior to its consideration and any vote thereon.

124 A general notice that a Director is a shareholder, director, officer or employee of any specified firm or company and is to be regarded as interested in any transaction with such firm or company shall be sufficient disclosure for the purposes of voting on a resolution in

respect of a contract or transaction in which he has an interest, and after such general notice it shall not be necessary to give special notice relating to any particular transaction.

MINUTES

125 The Directors shall cause minutes to be made in books kept for the purpose of all appointments of officers made by the Directors, all proceedings at meetings of the Company or the holders of any class of Shares and of the Directors, and of committees of Directors including the names of the Directors present at each meeting.

DELEGATION OF DIRECTORS' POWERS

126 The Directors may delegate any of their powers to any committee consisting of one (1) or more Directors. They may also delegate to any managing director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him provided that the appointment of a managing director shall be revoked forthwith if he ceases to be a Director. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee of Directors shall be governed by the Articles regulating the proceedings of Directors, so far as they are capable of applying.

127 The Directors may establish any committees, local boards or agencies or appoint any person to be a manager or agent for managing the affairs of the Company and may appoint any person to be a member of such committees or local boards. Any such appointment may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee of Directors shall be governed by the Articles regulating the proceedings of Directors, so far as they are capable of applying.

128 The Directors may by power of attorney or otherwise appoint any person to be the agent of the Company on such conditions as the Directors may determine, provided that the delegation is not to the exclusion of their own powers and may be revoked by the Directors at any time.

129 The Directors may by power of attorney or otherwise appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or authorised signatory of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with any such attorneys or authorised signatories as the Directors may think fit and may also authorise any such attorney or authorised signatory to delegate all or any of the powers, authorities and discretions vested in him.

130 The Directors may appoint such officers as they consider necessary on such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors may think fit. An officer may be removed by resolution of the Directors.

ALTERNATE DIRECTORS

131 There shall be no alternate directors.

132 Intentionally omitted.

133 Intentionally omitted.

134 Intentionally omitted.

135 Intentionally omitted.

NO MINIMUM SHAREHOLDING

136 The Company in general meeting may fix a minimum shareholding required to be held by a Director, but unless and until such a shareholding qualification is fixed a Director is not required to hold Shares.

REMUNERATION OF DIRECTORS

137 The remuneration to be paid to the Directors, if any, shall be such remuneration as the Directors shall determine.

138 The Directors may by resolution approve additional remuneration to any Director for any services other than his ordinary routine work as a Director. Any fees paid to a Director who is also counsel or solicitor to the Company, or otherwise serves it in a professional capacity shall be in addition to his remuneration as a Director.

SEAL

139 The Company may, if the Directors so determine, have a Seal. The Seal shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors. Every instrument to which the Seal has been affixed shall be signed by at least one (1) person who shall be either a Director or some officer or other person appointed by the Directors for the purpose.

140 The Company may have for use in any place or places outside the Cayman Islands a duplicate Seal or Seals each of which shall be a facsimile of the common Seal of the

Company and, if the Directors so determine, with the addition on its face of the name of every place where it is to be used.

141 A Director or officer, representative or attorney of the Company may without further authority of the Directors affix the Seal over his signature alone to any document of the Company required to be authenticated by him under seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.

DIVIDENDS, DISTRIBUTIONS AND RESERVE

142 Subject to the Statute and these Articles, the Directors may declare Dividends and Distributions on Shares in issue and authorise payment of the Dividends or Distributions out of the funds of the Company lawfully available therefor. No Dividend or Distribution shall be paid except out of the realised or unrealised profits of the Company, or out of the share premium account or as otherwise permitted by the Statute.

143 In any fiscal year, the holders of outstanding Preference Shares shall be entitled to receive Dividends, when, as and if declared by the Board of Directors, out of any assets legally available therefor, at the Dividend Rate specified for such Preference Shares payable in preference and priority to any declaration or payment of any Distribution on Ordinary Shares of the Company in such calendar year. No Distributions shall be made with respect to Ordinary Shares until all declared Dividends on the Preference Shares have been paid or set aside for payment to the holders of Preference Shares. Payment of any Dividends to the holders of the Preference Shares shall be on a pro rata, pari passu basis in proportion to the Dividend Rate for each series of Preference Shares. The right to receive Dividends on Preference Shares shall not be cumulative, and no right to such Dividends shall accrue to holders of Preference Shares by reason of the fact that Dividends on said Shares are not declared or paid in any calendar year.

144 After the payment or setting aside for payment of the Dividends described in Article 143, any additional Dividends (other than Dividends on Ordinary Shares payable in Ordinary Shares) declared or paid in any fiscal year shall be declared or paid among the holders of Preference Shares and Ordinary Shares then outstanding in proportion to the greatest whole number of Ordinary Shares which would be held by each such holder if all Preference Shares were converted at the then-effective Conversion Rate.

145 Except as otherwise provided by the rights attached to Shares, all Dividends shall be declared and paid according to the par value of the Shares that a Member holds. If any Share is issued on terms providing that it shall rank for Dividend as from a particular date, that Share shall rank for Dividend accordingly.

146 The Directors may deduct from any Dividend or Distribution payable to any Member all sums of money (if any) then payable by him to the Company on account of calls.

147 The Directors may declare that any Dividend or Distribution be paid wholly or partly by the Distributions of specific assets and in particular of shares, debentures, or securities of any other company or in any one (1) or more of such ways and where any difficulty arises in regard to such Distribution, the Directors may settle the same as they think expedient and in particular may issue fractional Shares and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the basis of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees as may seem expedient to the Directors.

148 Any Dividend, Distribution, interest or other monies payable in cash in respect of Shares may be paid by wire transfer to the holder or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of the holder who is first named on the Register of Members or to such person and to such address as such holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one (1) of two (2) or more joint holders may give effectual receipts for any Dividends, bonuses, or other monies payable in respect of the Share held by them as joint holders.

149 No Dividend or Distribution shall bear interest against the Company.

150 Any Dividend which cannot be paid to a Member and/or which remains unclaimed after six (6) months from the date of declaration of such Dividend may, in the discretion of the Directors, be paid into a separate account in the Company's name, provided that the Company shall not be constituted as a trustee in respect of that account and the Dividend shall remain as a debt due to the Member. Any Dividend which remains unclaimed after a period of six (6) years from the date of declaration of such Dividend shall be forfeited and shall revert to the Company.

CAPITALISATION

151 The Directors may capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution and to appropriate such sum to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of Dividend and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid. In such event the Directors shall do all acts and things required to give effect to such capitalisation, with full power to the Directors to make such provisions as they think fit for the case of Shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all of the Members interested into an agreement with the Company providing for

such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

BOOKS OF ACCOUNT

152 The Directors shall cause proper books of account to be kept with respect to all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place, all sales and purchases of goods by the Company and the assets and liabilities of the Company. Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

153 The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by contract, Statute or authorised by the Directors or by the Company in general meeting.

154 The Directors may from time to tune cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by law.

AUDIT

155 The Directors may appoint an Auditor of the Company who shall hold office until removed from office by a resolution of the Directors, and may fix his or their remuneration.

156 Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditor.

157 Auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment in the case of a company which is registered with the Registrar of Companies as an ordinary company, and at the next extraordinary general meeting following their appointment in the case of a company which is registered with the Registrar of Companies as an exempted company, and at any other time during their term of office, upon request of the Directors or any general meeting of the Members.

NOTICES

158 Notices shall be in writing and may be given by the Company to any Member either personally or by sending it by post, cable, telex, fax or e-mail to him or to his address as shown in the Register of Members (or where the notice is given by e-mail by sending it to the e-mail address provided by such Member). Any notice, if posted from one (1) country to another, is to be sent airmail.

159 Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice, and shall be deemed to have been received on the fifth (5th) day (not including Saturdays or Sundays or public holidays) following the day on which the notice was posted. Where a notice is sent by cable, telex or fax, service of the notice shall be deemed to be effected by properly addressing and sending such notice and shall be deemed to have been received on the same day that it was transmitted. Where a notice is given by e-mail service shall be deemed to be effected by transmitting the e-mail to the e-mail address provided by the intended recipient and shall be deemed to have been received on the same day that it was sent (provided that no return messege is received indicating that such e-mail was not received by the addressee), and it shall not be necessary for the receipt of the e-mail to be acknowledged by the recipient.

160 A notice may be given by the Company to the person or persons which the Company has been advised are entitled to a Share or Shares in consequence of the death or bankruptcy of a Member in the same manner as other notices which are required to be given under these Articles and shall be addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address supplied for that purpose by the persons claiming to be so entitled, or at the option of the Company by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

161 Notice of every general meeting shall be given in any manner hereinbefore authorised to every person shown as a Member in the Register of Members on the record date for such meeting except that in the case of joint holders the notice shall be sufficient if given to the joint holder first named in the Register of Members and every person upon whom the ownership of a Share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Member of record where the Member of record but for his death or bankruptcy would be entitled to receive notice of the meeting, and no other person shall be entitled to receive notices of general meetings.

WINDING UP

162 In the event of a winding up of the Company, the assets available for distribution amongst the Members shall be distributed as follows:

162.1 The holders of the Preference Shares shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Company to the holders of Ordinary Shares by reason of their ownership of such Shares, an amount per Share for each Preference Share held by them equal to the sum of (i) the Liquidation Preference specified for such Preference Share and (ii) all declared but unpaid Dividends (if any) on such Preference Share. If upon the winding up of the Company, the assets of the Company legally available for distribution to the holders of Preference Shares are insufficient to permit the payment to such holders of the full amounts specified in this Article 162.1, then the entire assets of the Company legally available for distribution shall be distributed with equal priority and pro rata among the holders of the Preference Shares in proportion to the full amounts they would otherwise be entitled to receive pursuant to this Article 162.1.

162.2 After the payment to the holders of the Preference Shares of the full preferential amounts specified in Article 162.1 above, the entire remaining assets of the Company legally available for distribution by the Company shall be distributed with equal priority and pro rata among the holders of the Ordinary Shares in proportion to the number of Ordinary Shares held by them.

163 For purposes of Article 162, a winding up of the Company shall be deemed to include, (unless the Company receives a written notice from the holders of at least fifty-five (55%) of the Preference Shares indicating that a particular event not be deemed a winding up): (i) the consolidation, acquisition or merger of the Company with, by or into any other entity (including, without limitation, any stock acquisition, reorganization or consolidation but excluding any sale of stock for capital raising purposes and any stock acquisition, reorganization or consolidation for purposes of changing the state or jurisdiction of incorporation of the Company) by means of any transaction or series of related transactions that results in the transfer of fifty percent (50%) or more of the outstanding voting power of the Company; or (ii) a sale, lease or other conveyance of all or substantially all of the assets of the Company.

164 Subject to Article 162 above, in the event of a winding up of the Company, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Statute, divide amongst the Members in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.

165 If any assets of the Company distributed to Members in connection with any winding up of the Company are other than cash, then the value of such assets shall be their fair market value as determined in good faith by the Board of Directors, except that any publicly-traded securities to be distributed to Members in a liquidation, dissolution or winding up of the Company shall be valued as follows:

165.1 If the securities are then traded on a national securities exchange or the Nasdaq Stock Market (or a similar national quotation system), then the value of the securities shall be deemed to be the average of the closing prices of the securities on such exchange or system over the ten (10) trading day period ending five (5) trading days prior to the Distribution;

165.2 If the securities are actively traded over-the-counter, then the value of the securities shall be deemed to be the average of the closing bid prices of the securities over the then (10) trading day prior ending five (5) trading days prior to the Distribution.

In the event a winding up is an acquisition of the Company by another entity, the Distribution date shall be deemed to be the date such transaction closes.

For purposes of this Article 165, **"trading day"** shall mean any day which the exchange or system on which the securities to be distributed are traded is open and **"closing prices"** or **"closing bid prices"** shall be deemed to be (i) for securities traded primarily on the New York Stock Exchange, the American Stock Exchange or Nasdaq, the last reported trade price or sale price, as the case may be, at the close of trading, on that day and (ii) for securities listed or traded on other exchanges, markets and systems, the market price as of the end of the regular hours trading period that is generally accepted as such for such exchange, market or system. If, after the date hereof, the benchmark times generally accepted in the securities industry for determining the market price of a stock as of a given trading day shall change from those set forth above, the fair market value shall be determined as of such other generally accepted benchmark times.

INDEMNITY

166 Every Director, agent or officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him as a result of any act or failure to act in carrying out his functions other than such liability (if any) that he may incur by his own wilful neglect or default. No such Director, agent or officer shall be liable to the Company for any loss or damage in carrying out his functions unless that liability arises through the wilful neglect or default of such Director, agent or officer.

FINANCIAL YEAR

167 Unless the Directors otherwise prescribe, the financial year of the Company shall end on 31st December in each year and, following the year of incorporation, shall begin on 1st January in each year.

TRANSFER BY WAY OF CONTINUATION

168 If the Company is exempted as defined in the Statute, it shall, subject to the provisions of the Statute and with the approval of a Special Resolution, have the power to register by

way of continuation as a body corporate under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

Exhibit 3.1.2

Registrar of Companies
Ground Floor, Citrus Grove Building
Goring Avenue
George Town
Grand Cayman

15 July 2009

Ambarella, Inc. (the **"Company"**)

TAKE NOTICE that by written resolutions of the shareholders of the Company passed on 9 July 2009, the following ordinary resolution was passed:-

> THAT the authorized share capital of the Company be increased from US$15,858.1659 divided 100,000,000 Ordinary Shares of a par value of US$0.0001 each, 25,250,000 Series A Preference Shares of a par value of US$0.0001 each, 16,331,659 Series B Preference Shares of a par value of US$0.0001 each and 17,000,000 Series C Preference Shares of a par value of US$0.0001 each to US$25,858.1659 divided into 200,000,000 Ordinary Shares of a par value of US$0.0001 each, 25,250,000 Series A Preference Shares of a par value of US$0.0001 each, 16,331,659 Series B Preference Shares of a par value of US$0.0001 each and 17,000,000 Series C Preference Shares of a par value of US$0.0001 each, by the creation of an additional 100,000,000 Ordinary Shares of a par value of US$0.0001 each.

/s/ Michelle Murray
Michelle Murray, for and on behalf of
Maples Corporate Services Limited

Exhibit 10.1.1

AMBARELLA, INC.

2004 STOCK PLAN

(as amended March 8, 2011)

1. Purposes of the Plan. The purposes of this Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to Employees, Directors and Consultants and to promote the success of the Company's business. Options granted under the Plan may be Incentive Stock Options or Nonstatutory Stock Options, as determined by the Administrator at the time of grant. Stock Purchase Rights may also be granted under the Plan.

2. Definitions. As used herein, the following definitions shall apply:

(a) "Administrator" means the Board or any of its Committees as shall be administering the Plan in accordance with Section 4 hereof.

(b) "Applicable Laws" means the requirements relating to the administration of equity compensation plans under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Ordinary Shares are listed or quoted and the applicable laws of any other country or jurisdiction where Options or Stock Purchase Rights are granted under the Plan.

(c) "Board" means the Board of Directors of the Company.

(d) "Change in Control" means the occurrence of any of the following events:

(i) 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 fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities, except that any change in the beneficial ownership of the securities of the Company as a result of a private financing of the Company that is approved by the Board, shall not be deemed to be a Change in Control; or

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets, but excluding any sale, lease or other conveyance of all or substantially all of the assets of that is not deemed a winding up pursuant to Article 163 of the Company's Amended and Restated Memorandum and Articles of Association; or

(iii) If the Company has filed a registration statement declared effective pursuant to Section 12(g) of the Exchange Act with respect to any of the Company's securities, a change in the composition of the Board occurring within a two (2) year period, as a result of which fewer than a majority of the directors are Incumbent Directors. "Incumbent Directors" means directors who either (A) are Directors as of the effective date of the Plan, or (B) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the

Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors to the Company); or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, 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) at least 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.

For the avoidance of doubt, a transaction shall not constitute a Change in Control if: (i) its sole purpose is to change the state of the Company's incorporation, or (ii) its sole purpose is to create a holding company that shall be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(e) "Code" means the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code herein shall be a reference to any successor or amended section of the Code.

(f) "Committee" means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board, or by the compensation committee of the Board, in accordance with Section 4 hereof.

(g) "Company" means Ambarella, Inc., a Cayman Islands corporation.

(h) "Consultant" means any person who is engaged by the Company or any Parent or Subsidiary to render consulting or advisory services to such entity.

(i) "Director" means a member of the Board.

(j) "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code.

(k) "Employee" means any person, including officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director's fee by the Company shall be sufficient to constitute "employment" by the Company.

(l) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(m) "Exchange Program" means a program under which (i) outstanding Options are surrendered or cancelled in exchange for Options of the same type (which may have lower or higher exercise prices and different terms), Options of a different type, and/or cash, and/or (ii) the exercise price of an outstanding Option is reduced. The terms and conditions of any Exchange Program will be determined by the Administrator in its sole discretion.

(n) "Fair Market Value" means, as of any date, the value of Ordinary Shares determined as follows:

(i) If the Ordinary Shares are listed on any established stock exchange or a national market system, including without limitation the Nasdaq Global Market, the Nasdaq Global Select Market or the Nasdaq Capital Market, its Fair Market Value shall be the closing sales price for such stock (or, if no closing sales price was reported on that date, as applicable, on the last trading date such closing sales price was reported) as quoted on such exchange or system on the day of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) If the Ordinary Shares are regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value shall be the mean between the high bid and low asked prices for the Ordinary Shares on the day of determination (or, if no bids and asks were reported on that date, as applicable, on the last trading date such bids and asks were reported); or

(iii) In the absence of an established market for the Ordinary Shares, the Fair Market Value thereof shall be determined in good faith by the Administrator.

(o) "Incentive Stock Option" means an Option that by its terms qualifies and is otherwise intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(p) "Nonstatutory Stock Option" means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(q) "Option" means a stock option granted pursuant to the Plan.

(r) "Option Agreement" means a written or electronic agreement between the Company and an Optionee evidencing the terms and conditions of an individual Option grant. The Option Agreement is subject to the terms and conditions of the Plan.

(s) "Optioned Stock" means the Ordinary Shares subject to an Option or a Stock Purchase Right.

(t) "Optionee" means the holder of an outstanding Option or Stock Purchase Right granted under the Plan.

(u) "Ordinary Shares" means the Ordinary Shares of the Company.

(v) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(w) "Plan" means this 2004 Stock Plan.

(x) "Restricted Stock" means Shares issued pursuant to a Stock Purchase Right or Shares of restricted stock issued pursuant to an Option.

(y) "Restricted Stock Purchase Agreement" means a written or electronic agreement between the Company and the Optionee evidencing the terms and restrictions applying to Shares purchased under a Stock Purchase Right. The Restricted Stock Purchase Agreement is subject to the terms and conditions of the Plan and the notice of grant.

(z) "Service Provider" means an Employee, Director or Consultant.

(aa) "Share" means an Ordinary Share, as adjusted in accordance with Section 13 below.

(bb) "Stock Purchase Right" means a right to purchase Ordinary Shares pursuant to Section 11 below.

(cc) "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. Stock Subject to the Plan. Subject to the provisions of Section 13 of the Plan, the maximum aggregate number of Shares that may be subject to options or Stock Purchase Rights and sold under the Plan is 43,620,680 Shares. The Shares may be authorized but unissued, or reacquired Ordinary Shares.

If an Option or Stock Purchase Right expires or becomes unexercisable without having been exercised in full, or is surrendered pursuant to an Exchange Program, the unpurchased Shares that were subject thereto shall become available for future grant or sale under the Plan (unless the Plan has terminated). However, Shares that have actually been issued under the Plan, upon exercise of either an Option or Stock Purchase Right, shall not be returned to the Plan and shall not become available for future distribution under the Plan, except that if unvested Shares of Restricted Stock are repurchased by the Company at their original purchase price, such Shares shall become available for future grant under the Plan. Notwithstanding the foregoing and, subject to adjustment provided in Section 13, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options shall equal the aggregate Share number stated in the first paragraph of this Section, plus, to the extent allowable under Section 422 of the Code, any Shares that become available for issuance under the Plan under this second paragraph of this Section.

4. Administration of the Plan.

(a) Administrator. The Plan shall be administered by the Board or a Committee appointed by the Board, which Committee shall be constituted to comply with Applicable Laws.

(b) Powers of the Administrator. Subject to the provisions of the Plan and, in the case of a Committee, the specific duties delegated by the Board to such Committee, and subject to the approval of any relevant authorities, the Administrator shall have the authority in its discretion:

(i) to determine the Fair Market Value;

(ii) to select the Service Providers to whom Options and Stock Purchase Rights may from time to time be granted hereunder;

(iii) to determine the number of Shares to be covered by each such award granted hereunder;

(iv) to approve forms of agreement for use under the Plan;

(v) to determine the terms and conditions of any Option or Stock Purchase Right granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Options or Stock Purchase Rights may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Option or Stock Purchase Right or the Ordinary Shares relating thereto, based in each case on such factors as the Administrator, in its sole discretion, shall determine;

(vi) to institute an Exchange Program;

(vii) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws;

(viii) to allow Optionees to satisfy withholding tax obligations by electing to have the Company withhold from the Shares to be issued upon exercise of an Option or Stock Purchase Right that number of Shares having a Fair Market Value equal to the minimum amount required to be withheld. The Fair Market Value of the Shares to be withheld shall be determined on the date that the amount of tax to be withheld is to be determined. All elections by Optionees to have Shares withheld for this purpose shall be made in such form and under such conditions as the Administrator may deem necessary or advisable;

(ix) to modify or amend each Option or Stock Purchase Right (subject to Section 15(c) of the Plan) including but not limited to the discretionary authority to extend the post-termination exercise period of Options or Stock Purchase Rights and to extend the maximum term of an Option (subject to Section 8 regarding Incentive Stock Options);

(x) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Option or Stock Purchase Right previously granted by the Administrator; and

(xi) to construe and interpret the terms of the Plan and Options granted pursuant to the Plan.

(c) Effect of Administrator's Decision. All decisions, determinations and interpretations of the Administrator shall be final and binding on all Optionees.

5. Eligibility. Nonstatutory Stock Options and Stock Purchase Rights may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

6. Limitations.

(a) Incentive Stock Option Limit. Each Option shall be designated in the Option Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Optionee during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds $100,000, such Options shall be treated as Nonstatutory Stock Options. For purposes of this Section 6(a), Incentive Stock Options shall be taken into account in the order in which they were granted. The Fair Market Value of the Shares shall be determined as of the time the Option with respect to such Shares is granted.

(b) At-Will Employment. Neither the Plan nor any Option or Stock Purchase Right shall confer upon any Optionee any right with respect to continuing the Optionee's relationship as a Service Provider with the Company, nor shall it interfere in any way with his or her right or the Company's right to terminate such relationship at any time, with or without cause, and with or without notice.

7. Term of Plan. Subject to shareholder approval in accordance with Section 19, the Plan shall become effective upon its adoption by the Board. Unless sooner terminated under Section 15, it shall continue in effect for a term of ten (10) years from the later of (i) the effective date of the Plan, or (ii) the earlier of the most recent Board or shareholder approval of an increase in the number of Shares reserved for issuance under the Plan.

8. Term of Option. The term of each Option shall be stated in the Option Agreement; provided, however, that the term shall be no more than ten (10) years from the date of grant thereof. In the case of an Incentive Stock Option granted to an Optionee who, at the time the Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Option shall be five (5) years from the date of grant or such shorter term as may be provided in the Option Agreement.

9. Option Exercise Price and Consideration.

(a) Exercise Price. The per share exercise price for the Shares to be issued upon exercise of an Option shall be such price as is determined by the Administrator, but shall be subject to the following:

(i) In the case of an Incentive Stock Option

(A) granted to an Employee who, at the time of grant of such Option, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the exercise price shall be no less than one hundred and ten percent (110%) of the Fair Market Value per Share on the date of grant.

(B) granted to any other Employee, the per Share exercise price shall be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(ii) In the case of a Nonstatutory Stock Option, the per Share exercise price shall be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(iii) Notwithstanding the foregoing, Incentive Stock Options may be granted with a per Share exercise price other than as required above in accordance with, and pursuant to a transaction described in Section 424 of the Code.

(b) Forms of Consideration. The consideration to be paid for the Shares to be issued upon exercise of an Option, including the method of payment, shall be determined by the Administrator (and, in the case of an Incentive Stock Option, shall be determined at the time of grant). Such consideration may consist of, without limitation, (1) cash, (2) check, (3) promissory note, to the extent permitted by Applicable Laws, (4) other Shares, provided that such Shares have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option shall be exercised and provided that accepting such Shares, in the sole discretion of the Administrator, shall not result in any adverse accounting consequences to the Company, (5) consideration received by the Company under a cashless exercise program implemented by the Company in connection with the Plan, (6) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws, or (7) any combination of the foregoing methods of payment. In making its determination as to the type of consideration to accept, the Administrator shall consider if acceptance of such consideration may be reasonably expected to benefit the Company.

10. Exercise of Option.

(a) Procedure for Exercise; Rights as a Shareholder. Any Option granted hereunder shall be exercisable according to the terms hereof at such times and under such conditions as determined by the Administrator and set forth in the Option Agreement. An Option may not be exercised for a fraction of a Share.

An Option shall be deemed exercised when the Company receives: (i) written or electronic notice of exercise (in accordance with the Option Agreement) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised, together with any applicable withholding taxes. Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Option Agreement and the Plan. Shares issued upon exercise of an Option shall be issued in the name of the Optionee or, if requested by the Optionee, in the name of the Optionee and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Shares, notwithstanding the exercise of the Option. The Company shall issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 13 of the Plan.

Exercise of an Option in any manner shall result in a decrease in the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(b) Termination of Relationship as a Service Provider. If an Optionee ceases to be a Service Provider, such Optionee may exercise his or her Option within such period of time as is specified in the Option Agreement, to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of the Option as set forth in the Option Agreement). In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for three (3) months following the Optionee's termination. Unless the Administrator provides otherwise, if on the date of termination the Optionee is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall revert to the Plan. If, after termination, the Optionee does not exercise his or her Option within the time specified by the Administrator, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

(c) Disability of Optionee. If an Optionee ceases to be a Service Provider as a result of the Optionee's Disability, the Optionee may exercise his or her Option within such longer period of time as is specified in the Option Agreement, to the extent the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement). In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for twelve (12) months following the Optionee's termination. Unless the Administrator provides otherwise, if on the date of termination the Optionee is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall revert to the Plan. If, after termination, the Optionee does not exercise his or her Option within the time specified herein, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

(d) Death of Optionee. If an Optionee dies while a Service Provider, the Option may be exercised within such longer period of time as is specified in the Option Agreement, to the extent that the Option is vested on the date of death (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement) by the Optionee's designated beneficiary, provided such beneficiary has been designated prior to Optionee's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Optionee, then such Option may be exercised by the personal representative of the Optionee's estate or by the person(s) to whom the Option is transferred pursuant to the Optionee's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for twelve (12) months following the Optionee's termination. If, at the time of death, the Optionee is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall immediately revert to the Plan. If the Option is not so exercised within the time specified herein, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

(e) Leaves of Absence.

(i) Unless the Administrator provides otherwise, vesting of Options granted hereunder shall be suspended during any unpaid leave of absence.

(ii) A Service Provider shall not cease to be a Service Provider in the case of (A) any leave of absence approved by the Company, or (B) transfers between locations of the Company or between the Company, its Parent, any Subsidiary, or any successor.

(iii) For purposes of Incentive Stock Options, no such leave may exceed three (3) months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then six (6) months following the first (1st) day of such leave, any Incentive Stock Option held by the Optionee shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Nonstatutory Stock Option.

11. Stock Purchase Rights.

(a) Rights to Purchase. Stock Purchase Rights may be issued either alone, in addition to, or in tandem with other awards granted under the Plan and/or cash awards made outside of the Plan. After the Administrator determines that it will offer Stock Purchase Rights under the Plan, it shall advise the offeree in writing or electronically of the terms, conditions and restrictions related to the offer, including the number of Shares that such person shall be entitled to purchase, the price to be paid (if any), and the time within which such person must accept such offer. The offer shall be accepted by execution of a Restricted Stock Purchase Agreement in the form determined by the Administrator.

(b) Repurchase Option. Unless the Administrator determines otherwise, the Restricted Stock Purchase Agreement shall grant the Company a repurchase option exercisable within ninety (90) days of the voluntary or involuntary termination of the purchaser's service with the Company for any reason (including death or Disability). Unless the Administrator provides otherwise, the purchase price for Shares repurchased pursuant to the Restricted Stock Purchase Agreement shall be the original price paid by the purchaser and may be paid by cancellation of any indebtedness of the purchaser to the Company. The repurchase option shall lapse at such rate as the Administrator may determine.

(c) Other Provisions. The Restricted Stock Purchase Agreement shall contain such other terms, provisions and conditions not inconsistent with the Plan as may be determined by the Administrator in its sole discretion.

(d) Rights as a Shareholder. Once the Stock Purchase Right is exercised, the purchaser shall have rights equivalent to those of a shareholder and shall be a shareholder when his or her purchase is entered upon the records of the duly authorized transfer agent of the Company. No adjustment shall be made for a dividend or other right for which the record date is prior to the date the Stock Purchase Right is exercised, except as provided in Section 13 of the Plan.

12. Transferability of Options and Stock Purchase Rights. Unless determined otherwise by the Administrator, Options and Stock Purchase Rights may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or the laws of descent and distribution, and may be exercised during the lifetime of the Optionee, only by the Optionee.

13. Adjustments; Dissolution or Liquidation; Merger or Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of

the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, shall adjust the number and class of Shares that may be delivered under the Plan and/or the number, class, and price of Shares covered by each outstanding Option or Stock Purchase Right

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator shall notify each Optionee as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, an Option or Stock Purchase Right will terminate immediately prior to the consummation of such proposed action.

(c) Merger or Change in Control. In the event of a merger of the Company with or into another corporation, or a Change in Control, each outstanding Option and Stock Purchase Right shall be assumed or an equivalent option substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation in a merger or Change in Control refuses to assume or substitute for the Option or Stock Purchase Right, then the Optionee shall fully vest in and have the right to exercise the Option or Stock Purchase Right as to all of the Optioned Stock, including Shares as to which it would not otherwise be vested or exercisable. If an Option or Stock Purchase Right becomes fully vested and exercisable in lieu of assumption or substitution in the event of a merger or Change in Control, the Administrator shall notify the Optionee in writing or electronically that the Option or Stock Purchase Right shall be fully exercisable for a period of time determined by the Administrator, and the Option or Stock Purchase Right shall terminate upon expiration of such period. For the purposes of this paragraph, the Option or Stock Purchase Right shall be considered assumed if, following the merger or Change in Control, the option or right confers the right to purchase or receive, for each Share of Optioned Stock subject to the Option or Stock Purchase Right immediately prior to the merger or Change in Control, the consideration (whether stock, cash, or other securities or property) received in the merger or Change in Control by holders of Ordinary Shares for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the merger or Change in Control is not solely stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of the Option or Stock Purchase Right, for each Share of Optioned Stock subject to the Option or Stock Purchase Right, to be solely stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Ordinary Shares in the merger or Change in Control.

14. Time of Granting Options and Stock Purchase Rights. The date of grant of an Option or Stock Purchase Right shall, for all purposes, be the date on which the Administrator makes the determination granting such Option or Stock Purchase Right, or such later date as is determined by the Administrator. Notice of the determination shall be given to each Service Provider to whom an Option or Stock Purchase Right is so granted within a reasonable time after the date of such grant.

15. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Board may at any time amend, alter, suspend or terminate the Plan.

(b) Shareholder Approval. The Board shall obtain shareholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan shall impair the rights of any Optionee, unless mutually agreed otherwise between the Optionee and the Administrator, which agreement must be in writing (which may include e-mail) and signed by the Optionee and the Company. Termination of the Plan shall not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Options granted under the Plan prior to the date of such termination.

16. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Shares shall comply with Applicable Laws and shall be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Option, the Administrator may in its discretion require the person exercising such Option to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares.

17. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

18. Reservation of Shares. The Company, during the term of this Plan, shall at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

19. Shareholder Approval. The Plan shall be subject to approval by the shareholders of the Company within twelve (12) months after the date the Plan is adopted. Such shareholder approval shall be obtained in the degree and manner required under Applicable Laws.

APPENDIX A

TO

AMBARELLA, INC. 2004 STOCK PLAN

(as amended and restated August 28, 2007)

(for California residents only, to the extent required by 25012(o))

This Appendix A to the Ambarella, Inc. 2004 Stock Plan shall apply only to Optionees who are residents of the State of California, who are natural persons and who are receiving an Option or Stock Purchase Right under the Plan and for which the Administrator has determined it is relying on §25102(o), a California securities law exemption. Capitalized terms contained herein shall have the same meanings given to them in the Plan, unless otherwise provided by this Appendix A. Notwithstanding any provisions contained in the Plan to the contrary and to the extent required by Applicable Laws, the following terms shall apply to all Options and Stock Purchase Rights granted to residents of the State of California who are natural persons, until such time as the Administrator amends this Appendix A or the Administrator otherwise provides.

(a) The term of each Option shall be stated in the Option Agreement, provided, however, that the term shall be no more than ten (10) years from the date of grant thereof. The term of each Restricted Stock Purchase Agreement shall be no more than ten (10) years from the date the agreement is entered into.

(b) Unless determined otherwise by the Administrator, Options or Stock Purchase Rights may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or the laws of descent and distribution, and may be exercised during the lifetime of the Optionee, only by the Optionee. If the Administrator in its sole discretion makes an Option or Stock Purchase Right transferable, such Option or Stock Purchase Right may only be transferred (i) by will, (ii) by the laws of descent and distribution, (iii) to a revocable trust, or (iv) as permitted by Rule 701 of the Securities Act of 1933, as amended.

(c) If an Optionee ceases to be a Service Provider, such Optionee may exercise his or her Option within thirty (30) days of termination, or such longer period of time as specified in the Option Agreement, to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of the Option as set forth in the Option Agreement).

(d) If an Optionee ceases to be a Service Provider as a result of the Optionee's Disability, Optionee may exercise his or her Option within six (6) months of termination, or such longer period of time as specified in the Option Agreement, to the extent the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement).

(e) If an Optionee dies while a Service Provider, the Option may be exercised within six (6) months following the Optionee's death, or such longer period of time as specified in the Option Agreement, to the extent the Option is vested on the date of termination (but in no event later

than the expiration of the term of such Option as set forth in the Option Agreement) by the Optionee's designated beneficiary, personal representative, or by the person(s) to whom the Option is transferred pursuant to the Optionee's will or in accordance with the laws of descent and distribution.

(f) No Option or Stock Purchase Right shall be granted to a natural-person resident of California more than ten (10) years after the earlier of the date of adoption of the Plan or the date the Plan is approved by the shareholders.

(g) In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, shall adjust the number and class of Ordinary Shares that may be delivered under the Plan and/or the number, class, and price of shares covered by each outstanding Option. The Administrator shall also make such adjustments to the extent required by Section 25102(o) of the California Corporations Code.

(h) This Appendix A shall be deemed to be part of the Plan and the Administrator shall have the authority to amend this Appendix A in accordance with Section 15 of the Plan.

Exhibit 10.1.2

AMBARELLA, INC.
2004 STOCK PLAN

STOCK OPTION GRANT NOTICE

AMBARELLA, INC. (the "Company"), pursuant to its 2004 Stock Plan (the "Plan"), hereby grants to Optionee an Option to purchase the number of shares of the Company's Ordinary Shares ("Shares") as set forth below. This Option is subject to all of the terms and conditions as set forth in this Stock Option Grant Notice and the Stock Option Agreement (together, the "Option Agreement"), and the Plan all of which are attached hereto and incorporated herein in their entirety.

Optionee:	
Grant Number:	
Date of Grant:	
Vesting Commencement Date:	
Number of Shares Granted:	
Exercise Price (Per Share):	US $
Total Exercise Price:	US $
Expiration Date:	

Type of Grant: ☐ Incentive Stock Option ☐ Nonstatutory Option
Exercise Schedule: ☐ Same as Vesting Schedule ☐ Early Exercise Permitted
Vesting Schedule:

Payment: By one or a combination of the following items (described in the Stock Option Agreement):
☐ Cash, check, or wire transfer ☐ Cashless exercise program, if the Shares are publicly traded
☐ Surrender of certain other Shares, if the Shares are publicly traded

Acknowledgements: The undersigned Optionee acknowledges receipt of, and understands and agrees to, the Option Agreement. Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or this Option. Optionee further acknowledges that as of the Date of Grant, the Option Agreement sets forth the entire understanding between Optionee and the Company regarding the acquisition of stock in the Company and supersede all prior oral and written agreements related to the Option with the exception of the following agreements only:

OTHER AGREEMENTS: _____

AMBARELLA, INC.

By: _____
Signature

Title:

OPTIONEE:

_____
Signature

Address: _____

Date: _____

ATTACHMENTS: Stock Option Agreement, the Plan, and the Restricted Stock Purchase Agreement

AMBARELLA, INC.
2004 STOCK PLAN

STOCK OPTION AGREEMENT

Unless otherwise defined herein, the terms defined in the 2004 Stock Plan (the "Plan") shall have the same defined meanings in this Option Agreement.

1. Grant of Option. The Administrator of the Company hereby grants to the optionee named in the Stock Option Grant Notice (the "Optionee"), an option (the "Option") to purchase the number of Shares set forth in the Stock Option Grant Notice, at the exercise price per Share set forth in the Stock Option Grant Notice (the "Exercise Price"), and subject to the terms and conditions of the Plan, which is incorporated herein by reference. Subject to Section 15(c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Option Agreement, the terms and conditions of the Plan shall prevail.

If designated in the Stock Option Grant Notice as an Incentive Stock Option ("ISO"), this Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code. Nevertheless, to the extent that it exceeds the $100,000 rule of Code Section 422(d), this Option shall be treated as a Nonstatutory Stock Option ("NSO"). Further, if for any reason this Option (or portion thereof) shall not qualify as an ISO, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as a NSO granted under the Plan. In no event shall the Administrator, the Company or any Parent or Subsidiary or any of their respective employees or directors have any liability to Optionee (or any other person) due to the failure of the Option to qualify for any reason as an ISO.

2. Termination Period. This Option shall be exercisable for three (3) months after Optionee ceases to be a Service Provider, unless such termination is due to Optionee's death or Disability, in which ase this Option shall be exercisable for twelve (12) months after Optionee ceases to be a Service Provider. Nowithstanding the foregoing sentence, in no even may this Option be exercised after the Expiration Date as provided in the Stock Option Grant Notice and this Option may be subject to earlier termination as provided in Section 13(c) of the Plan.

3. Exercise of Option. This Option shall be exercisable during its term in accordance with the provisions of Section 10 of the Plan as follows:

(a) Right to Exercise.

(i) If No Early Exercise. If Early Exercise is not permitted as indicated in the Stock Option Grant Notice, Section 2(a)(ii) of this Option Agreement shall not apply and this Option shall be exercisable cumulatively according to the vesting schedule set forth in the Stock Option Grant Notice and in accordance with the application provsions of the Plan and this Option Agreement.

(ii) If Early Exercise. If the Stock Option Grant Notice permits Early Exercise, at the election of the Optionee, this Option may be exercised in whole or in part at any time as to Shares that have not yet vested, subject to subsections 2(a)(ii)(x) and 2(a)(ii)(y) below. Vested Shares shall not be subject to the Company's repurchase right (as set forth in the Restricted Stock Purchase Agreement, attached hereto as Exhibit C-1).

(x) As a condition to exercising this Option for unvested Shares, the Optionee shall execute the Restricted Stock Purchase Agreement.

(y) This Option may not be exercised for a fraction of a Share.

(b) Method of Exercise. This Option shall be exercisable by delivery of an exercise notice in the form attached as Exhibit A (the "Exercise Notice") or in a manner and pursuant to such procedures as the Administrator may determine, which shall state the election to exercise the Option, the number of Shares with respect to which the Option is being exercised, and such other representations and agreements as may be required by the Company. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares, together with any applicable tax withholding. This Option shall be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by the aggregate Exercise Price, together with any applicable tax withholding.

No Shares shall be issued pursuant to the exercise of an Option unless such issuance and such exercise comply with Applicable Laws. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to the Optionee on the date on which the Option is exercised with respect to such Shares.

4. Optionee's Representations. In the event the Shares have not been registered under the Securities Act of 1933, as amended, at the time this Option is exercised, the Optionee shall, if required by the Company, concurrently with the exercise of all or any portion of this Option, deliver to the Company his or her Investment Representation Statement in the form attached hereto as Exhibit B.

5. Lock-Up Period. Optionee hereby agrees that Optionee shall not offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares (or other securities) of the Company or enter into any swap, hedging or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Ordinary Shares (or other securities) of the Company held by Optionee (other than those included in the registration) for a period specified by the representative of the underwriters of Ordinary Shares (or other securities) of the Company not to exceed one hundred and eighty (180) days following the effective date of any registration statement of the Company filed under the Securities Act (or such other period as may be requested by the Company or the underwriters to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto).

Optionee agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Ordinary Shares (or other securities) of the Company, Optionee shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in this Section 5 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions with respect to the shares of Ordinary Shares (or other securities) subject to the foregoing restriction until the end of said one hundred and eighty (180) day (or other) period. Optionee agrees that any transferee of the Option or shares acquired pursuant to the Option shall be bound by this Section 5.

6. Method of Payment. Payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of the Optionee:

(a) cash;

(b) check;

(c) wire transfer;

(d) if the Shares are publicly traded, consideration received by the Company under a formal cashless exercise program adopted by the Company in connection with the Plan; or

(e) if the Shares are publicly traded, surrender of other Shares which (i) shall be valued at its Fair Market Value on the date of exercise, and (ii) must be owned free and clear of any liens, claims, encumbrances or security interests, if accepting such Shares, in the sole discretion of the Administrator, shall not result in any adverse accounting consequences to the Company.

7. Restrictions on Exercise. This Option may not be exercised until such time as the Plan has been approved by the shareholders of the Company, or if the issuance of such Shares upon such exercise or the method of payment of consideration for such shares would constitute a violation of any Applicable Law.

8. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Optionee only by Optionee. The terms of the Plan and this Option Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Optionee.

9. Term of Option. This Option may be exercised only within the term set out in the Stock Option Grant Notice, and may be exercised during such term only in accordance with the Plan and the terms of this Option.

10. Tax Obligations.

(a) Tax Withholding. Optionee agrees to make appropriate arrangements with the Company (or the Parent or Subsidiary employing or retaining Optionee) for the satisfaction of all Federal, state, local and foreign income and employment tax withholding requirements applicable to the Option exercise. Optionee acknowledges and agrees that the Company may refuse to honor the exercise and refuse to deliver the Shares if such withholding amounts are not delivered at the time of exercise.

(b) Tax Consultation. Optionee understands that he or she may suffer adverse tax consequences as a result of Optionee’s purchase or disposition of the Shares. Optionee represents that he or she will consult with any tax advisors Optionee deems appropriate in connection with the purchase or disposition of the Shares and that Optionee is not relying on the Company for any tax advice.

(c) Notice of Disqualifying Disposition of ISO Shares. If the Option granted to Optionee herein is an ISO, and if Optionee sells or otherwise disposes of any of the Shares acquired pursuant to the ISO on or before the later of (i) the date two (2) years after the Date of Grant, or (ii) the date one (1) year after the date of exercise, the Optionee shall immediately notify the Company in writing of such disposition. Optionee agrees that Optionee may be subject to income tax withholding by the Company on the compensation income recognized by the Optionee.

(d) Code Section 409A. (Applicable only for individuals subject to taxation in the United States). Under Code Section 409A, an Option that vests after December 31, 2004 (or that vested on or prior to such date but which was materially modified after October 3, 2004) that was granted with a per Share exercise price that is determined by the Internal Revenue Service (the "IRS") to be less than the Fair Market Value of a Share on the date of grant (a "discount option") may be considered "deferred compensation." An Option that is a "discount option" may result in (i) income recognition by Optionee prior to the exercise of the Option, (ii) an additional twenty percent (20%) federal income tax, and (iii) potential penalty and interest charges. The "discount option" may also result in additional state income, penalty and interest tax to the Optionee. Optionee acknowledges that the Company cannot and has not guaranteed that the IRS will agree that the per Share exercise price of this Option equals or exceeds the Fair Market Value of a Share on the date of grant in a later examination. Optionee agrees that if the IRS determines that the Option was granted with a per Share exercise price that was less than the Fair Market Value of a Share on the date of grant, Optionee shall be solely responsible for Optionee's costs related to such a determination.

11. Acknowledgements.

(a) Optionee acknowledges receipt of a copy of the Plan (including any applicable appendixes or sub-plans thereunder) and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts this Option subject to all of the terms and provisions thereof. Optionee has reviewed the Plan (including any applicable appendixes or sub-plans thereunder) and this Option Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option and fully understands all provisions of the Option. Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or this Option. Optionee further agrees to notify the Company upon any change in the residence address indicated in the Stock Option Grant Notice.

(b) The Company (and not Optionee's employer) is granting the Option. The Company will administer the Plan from outside Optionee's country of residence and that United States of America law will govern all Options granted under the Plan.

(c) That benefits and rights provided under the Plan are wholly discretionary and, although provided by the Company, do not constitute regular or periodic payments. The benefits and rights provided under the Plan are not to be considered part of Optionee' s salary or compensation for purposes of calculating any severance, resignation, redundancy or other end of service payments, vacation, bonuses, long-term service awards, indemnification, pension or retirement benefits, or any other payments, benefits or rights of any kind. Optionee waives any and all rights to compensation or damages as a result of the termination of employment with the Company for any reason whatsoever insofar as those rights result or may result from:

(i) the loss or diminution in value of such rights under the Plan, or

(ii) Optionee ceases to have any rights under, or ceases to be entitled to any rights under the Plan as a result of such termination.

(d) The grant of the Option, and any future grant of Options under the Plan is entirely voluntary, and at the complete discretion of the Company. Neither the grant of the Option nor any future grant of an Option by the Company will be deemed to create any obligation to grant any further Options, whether or not such a reservation is explicitly stated at the time of such a grant. The Company has the right, at any time to amend, suspend or terminate the Plan.

(e) The Plan will not be deemed to constitute, and will not be construed by Optionee to constitute, part of the terms and conditions of employment, and that the Company will not incur any liability of any kind to Optionee as a result of any change or amendment, or any cancellation, of the Plan at any time.

(f) Participation in the Plan will not be deemed to constitute, and will not be deemed by Optionee to constitute, an employment or labor relationship of any kind with the Company.

(g) By entering into this Option Agreement, and as a condition of the grant of the Option, Optionee consents to the collection, use, and transfer of personal data as described in this subsection to the full extent permitted by and in full compliance with Applicable Law.

(i) Optionee understands that the Company and its Subsidiaries hold certain personal information about the Optionee, including, but not limited to, name, home address and telephone number, date of birth, social insurance number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Options or other entitlement to Shares awarded, canceled, exercised, vested, unvested, or outstanding in Optionee's favor, for the purpose of managing and administering the Plan ("Data").

(ii) Optionee further understands that the Company and/or its Subsidiaries will transfer Data among themselves as necessary for the purposes of implementation, administration, and management of Optionee's participation in the Plan, and that the Company and/or its Subsidiary may each further transfer Data to any third parties assisting the Company in the implementation, administration, and management of the Plan ("Data Recipients").

(iii) Optionee understands that these Data Recipients may be located in Optionee's country of residence or elsewhere, such as the United States. Optionee authorizes the Data Recipients to receive, possess, use, retain, and transfer Data in electronic or other form, for the purposes of implementing, administering, and managing Optionee's participation in the Plan, including any transfer of such Data, as may be required for the administration of the Plan and/or the subsequent holding of Shares on Optionee' s behalf, to a broker or third party with whom the Shares acquired on exercise may be deposited.

(iv) Optionee understands that Optionee may, at any time, review the Data, request that any necessary amendments be made to it, or withdraw Optionee's consent herein in writing by contacting the Company. Optionee further understands that withdrawing consent may affect Optionee's ability to participate in the Plan.

(h) Optionee has received the terms and conditions of this Option Agreement and any other related communications, and Optionee consents to having received these documents in English.

12. Entire Agreement; Governing Law. The Plan is incorporated herein by reference. The Plan and the Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof except as disclosed as "Other Agreements" in the Stock Option Grant Notice, and may not be modified adversely to the Optionee's interest except by means of a writing signed by the Company and Optionee. This Option Agreement is governed by the internal substantive laws but not the choice of law rules of California.

13. No Guarantee of Continued Service. OPTIONEE ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (OR THE PARENT

OR SUBSIDIARY EMPLOYING OR RETAINING OPTIONEE) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS OPTION OR ACQUIRING SHARES HEREUNDER. OPTIONEE FURTHER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH OPTIONEE'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING OPTIONEE) TO TERMINATE OPTIONEE'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

EXHIBIT A

AMBARELLA, INC.
2004 STOCK PLAN

EXERCISE NOTICE

Ambarella, Inc.
2975 San Ysidro Way
Santa Clara, CA 95051

Attention: Chief Executive Officer

1. Exercise of Option. Effective as of today, _____, ___, the undersigned ("Optionee") hereby elects to exercise Optionee's option (the "Option") to purchase _____ Ordinary Shares (the "Shares") of Ambarella, Inc. (the "Company") under and pursuant to the 2004 Stock Plan (the "Plan") and the Stock Option Grant Notice and related Stock Option Agreement dated _____, __ (together, the "Option Agreement").

2. Delivery of Payment. Optionee herewith delivers to the Company the full purchase price of the Shares, as set forth in the Option Agreement, and any and all withholding taxes due in connection with the exercise of the Option.

3. Representations of Optionee. Optionee acknowledges that Optionee has received, read and understood the Plan and the Option Agreement and agrees to abide by and be bound by their terms and conditions.

4. Rights as Shareholder. Until the issuance of the Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Optioned Stock, notwithstanding the exercise of the Option. The Shares shall be issued to the Optionee as soon as practicable after the Option is exercised in accordance with the Option Agreement. No adjustment shall be made for a dividend or other right for which the record date is prior to the date of issuance except as provided in Section 13 of the Plan.

5. Company's Right of First Refusal. Before any Shares held by Optionee or any transferee (either being sometimes referred to herein as the "Holder") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 5 (the "Right of First Refusal").

(a) Notice of Proposed Transfer. The Holder of the Shares shall deliver to the Company a written notice (the "Notice") stating: (i) the Holder's bona fide intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee ("Proposed Transferee"); (iii) the number of Shares to be transferred to each Proposed Transferee; and (iv) the bona fide cash price or other consideration for which the Holder proposes to transfer the Shares (the "Offered Price"), and the Holder shall offer the Shares at the Offered Price to the Company or its assignee(s).

(b) Exercise of Right of First Refusal. At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to

purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (c) below.

(c) Purchase Price. The purchase price ("Purchase Price") for the Shares purchased by the Company or its assignee(s) under this Section 5 shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of Directors of the Company in good faith.

(d) Payment. Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee), or by any combination thereof within thirty (30) days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(e) Holder's Right to Transfer. If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 5, then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, provided that such sale or other transfer is consummated within one hundred and twenty (120) days after the date of the Notice, that any such sale or other transfer is effected in accordance with any applicable securities laws and that the Proposed Transferee agrees in writing that the provisions of this Section 5 shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(f) Exception for Certain Family Transfers. Anything to the contrary contained in this Section 5 notwithstanding, the transfer of any or all of the Shares during the Optionee's lifetime or on the Optionee's death by will or intestacy to the Optionee's immediate family or a trust for the benefit of the Optionee's immediate family shall be exempt from the provisions of this Section 5. "Immediate Family" as used herein shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister. In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section 5, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 5.

(g) Termination of Right of First Refusal. The Right of First Refusal shall terminate as to any Shares upon the earlier of (i) the first sale of Ordinary Shares of the Company to the general public, or (ii) a Change in Control in which the successor corporation has equity securities that are publicly traded.

6. Tax Consultation. Optionee understands that Optionee may suffer adverse tax consequences as a result of Optionee's purchase or disposition of the Shares. Optionee represents that Optionee has consulted with any tax consultants Optionee deems advisable in connection with the purchase or disposition of the Shares and that Optionee is not relying on the Company for any tax advice.

7. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. Optionee understands and agrees that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Shares together with any other legends that may be required by the Company or by state or federal securities laws:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR, IN THE OPINION OF COUNSEL SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS IN COMPLIANCE THEREWITH.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND A RIGHT OF FIRST REFUSAL HELD BY THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN THE EXERCISE NOTICE BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. SUCH TRANSFER RESTRICTIONS AND RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THESE SHARES.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER FOR A PERIOD OF TIME FOLLOWING THE EFFECTIVE DATE OF THE UNDERWRITTEN PUBLIC OFFERING OF THE COMPANY'S SECURITIES SET FORTH IN AN AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF BY THE HOLDER PRIOR TO THE EXPIRATION OF SUCH PERIOD WITHOUT THE CONSENT OF THE COMPANY OR THE MANAGING UNDERWRITER.

(b) Stop-Transfer Notices. Optionee agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Exercise Notice or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

8. Successors and Assigns. The Company may assign any of its rights under this Exercise Notice to single or multiple assignees, and this Exercise Notice shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Exercise Notice shall be binding upon Optionee and his or her heirs, executors, administrators, successors and assigns.

9. Interpretation. Any dispute regarding the interpretation of this Exercise Notice shall be submitted by Optionee or by the Company forthwith to the Administrator, which shall review such dispute at its next regular meeting. The resolution of such a dispute by the Administrator shall be final and binding on all parties.

10. Governing Law; Severability. This Exercise Notice is governed by the internal substantive laws, but not the choice of law rules, of California. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Exercise Notice shall continue in full force and effect.

11. Entire Agreement. The Plan and Option Agreement are incorporated herein by reference. This Exercise Notice, the Plan, the Option Agreement, the Investment Representation Statement, and if the Option is early exercised, the Restricted Stock Purchase Agreement, constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof except as disclosed as "Other Agreements" in the Stock Option Grant Notice, and may not be modified adversely to the Optionee's interest except by means of a writing signed by the Company and Optionee.

Submitted by:	Accepted by:
OPTIONEE	AMBARELLA, INC.
_____	_____
Signature	By
_____	_____
Print Name	Its
Address:	Address:
_____	_____
_____	_____
_____	_____
	_____
	Date Received

EXHIBIT B

INVESTMENT REPRESENTATION STATEMENT

OPTIONEE :

COMPANY : AMBARELLA, INC.

SECURITY : ORDINARY SHARES

AMOUNT :

DATE :

In connection with the purchase of the above-listed Securities, the undersigned Optionee represents to the Company the following:

(a) Optionee is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Securities. Optionee is acquiring these Securities for investment for Optionee's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act").

(b) Optionee acknowledges and understands that the Securities constitute "restricted securities" under the Securities Act and have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Optionee's investment intent as expressed herein. In this connection, Optionee understands that, in the view of the Securities and Exchange Commission, the statutory basis for such exemption may be unavailable if Optionee's representation was predicated solely upon a present intention to hold these Securities for the minimum capital gains period specified under tax statutes, for a deferred sale, for or until an increase or decrease in the market price of the Securities, or for a period of one (1) year or any other fixed period in the future. Optionee further understands that the Securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Optionee further acknowledges and understands that the Company is under no obligation to register the Securities. Optionee understands that the certificate evidencing the Securities will be imprinted with any legend required under applicable state securities laws.

(c) Optionee is familiar with the provisions of Rule 701 and Rule 144, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly from the issuer thereof, in a non-public offering subject to the satisfaction of certain conditions. Rule 701 provides that if the issuer qualifies under Rule 701 at the time of the grant of the Option to the Optionee, the exercise will be exempt from registration under the Securities Act. In the event the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, ninety (90) days thereafter (or such longer period as any market stand-off agreement may require) the Securities exempt under Rule 701 may be resold, subject to the satisfaction of certain of the conditions specified by Rule 144, including: (1) the resale being made through a broker in an unsolicited "broker's transaction" or in transactions directly with a market maker (as said term is defined under the Securities Exchange Act of 1934); and, in the case of an affiliate, (2) the availability of certain public

information about the Company, (3) the amount of Securities being sold during any three (3) month period not exceeding the limitations specified in Rule 144(e), and (4) the timely filing of a Form 144, if applicable.

In the event that the Company does not qualify under Rule 701 at the time of grant of the Option, then the Securities may be resold in certain limited circumstances subject to the provisions of Rule 144, which requires the resale to occur not less than one (1) year after the later of the date the Securities were sold by the Company or the date the Securities were sold by an affiliate of the Company, within the meaning of Rule 144; and, in the case of acquisition of the Securities by an affiliate, or by a non-affiliate who subsequently holds the Securities less than two (2) years, the satisfaction of the conditions set forth in sections (1), (2), (3) and (4) of the paragraph immediately above.

(d) Optionee further understands that in the event all of the applicable requirements of Rule 701 or 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rules 144 or 701 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk. Optionee understands that no assurances can be given that any such other registration exemption will be available in such event.

Signature of Optionee:

_____

Date: _____

EXHIBIT C-1

AMBARELLA, INC.
2004 STOCK PLAN

RESTRICTED STOCK PURCHASE AGREEMENT

THIS RESTRICTED STOCK AWARD AGREEMENT (the "Agreement") is made between _____ (the "Purchaser") and Ambarella, Inc. (the "Company") or its assignees of rights hereunder as of _____, __.

Unless otherwise defined herein, the terms defined in the 2004 Stock Plan shall have the same defined meanings in this Agreement.

RECITALS

A. Pursuant to the exercise of the option (grant number _____) granted to Purchaser under the Plan and pursuant to the Option Agreement (the "Option Agreement") dated _____, __ by and between the Company and Purchaser with respect to such grant (the "Option"), which Plan and Option Agreement are hereby incorporated by reference, Purchaser has elected to purchase _____ of those Ordinary Shares which have not become vested under the vesting schedule set forth in the Option Agreement ("Unvested Shares"). The Unvested Shares and the shares subject to the Option Agreement, which have become vested are sometimes collectively referred to herein as the "Shares."

B. As required by the Option Agreement, as a condition to Purchaser's election to exercise the option, Purchaser must execute this Agreement, which sets forth the rights and obligations of the parties with respect to Shares acquired upon exercise of the Option.

1. Repurchase Option.

(a) If Purchaser's status as a Service Provider is terminated for any reason, including for death and Disability, the Company shall have the right and option for ninety (90) days from such date to purchase from Purchaser, or Purchaser's personal representative, as the case may be, all of the Purchaser's Unvested Shares as of the date of such termination at the price paid by the Purchaser for such Shares (the "Repurchase Option").

(b) Upon the occurrence of such termination, the Company may exercise its Repurchase Option by delivering personally or by registered mail, to Purchaser (or his or her transferee or legal representative, as the case may be) with a copy to the escrow agent described in Section 2 below, a notice in writing indicating the Company's intention to exercise the Repurchase Option AND, at the Company's option, (i) by delivering to the Purchaser (or the Purchaser's transferee or legal representative) a check in the amount of the aggregate repurchase price, or (ii) by the Company canceling an amount of the Purchaser's indebtedness to the Company equal to the aggregate repurchase price, or (iii) by a combination of (i) and (ii) so that the combined payment and cancellation of indebtedness equals such aggregate repurchase price. Upon delivery of such notice and payment of the aggregate repurchase price in any of the ways described above, the Company shall become the legal and beneficial owner of the Unvested Shares being repurchased and the

rights and interests therein or relating thereto, and the Company shall have the right to retain and transfer to its own name the number of Unvested Shares being repurchased by the Company.

(c) Whenever the Company shall have the right to repurchase Unvested Shares hereunder, the Company may designate and assign one or more employees, officers, directors or shareholders of the Company or other persons or organizations to exercise all or a part of the Company's Repurchase Option under this Agreement and purchase all or a part of such Unvested Shares.

(d) If the Company does not elect to exercise the Repurchase Option conferred above by giving the requisite notice within ninety (90) days following the termination, the Repurchase Option shall terminate.

(e) The Repurchase Option shall terminate in accordance with the vesting schedule contained in Purchaser's Option Agreement.

2. Transferability of the Shares; Escrow.

(a) Purchaser hereby authorizes and directs the Secretary of the Company, or such other person designated by the Company, to transfer the Unvested Shares as to which the Repurchase Option has been exercised from Purchaser to the Company.

(b) To insure the availability for delivery of Purchaser's Unvested Shares upon repurchase by the Company pursuant to the Repurchase Option under Section 1, Purchaser hereby appoints the Secretary, or any other person designated by the Company as escrow agent (the "Escrow Agent"), as its attorney-in-fact to sell, assign and transfer unto the Company, such Unvested Shares, if any, repurchased by the Company pursuant to the Repurchase Option and shall, upon execution of this Agreement, deliver and deposit with the Escrow Agent, the share certificates representing the Unvested Shares, together with the stock assignment duly endorsed in blank, attached hereto as Exhibit C-2. The Unvested Shares and stock assignment shall be held by the Escrow Agent in escrow, pursuant to the Joint Escrow Instructions of the Company and Purchaser attached as Exhibit C-3 hereto, until the Company exercises its Repurchase Option, until such Unvested Shares are vested, or until such time as this Agreement no longer is in effect. Upon vesting of the Unvested Shares, the Escrow Agent shall promptly deliver to the Purchaser the certificate or certificates representing such Shares in the Escrow Agent's possession belonging to the Purchaser, and the Escrow Agent shall be discharged of all further obligations hereunder; provided, however, that the Escrow Agent shall nevertheless retain such certificate or certificates as Escrow Agent if so required pursuant to other restrictions imposed pursuant to this Agreement.

(c) Neither the Company nor the Escrow Agent shall be liable for any act it may do or omit to do with respect to holding the Shares in escrow and while acting in good faith and in the exercise of its judgment.

(d) Transfer or sale of the Shares is subject to restrictions on transfer imposed by any applicable state and federal securities laws. Any transferee shall hold such Shares subject to all the provisions hereof and the Exercise Notice executed by the Purchaser with respect to any Unvested Shares purchased by Purchaser and shall acknowledge the same by signing a copy of this Agreement.

3. Ownership, Voting Rights, Duties. This Agreement shall not affect in any way the ownership, voting rights or other rights or duties of Purchaser, except as specifically provided herein.

4. Legends. The share certificate evidencing the Shares issued hereunder shall be endorsed with the following legend (in addition to any legend required under applicable federal and state securities laws):

> THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS UPON TRANSFER AND RIGHTS OF REPURCHASE AS SET FORTH IN AN AGREEMENT BETWEEN THE COMPANY AND THE SHAREHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

5. Adjustment for Stock Split. All references to the number of Shares and the purchase price of the Shares in this Agreement shall be appropriately adjusted to reflect any stock split, stock dividend or other change in the Shares, which may be made by the Company pursuant to Section 13 of the Plan after the date of this Agreement.

6. Notices. Notices required hereunder shall be given in person or by registered mail to the address of Purchaser shown on the records of the Company, and to the Company at their respective principal executive offices.

7. Survival of Terms. This Agreement shall apply to and bind Purchaser and the Company and their respective permitted assignees and transferees, heirs, legatees, executors, administrators and legal successors.

8. Section 83(b) Election. Purchaser hereby acknowledges that he or she has been informed that, with respect to the exercise of an Option for Unvested Shares, an election (the "Election") may be filed by the Purchaser with the Internal Revenue Service, within thirty (30) days of the purchase of the exercised Shares, electing pursuant to Section 83(b) of the Code to be taxed currently on any difference between the purchase price of the exercised Shares and their Fair Market Value on the date of purchase. In the case of a Nonstatutory Stock Option, this will result in the recognition of taxable income to the Purchaser on the date of exercise, measured by the excess, if any, of the Fair Market Value of the exercised Shares, at the time the Option is exercised over the purchase price for the exercised Shares. Absent such an Election, taxable income will be measured and recognized by Purchaser at the time or times on which the Company's Repurchase Option lapses. In the case of an Incentive Stock Option, such an Election will result in a recognition of income to the Purchaser for alternative minimum tax purposes on the date of exercise, measured by the excess, if any, of the Fair Market Value of the exercised Shares, at the time the option is exercised, over the purchase price for the exercised Shares. Absent such an Election, alternative minimum taxable income will be measured and recognized by Purchaser at the time or times on which the Company's Repurchase Option lapses.

This discussion is intended only as a summary of the general United States income tax laws that apply to exercising Options as to Shares that have not yet vested and is accurate only as of the date this form Agreement was approved by the Board. The federal, state and local tax consequences to any particular taxpayer will depend upon his or her individual circumstances. Purchaser is strongly encouraged to seek the advice of his or her own tax consultants in connection with the purchase of the Shares and the advisability of filing of the Election under Section 83(b) of the Code. A form of Election under Section 83(b) is attached hereto as Exhibit C-4 for reference.

PURCHASER ACKNOWLEDGES THAT IT IS PURCHASER'S SOLE RESPONSIBILITY AND NOT THE COMPANY'S TO FILE TIMELY THE ELECTION UNDER SECTION 83(b) OF THE CODE, EVEN IF PURCHASER REQUESTS THE COMPANY OR ITS REPRESENTATIVE TO MAKE THIS FILING ON PURCHASER'S BEHALF.

9. Representations. Purchaser has reviewed with his or her own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. Purchaser is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Purchaser understands that he or she (and not the Company) shall be responsible for his or her own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

10. Entire Agreement; Governing Law. The Plan and Option Agreement are incorporated herein by reference. The Plan, the Option Agreement, the Exercise Notice, this Agreement, and the Investment Representation Statement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Purchaser with respect to the subject matter hereof except as disclosed as "Other Agreements" in the Stock Option Grant Notice, and may not be modified adversely to the Purchaser's interest except by means of a writing signed by the Company and Purchaser. This Agreement is governed by the internal substantive laws but not the choice of law rules of California.

Purchaser represents that he or she has read this Agreement and is familiar with its terms and provisions. Purchaser hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Board upon any questions arising under this Agreement.

IN WITNESS WHEREOF, this Agreement is deemed made as of the date first set forth above.

OPTIONEE	AMBARELLA, INC.
Signature	By
Print Name	Title
Residence Address	

Dated: _____, ____

EXHIBIT C-2

ASSIGNMENT SEPARATE FROM CERTIFICATE

FOR VALUE RECEIVED I, _____, hereby sell, assign and transfer unto Ambarella, Inc. _____ (_____) Ordinary Shares of Ambarella, Inc. standing in my name of the books of said corporation represented by Certificate No. __ herewith and do hereby irrevocably constitute and appoint _____ to transfer the said stock on the books of the within named corporation with full power of substitution in the premises.

This Stock Assignment may be used only in accordance with the Restricted Stock Purchase Agreement between Ambarella, Inc. and the undersigned dated _____, ____ (the "Agreement").

Dated: _____, ____ Signature: _____

INSTRUCTIONS: Please do not fill in any blanks other than the signature line. The purpose of this assignment is to enable the Company to exercise its "repurchase option," as set forth in the Agreement, without requiring additional signatures on the part of the Purchaser.

EXHIBIT C-3

JOINT ESCROW INSTRUCTIONS

_____, ____

Dear _____:

As Escrow Agent for both Ambarella, Inc. (the "Company"), and the undersigned purchaser of stock of the Company (the "Purchaser"), you are hereby authorized and directed to hold the documents delivered to you pursuant to the terms of that certain Restricted Stock Purchase Agreement (the "Agreement") between the Company and the undersigned, in accordance with the following instructions:

1. In the event the Company and/or any assignee of the Company (referred to collectively for convenience herein as the "Company") exercises the Company's repurchase option set forth in the Agreement, the Company shall give to Purchaser and you a written notice specifying the number of shares of stock to be purchased, the purchase price, and the time for a closing hereunder at the principal office of the Company. Purchaser and the Company hereby irrevocably authorize and direct you to close the transaction contemplated by such notice in accordance with the terms of said notice.

2. At the closing, you are directed (a) to date the stock assignments necessary for the transfer in question, (b) to fill in the number of shares being transferred, and (c) to deliver the stock assignments, together with the certificate evidencing the shares of stock to be transferred, to the Company or its assignee, against the simultaneous delivery to you of the purchase price (by cash, a check, or some combination thereof) for the number of shares of stock being purchased pursuant to the exercise of the Company's repurchase option.

3. Purchaser irrevocably authorizes the Company to deposit with you any certificates evidencing shares of stock to be held by you hereunder and any additions and substitutions to said shares as defined in the Agreement. Purchaser does hereby irrevocably constitute and appoint you as Purchaser's attorney-in-fact and agent for the term of this escrow to execute with respect to such securities all documents necessary or appropriate to make such securities negotiable and to complete any transaction herein contemplated, including but not limited to the filing with any applicable state blue sky authority of any required applications for consent to, or notice of transfer of, the securities. Subject to the provisions of this paragraph 3, Purchaser shall exercise all rights and privileges of a shareholder of the Company while the stock is held by you.

4. Upon written request of the Purchaser, but no more than once per calendar year, unless the Company's repurchase option has been exercised, you will deliver to Purchaser a certificate or certificates representing so many shares of stock as are not then subject to the Company's repurchase option. Within one hundred and twenty (120) days after cessation of Purchaser's continuous employment by or services to the

Company, or any parent or subsidiary of the Company, you will deliver to Purchaser a certificate or certificates representing the aggregate number of shares held or issued pursuant to the Agreement and not purchased by the Company or its assignees pursuant to exercise of the Company's repurchase option.

5. If at the time of termination of this escrow you should have in your possession any documents, securities, or other property belonging to Purchaser, you shall deliver all of the same to Purchaser and shall be discharged of all further obligations hereunder.

6. Your duties hereunder may be altered, amended, modified or revoked only by a writing signed by all of the parties hereto.

7. You shall be obligated only for the performance of such duties as are specifically set forth herein and may rely and shall be protected in relying or refraining from acting on any instrument reasonably believed by you to be genuine and to have been signed or presented by the proper party or parties. You shall not be personally liable for any act you may do or omit to do hereunder as Escrow Agent or as attorney-in-fact for Purchaser while acting in good faith, and any act done or omitted by you pursuant to the advice of your own attorneys shall be conclusive evidence of such good faith.

8. You are hereby expressly authorized to disregard any and all warnings given by any of the parties hereto or by any other person or corporation, excepting only orders or process of courts of law and are hereby expressly authorized to comply with and obey orders, judgments or decrees of any court. In case you obey or comply with any such order, judgment or decree, you shall not be liable to any of the parties hereto or to any other person, firm or corporation by reason of such compliance, notwithstanding any such order, judgment or decree being subsequently reversed, modified, annulled, set aside, vacated or found to have been entered without jurisdiction.

9. You shall not be liable in any respect on account of the identity, authorities or rights of the parties executing or delivering or purporting to execute or deliver the Agreement or any documents or papers deposited or called for hereunder.

10. You shall not be liable for the outlawing of any rights under the Statute of Limitations with respect to these Joint Escrow Instructions or any documents deposited with you.

11. You shall be entitled to employ such legal counsel and other experts as you may deem necessary properly to advise you in connection with your obligations hereunder, may rely upon the advice of such counsel, and may pay such counsel reasonable compensation therefor.

12. Your responsibilities as Escrow Agent hereunder shall terminate if you shall cease to be an officer or agent of the Company or if you shall resign by written notice to each party. In the event of any such termination, the Company shall appoint a successor Escrow Agent.

13. If you reasonably require other or further instruments in connection with these Joint Escrow Instructions or obligations in respect hereto, the necessary parties hereto shall join in furnishing such instruments.

14. It is understood and agreed that should any dispute arise with respect to the delivery and/or ownership or right of possession of the securities held by you hereunder, you are authorized and directed to retain in your possession without liability to anyone all or any part of said securities until such disputes shall have been settled either by mutual written agreement of the parties concerned or by a final order, decree or

judgment of a court of competent jurisdiction after the time for appeal has expired and no appeal has been perfected, but you shall be under no duty whatsoever to institute or defend any such proceedings.

15. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery or upon deposit in the United States Post Office, by registered or certified mail with postage and fees prepaid, addressed to each of the other parties thereunto entitled at the following addresses or at such other addresses as a party may designate by ten (10) days' advance written notice to each of the other parties hereto.

16. By signing these Joint Escrow Instructions, you become a party hereto only for the purpose of said Joint Escrow Instructions; you do not become a party to the Agreement.

17. This instrument shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and permitted assigns.

18. These Joint Escrow Instructions shall be governed by the internal substantive laws, but not the choice of law rules, of California.

PURCHASER

Signature

Print Name

Residence Address

AMBARELLA, INC.

By

Title

ESCROW AGENT

Corporate Secretary

Dated: _____, ____

EXHIBIT C-4

ELECTION UNDER SECTION 83(b)
OF THE INTERNAL REVENUE CODE OF 1986

The undersigned taxpayer hereby elects, pursuant to Sections 55 and 83(b) of the Internal Revenue Code of 1986, as amended, to include in taxpayer's gross income or alternative minimum taxable income, as the case may be, for the current taxable year the amount of any compensation taxable to taxpayer in connection with taxpayer's receipt of the property described below.

1. The name, address, taxpayer identification number and taxable year of the undersigned are as follows:

NAME: TAXPAYER: SPOUSE:

ADDRESS:

IDENTIFICATION NO.: TAXPAYER: SPOUSE:

TAXABLE YEAR:

2. The property with respect to which the election is made is described as follows: _____ Ordinary Shares (the "Shares") of Ambarella, Inc. (the "Company").
3. The date on which the property was transferred is: _____, ____.
4. The property is subject to the following restrictions:

   The Shares may not be transferred and are subject to forfeiture under the terms of an agreement between the taxpayer and the Company. These restrictions lapse upon the satisfaction of certain conditions contained in such agreement.
5. The Fair Market Value at the time of transfer, determined without regard to any restriction other than a restriction which by its terms will never lapse, of such property is: $____.
6. The amount (if any) paid for such property is: $____.

The undersigned has submitted a copy of this statement to the person for whom the services were performed in connection with the undersigned's receipt of the above-described property. The transferee of such property is the person performing the services in connection with the transfer of said property.

The undersigned understands that the foregoing election may not be revoked except with the consent of the Commissioner.

Dated: _____, ____

_____
Taxpayer

The undersigned spouse of taxpayer joins in this election.

Dated: _____, ____

_____
Spouse of Taxpayer

Exhibit 10.5

2975 San Ysidro Way
Santa Clara, CA 95051
Phone: 408.734.8888
Fax: 408.734.0788

March 3, 2011

George Laplante

Dear George,

I am pleased to offer you a position with Ambarella, Inc. (the "Company"), as its Chief Financial Officer. If you decide to join the Company, you will receive an annual salary of $300,000, which will be paid in accordance with the Company's normal payroll procedures, less any applicable withholdings. As an employee, you will also be eligible to enroll in the Company's standard employee benefit plans. You should note that the Company may modify job titles and salaries and may modify or cancel benefits from time to time as it deems necessary or appropriate.

If you decide to join the Company, you will be eligible to participate in the Company's fiscal 2012 bonus plan. Your target bonus for the fiscal year 2012 will be 30% of your earned fiscal year 2012 base salary. Any bonus amount paid pursuant to such plan or otherwise shall in no event be paid after the later of (i) 2 1/2 months after the end of the Company's fiscal year in which such bonus is earned or, (ii) March 15th following the calendar year in which any such bonus is earned. You should note that the Company may modify its bonus plan from time to time as it deems necessary.

In addition, if you decide to join the Company, it will be recommended at the first meeting of the Company's Board of Directors following your start date that the Company grant you an option to purchase 1,348,400 shares of the Company's Common Stock (the "Shares"), which represents approximately 1.25% of the fully-diluted capitalization of the Company as of the date hereof (excluding shares available for issuance under the Company's option plan). The exercise price per Share shall be equal to the fair market value per share of the Common Stock on the date of grant, as determined by the Company's Board of Directors. The recommended vesting schedule shall be as follows: 25% of the Shares shall vest 12 months after the date your employment begins subject to your continuing employment with the Company (and no Shares shall vest before such date) and the remaining Shares shall vest monthly over the next 36 months in equal monthly amounts subject to your continuing employment with the Company. This option grant shall be subject to the terms and conditions of the Company's 2004 Stock Option Plan and Stock Option Agreement, including vesting requirements. No right to any Shares is earned or accrued until such time that vesting occurs, nor does the grant confer any right to continue vesting or employment.

In addition, if you decide to join us, after you become a full-time employee and upon ratification of this employment offer by the Company's Board of Directors, the Company will enter into a Change of Control and Severance Agreement (the "Severance Agreement") with you that will provide you with certain benefits upon a termination of your employment under conditions described in the Severance Agreement. Any severance and benefits payments will be subject to the terms and conditions of such Severance Agreement, including provisions intended to comply with the requirements of Section 409A of the Internal Revenue Code so that none of the severance payments and benefits to be provided will be subject to additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. You and the Company agree to work together in good faith to consider amendments to this letter agreement and to take such reasonable actions necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to you under Section 409A.

In addition, if you decide to join us, the Company will pay (or reimburse you for) the cost for a rental housing, at your choice, close to the Company, provided that: (i) the maximum amount of such rental payment may not exceed $5,000 per month, (ii) such payments will cover rental costs for a period of up to 12 months following your employment start date and further is subject to your continued employment with us through the last date of each such month for which rental payments are provided, and (iii) with respect to each month for which such rental payment (or reimbursement, as applicable) is to be provided by the Company, such payment will be made by the Company no later than March 15 of the year immediately following the year in which the rental payment is incurred for the applicable month.

The Company is excited about your joining and looks forward to a beneficial and productive relationship. Nevertheless, you should be aware that your employment with the Company is for no specified period and constitutes at-will employment. As a result, you are free to resign at any time, for any reason or for no reason. Similarly, the Company is free to conclude its employment relationship with you at any time, with or without cause, and with or without notice. We request that, in the event of resignation, you give the Company at least two weeks notice.

The Company reserves the right to conduct background investigations and/or reference checks on all of its potential employees. Your job offer, therefore, is contingent upon a clearance of such a background investigation and/or reference check, if any.

For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three (3) business days of your date of hire, or our employment relationship with you may be terminated.

We also ask that, if you have not already done so, you disclose to the Company any and all agreements relating to your prior employment that may affect your eligibility to be employed by the Company or limit the manner in which you may be employed. It is the Company's understanding that any such agreements will not prevent you from performing the duties of your position and you represent that such is the case. Moreover, you agree that, during the term of your employment with the Company, you will not engage in any other employment, occupation, consulting or other business activity directly related to the business in which the Company is now involved or becomes involved during the term of your employment, nor will you engage in any other activities that conflict with your obligations to the Company without the consent of the Company's Chief Executive Officer. Similarly, you agree not to bring any third-party confidential information to the Company, including that of your former employer, and that in performing your duties for the Company you will not to any way utilize any such information.

As a Company employee, you will be expected to abide by the Company's rules and standards. As a condition of your employment, you are also required to sign and comply with an At-Will Employment, Confidential Information, Invention Assignment and Arbitration Agreement which requires, among other provisions, the assignment of patent rights to any invention made during your employment at the Company, and non-disclosure of Company proprietary information. In the event of any dispute or claim relating to or arising out of our employment relationship, you and the Company agree that (i) any and all disputes between you and the Company shall be fully and finally resolved by binding arbitration, (ii) you are waiving any and all rights to a jury trial but all court remedies will be available in arbitration, (iii) all disputes shall be resolved by a neutral arbitrator who shall issue a written opinion, (iv) the arbitration shall provide for adequate discovery, and (v) the Company shall pay all but the first $125 of the arbitration fees. Please note that we must receive your signed Agreement before your first day of employment.

To accept the Company's offer, please sign and date this letter in the space provided below. A duplicate original is enclosed for your records. This letter, along with any agreement relating to proprietary rights between you and the Company, set forth the terms of your employment with the Company and supersede any prior representations or agreements including, but not limited to, any representations made during your recruitment, interviews or pre-employment negotiations, whether written or oral. This letter, including, but not limited to, its at-will employment provision, may not be modified or amended except by a written agreement signed by the Company's Chief Executive Officer and you. You and the Company agree to work together in good faith to consider amendments to this offer letter and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition under Section 409A prior to actual payment to you under this offer letter. This letter shall be governed by the laws of the State of California (except with respect to its conflict of laws provision).

We look forward to your favorable reply and to a productive and exciting working relationship at Ambarella.

Sincerely,

/s/ Fermi Wang
Fermi Wang
Chief Executive Officer

Agreed to and accepted:

/s/ George Laplante
George Laplante

Date: 3-7-11

Enclosures
Duplicate Original Letter
At-Will Employment, Confidential Information, Invention Assignment and Arbitration Agreement

Exhibit 10.6.1

AMBARELLA, INC.

CHANGE OF CONTROL AND SEVERANCE AGREEMENT

This Change of Control Severance Agreement (the "**Agreement**") is made and entered into by and between [*NAME*] ("**Executive**") and Ambarella, Inc. (the "**Company**"), effective as of [*DATE*], 2009 (the "**Effective Date**").

RECITALS

1. It is expected that the Company from time to time will consider the possibility of an acquisition by another company or other change of control. The Board of Directors of the Company (the "**Board**") recognizes that such consideration can be a distraction to Executive and can cause Executive to consider alternative employment opportunities. The Board has determined that it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication and objectivity of Executive, notwithstanding the possibility, threat or occurrence of a Change of Control of the Company.

2. The Board believes that it is in the best interests of the Company and its stockholders to provide Executive with an incentive to continue his or her employment and to motivate Executive to maximize the value of the Company upon a Change of Control for the benefit of its stockholders.

3. The Board believes that it is imperative to provide Executive with certain severance benefits upon Executive's termination of employment following a Change of Control. The Board further believes that it is imperative to provide Executive with certain severance benefits if the Company were to terminate Executive's employment without cause during the term of this Agreement. These benefits will provide Executive with enhanced financial security and incentive and encouragement to remain with the Company notwithstanding the possibility of a Change of Control.

4. Certain capitalized terms used in the Agreement are defined in Section 7 below.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. Term of Agreement. This Agreement will continue indefinitely until terminated by written consent of the parties hereto. Notwithstanding the previous sentence, if Executive becomes entitled to benefits pursuant to Section 3 of this Agreement, the Agreement will terminate when all of the obligations of the parties hereto with respect to this Agreement have been satisfied.

2. At-Will Employment. The Company and Executive acknowledge that Executive's employment is and will continue to be at-will, as defined under applicable law. If Executive's employment terminates for any reason, Executive will not be entitled to any payments, benefits, damages, awards or compensation other than as provided by this Agreement,

or pursuant to the Company's policies in place at the time of the termination (to the extent applicable) and the payment of accrued but unpaid wages, as required by law, and any unreimbursed reimbursable expenses.

3. Severance Benefits.

(a) Termination without Cause Apart From a Change of Control. If the Company terminates Executive's employment with the Company without Cause, and such termination occurs either prior to three (3) months before or after twelve (12) months following a Change of Control, and Executive signs and does not revoke a release of claims with the Company as required by Section 4 and resigns as a member of the Board, if applicable, effective no later than thirty (30) days following Executive's termination, then Executive will receive the following from the Company:

(i) Accrued Compensation. The Company will pay Executive all accrued but unpaid vacation, expense reimbursements, wages, any earned (but yet unpaid) bonus or commission and other benefits due to Executive under any Company-provided plans, policies, and arrangements.

(ii) Severance Payment. Executive is entitled to receive a lump sum payment of severance equal to the sum of (x) 100% of Executive's annual base salary as in effect immediately prior to Executive's termination date and (y) the portion of Executive's annual target bonus prorated monthly based on the number of months of service completed for the fiscal year which the Executive's employment terminates.

(iii) Equity Awards. If Executive has been employed by the Company for less than twelve (12) months, Executive will not receive any accelerated vesting of his or her outstanding equity awards, except as may be set forth in Executive's individual equity award agreements or the terms of the Company's equity award plans. If Executive has been employed by the Company for at least twelve (12) months, Executive's outstanding equity awards will immediately vest as to that number of shares that would have otherwise vested during the twelve (12)-month period following the date of Executive's termination.

(iv) Continued Health Benefits. If (1) Executive constitutes a qualified beneficiary, as defined in Section 4980(B)(g)(1) of the Internal Revenue Code of 1986, as amended (the "**Code**") and (2) Executive elects continuation health coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**") for Executive and Executive's eligible dependents, within the time period prescribed pursuant to COBRA, the Company will pay the premiums for such health continuation coverage at the levels in effect immediately prior to Executive's termination until the earlier of (A) twelve (12) months from the last date of Executive's employment with the Company, or (B) the date upon which Executive and/or Executive's eligible dependents becomes covered under similar plans.

(b) Termination without Cause or Resignation for Good Reason in Connection with a Change of Control. If the Company terminates Executive's employment with the Company without Cause or if Executive resigns from such employment for Good Reason, and such termination occurs within the period beginning three (3) months before and ending

twelve (12) months after a Change of Control, and Executive signs and does not revoke a release of claims with the Company as required by Section 4 and resigns as a member of the Board, if applicable, effective no later than thirty (30) days following Executive's termination, then Executive will receive the following from the Company:

(i) Accrued Compensation. The Company will pay Executive all accrued but unpaid vacation, expense reimbursements, wages, any earned (but yet unpaid) bonus or commission, and other benefits due to Executive under any Company-provided plans, policies, and arrangements.

(ii) Severance Payment. Executive is entitled to receive a lump sum payment of severance equal to the sum of (x) 100% of Executive's annual base salary as in effect immediately prior to Executive's termination date or (if greater) at the level in effect immediately prior to the Change of Control and (y) the portion of Executive's annual target bonus prorated monthly based on the number of months of completed service for the fiscal year which Executive's employment terminates.

(iii) Equity Awards. If the Change of Control occurs before the one (1)-year anniversary of Executive's employment commencement date, then Executive's outstanding equity awards will immediately vest as to that number of shares that would have otherwise vested during the twenty-four (24)-month period following the date of Executive's termination. If the Change of Control occurs on or after the one (1)-year anniversary of Executive's employment commencement date, then Executive's outstanding equity awards will vest as to one hundred percent (100%) of the total number of shares subject to each of Executive's then outstanding equity awards.

(iv) Continued Health Benefits. If (1) Executive constitutes a qualified beneficiary, as defined in Section 4980(B)(g)(1) of the Code and (2) Executive elects continuation health coverage pursuant to COBRA for Executive and Executive's eligible dependents, within the time period prescribed pursuant to COBRA, the Company will pay the premiums for such health continuation coverage at the levels in effect immediately prior to Executive's termination until the earlier of (A) (12) months from the last date of Executive's employment with the Company, or (B) the date upon which Executive and/or Executive's eligible dependents becomes covered under similar plans.

(c) Disability; Death. If the Company terminates Executive's employment as a result of Executive's Disability, or Executive's employment terminates due to his or her death, and Executive (or, as applicable, Executive's designated beneficiary, if living, or otherwise the personal representative of Executive's estate) signs and does not revoke a release of claims with the Company as required by Section 4, then Executive (or, as applicable, Executive's designated beneficiary, if living, or otherwise the personal representative of Executive's estate) will receive the following from the Company:

(i) Accrued Compensation. The Company will pay Executive (or, as applicable, Executive's designated beneficiary, if living, or otherwise the personal representative of Executive's estate) all accrued but unpaid vacation, expense reimbursements, wages, any

earned (but yet unpaid) bonus or commission, and other benefits due to Executive under any Company-provided plans, policies, and arrangements.

(ii) Severance Payment. Executive (or, as applicable, Executive's designated beneficiary, if living, or otherwise the personal representative of Executive's estate) is entitled to receive a lump sum payment of severance equal to 100% of Executive's annual base salary as in effect immediately prior to Executive's termination date.

(d) Timing of Severance Payments. Unless otherwise required pursuant to Section 5 of this Agreement, the Company will pay the cash severance payments to which Executive is entitled under this Agreement in a lump sum as soon as practicable following the date of termination, provided, however, that such payment will be delayed to the extent required by Section 4 and/or Section 5 of this Agreement. Except to the extent payment is delayed pursuant to Section 5(b), all cash severance payments under this Agreement will be paid no later than the fifteenth (15) day of the third month following the fiscal year in which the termination occurs.

(e) Voluntary Resignation; Termination for Cause. If Executive's employment with the Company terminates (i) voluntarily by Executive (other than for Good Reason in connection with a Change of Control) or (ii) for Cause by the Company, then Executive will not be entitled to receive severance or other benefits except for those (if any) as may then be established under the Company's then existing severance and benefits plans and practices or pursuant to other written agreements with the Company.

(f) Exclusive Remedy. In the event of a termination of Executive's employment as set forth in Section 3(a), 3(b) or 3(c) of this Agreement, the provisions of Section 3(a), 3(b) or 3(c), as applicable, are intended to be and are mutually exclusive of each other and exclusive and in lieu of any other rights or remedies to which Executive or the Company may otherwise be entitled, whether at law, tort or contract, in equity, or under this Agreement (other than the payment of accrued but unpaid wages, as required by law, and any unreimbursed reimbursable expenses). Executive will be entitled to no benefits, compensation or other payments or rights upon a termination of employment other than those benefits expressly set forth in Section 3 of this Agreement. If Executive should receive the benefits set forth in Section 9(d) of this Agreement, the benefits provided in Section 3(a)(iv) or Section 3(b)(iv) will be reduced by the number of months Executive received Company-paid COBRA continuation coverage under Section 9(d).

4. Conditions to Receipt of Severance.

(a) Release of Claims Agreement. The receipt of any severance or other benefits pursuant to Section 3 will be subject to Executive (or, as applicable, Executive's designated beneficiary, if living, or otherwise the personal representative of Executive's estate) signing and not revoking a Release Agreement, attached hereto as Exhibit A, B and C, as applicable based on the Executive's age upon termination and whethersuch termination qualifies as a group termination under the Age Discrimination in Employment Act of 1967, and such release becoming effective and irrevocable within sixty (60) days of Executive's termination or such earlier date as required by the release (such deadline, the "**Release Deadline**"). If the

release of claims does not become effective and irrevocable by the Release Deadline, Executive will forfeit any rights to severance or benefits under this Agreement. In no event will severance payments or benefits be paid or provided until the release of claims becomes effective and irrevocable. Notwithstanding anything in this Agreement to the contrary, in the event severance payments or benefits provided under this Agreement would be considered Deferred Compensation Separation Benefits (as defined below), then the following timing of payments will apply to such Deferred Compensation Separation Benefits, in each case subject to any delay in payment required by Section 409A (and provided the release becomes effective and irrevocable): (i) if the Release Deadline is on or before December 10 of the calendar year of Executive's "separation from service" (within the meaning of Section 409A of the Code, and the final regulations and official guidance promulgated thereunder (together, "**Section 409A**")), any portion of Executive's severance payments or benefits provided under this Agreement that would be considered Deferred Compensation Separation Benefits will be paid on or before December 31 of that calendar year, or such later time as required by (A) the payment schedule applicable to each payment or benefit, or (B) if applicable, Section 409A (as set forth in Section 5 below); and (ii) if the Release Deadline is after December 10 of the calendar year of Executive's "separation from service" (within the meaning of Section 409A), any portion of the severance payments or benefits provided under this Agreement that would be considered Deferred Compensation Separation Benefits will be paid on the first payroll date to occur during the calendar year following the calendar year in which such separation of service occurs or such later time as required by (A) the payment schedule applicable to each payment or benefit, (B) the Release Deadline, or (C) if applicable, Section 409A (as set forth in Section 5 below).

(b) Other Requirement. Executive's receipt of any payments or benefits under Section 3 will be subject to Executive continuing to comply with the terms of any confidential information agreement executed by Executive in favor of the Company and the provisions of this Agreement.

5. Section 409A.

(a) Notwithstanding anything to the contrary in this Agreement, if Executive is a "specified employee" within the meaning of Section 409A at the time of Executive's termination (other than due to death), then the severance payable to Executive, if any, pursuant to this Agreement, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Section 409A (together, the "**Deferred Compensation Separation Benefits**") that are payable within the first six (6) months following Executive's termination of employment, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Executive's termination of employment. All subsequent Deferred Compensation Separation Benefits, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Executive dies following his or her termination but prior to the six (6) month anniversary of his or her termination, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of Executive's death and all other Deferred Compensation Separation Benefits will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Agreement

is intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

(b) Any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations shall not constitute Deferred Compensation Separation Benefits for purposes of clause (a) above.

(c) Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that do not exceed the Section 409A Limit shall not constitute Deferred Compensation Separation Benefits for purposes of clause (a) above.

(d) The foregoing provisions are intended to comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Executive under Section 409A.

6. Excise Tax Gross-Up. In the event that the benefits provided for in this Agreement constitute "parachute payments" within the meaning of Section 280G of the Code and will be subject to the Federal and/or State excise tax imposed by Section 4999 of the Code, then Executive will receive a payment from the Company sufficient to pay such excise tax (the "**Gross-Up Payment**"). For the avoidance of doubt, Executive shall not receive any additional payment from the Company for any additional income, employment, excise or other taxes imposed on Executive as a result of Executive's receipt of the Gross-Up Payment from the Company. Unless Executive and the Company agree otherwise in writing, the determination of Executive's excise tax liability, if any, and the amount, if any, required to be paid under this Section 6 will be made in writing by the independent auditors who are primarily used by the Company immediately prior to the Change of Control (the "**Accountants**"). For purposes of making the calculations required by this Section 6, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. Executive and the Company agree to furnish such information and documents as the Accountants may reasonably request in order to make a determination under this Section 6. The Company will bear all costs the Accountants may reasonably incur in connection with any calculations contemplated by this Section 6. The Company will pay any Gross-Up Payment to Executive within thirty (30) days after the receipt of the Accountants' determination, but in no event later than the close of the calendar year following the calendar year in which Executive pays the excise taxes to the Internal Revenue Service (the "**IRS**").

7. Definition of Terms. The following terms referred to in this Agreement will have the following meanings:

(a) Cause. Termination by the Company of the Executive's employment for "**Cause**" will mean:

(i) Executive's willful and continued failure to substantially perform the duties of Executive's position, other than failure resulting from Executive's complete or partial incapacity due to physical or mental illness or impairment;

(ii) Executive's willful and continued failure to substantially perform the specific and lawful directives of the Board, as reasonably determined by the Board, other than failure resulting from Executive's complete or partial incapacity due to physical or mental illness or impairment;

(iii) Executive's willful commission of an act of fraud or dishonesty resulting in, or that is likely to result in, material economic or financial injury to the Company; or

(iv) Executive's willful engagement in illegal conduct which was or is reasonably likely to be materially injurious to the Company;

For purposes of this Section 7(a), no act, or failure to act, on Executive's part shall be deemed "willful" unless done, or omitted to be done, by Executive not in good faith. In the event of any alleged breach pursuant to (i) or (ii) of this Section 7(a), the Company will first give Executive written notice which specifically identifies the manner in which the Board believes that the Executive's conduct constitutes the alleged performance breach to enable Executive to correct the deficiency within a reasonable time period, which will not be less than thirty (30) days, before the Company can proceed with a termination for Cause under either (i) or (ii) of this Section 7(a). In the event of any alleged conduct described in (iii) or (iv) of this Section 7(a), the Company will deliver to Executive written notice which sets forth the Board's finding that Executive engaged in such conduct and specifying the particulars thereof. In the event of a Change of Control pursuant to which the Company is not the surviving entity, then on and after such Change of Control, all determinations and actions required to be taken by the Board under this Section 7(a) shall be made or taken by the board of directors of the surviving entity, or if the surviving entity is a subsidiary, then by the board of directors of the ultimate parent corporation of the surviving entity.

(b) Change of Control. A "**Change of Control**" will be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) Change in Ownership of a Substantial Portion of the Company's Assets. A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any one person, or more than one person acting as a group ("**Person**") acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions. For purposes of this subsection (i), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets;

(ii) Change in Ownership of the Company. A change in the ownership of the Company which occurs on the date that any Person acquires ownership of the stock of the

Company that, together with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company, except that any change in the ownership of the stock of the Company as a result of a private financing of the Company that is approved by the Board will not be considered a Change of Control;

(iii) Change in Effective Control of the Company. A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twenty-four (24) month period by directors whose appointment or election is not approved by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this subsection (iii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change of Control; or

(iv) Corporate Transactions. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity,

For these purposes, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing provisions of this definition, a transaction will not be deemed a Change of Control unless the transaction qualifies as a change in control event within the meaning of Section 409A.

(c) Disability. For the purpose of this Agreement, "**Disability**" shall have the meaning set forth in Section 409A.

(d) Good Reason. The Executive is entitled to terminate employment for Good Reason. For the purpose of this Agreement, "**Good Reason**" will mean Executive's termination of employment within ninety (90) days following the expiration of any cure period (discussed below) following the occurrence of one or more of the following, without Executive's express written consent:

(i) A reduction by the Company of Executive's base salary or annual target bonus in effect immediately prior to such reduction; provided, however, that such reduction in base salary or target bonus in connection with similar percentage reductions imposed on all executive-level employees shall not constitute "Good Reason";

(ii) A reduction by the Company of Executive's health or welfare benefits (including without limitation benefits under any of the Company's life insurance, medical, health and accident, disability, or other benefit plans) in effect immediately prior to such reduction; provided, however, that such reduction in benefits in connection with similar

percentage reductions imposed on all executive-level employees shall not constitute “Good Reason”;

(iii) Either (A) the relocation of the Company’s offices at which Executive is principally employed immediately prior to the Change of Control (“Principal Location”), or (B) the Company’s requiring the Executive to be based anywhere other than the Executive’s Principal Location, except for required travel on the Company’s business to an extent substantially consistent with the Executive’s business travel obligations prior to the Change of Control; provided that, in the case of either (A) or (B), the relocation is to a location more than thirty (30) miles from the Executive’s Principal Location (unless such relocation does not increase Executive’s commuting distance);

(iv) The failure of the Company to continue in effect any material compensation or benefit plan or practice in which Executive is eligible to participate in immediately prior to the effective date of the Change of Control (other than any equity based plan), unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the Company’s failure to continue Executive’s participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of Executive’s participation relative to other participants, as existed immediately prior to the effective date of the Change of Control;

(v) The failure of the Company to obtain a satisfactory agreement from any successor to assume and agree to perform this Agreement, as contemplated in Section 8 hereof; or

(vi) A material diminution in Executive’s authority, duties, responsibilities, title or reporting structure relative to Executive’s authority, duties, responsibilities, title or reporting structure in effect immediately prior to such reduction; provided, however, that a material diminution in Executive’s title or reporting structure solely by virtue of the Company being acquired and made part of a larger entity, whether as a subsidiary, business unit or otherwise will not by itself sufficient to constitute “Good Reason”.

Executive will not resign for Good Reason without first providing the Company with written notice within sixty (60) days of the event that Executive believes constitutes “Good Reason” specifically identifying the acts or omissions constituting the grounds for Good Reason and a reasonable cure period of not less than thirty (30) days following the date of such notice.

(e) Section 409A Limit. “**Section 409A Limit**” will mean the lesser of two (2) times: (i) Executive’s annualized compensation based upon the annual rate of pay paid to Executive during Executive’s taxable year preceding Executive’s taxable year of Executive’s termination of employment as determined under Treasury Regulation Section 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which Executive’s employment is terminated.

8. Successors.

(a) The Company's Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets will assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "Company" will include any successor to the Company's business and/or assets which executes and delivers the assumption agreement described in this Section 8(a) or which becomes bound by the terms of this Agreement by operation of law.

(b) Executive's Successors. The terms of this Agreement and all rights of Executive hereunder will inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

9. Arbitration.

(a) The Company and Executive each agree that any and all disputes arising out of the terms of this Agreement, Executive's employment by the Company, Executive's service as an officer or director of the Company, or Executive's compensation and benefits, their interpretation and any of the matters herein released, will be subject to binding arbitration under the arbitration rules set forth in California Code of Civil Procedure Sections 1280 through 1294.2, including Section 1281.8 (the "**Act**"), and pursuant to California law. Disputes that the Company and Executive agree to arbitrate, and thereby agree to waive any right to a trial by jury, include any statutory claims under local, state, or federal law, including, but not limited to, claims under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act, the Sarbanes-Oxley Act, the Worker Adjustment and Retraining Notification Act, the California Fair Employment and Housing Act, the Family and Medical Leave Act, the California Family Rights Act, the California Labor Code, claims of harassment, discrimination, and wrongful termination, and any statutory or common law claims. The Company and Executive further understand that this Agreement to arbitrate also applies to any disputes that the Company may have with Executive. However, claims for workers' compensation benefits and unemployment insurance (or any other claims where mandatory arbitration is prohibited by law) are not covered by this arbitration agreement, and such claims may be presented by the Executive to the appropriate court or government agency.

(b) Procedure. The Company and Executive agree that any arbitration will be administered by Judicial Arbitration & Mediation Services, Inc. ("**JAMS**"), pursuant to its Employment Arbitration Rules & Procedures (the "**JAMS Rules**"). The Arbitrator will have the power to decide any motions brought by any party to the arbitration, including motions for summary judgment and/or adjudication, motions to dismiss and demurrers, and motions for class certification, prior to any arbitration hearing. The Arbitrator will have the power to award any remedies available under applicable law, and the Arbitrator will award attorneys' fees and costs to the prevailing party, except as prohibited by law. The Company will pay for any

administrative or hearing fees charged by the Arbitrator or JAMS except that Executive will pay any filing fees associated with any arbitration that Executive initiates, but only so much of the filing fees as Executive would have instead paid had he or she filed a complaint in a court of law. The Arbitrator will administer and conduct any arbitration in accordance with California law, including the California Code of Civil Procedure, and the Arbitrator will apply substantive and procedural California law to any dispute or claim, without reference to rules of conflict of law. To the extent that the JAMS Rules conflict with California law, California law will take precedence. The decision of the Arbitrator will be in writing. Any arbitration under this Agreement will be conducted in Santa Clara County, California.

(c) Remedy. Except as provided by the Act and this Agreement, arbitration will be the sole, exclusive, and final remedy for any dispute between Executive and the Company. Accordingly, except as provided for by the Act and this Agreement, neither Executive nor the Company will be permitted to pursue court action regarding claims that are subject to arbitration.

(d) Healthcare Coverage in Event of Dispute. In the event that any dispute between Executive and the Company becomes subject to arbitration pursuant to this Section 9, and provided that (1) Executive constitutes a qualified beneficiary, as defined in Section 4980(B)(g)(1) of the Code; and (2) Executive elects continuation coverage pursuant to COBRA, within the time period prescribed pursuant to COBRA, the Company will pay the premiums for such health continuation coverage at the levels in effect immediately prior to Executive's termination until the earlier of (A) the resolution of the arbitration dispute or (B) the date upon which the Company would no longer be required to provide such continuation coverage pursuant to Section 3.

(e) Administrative Relief. Executive understands that this Agreement does not prohibit him or her from pursuing any administrative claim with a local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, including, but not limited to, the Department of Fair Employment and Housing, the Equal Employment Opportunity Commission, the National Labor Relations Board, or the Workers' Compensation Board. This Agreement does, however, preclude Executive from pursuing court action regarding any such claim, except as permitted by law.

(f) Voluntary Nature of Agreement. Each of the Company and Executive acknowledges and agrees that such party is executing this Agreement voluntarily and without any duress or undue influence by anyone. Executive further acknowledges and agrees that he or she has carefully read this Agreement and has asked any questions needed for him or her to understand the terms, consequences, and binding effect of this Agreement and fully understands it, including that ***Executive is waiving his or her right to a jury trial***. Finally, Executive agrees that he or she has been provided an opportunity to seek the advice of an attorney of his or her choice before signing this Agreement.

10. Notice.

(a) General. Notices and all other communications contemplated by this Agreement will be in writing and will be deemed to have been duly given when personally

delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of Executive, mailed notices will be addressed to him or her at the home address which he or she most recently communicated to the Company in writing. In the case of the Company, mailed notices will be addressed to its corporate headquarters, and all notices will be directed to the attention of its President.

(b) Notice of Termination. Any termination by the Company for Cause or by Executive for Good Reason will be communicated by a notice of termination to the other party hereto given in accordance with Section 10(a) of this Agreement. Such notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date (which will be not more than thirty (30) days after the giving of such notice). The failure by the Company or by Executive, as applicable, to include in the notice any fact or circumstance which contributes to a showing of Cause or Good Reason, as applicable, will not waive any right of the Company or Executive, as applicable, hereunder or preclude the Company or Executive, as applicable, from asserting such fact or circumstance in enforcing its, his or her rights hereunder.

11. Non-Solicitation. Executive agrees that for a period of twelve (12) months immediately following termination, Executive shall not directly or indirectly solicit any of the Company's employees to leave their employment at the Company.

12. Miscellaneous Provisions.

(a) No Duty to Mitigate. Executive will not be required to mitigate the amount of any payment contemplated by this Agreement, nor will any such payment be reduced by any earnings that Executive may receive from any other source.

(b) Waiver. No provision of this Agreement will be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(d) Entire Agreement. This Agreement, including its exhibits, constitutes the entire agreement of the parties hereto and supersedes in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties with respect to the subject matter hereof. No waiver, alteration, or modification of any of the provisions of this Agreement will be binding unless in writing and signed by duly authorized representatives of the parties hereto and which specifically mention this Agreement.

(e) Choice of Law. The validity, interpretation, construction and performance of this Agreement will be governed by the laws of the State of California without regard to principles of its conflict of laws.

(f) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision hereof, which will remain in full force and effect.

(g) Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable income, employment and other taxes.

(h) Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[Signature Page to Follow]

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year set forth below.

COMPANY

AMBARELLA, INC.

By: _____

Title: _____

Date: _____

EXECUTIVE

By: _____

Title: _____

Date: _____

EXHIBIT A

RELEASE AGREEMENT

For Employee 40 Years Old or Older in Group Termination

I understand and agree completely to the terms set forth in my Change in Control Severance Benefits Agreement (the "Agreement") with Ambarella, Inc. (the "Company").

I understand that this Release Agreement ("Release"), together with the Agreement, constitutes the complete, final and exclusive embodiment of the entire agreement between the Company and me with regard to the subject matter hereof. I am not relying on any promise or representation by the Company that is not expressly stated herein.

I hereby confirm my obligations under the Company's Agreement Regarding Confidential Information and Proprietary Developments.

In consideration of the severance benefits I will receive under the Agreement, I hereby generally and completely release the Company and its current and former directors, officers, employees, shareholders, partners, agents, attorneys, predecessors, successors, parent and subsidiary entities, insurers, affiliates, and assigns from any and all claims, liabilities and obligations, both known and unknown, that arise out of or are in any way related to events, acts, conduct, or omissions occurring prior to my signing this Release. This general release includes, but is not limited to: (a) all claims arising out of or in any way related to my employment with the Company, or the termination of that employment; (b) all claims related to my compensation or benefits from the Company, including, but not limited to, salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership interests in the Company; (c) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (d) all tort claims, including, but not limited to, claims for fraud, defamation, emotional distress, and discharge in violation of public policy; (e) all federal, state, and local statutory claims, including, but not limited to, claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, the federal Age Discrimination in Employment Act of 1967 (as amended) ("ADEA"), and the California Fair Employment and Housing Act (as amended); (f) any claim for any loss, cost, damage, or expense arising out of any dispute over the nonwithholding or other tax treatment of any of the proceeds I receive as a result of the Agreement; and (g) any and all claims for attorneys' fees and costs; *provided, however,* that nothing in this paragraph shall be construed in any way to release the Company from its obligation to indemnify me pursuant to a written agreement between me and the Company or applicable law.

I agree that this Release shall be and remain in effect in all respects as a complete general release as to the matters released. This Release does not extend to any obligations incurred under the Agreement. This Release does not release claims that cannot be released as a matter of law, including, but not limited to, my right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission, or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, against the Company (with the understanding that any such filing or participation does not give me the right to recover any monetary damages against the Company; my release of claims herein bars me from recovering such monetary relief from the Company).

I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I may have under the ADEA ("ADEA Waiver"). I also acknowledge that the consideration given for the ADEA

Waiver is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing, as required by the ADEA, that: (a) my ADEA Waiver does not apply to any rights or claims that arise after the date I sign this Release; (b) I should consult with an attorney prior to signing this Release (although I may choose voluntarily not to do so); (c) I have forty-five (45) days to consider this Release (although I may choose voluntarily to sign it sooner); (d) I have seven (7) days following the date I sign this Release to revoke the ADEA Waiver by providing written notice to the Company's Board of Directors; and (e) the ADEA Waiver will not be effective until the date upon which the revocation period has expired unexercised, which will be the eighth day after I sign this Release ("Effective Date").

I have received with this Release all of the information required by the ADEA, including without limitation a detailed list of the job titles and ages of all employees who were terminated in this group termination and the ages of all employees of the Company in the same job classification or organizational unit who were not terminated, along with information on the eligibility factors used to select employees for the group termination and any time limits applicable to this group termination program.

I acknowledge that I have read and understand Section 1542 of the California Civil Code which reads as follows: **"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his settlement with the debtor."** I hereby expressly waive and relinquish all rights and benefits under that section and any law of any jurisdiction of similar effect with respect to my release of any claims hereunder, including but not limited to my release of unknown claims.

I hereby represent that I have been paid or provided all salary, wages, bonuses, accrued vacation/paid time off, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to me, and I have not suffered any on-the-job injury for which I have not already filed a claim.

I acknowledge that to become effective, I must sign and return this Release to the Company so that it is received not later than forty-five (45) days following the date it is provided to me.

Signature: _____

Printed Name: _____

Date: _____

EXHIBIT B

RELEASE AGREEMENT

For Employee 40 Years Old or Older in Individual Termination

I understand and agree completely to the terms set forth in my Change in Control Severance Benefits Agreement (the "Agreement") with Ambarella, Inc. (the "Company").

I understand that this Release Agreement ("Release"), together with the Agreement, constitutes the complete, final and exclusive embodiment of the entire agreement between the Company and me with regard to the subject matter hereof. I am not relying on any promise or representation by the Company that is not expressly stated herein.

I hereby confirm my obligations under the Company's Agreement Regarding Confidential Information and Proprietary Developments.

In consideration of the severance benefits I will receive under the Agreement, I hereby generally and completely release the Company and its current and former directors, officers, employees, shareholders, partners, agents, attorneys, predecessors, successors, parent and subsidiary entities, insurers, affiliates, and assigns from any and all claims, liabilities and obligations, both known and unknown, that arise out of or are in any way related to events, acts, conduct, or omissions occurring prior to my signing this Release. This general release includes, but is not limited to: (a) all claims arising out of or in any way related to my employment with the Company, or the termination of that employment; (b) all claims related to my compensation or benefits from the Company, including, but not limited to, salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership interests in the Company; (c) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (d) all tort claims, including, but not limited to, claims for fraud, defamation, emotional distress, and discharge in violation of public policy; (e) all federal, state, and local statutory claims, including, but not limited to, claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, the federal Age Discrimination in Employment Act of 1967 (as amended) ("ADEA"), and the California Fair Employment and Housing Act (as amended); (f) any claim for any loss, cost, damage, or expense arising out of any dispute over the nonwithholding or other tax treatment of any of the proceeds I receive as a result of the Agreement; and (g) any and all claims for attorneys' fees and costs; *provided, however,* that nothing in this paragraph shall be construed in any way to release the Company from its obligation to indemnify me pursuant to a written agreement between me and the Company or applicable law.

I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I may have under the ADEA ("ADEA Waiver"). I also acknowledge that the consideration given for the ADEA Waiver is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing, as required by the ADEA, that: (a) my ADEA Waiver does not apply to any rights or claims that arise after the date I sign this Release; (b) I should consult with an attorney prior to signing this Release (although I may choose voluntarily not to do so); (c) I have twenty-one (21) days to consider this Release (although I may choose voluntarily to sign it sooner); (d) I have seven (7) days following the date I sign this Release to revoke the ADEA Waiver by providing written notice to the Company's Board of Directors; and (e) the ADEA Waiver will not be effective until the date upon which

the revocation period has expired unexercised, which will be the eighth day after I sign this Release ("Effective Date").

I agree that this Release shall be and remain in effect in all respects as a complete general release as to the matters released. This Release does not extend to any obligations incurred under the Agreement. This Release does not release claims that cannot be released as a matter of law, including, but not limited to, my right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission, or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, against the Company (with the understanding that any such filing or participation does not give me the right to recover any monetary damages against the Company; my release of claims herein bars me from recovering such monetary relief from the Company).

I acknowledge that I have read and understand Section 1542 of the California Civil Code which reads as follows: **"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his settlement with the debtor."** I hereby expressly waive and relinquish all rights and benefits under that section and any law of any jurisdiction of similar effect with respect to my release of any claims hereunder, including but not limited to my release of unknown claims.

I hereby represent that I have been paid or provided all salary, wages, bonuses, accrued vacation/paid time off, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to me, and I have not suffered any on-the-job injury for which I have not already filed a claim.

I acknowledge that to become effective, I must sign and return this Release to the Company so that it is received not later than twenty-one (21) days following the date it is provided to me.

Signature: _____

Printed Name: _____

Date: _____

EXHIBIT C

RELEASE AGREEMENT

For Employee Under 40 Years Old in Individual or Group Termination

I understand and agree completely to the terms set forth in my Change in Control Severance Benefits Agreement (the "Agreement") with Ambarella, Inc. (the "Company").

I understand that this Release Agreement ("Release"), together with the Agreement, constitutes the complete, final and exclusive embodiment of the entire agreement between the Company and me with regard to the subject matter hereof. I am not relying on any promise or representation by the Company that is not expressly stated herein.

I hereby confirm my obligations under the Company's Agreement Regarding Confidential Information and Proprietary Developments.

In consideration of the severance benefits I will receive under the Agreement, I hereby generally and completely release the Company and its current and former directors, officers, employees, shareholders, partners, agents, attorneys, predecessors, successors, parent and subsidiary entities, insurers, affiliates, and assigns from any and all claims, liabilities and obligations, both known and unknown, that arise out of or are in any way related to events, acts, conduct, or omissions occurring prior to my signing this Release. This general release includes, but is not limited to: (a) all claims arising out of or in any way related to my employment with the Company, or the termination of that employment; (b) all claims related to my compensation or benefits from the Company, including, but not limited to, salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership interests in the Company; (c) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (d) all tort claims, including, but not limited to, claims for fraud, defamation, emotional distress, and discharge in violation of public policy; (e) all federal, state, and local statutory claims, including, but not limited to, claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, and the California Fair Employment and Housing Act (as amended); (f) any claim for any loss, cost, damage, or expense arising out of any dispute over the nonwithholding or other tax treatment of any of the proceeds I receive as a result of the Agreement; and (g) any and all claims for attorneys' fees and costs; *provided, however,* that nothing in this paragraph shall be construed in any way to release the Company from its obligation to indemnify me pursuant to a written agreement between me and the Company or applicable law.

I agree that this Release shall be and remain in effect in all respects as a complete general release as to the matters released. This Release does not extend to any obligations incurred under the Agreement. This Release does not release claims that cannot be released as a matter of law, including, but not limited to, my right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission, or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, against the Company (with the understanding that any such filing or participation does not give me the right to recover any monetary damages against the Company; my release of claims herein bars me from recovering such monetary relief from the Company).

I acknowledge that I have read and understand Section 1542 of the California Civil Code which reads as follows: **"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his settlement with the debtor."** I hereby expressly waive and relinquish all rights and benefits under that section and any law of any jurisdiction of similar effect with respect to my release of any claims hereunder, including but not limited to my release of unknown claims.

I hereby represent that I have been paid or provided all salary, wages, bonuses, accrued vacation/paid time off, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to me, and I have not suffered any on-the-job injury for which I have not already filed a claim.

I acknowledge that to become effective, I must sign and return this Release to the Company so that it is received not later than fourteen (14) days following the date it is provided to me.

Signature: _____

Printed Name: _____

Date: _____

Exhibit 10.6.2

AMBARELLA, INC.

CHANGE OF CONTROL AND SEVERANCE AGREEMENT

This Change of Control Severance Agreement (the "**Agreement**") is made and entered into by and between [*NAME*] ("**Executive**") and Ambarella, Inc. (the "**Company**"), effective as of [*DATE*], 2009 (the "**Effective Date**").

RECITALS

1. It is expected that the Company from time to time will consider the possibility of an acquisition by another company or other change of control. The Board of Directors of the Company (the "**Board**") recognizes that such consideration can be a distraction to Executive and can cause Executive to consider alternative employment opportunities. The Board has determined that it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication and objectivity of Executive, notwithstanding the possibility, threat or occurrence of a Change of Control of the Company.

2. The Board believes that it is in the best interests of the Company and its stockholders to provide Executive with an incentive to continue his or her employment and to motivate Executive to maximize the value of the Company upon a Change of Control for the benefit of its stockholders.

3. The Board believes that it is imperative to provide Executive with certain severance benefits upon Executive's termination of employment following a Change of Control. The Board further believes that it is imperative to provide Executive with certain severance benefits if the Company were to terminate Executive's employment without cause during the term of this Agreement. These benefits will provide Executive with enhanced financial security and incentive and encouragement to remain with the Company notwithstanding the possibility of a Change of Control.

4. Certain capitalized terms used in the Agreement are defined in Section 7 below.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. Term of Agreement. This Agreement will continue indefinitely until terminated by written consent of the parties hereto. Notwithstanding the previous sentence, if Executive becomes entitled to benefits pursuant to Section 3 of this Agreement, the Agreement will terminate when all of the obligations of the parties hereto with respect to this Agreement have been satisfied.

2. At-Will Employment. The Company and Executive acknowledge that Executive's employment is and will continue to be at-will, as defined under applicable law. If Executive's employment terminates for any reason, Executive will not be entitled to any payments, benefits, damages, awards or compensation other than as provided by this Agreement,

or pursuant to the Company's policies in place at the time of the termination (to the extent applicable) and the payment of accrued but unpaid wages, as required by law, and any unreimbursed reimbursable expenses.

3. Severance Benefits.

(a) Termination without Cause Apart From a Change of Control. If the Company terminates Executive's employment with the Company without Cause, and such termination occurs either prior to three (3) months before or after twelve (12) months following a Change of Control, and Executive signs and does not revoke a release of claims with the Company as required by Section 4 and resigns as a member of the Board, if applicable, effective no later than thirty (30) days following Executive's termination, then Executive will receive the following from the Company:

(i) Accrued Compensation. The Company will pay Executive all accrued but unpaid vacation, expense reimbursements, wages, any earned (but yet unpaid) bonus or commission and other benefits due to Executive under any Company-provided plans, policies, and arrangements.

(ii) Severance Payment. Executive is entitled to receive a lump sum payment of severance equal to the sum of (x) 50% of Executive's annual base salary as in effect immediately prior to Executive's termination date and (y) the portion of Executive's annual target bonus prorated monthly based on the number of months of service completed for the fiscal year which the Executive's employment terminates.

(iii) Equity Awards. If Executive has been employed by the Company for less than twelve (12) months, Executive will not receive any accelerated vesting of his or her outstanding equity awards, except as may be set forth in Executive's individual equity award agreements or the terms of the Company's equity award plans. If Executive has been employed by the Company for at least twelve (12) months, Executive's outstanding equity awards will immediately vest as to that number of shares that would have otherwise vested during the six (6)-month period following the date of Executive's termination.

(iv) Continued Health Benefits. If (1) Executive constitutes a qualified beneficiary, as defined in Section 4980(B)(g)(1) of the Internal Revenue Code of 1986, as amended (the "**Code**") and (2) Executive elects continuation health coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**") for Executive and Executive's eligible dependents, within the time period prescribed pursuant to COBRA, the Company will pay the premiums for such health continuation coverage at the levels in effect immediately prior to Executive's termination until the earlier of (A) six (6) months from the last date of Executive's employment with the Company, or (B) the date upon which Executive and/or Executive's eligible dependents becomes covered under similar plans.

(b) Termination without Cause or Resignation for Good Reason in Connection with a Change of Control. If the Company terminates Executive's employment with the Company without Cause or if Executive resigns from such employment for Good Reason, and such termination occurs within the period beginning three (3) months before and ending

twelve (12) months after a Change of Control, and Executive signs and does not revoke a release of claims with the Company as required by Section 4 and resigns as a member of the Board, if applicable, effective no later than thirty (30) days following Executive's termination, then Executive will receive the following from the Company:

(i) Accrued Compensation. The Company will pay Executive all accrued but unpaid vacation, expense reimbursements, wages, any earned (but yet unpaid) bonus or commission, and other benefits due to Executive under any Company-provided plans, policies, and arrangements.

(ii) Severance Payment. Executive is entitled to receive a lump sum payment of severance equal to the sum of (x) 100% of Executive's annual base salary as in effect immediately prior to Executive's termination date or (if greater) at the level in effect immediately prior to the Change of Control and (y) the portion of Executive's annual target bonus prorated monthly based on the number of months of completed service for the fiscal year which Executive's employment terminates.

(iii) Equity Awards. If the Change of Control occurs before the one (1)-year anniversary of Executive's employment commencement date, then Executive's outstanding equity awards will immediately vest as to that number of shares that would have otherwise vested during the twelve (12)-month period following the date of Executive's termination. If the Change of Control occurs on or after the one (1)-year anniversary of Executive's employment commencement date, then Executive's outstanding equity awards will vest as to fifty percent (50%) of the total number of shares subject to each of Executive's then outstanding equity awards.

(iv) Continued Health Benefits. If (1) Executive constitutes a qualified beneficiary, as defined in Section 4980(B)(g)(1) of the Code and (2) Executive elects continuation health coverage pursuant to COBRA for Executive and Executive's eligible dependents, within the time period prescribed pursuant to COBRA, the Company will pay the premiums for such health continuation coverage at the levels in effect immediately prior to Executive's termination until the earlier of (A) (12) months from the last date of Executive's employment with the Company, or (B) the date upon which Executive and/or Executive's eligible dependents becomes covered under similar plans.

(c) Disability; Death. If the Company terminates Executive's employment as a result of Executive's Disability, or Executive's employment terminates due to his or her death, and Executive (or, as applicable, Executive's designated beneficiary, if living, or otherwise the personal representative of Executive's estate) signs and does not revoke a release of claims with the Company as required by Section 4, then Executive (or, as applicable, Executive's designated beneficiary, if living, or otherwise the personal representative of Executive's estate) will receive the following from the Company:

(i) Accrued Compensation. The Company will pay Executive (or, as applicable, Executive's designated beneficiary, if living, or otherwise the personal representative of Executive's estate) all accrued but unpaid vacation, expense reimbursements, wages, any

earned (but yet unpaid) bonus or commission, and other benefits due to Executive under any Company-provided plans, policies, and arrangements.

(ii) Severance Payment. Executive (or, as applicable, Executive's designated beneficiary, if living, or otherwise the personal representative of Executive's estate) is entitled to receive a lump sum payment of severance equal to either (A) 100% of Executive's annual base salary as in effect immediately prior to Executive's termination date, if such termination occurs within the period beginning three (3) months before and ending twelve (12) months after a Change of Control, or (B) 50% of Executive's annual base salary as in effect immediately prior to Executive's termination date, if such termination occurs either prior to three (3) months before or after twelve (12) months following a Change of Control.

(d) Timing of Severance Payments. Unless otherwise required pursuant to Section 5 of this Agreement, the Company will pay the cash severance payments to which Executive is entitled under this Agreement in a lump sum as soon as practicable following the date of termination, provided, however, that such payment will be delayed to the extent required by Section 4 and/or Section 5 of this Agreement. Except to the extent payment is delayed pursuant to Section 5(b), all cash severance payments under this Agreement will be paid no later than the fifteenth (15) day of the third month following the fiscal year in which the termination occurs.

(e) Voluntary Resignation; Termination for Cause. If Executive's employment with the Company terminates (i) voluntarily by Executive (other than for Good Reason in connection with a Change of Control) or (ii) for Cause by the Company, then Executive will not be entitled to receive severance or other benefits except for those (if any) as may then be established under the Company's then existing severance and benefits plans and practices or pursuant to other written agreements with the Company.

(f) Exclusive Remedy. In the event of a termination of Executive's employment as set forth in Section 3(a), 3(b) or 3(c) of this Agreement, the provisions of Section 3(a), 3(b) or 3(c), as applicable, are intended to be and are mutually exclusive of each other and exclusive and in lieu of any other rights or remedies to which Executive or the Company may otherwise be entitled, whether at law, tort or contract, in equity, or under this Agreement (other than the payment of accrued but unpaid wages, as required by law, and any unreimbursed reimbursable expenses). Executive will be entitled to no benefits, compensation or other payments or rights upon a termination of employment other than those benefits expressly set forth in Section 3 of this Agreement. If Executive should receive the benefits set forth in Section 9(d) of this Agreement, the benefits provided in Section 3(a)(iv) or Section 3(b)(iv) will be reduced by the number of months Executive received Company-paid COBRA continuation coverage under Section 9(d).

4. Conditions to Receipt of Severance.

(a) Release of Claims Agreement. The receipt of any severance or other benefits pursuant to Section 3 will be subject to Executive (or, as applicable, Executive's designated beneficiary, if living, or otherwise the personal representative of Executive's estate) signing and not revoking a Release Agreement, attached hereto as Exhibit A, B and C, as

applicable based on the Executive's age upon termination and whethersuch termination qualifies as a group termination under the Age Discrimination in Employment Act of 1967, and such release becoming effective and irrevocable within sixty (60) days of Executive's termination or such earlier date as required by the release (such deadline, the "**Release Deadline**"). If the release of claims does not become effective and irrevocable by the Release Deadline, Executive will forfeit any rights to severance or benefits under this Agreement. In no event will severance payments or benefits be paid or provided until the release of claims becomes effective and irrevocable. Notwithstanding anything in this Agreement to the contrary, in the event severance payments or benefits provided under this Agreement would be considered Deferred Compensation Separation Benefits (as defined below), then the following timing of payments will apply to such Deferred Compensation Separation Benefits, in each case subject to any delay in payment required by Section 409A (and provided the release becomes effective and irrevocable): (i) if the Release Deadline is on or before December 10 of the calendar year of Executive's "separation from service" (within the meaning of Section 409A of the Code, and the final regulations and official guidance promulgated thereunder (together, "**Section 409A**")), any portion of Executive's severance payments or benefits provided under this Agreement that would be considered Deferred Compensation Separation Benefits will be paid on or before December 31 of that calendar year, or such later time as required by (A) the payment schedule applicable to each payment or benefit, or (B) if applicable, Section 409A (as set forth in Section 5 below); and (ii) if the Release Deadline is after December 10 of the calendar year of Executive's "separation from service" (within the meaning of Section 409A), any portion of the severance payments or benefits provided under this Agreement that would be considered Deferred Compensation Separation Benefits will be paid on the first payroll date to occur during the calendar year following the calendar year in which such separation of service occurs or such later time as required by (A) the payment schedule applicable to each payment or benefit, (B) the Release Deadline, or (C) if applicable, Section 409A (as set forth in Section 5 below).

(b) Other Requirement. Executive's receipt of any payments or benefits under Section 3 will be subject to Executive continuing to comply with the terms of any confidential information agreement executed by Executive in favor of the Company and the provisions of this Agreement.

5. Section 409A.

(a) Notwithstanding anything to the contrary in this Agreement, if Executive is a "specified employee" within the meaning of Section 409A at the time of Executive's termination (other than due to death), then the severance payable to Executive, if any, pursuant to this Agreement, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Section 409A (together, the "**Deferred Compensation Separation Benefits**") that are payable within the first six (6) months following Executive's termination of employment, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of Executive's termination of employment. All subsequent Deferred Compensation Separation Benefits, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Executive dies following his or her termination but prior to the six (6) month anniversary of his or her termination, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as

administratively practicable after the date of Executive's death and all other Deferred Compensation Separation Benefits will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Agreement is intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

(b) Any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations shall not constitute Deferred Compensation Separation Benefits for purposes of clause (a) above.

(c) Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that do not exceed the Section 409A Limit shall not constitute Deferred Compensation Separation Benefits for purposes of clause (a) above.

(d) The foregoing provisions are intended to comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition prior to actual payment to Executive under Section 409A.

6. Limitation on Payments. In the event that the severance and other benefits provided for in this Agreement or otherwise payable to Executive (i) constitute "parachute payments" within the meaning of Section 280G of the Code, and (ii) but for this Section 6, would be subject to the excise tax imposed by Section 4999 of the Code, then the severance benefits under Section 3 will be either:

(a) delivered in full, or

(b) delivered as to such lesser extent which would result in no portion of such benefits being subject to excise tax under Section 4999 of the Code,

whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by Executive on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code. Unless the Company and Executive otherwise agree in writing, any determination required under this Section 6 will be made in writing by the Company's independent public accountants immediately prior to a Change of Control or such other person or entity to which the parties mutually agree (the "**Accountants**"), whose determination will be conclusive and binding upon Executive and the Company for all purposes. For purposes of making the calculations required by this Section 6, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and Executive will furnish to the Accountants such information and

documents as the Accountants may reasonably request in order to make a determination under this Section 6. The Company will bear all costs the Accountants may incur in connection with any calculations contemplated by this Section 6. Any reduction in payments and/or benefits required by this Section 6 shall occur in the following order: (1) reduction of cash payments; (2) reduction of vesting acceleration of equity awards; and (3) reduction of other benefits paid or provided to Executive. In the event that acceleration of vesting of equity awards is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant for Executive's equity awards. If two or more equity awards are granted on the same date, each equity award will be reduced on a pro-rata basis. In no event will Executive exercise any discretion with respect to the ordering of any reduction of payments or benefits pursuant to this Section 6.

7. Definition of Terms. The following terms referred to in this Agreement will have the following meanings:

(a) Cause. Termination by the Company of the Executive's employment for "**Cause**" will mean:

(i) Executive's willful and continued failure to substantially perform the duties of Executive's position, other than failure resulting from Executive's complete or partial incapacity due to physical or mental illness or impairment;

(ii) Executive's willful and continued failure to substantially perform the specific and lawful directives of the Board, as reasonably determined by the Board, other than failure resulting from Executive's complete or partial incapacity due to physical or mental illness or impairment;

(iii) Executive's willful commission of an act of fraud or dishonesty resulting in, or that is likely to result in, material economic or financial injury to the Company; or

(iv) Executive's willful engagement in illegal conduct which was or is reasonably likely to be materially injurious to the Company;

For purposes of this Section 7(a), no act, or failure to act, on Executive's part shall be deemed "willful" unless done, or omitted to be done, by Executive not in good faith. In the event of any alleged breach pursuant to (i) or (ii) of this Section 7(a), the Company will first give Executive written notice which specifically identifies the manner in which the Board believes that the Executive's conduct constitutes the alleged performance breach to enable Executive to correct the deficiency within a reasonable time period, which will not be less than thirty (30) days, before the Company can proceed with a termination for Cause under either (i) or (ii) of this Section 7(a). In the event of any alleged conduct described in (iii) or (iv) of this Section 7(a), the Company will deliver to Executive written notice which sets forth the Board's finding that Executive engaged in such conduct and specifying the particulars thereof. In the event of a Change of Control pursuant to which the Company is not the surviving entity, then on and after such Change of Control, all determinations and actions required to be taken by the Board under this Section 7(a) shall be made or taken by the board of directors of the surviving

entity, or if the surviving entity is a subsidiary, then by the board of directors of the ultimate parent corporation of the surviving entity.

(b) Change of Control. A "**Change of Control**" will be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) Change in Ownership of a Substantial Portion of the Company's Assets. A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any one person, or more than one person acting as a group ("**Person**") acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions. For purposes of this subsection (i), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets;

(ii) Change in Ownership of the Company. A change in the ownership of the Company which occurs on the date that any Person acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company, except that any change in the ownership of the stock of the Company as a result of a private financing of the Company that is approved by the Board will not be considered a Change of Control;

(iii) Change in Effective Control of the Company. A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twenty-four (24) month period by directors whose appointment or election is not approved by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this subsection (iii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change of Control; or

(iv) Corporate Transactions. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity,

For these purposes, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing provisions of this definition, a transaction will not be deemed a Change of Control unless the transaction qualifies as a change in control event within the meaning of Section 409A.

(c) Disability. For the purpose of this Agreement, "**Disability**" shall have the meaning set forth in Section 409A.

(d) Good Reason. The Executive is entitled to terminate employment for Good Reason. For the purpose of this Agreement, "**Good Reason**" will mean Executive's termination of employment within ninety (90) days following the expiration of any cure period (discussed below) following the occurrence of one or more of the following, without Executive's express written consent:

(i) A reduction by the Company of Executive's base salary or annual target bonus in effect immediately prior to such reduction; provided, however, that such reduction in base salary or target bonus in connection with similar percentage reductions imposed on all executive-level employees shall not constitute "Good Reason";

(ii) A reduction by the Company of Executive's health or welfare benefits (including without limitation benefits under any of the Company's life insurance, medical, health and accident, disability, or other benefit plans) in effect immediately prior to such reduction; provided, however, that such reduction in benefits in connection with similar percentage reductions imposed on all executive-level employees shall not constitute "Good Reason";

(iii) Either (A) the relocation of the Company's offices at which Executive is principally employed immediately prior to the Change of Control ("Principal Location"), or (B) the Company's requiring the Executive to be based anywhere other than the Executive's Principal Location, except for required travel on the Company's business to an extent substantially consistent with the Executive's business travel obligations prior to the Change of Control; provided that, in the case of either (A) or (B), the relocation is to a location more than thirty (30) miles from the Executive's Principal Location (unless such relocation does not increase Executive's commuting distance);

(iv) The failure of the Company to continue in effect any material compensation or benefit plan or practice in which Executive is eligible to participate in immediately prior to the effective date of the Change of Control (other than any equity based plan), unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the Company's failure to continue Executive's participation therein (or in such substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of Executive's participation relative to other participants, as existed immediately prior to the effective date of the Change of Control;

(v) The failure of the Company to obtain a satisfactory agreement from any successor to assume and agree to perform this Agreement, as contemplated in Section 8 hereof.

Executive will not resign for Good Reason without first providing the Company with written notice within sixty (60) days of the event that Executive believes constitutes "Good Reason" specifically identifying the acts or omissions constituting the grounds for Good Reason and a reasonable cure period of not less than thirty (30) days following the date of such notice.

(e) Section 409A Limit. "**Section 409A Limit**" will mean the lesser of two (2) times: (i) Executive's annualized compensation based upon the annual rate of pay paid to Executive during Executive's taxable year preceding Executive's taxable year of Executive's termination of employment as determined under Treasury Regulation Section 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which Executive's employment is terminated.

8. Successors.

(a) The Company's Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets will assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "Company" will include any successor to the Company's business and/or assets which executes and delivers the assumption agreement described in this Section 8(a) or which becomes bound by the terms of this Agreement by operation of law.

(b) Executive's Successors. The terms of this Agreement and all rights of Executive hereunder will inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

9. Arbitration.

(a) The Company and Executive each agree that any and all disputes arising out of the terms of this Agreement, Executive's employment by the Company, Executive's service as an officer or director of the Company, or Executive's compensation and benefits, their interpretation and any of the matters herein released, will be subject to binding arbitration under the arbitration rules set forth in California Code of Civil Procedure Sections 1280 through 1294.2, including Section 1281.8 (the "**Act**"), and pursuant to California law. Disputes that the Company and Executive agree to arbitrate, and thereby agree to waive any right to a trial by jury, include any statutory claims under local, state, or federal law, including, but not limited to, claims under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, the Age Discrimination in Employment Act of 1967, the Older Workers Benefit Protection Act, the Sarbanes-Oxley Act, the Worker Adjustment and Retraining Notification Act, the California Fair Employment and Housing Act, the Family and Medical Leave Act, the California Family Rights Act, the California Labor Code, claims of harassment, discrimination, and wrongful termination, and any statutory or common law claims. The Company and Executive further understand that this Agreement to arbitrate also applies to any disputes that the Company

may have with Executive. However, claims for workers' compensation benefits and unemployment insurance (or any other claims where mandatory arbitration is prohibited by law) are not covered by this arbitration agreement, and such claims may be presented by the Executive to the appropriate court or government agency.

(b) Procedure. The Company and Executive agree that any arbitration will be administered by Judicial Arbitration & Mediation Services, Inc. ("**JAMS**"), pursuant to its Employment Arbitration Rules & Procedures (the "**JAMS Rules**"). The Arbitrator will have the power to decide any motions brought by any party to the arbitration, including motions for summary judgment and/or adjudication, motions to dismiss and demurrers, and motions for class certification, prior to any arbitration hearing. The Arbitrator will have the power to award any remedies available under applicable law, and the Arbitrator will award attorneys' fees and costs to the prevailing party, except as prohibited by law. The Company will pay for any administrative or hearing fees charged by the Arbitrator or JAMS except that Executive will pay any filing fees associated with any arbitration that Executive initiates, but only so much of the filing fees as Executive would have instead paid had he or she filed a complaint in a court of law. The Arbitrator will administer and conduct any arbitration in accordance with California law, including the California Code of Civil Procedure, and the Arbitrator will apply substantive and procedural California law to any dispute or claim, without reference to rules of conflict of law. To the extent that the JAMS Rules conflict with California law, California law will take precedence. The decision of the Arbitrator will be in writing. Any arbitration under this Agreement will be conducted in Santa Clara County, California.

(c) Remedy. Except as provided by the Act and this Agreement, arbitration will be the sole, exclusive, and final remedy for any dispute between Executive and the Company. Accordingly, except as provided for by the Act and this Agreement, neither Executive nor the Company will be permitted to pursue court action regarding claims that are subject to arbitration.

(d) Healthcare Coverage in Event of Dispute. In the event that any dispute between Executive and the Company becomes subject to arbitration pursuant to this Section 9, and provided that (1) Executive constitutes a qualified beneficiary, as defined in Section 4980(B)(g)(1) of the Code; and (2) Executive elects continuation coverage pursuant to COBRA, within the time period prescribed pursuant to COBRA, the Company will pay the premiums for such health continuation coverage at the levels in effect immediately prior to Executive's termination until the earlier of (A) the resolution of the arbitration dispute or (B) the date upon which the Company would no longer be required to provide such continuation coverage pursuant to Section 3.

(e) Administrative Relief. Executive understands that this Agreement does not prohibit him or her from pursuing any administrative claim with a local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, including, but not limited to, the Department of Fair Employment and Housing, the Equal Employment Opportunity Commission, the National Labor Relations Board, or the Workers' Compensation Board. This Agreement does, however, preclude Executive from pursuing court action regarding any such claim, except as permitted by law.

(f) Voluntary Nature of Agreement. Each of the Company and Executive acknowledges and agrees that such party is executing this Agreement voluntarily and without any duress or undue influence by anyone. Executive further acknowledges and agrees that he or she has carefully read this Agreement and has asked any questions needed for him or her to understand the terms, consequences, and binding effect of this Agreement and fully understands it, including that ***Executive is waiving his or her right to a jury trial***. Finally, Executive agrees that he or she has been provided an opportunity to seek the advice of an attorney of his or her choice before signing this Agreement.

10. Notice.

(a) General. Notices and all other communications contemplated by this Agreement will be in writing and will be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of Executive, mailed notices will be addressed to him or her at the home address which he or she most recently communicated to the Company in writing. In the case of the Company, mailed notices will be addressed to its corporate headquarters, and all notices will be directed to the attention of its President.

(b) Notice of Termination. Any termination by the Company for Cause or by Executive for Good Reason will be communicated by a notice of termination to the other party hereto given in accordance with Section 10(a) of this Agreement. Such notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date (which will be not more than thirty (30) days after the giving of such notice). The failure by the Company or by Executive, as applicable, to include in the notice any fact or circumstance which contributes to a showing of Cause or Good Reason, as applicable, will not waive any right of the Company or Executive, as applicable, hereunder or preclude the Company or Executive, as applicable, from asserting such fact or circumstance in enforcing its, his or her rights hereunder.

11. Non-Solicitation. Executive agrees that for a period of twelve (12) months immediately following termination, Executive shall not directly or indirectly solicit any of the Company's employees to leave their employment at the Company.

12. Miscellaneous Provisions.

(a) No Duty to Mitigate. Executive will not be required to mitigate the amount of any payment contemplated by this Agreement, nor will any such payment be reduced by any earnings that Executive may receive from any other source.

(b) Waiver. No provision of this Agreement will be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(d) Entire Agreement. This Agreement, including its exhibits, constitutes the entire agreement of the parties hereto and supersedes in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties with respect to the subject matter hereof. No waiver, alteration, or modification of any of the provisions of this Agreement will be binding unless in writing and signed by duly authorized representatives of the parties hereto and which specifically mention this Agreement.

(e) Choice of Law. The validity, interpretation, construction and performance of this Agreement will be governed by the laws of the State of California without regard to principles of its conflict of laws.

(f) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision hereof, which will remain in full force and effect.

(g) Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable income, employment and other taxes.

(h) Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[Signature Page to Follow]

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year set forth below.

COMPANY

AMBARELLA, INC.

By: _____

Title: _____

Date: _____

EXECUTIVE

By: _____

Title: _____

Date: _____

EXHIBIT A

RELEASE AGREEMENT

For Employee 40 Years Old or Older in Group Termination

I understand and agree completely to the terms set forth in my Change in Control Severance Benefits Agreement (the "Agreement") with Ambarella, Inc. (the "Company").

I understand that this Release Agreement ("Release"), together with the Agreement, constitutes the complete, final and exclusive embodiment of the entire agreement between the Company and me with regard to the subject matter hereof. I am not relying on any promise or representation by the Company that is not expressly stated herein.

I hereby confirm my obligations under the Company's Agreement Regarding Confidential Information and Proprietary Developments.

In consideration of the severance benefits I will receive under the Agreement, I hereby generally and completely release the Company and its current and former directors, officers, employees, shareholders, partners, agents, attorneys, predecessors, successors, parent and subsidiary entities, insurers, affiliates, and assigns from any and all claims, liabilities and obligations, both known and unknown, that arise out of or are in any way related to events, acts, conduct, or omissions occurring prior to my signing this Release. This general release includes, but is not limited to: (a) all claims arising out of or in any way related to my employment with the Company, or the termination of that employment; (b) all claims related to my compensation or benefits from the Company, including, but not limited to, salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership interests in the Company; (c) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (d) all tort claims, including, but not limited to, claims for fraud, defamation, emotional distress, and discharge in violation of public policy; (e) all federal, state, and local statutory claims, including, but not limited to, claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, the federal Age Discrimination in Employment Act of 1967 (as amended) ("ADEA"), and the California Fair Employment and Housing Act (as amended); (f) any claim for any loss, cost, damage, or expense arising out of any dispute over the nonwithholding or other tax treatment of any of the proceeds I receive as a result of the Agreement; and (g) any and all claims for attorneys' fees and costs; *provided, however,* that nothing in this paragraph shall be construed in any way to release the Company from its obligation to indemnify me pursuant to a written agreement between me and the Company or applicable law.

I agree that this Release shall be and remain in effect in all respects as a complete general release as to the matters released. This Release does not extend to any obligations incurred under the Agreement. This Release does not release claims that cannot be released as a matter of law, including, but not limited to, my right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission, or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, against the Company (with the understanding that any such filing or participation does not give me the right to recover any monetary damages against the Company; my release of claims herein bars me from recovering such monetary relief from the Company).

I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I may have under the ADEA ("ADEA Waiver"). I also acknowledge that the consideration given for the ADEA

Waiver is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing, as required by the ADEA, that: (a) my ADEA Waiver does not apply to any rights or claims that arise after the date I sign this Release; (b) I should consult with an attorney prior to signing this Release (although I may choose voluntarily not to do so); (c) I have forty-five (45) days to consider this Release (although I may choose voluntarily to sign it sooner); (d) I have seven (7) days following the date I sign this Release to revoke the ADEA Waiver by providing written notice to the Company's Board of Directors; and (e) the ADEA Waiver will not be effective until the date upon which the revocation period has expired unexercised, which will be the eighth day after I sign this Release ("Effective Date").

I have received with this Release all of the information required by the ADEA, including without limitation a detailed list of the job titles and ages of all employees who were terminated in this group termination and the ages of all employees of the Company in the same job classification or organizational unit who were not terminated, along with information on the eligibility factors used to select employees for the group termination and any time limits applicable to this group termination program.

I acknowledge that I have read and understand Section 1542 of the California Civil Code which reads as follows: **"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his settlement with the debtor."** I hereby expressly waive and relinquish all rights and benefits under that section and any law of any jurisdiction of similar effect with respect to my release of any claims hereunder, including but not limited to my release of unknown claims.

I hereby represent that I have been paid or provided all salary, wages, bonuses, accrued vacation/paid time off, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to me, and I have not suffered any on-the-job injury for which I have not already filed a claim.

I acknowledge that to become effective, I must sign and return this Release to the Company so that it is received not later than forty-five (45) days following the date it is provided to me.

Signature: _____

Printed Name: _____

Date: _____

EXHIBIT B

RELEASE AGREEMENT

For Employee 40 Years Old or Older in Individual Termination

I understand and agree completely to the terms set forth in my Change in Control Severance Benefits Agreement (the "Agreement") with Ambarella, Inc. (the "Company").

I understand that this Release Agreement ("Release"), together with the Agreement, constitutes the complete, final and exclusive embodiment of the entire agreement between the Company and me with regard to the subject matter hereof. I am not relying on any promise or representation by the Company that is not expressly stated herein.

I hereby confirm my obligations under the Company's Agreement Regarding Confidential Information and Proprietary Developments.

In consideration of the severance benefits I will receive under the Agreement, I hereby generally and completely release the Company and its current and former directors, officers, employees, shareholders, partners, agents, attorneys, predecessors, successors, parent and subsidiary entities, insurers, affiliates, and assigns from any and all claims, liabilities and obligations, both known and unknown, that arise out of or are in any way related to events, acts, conduct, or omissions occurring prior to my signing this Release. This general release includes, but is not limited to: (a) all claims arising out of or in any way related to my employment with the Company, or the termination of that employment; (b) all claims related to my compensation or benefits from the Company, including, but not limited to, salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership interests in the Company; (c) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (d) all tort claims, including, but not limited to, claims for fraud, defamation, emotional distress, and discharge in violation of public policy; (e) all federal, state, and local statutory claims, including, but not limited to, claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, the federal Age Discrimination in Employment Act of 1967 (as amended) ("ADEA"), and the California Fair Employment and Housing Act (as amended); (f) any claim for any loss, cost, damage, or expense arising out of any dispute over the nonwithholding or other tax treatment of any of the proceeds I receive as a result of the Agreement; and (g) any and all claims for attorneys' fees and costs; *provided, however,* that nothing in this paragraph shall be construed in any way to release the Company from its obligation to indemnify me pursuant to a written agreement between me and the Company or applicable law.

I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I may have under the ADEA ("ADEA Waiver"). I also acknowledge that the consideration given for the ADEA Waiver is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing, as required by the ADEA, that: (a) my ADEA Waiver does not apply to any rights or claims that arise after the date I sign this Release; (b) I should consult with an attorney prior to signing this Release (although I may choose voluntarily not to do so); (c) I have twenty-one (21) days to consider this Release (although I may choose voluntarily to sign it sooner); (d) I have seven (7) days following the date I sign this Release to revoke the ADEA Waiver by providing written notice to the Company's Board of Directors; and (e) the ADEA Waiver will not be effective until the date upon which

the revocation period has expired unexercised, which will be the eighth day after I sign this Release ("Effective Date").

I agree that this Release shall be and remain in effect in all respects as a complete general release as to the matters released. This Release does not extend to any obligations incurred under the Agreement. This Release does not release claims that cannot be released as a matter of law, including, but not limited to, my right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission, or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, against the Company (with the understanding that any such filing or participation does not give me the right to recover any monetary damages against the Company; my release of claims herein bars me from recovering such monetary relief from the Company).

I acknowledge that I have read and understand Section 1542 of the California Civil Code which reads as follows: **"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his settlement with the debtor."** I hereby expressly waive and relinquish all rights and benefits under that section and any law of any jurisdiction of similar effect with respect to my release of any claims hereunder, including but not limited to my release of unknown claims.

I hereby represent that I have been paid or provided all salary, wages, bonuses, accrued vacation/paid time off, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to me, and I have not suffered any on-the-job injury for which I have not already filed a claim.

I acknowledge that to become effective, I must sign and return this Release to the Company so that it is received not later than twenty-one (21) days following the date it is provided to me.

Signature: _____

Printed Name: _____

Date: _____

EXHIBIT C

RELEASE AGREEMENT

For Employee Under 40 Years Old in Individual or Group Termination

I understand and agree completely to the terms set forth in my Change in Control Severance Benefits Agreement (the "Agreement") with Ambarella, Inc. (the "Company").

I understand that this Release Agreement ("Release"), together with the Agreement, constitutes the complete, final and exclusive embodiment of the entire agreement between the Company and me with regard to the subject matter hereof. I am not relying on any promise or representation by the Company that is not expressly stated herein.

I hereby confirm my obligations under the Company's Agreement Regarding Confidential Information and Proprietary Developments.

In consideration of the severance benefits I will receive under the Agreement, I hereby generally and completely release the Company and its current and former directors, officers, employees, shareholders, partners, agents, attorneys, predecessors, successors, parent and subsidiary entities, insurers, affiliates, and assigns from any and all claims, liabilities and obligations, both known and unknown, that arise out of or are in any way related to events, acts, conduct, or omissions occurring prior to my signing this Release. This general release includes, but is not limited to: (a) all claims arising out of or in any way related to my employment with the Company, or the termination of that employment; (b) all claims related to my compensation or benefits from the Company, including, but not limited to, salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership interests in the Company; (c) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (d) all tort claims, including, but not limited to, claims for fraud, defamation, emotional distress, and discharge in violation of public policy; (e) all federal, state, and local statutory claims, including, but not limited to, claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, and the California Fair Employment and Housing Act (as amended); (f) any claim for any loss, cost, damage, or expense arising out of any dispute over the nonwithholding or other tax treatment of any of the proceeds I receive as a result of the Agreement; and (g) any and all claims for attorneys' fees and costs; *provided, however,* that nothing in this paragraph shall be construed in any way to release the Company from its obligation to indemnify me pursuant to a written agreement between me and the Company or applicable law.

I agree that this Release shall be and remain in effect in all respects as a complete general release as to the matters released. This Release does not extend to any obligations incurred under the Agreement. This Release does not release claims that cannot be released as a matter of law, including, but not limited to, my right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission, or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, against the Company (with the understanding that any such filing or participation does not give me the right to recover any monetary damages against the Company; my release of claims herein bars me from recovering such monetary relief from the Company).

I acknowledge that I have read and understand Section 1542 of the California Civil Code which reads as follows: **"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his settlement with the debtor."** I hereby expressly waive and relinquish all rights and benefits under that section and any law of any jurisdiction of similar effect with respect to my release of any claims hereunder, including but not limited to my release of unknown claims.

I hereby represent that I have been paid or provided all salary, wages, bonuses, accrued vacation/paid time off, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to me, and I have not suffered any on-the-job injury for which I have not already filed a claim.

I acknowledge that to become effective, I must sign and return this Release to the Company so that it is received not later than fourteen (14) days following the date it is provided to me.

Signature: _____

Printed Name: _____

Date: _____

Renault & Handley
INDUSTRIAL & COMMERCIAL REAL ESTATE

This ***Lease***, dated the 29th of September, 2006, for reference purposes only, is by and between

PARTIES

Renault & Handley Employees Investment Co. ("Lessor")

and

Ambarella Corporation, a Delaware corporation ("Lessee")

hereinafter referred to respectively as "Lessor" and "Lessee", without regard to number or gender.

PREMISES

1. WITNESSETH: That Lessor hereby leases to Lessee, and Lessee hires from Lessor, those certain premises, hereinafter referred to as "the Premises," situated in the City of Santa Clara, County of Santa Clara, State of California, and more particularly described as an approximate 22,000 square foot light industrial building and all other improvements situated on and including an approximate two (2) acre lot, commonly known as 2975 San Ysidro Way.

USE

2. The Premises shall be used and occupied by Lessee solely for the following purposes: General office and administrative functions, research & development and other related legal uses and for no other purpose without the prior written consent of Lessor.

TERM

3. The term shall be for thirty seven (37) months, commencing on the 1st day of February, 2007 (the "Commencement Date"), and ending on the 28th day of February, 2010 (the "Lease Term").

RENTAL

4. Base Monthly Rent shall be payable to the Lessor without defense, deduction or offset at the address set forth in paragraph 23 below, or at such other place or places as may be designated from time to time by the Lessor, in the following amounts:

Base Monthly Rent for the period February 1, 2007 through February 28, 2007 shall be abated. Thirteen Thousand Two Hundred and No 00/100ths Dollars ($13,200.00) shall be due upon execution hereof as Base Monthly Rent for the month of March, 2007. Commencing on April 1, 2007 and on the 1st day of each succeeding month to and including February 1, 2008, Twenty Six Thousand Four Hundred and No 00/100ths Dollars ($26,400.00) shall be due. Commencing on March 1, 2008 and on the 1st day of each succeeding month to and including February 1, 2009, Twenty Seven Thousand Five Hundred and No 00/100ths Dollars ($27,500.00) shall be due. Commencing on March 1, 2009 and on the 1st day of each succeeding month to and including February 1, 2010, Twenty Eight Thousand Six Hundred and No 00/100ths Dollars ($28,600.00) shall be due.

Base Monthly Rent shall be paid monthly in advance. In addition, Lessee shall pay to Lessor with the Base Monthly Rent, as additional rent, a monthly management fee equal to three percent (3%) of the Base Monthly Rent. All other costs and charges payable by Lessee in accordance with the terms of this Lease (including property taxes, insurance premiums and maintenance costs) shall be deemed to be additional rent.

SECURITY DEPOSIT

5. Lessee has deposited with Lessor $28,600.00 as security for the full and faithful performance of each and every term, provision, covenant and condition of this Lease. In the event Lessee defaults in respect of any of the terms, provisions, covenants or conditions of this Lease beyond any applicable notice and cure periods, including, but not limited to the payment of rent, Lessor may use, apply or retain the whole or any part of such security for the payment of any rent in default or for any other sum which Lessor may spend or be required to spend by reason of Lessee's default. If Lessor uses any portion of the security deposit to cure any default by Lessee hereunder, Lessee shall replenish the security deposit to the original amount within ten (10) days of written notice from Lessor. Lessee's failure to do so shall constitute a material breach of this Lease as well as an "Event of Default". Should Lessee not be in breach of any of the terms, provisions, covenants and conditions of this Lease, the security or any balance thereof shall be returned to Lessee or, at the option of Lessor, to the last assignee of Lessee's interest in this Lease at the expiration of the term hereof. Lessee shall not be entitled to any interest on said security deposit. Lessor shall not be required to keep the aforesaid deposit in a separate account but may commingle said funds with Lessor's other accounts.

POSSESSION

6. Lessor shall use commercially reasonable efforts to deliver possession of the Premises to Lessee on February 1, 2007. If Lessor, for any reason whatsoever, cannot deliver possession of the Premises to Lessee on such date, this Lease shall not be void or voidable, nor shall Lessor, or Lessor's agents, be liable to Lessee for any loss or damage resulting therefrom; but in that event the commencement and termination dates of the Lease and all other dates affected thereby (including the rent abatement and rent increase dates set forth in Paragraph 4) shall be revised to conform to the date of Lessor's delivery of possession. Notwithstanding the foregoing, if the period of delay of delivery exceeds thirty (30) days, Lessee, at his or its option, may declare this Lease null and void by notice to Lessor at any time prior to delivery of the Premises.

ACCEPTANCE OF PREMISES AND CONSENT TO SURRENDER

7. By entry hereunder, the Lessee accepts the Premises from Lessor in its "as is", "where is" condition. Lessor has made no representations or warranties respecting the Premises and Lessee has investigated and inspected the Premises and has satisfied itself that the Premises are suitable for the Lessee's intended use thereof and are in compliance with applicable laws and codes; provided, however, (a) Lessor shall deliver possession of the Premises to Lessee in good, vacant, broom clean condition, with all building systems and the roof in good working order and (b) Lessor hereby warrants (i) that it has no actual knowledge of any noncompliance of the building with building codes in effect as of the date the building was constructed, and (ii) that it shall, at its sole cost, repair any material defects in the roof covering, HVAC, electrical and plumbing systems existing as of the commencement of the Lease, and correct any Building Code violations existing as of the commencement of the Lease (to the extent such correction is required by the City of Santa Clara), provided Lessee gives Lessor written notice specifying such defects in reasonable detail within sixty (60) days, or such code violations within thirty (30) days, following commencement of this Lease. Upon Lease Commencement, Lessor shall install and pay for the Tenant Improvements defined in Paragraph 39 of this Lease, provided however, notwithstanding the foregoing, Lessor shall have no obligation to contribute toward any additional improvement to the Premises whatsoever. The Lessee agrees on the last day of the term hereof, or on sooner termination of this Lease, to surrender to Lessor the Premises, which shall, except as otherwise provided in paragraph 9 below, include all alterations, additions, and improvements which may have been made in, to, or on the Premises by Lessor or Lessee, in the same good condition as at Lessee's entry into the Premises excepting for such wear and tear as would be normal for the period of the Lessee's occupancy, casualty and condemnation. The Lessee, on or before the end of the term or sooner termination of this Lease, shall remove all Lessee's personal property and trade fixtures from the Premises and all property not so removed may be stored and disposed of, at the Lessee's cost, in accordance with applicable laws. If the Premises are not surrendered at the end of the term or sooner termination of this Lease, the Lessee shall indemnify the Lessor against loss or liability resulting from delay by the Lessee in so surrendering the Premises including, without limitation, any claims made by any succeeding tenant founded on such delay. **(See Paragraph 39)**

USES PROHIBITED

8. Lessee shall not commit, or suffer to be committed, any waste upon the Premises, or any nuisance, or other act or thing which may disturb the quiet enjoyment of any other tenant in or around the buildings in which the Premises may be located, or allow any sale by auction upon the Premises, or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose, or place any loads upon the floor, walls, or roof which endanger the structure, or place any harmful liquids in the drainage system of the building. No waste materials or refuse shall be dumped upon or permitted to remain upon any part of the Premises outside of the building proper. No materials, supplies, equipment, finished products or semi-finished products, raw materials or articles of any nature shall be stored upon or permitted to remain on any portion of the Premises outside of the buildings proper.

ALTERATIONS AND ADDITIONS

9. Lessee shall make no alterations, additions or improvements to the Premises or any part thereof (collectively "Alterations") without first obtaining the prior written consent of the Lessor; provided, however, Lessee may, without Lessor's consent, make Alterations which (a) do not affect the structure, systems or exterior appearance of the Premises, (b) do not require a building permit, and (c) have a total cost of less than Ten Thousand Dollars ($10,000). All Alterations requiring Lessor's consent shall be in accordance with plans and specifications approved by Lessor. All Alterations shall be carried out by a reputable licensed contractor and in compliance with all applicable laws, codes, rules and regulations. The Lessor may impose as a condition to the aforesaid consent such additional requirements as Lessor may deem necessary in Lessor's reasonable discretion, including without limitation requirements respecting the manner in which the work is done, Lessor's right of approval of the contractor by whom the work is to be performed, and the times during which it is to be accomplished. Upon written request of Lessor at the time it consents to an Alteration (or at any time prior to expiration of the Lease as to Alterations that do not require Lessor's consent hereunder), Lessee will remove any or all Alterations installed by or for Lessee upon the expiration or earlier termination of the Lease. All Alterations not specified to be removed shall at the expiration of earlier termination of the Lease become the property of the Lessor and remain upon and be surrendered with the Premises. All of Lessee's movable furniture, business and trade fixtures, and machinery and equipment shall remain the property of the Lessee and may be removed by the Lessee at any time during the Lease term when Lessee is not in default hereunder, provided that movable equipment owned by Lessee may be removed by Lessee at any time. Items which are not to be deemed as movable furniture, business and trade fixtures, or machinery and equipment shall include heating, lighting, electrical systems, air conditioning, partitioning, carpeting, or any other installation which has become an integral part of the Premises. The Lessee will give the Lessor five (5) business days notice prior to the commencement of any Alterations work and will at all times permit notices of non-responsibility to be posted and to remain posted until the completion of Alterations. **(See Paragraph 39)**

MAINTENANCE

10. Lessee shall, at Lessee's sole cost, keep and maintain the Premises and appurtenances and every part thereof, including but not limited to, glazing, plumbing, and electrical systems, and all components of the interior of the Premises in good order, condition, and repair. Lessor shall, at Lessor's sole cost and expense, maintain the structural integrity of the exterior walls, and structural portions of the roof, foundations and floors, except that Lessee shall pay, as additional rent, the cost of any repairs or replacements necessitated by the negligence or wrongful act of the Lessee or Lessee's agents or employees. Notwithstanding the foregoing, Lessor shall, at Lessee's sole cost and expense, maintain, repair and (if necessary in the judgment of Lessor's experts) replace the roof covering, HVAC system, portions of building systems located outside the Premises, landscaping, sidewalks, parking lot surface and building exteriors ("Lessor's Maintenance Services") during the term of this Lease, as may be extended. Lessee shall reimburse Lessor as Additional Rent the cost incurred by Lessor in performing Lessor's Maintenance Services, without mark-up, within thirty (30) days after receipt of invoice from Lessor; provided, however, that (except where replacement of the parking lot surface, landscaping, roof or HVAC components or other such items are necessitated by the acts of the Lessee or Lessee's agents or employees, in which event Lessee shall pay the costs thereof in a lump sum on demand), costs of the foregoing to the extent they are capital expenditures in excess of $1,500 in the aggregate in any calendar year shall be amortized over the useful life thereof, and Lessee shall pay Lessor as

Additional Rent a monthly payment equal to the monthly amortization, together with interest on the unamortized amount at an annual rate of the prime lending rate plus two percent (Prime + 2%). Lessee expressly waives the benefits of any statute now or hereafter in effect which would otherwise afford the Lessee the right to make repairs at Lessor's expense or to terminate this Lease because of Lessor's failure to keep the Premises in good order, condition or repair.

FIRE AND EXTENDED COVERAGE INSURANCE AND SUBROGATION

11. Lessee shall not use, or permit the Premises, or any part thereof, to be used, for any purposes other than that for which the Premises are hereby leased and no use shall be made or permitted to be made on the Premises, nor acts done, which will cause a cancellation of any insurance policy covering the Premises, or any part thereof, nor shall Lessee sell or permit to be kept, used or sold, in or about the Premises, any article which may be prohibited by the standard form of fire insurance policies. Lessee shall, at its sole cost and expense, comply with any and all requirements, pertaining to the Premises, of any insurance organization or company, necessary for the maintenance of reasonable fire and public liability insurance, covering said building and appurtenances, provided Lessee's obligation to make alterations pursuant to this sentence shall be limited in the same manner as set forth in Paragraph 14 below with respect to alterations required by law.

11.1 Lessee shall, at its expense, obtain and keep in force during the term of this Lease (i) a policy of commercial general liability insurance (including cross liability), with minimum coverages of Two Million and no/l00ths Dollars ($2,000,000.00) per occurrence combined single limit for bodily injury and property damage, with a Two Million and no/l00ths Dollars ($2,000,000.00) general aggregate limit, insuring Lessee, Lessor, Lessor's Officers, Lessor's property manager and Lessor's lender, against any liability arising out of the condition, use, occupancy or maintenance of the Premises, (ii) workers' compensation in statutory limits, and (iii) if Tenant operates owned, leased or non-owned vehicles at the Premises, comprehensive automobile liability insurance with a minimum coverage of $1,000,000 per occurrence, combined single limit. Evidence of coverage must be in the form of a certificate of insurance accompanied by the appropriate additional insured endorsements. The limits of said insurance shall not limit the liability of Lessee hereunder.

11.2 Lessee shall at its expense, keep in force during the term of this Lease, a policy of fire and property damage insurance in a "special" form with a sprinkler leakage endorsement, insuring Lessee's inventory, fixtures, equipment, and personal property, and Lessor's Personal Property (defined in Paragraph 38 hereof) within the Premises for the full replacement value thereof. Upon execution of this Lease and annually thereafter upon renewal of such policies, Lessee shall provide Lessor with certificates of insurance, together with appropriate endorsements, evidencing coverages the Lessee is required to carry pursuant to 11.1 and 11.2. The policies shall provide for thirty (30) days advance written notice of cancellation to Lessor and Lessor's lender. The policies shall otherwise be in a form reasonably acceptable to Lessor and be issued by an insurance company licensed in the State of California and reasonably acceptable to Landlord.

11.3 Lessor shall maintain a policy of commercial general liability insurance and a policy or policies of fire and property damage insurance in a "special" form including rental interruption coverage, with sprinkler leakage and, at the option of Lessor, earthquake endorsements, covering loss or damage to the building, including Lessee's leasehold improvements installed with the written consent of Lessor, for the full replacement cost thereof.

11.4 Lessee shall pay to Lessor as additional rent, during the term hereof, upon receipt of an invoice therefore, one hundred percent (100%) of the premiums and deductibles (provided, the deductible amount shall be amortized over the useful life of the improvement for which such insurance deductible is applicable and Lessee shall only be obligated to reimburse Lessor for the amortized portion of the deductible amount that occurs during the term of this Lease, not to exceed $10,000 per year, and provided Lessee shall not be responsible for the cost of earthquake insurance premiums to the extent such costs is in excess of twice the current premiums for Lessor's earthquake insurance) for any insurance obtained by Lessor pursuant to 11.3 above. Lessor may obtain such insurance for the Premises separately, or together with other property which Lessor elects to insure together under blanket policies of insurance. In such case Lessee shall be liable for only such portion of the premiums for such blanket policies as are allocable to the Premises. It is understood and agreed that Lessee's obligation under this paragraph shall be prorated to reflect the Commencement Date and Expiration Date of the Lease.

11.5 Notwithstanding anything to the contrary herein, Lessee and Lessor each hereby waive any and all rights of recovery against the other, or against the officers, directors, employees, partners, agents and representatives of the other, for loss of or damage to the property of the waiving party or the property of others under its control, to the extent such loss or damage is due to a risk insured against under any insurance policy carried or required to be carried by Lessor or Lessee hereunder without regard to the negligence or willful misconduct of the entity so released. Each party shall notify their respective insurance carriers of this waiver.

ABANDON-MENT

12. Lessee shall not abandon the Premises at any time during the term; and if Lessee shall abandon or surrender the Premises, or be dispossessed by process of law, or otherwise, any personal property belonging to Lessee and left on the Premises may be stored and disposed of, at Lessee's expense, in accordance with applicable laws, at the option of Lessor.

FREE FROM LIENS

13. Lessee shall keep the Premises and the property in which the Premises are situated, free -from any liens arising out of any work performed, materials furnished, or obligations incurred by Lessee.

COMPLIANCE WITH GOVERN-MENTAL REGULATIONS

14. Lessee shall, at its sole cost and expense, comply with all statutes, codes, ordinances, rules, regulations and other requirements of all Municipal, State and Federal authorities (collectively, "Laws") now in force, or which may hereafter *be* in force, pertaining to the Premises, and shall faithfully observe in the use of the Premises all Municipal ordinances and State and Federal statutes now in force or which may hereafter be in force. The judgment of any court of competent jurisdiction, or the admission of Lessee in any action or proceeding against Lessee, whether Lessor be a party thereto or not, that Lessee has violated, or that the Premises are not in compliance with, any Laws in the use of the Premises, shall be conclusive of that fact as between Lessor and Lessee. Lessee's obligations under this paragraph 14 shall include the obligation to make, at Lessee's sole cost, any alterations or improvements to the Premises which are required by applicable Laws, provided that (a) as to such alterations or improvements which are not required by reason of Lessee's particular use of the Premises or by reason of other alterations or improvements being undertaken by Lessee, Lessee shall only be required to pay an allocable portion of the costs of such required

alterations or improvements based on the ratio of the remaining lease term to the useful life of such alterations or improvements, and (b) Lessee shall not be required to pay any portion of the cost of alterations or improvements which are legally required to be made as of the date of this Lease and as to which Lessor receives notice of such requirement prior to the date thirty (30) days after the date Lessor delivers possession of the Premises to Lessee.

INDEMNI-FICATION OF LESSOR

15. Neither Lessor nor Lessor's agents, nor any shareholder, constituent partner or other owner of Lessor or any agent of Lessor, nor any contractor, officer, director or employee of any thereof shall be liable to Lessee and Lessee waives all claims against Lessor and such other persons for any injury to or death of any person or for loss of use of or damage to or destruction of property in or about the Premises by or from any cause whatsoever, unless caused solely by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessee agrees to indemnify and hold Lessor, Lessor's agents, the shareholders, constituent partners and/or other owners of Lessor or any agent of Lessor, and all contractors, officers, directors and employees of any thereof (collectively, "Indemnitees"), and each of them, harmless from and to protect and defend each Indemnitee against any and all claims, demands, suits, liability, damage or loss and against all costs and expenses, including reasonable attorneys' fees incurred in connection therewith, (a) arising out of any injury or death of any person or damage to or destruction of property occurring in, on or about the Premises, from any cause whatsoever, unless caused solely by the gross negligence or willful misconduct of such Indemnitee, or (b) occurring in, on or about the Premises, when such claim, injury or damage is caused or allegedly caused in whole or in part by the act, neglect, default, or omission of any duty by Lessee, its former or current agents, contractors, employees, invitees, or subtenants, or (c) arising from any failure of Lessee to observe or perform any of its obligations hereunder; provided, however, notwithstanding anything to the contrary herein, Lessor shall not be released or indemnified from any losses, damages, liabilities, claims, attorneys' fees, costs and expenses to the extent arising from the gross negligence or willful misconduct of Lessor or its agents or employees, or a breach of Lessor's obligations or representations under this Lease. The provisions of this paragraph shall survive the termination of this Lease with respect to any claims or liability occurring prior to such termination.

ADVERTISE-MENTS AND SIGNS

16. Lessee will not place or permit to be placed, in, upon or about the Premises any unusual or extraordinary signs, or any signs not approved by the city or other governing authority. The Lessee will not place, or permit to be placed, upon the Premises, any signs, advertisements or notices without the written consent of the Lessor first had and obtained. Any sign so placed on the Premises shall be so placed upon the understanding and agreement that Lessee will remove same at the termination of the tenancy herein created and repair any damage or injury to the Premises caused thereby, and if not so removed by Lessee then Lessor may have same so removed at Lessee's expense. Lessor hereby approves of Lessee's signage as set forth in Exhibit _ attached hereto.

UTILITIES

17. Lessee shall pay for all water, gas, heat, light, power, telephone service and all other service supplied to the Premises. If the Premises are not served by a separate water meter, Lessee shall pay to Lessor its share of the water bill for the entire property covered by said bill and of which the Premises are a part, as determined by Lessor based on square footage or other equitable method.

ATTORNEY'S FEES

18. In case suit should be brought for the possession of the Premises, for the recovery of any sum due hereunder, or because of the breach of any other covenant herein, the losing party shall pay to the prevailing party a reasonable attorney's fee, which shall be deemed to have accrued on the commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

DEFAULT AND REMEDIES

19. The occurrence of any one or more of the following events (each an "Event of Default") shall constitute a breach of this Lease by Lessee:

(a) Lessee fails to pay any Base Monthly Rent or additional rent under this Lease as and when it becomes due and payable and such failure continues for more than five (5) days after Lessor gives written notice thereof to Lessee; or

(b) Lessee fails to perform or breaches any other covenant of this Lease to be performed or observed by Lessee as and when performance or observance is due and such failure or breach continues for more than ten (10) days after Lessor gives written notice thereof to Lessee; provided, however, that if such failure or breach cannot reasonably be cured within such period often (10) days, an Event of Default shall not exist as long as Lessee commences with due diligence and dispatch the curing of such failure or breach within such period often (10) days and, having so commenced, thereafter prosecutes with diligence and dispatch and completes the curing of such failure or breach within a reasonable time; or

(c) Lessee files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction; makes an assignment for the benefit of its creditors; or consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Lessee or of any substantial part of Lessee's property; or

(d) A court or government authority enters an order, and such order is not vacated within thirty (30) days, appointing a custodian, receiver, trustee or other officer with similar powers with respect to Lessee or with respect to any substantial part of Lessee's property; or constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction; or ordering the dissolution, winding-up or liquidation of Lessee; or

(e) Lessee abandons the Premises.

19.1 If an Event of Default occurs, Lessor shall have the right at any time to give a written termination notice to Lessee and, on the date specified in such notice, Lessee's right to possession shall terminate and this Lease shall terminate. Upon such termination, Lessor shall have the right to recover from Lessee:

(i) The worth at the time of award of all unpaid rent which had been earned at the time of termination;

(ii) The worth at the time of award of the amount by which all unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Lessee proves could have been reasonably avoided;

(iii) The worth at the time of award of the amount by which all unpaid rent for the balance of the term of this Lease after the time of award exceeds the amount of such rental loss that Lessee proves could be reasonably avoided; and

(iv) All other amounts necessary to compensate Lessor for all the detriment proximately caused by Lessee's failure to perform all of Lessee's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.

The "worth at the time of award" of the amounts referred to in clauses (i) and (ii) above shall be computed by allowing interest at the maximum annual interest rate allowed by law for business loans (not primarily for personal, family or household purposes) not exempt from the usury law at the time of termination or, if there is no such maximum annual interest rate, at the rate of eighteen percent (18%) per annum. The "worth at the time of award" of the amount referred to in clause (iii) above shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%). For the purpose of determining unpaid rent under clauses (i), (ii) and (iii) above, the rent reserved in this Lease shall be deemed to be the total rent payable by Lessee under this Lease, including Base Monthly Rent, additional rent and all other sums payable by Lessee under this Lease.

19.2 Even though Lessee has breached this Lease, this Lease shall continue in effect for so long as Lessor does not terminate Lessee's right to possession, and Lessor shall have all of its rights and remedies, including the right, pursuant to California Civil Code section 1951.4, to recover all rent as it becomes due under this Lease. Acts of maintenance or preservation or efforts to relet the Premises or the appointment of a receiver upon initiative of Lessor to protect Lessor's interest under this Lease shall not constitute a termination of Lessee's right to possession unless written notice of termination is given by Lessor to Lessee.

19.3 The remedies provided for in this Lease are in addition to all other remedies available to Lessor at law or in equity by statute or otherwise.

LATE CHARGES AND INTEREST

20. Lessee hereby acknowledges that late payment by Lessee to Lessor of rent and other sums due hereunder will cause Lessor to incur costs not contemplated by this lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Lessor by the terms of any mortgage or trust deed covering the Premises. Accordingly, if any installment of rent or any other sum due from Lessee shall not be received by Lessor or Lessor's designee within ten (10) days after such amount shall be due, Lessee shall pay to Lessor a late charge equal to ten percent (10%) of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of late payment by Lessee. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's default with respect to such overdue amount, nor prevent Lessor from exercising any of the other rights and remedies granted hereunder.

If any rent payable under the Lease remains delinquent for a period in excess of ten (10) calendar days, then, in addition to any late charge payable, Lessee shall pay to Lessor interest on any rent that is not so paid from the date due until paid at the then maximum rate of interest not prohibited or made usurious by Law.

SURRENDER OF LEASE

21. The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of Lessor, terminate all or any existing subleases or subtenancies, or may, at the option of Lessor, operate as an assignment to Lessor of any or all such subleases or subtenancies.

TAXES

22. The Lessee shall be liable for all taxes levied against personal property and trade or business fixtures. The Lessee also agrees to pay, as additional rental, during the term of this Lease and any extensions thereof, all real estate taxes plus the yearly installments of any special assessments which are of record or which may become of record during the term of this lease. Within thirty (30) days after delivery to Lessee of a tax bill or Lessor's invoice for taxes, Lessee shall pay such taxes to the taxing authority or to Lessor, as instructed by Lessor. If Lessee fails to pay such taxes within such 30-day period, then Lessee shall pay, as additional rent, any late fees, penalties or interest assessed by the taxing authorities. If the Premises are a portion of a tax parcel or parcels and this Lease does not cover an entire tax parcel or parcels, the taxes and assessment installments allocated to the Premises shall be pro-rated on a square footage or other equitable basis, as calculated by the Lessor. It is understood and agreed that the Lessee's obligation under this paragraph will be pro-rated to reflect the commencement and termination dates of this Lease.

NOTICES

23. All notices to be given to Lessee may be given in writing personally, by commercial overnight courier or by depositing the same in the United States mail, postage prepaid, and addressed to Lessee at the said Premises, Attention: Senior Office Manager, whether or not Lessee has departed from, abandoned or vacated the Premises, or such other address as Lessee may, from time to time designate in writing, except that, prior to the Commencement Date, notices to Lessee shall be addressed to the address of Lessee set forth below. Notices given in accordance with this paragraph shall be deemed received one business day after sent by commercial overnight courier, three business days after being deposited in the United States mail, or when delivered if delivered personally. All notices to be given to Lessor may be given in writing personally or by depositing the same in the United States mail, postage prepaid, and addressed to Lessor at the following address or such other address as Lessor may, from time to time designate:

c/o Renault & Handley
2500 El Camino Real
Palo Alto, CA 94306

Lessee's Pre-Commencement Address:

Ambarella Corporation
1330 Bordeaux Drive
Sunnyvale, CA 94089
Attn: Senior Office Manager

ENTRY BY LESSOR

24. Lessee shall permit Lessor and his agents to enter into and upon the Premises at all reasonable times, upon not less than one (1) business day's verbal notice (except in cases of emergency, in which case no notice shall be required), for the purpose of inspecting the same or for the purpose of maintaining the building in which the Premises are situated, or for the purpose of making repairs, alterations or additions to any other portion of said building, including the erection and maintenance of such scaffolding, canopies, fences and props as may be required without any rebate of rent and without any liability to Lessee for any loss of occupation or quiet enjoyment of the Premises thereby occasioned; and shall permit Lessor and his agents, at any time within ninety days prior to the expiration of this Lease, to place upon the Premises any usual or ordinary "For Sale" or "For Lease" signs (but such "For Lease" signs shall not be placed upon the Premises less than one hundred twenty (120) days prior to the expiration of the Lease) and exhibit the Premises to prospective tenants at reasonable hours. In connection with any such entry, Lessor shall use commercially reasonable efforts to minimize any interference with Tenant's use of the Premises and to comply with Tenant's reasonable security measures.

DESTRUCTION OF PREMISES

25. In the event of a partial destruction of the Premises during the term of this Lease from any cause insured against by insurance carried, or required to be carried, by Lessor under this Lease, Lessor shall forthwith repair the same, provided such repairs can be made within one (1) year under the laws and regulations of State, Federal, County or Municipal authorities, but such partial destruction shall in no way annul or void this Lease, except that Lessee shall be entitled to a proportionate reduction of rent while such repairs are being made, such proportionate reduction to be based upon the extent to which the making of such repairs shall interfere with the business carried on by Lessee in the Premises. If the cause of such repairs is not so insured or cannot be made in one (1) year, Lessor may, at his option, make same within a reasonable time, this Lease continuing in full force and effect and the rent to be proportionately reduced as aforesaid in this paragraph provided. In the event that Lessor does not so elect to make such repairs the cause of which is not so insured or cannot be made in one (1) year, or such repairs cannot be made under such laws and regulations, this Lease may be terminated at the option of either party. In respect to any partial destruction which Lessor is obligated to repair or may elect to repair under the terms of this paragraph, the provision of Section 1932, Subdivision 2, and of Section 1933, Subdivision 4, of the Civil Code of the State of California are waived by Lessee. A total destruction of the building in which the Premises may be situated shall terminate this Lease. In the event of any dispute between Lessor and Lessee relative to the provisions of this paragraph, they shall each select an arbitrator, the two arbitrators so selected shall select a third arbitrator and the three arbitrators so selected shall hear and determine the controversy and their decision thereon shall be final and binding upon both Lessor and Lessee, who shall bear the cost of such arbitration equally between them.

ASSIGNMENT AND SUBLET-TING

26. The Lessee shall not assign, transfer, or hypothecate the leasehold estate under this Lease, or any interest therein, and shall not sublet the Premises, or any part thereof, or any right or privilege appurtenant thereto, or suffer any other person or entity to occupy or use the Premises, or any portion thereof, without, in each case, the prior written consent of the Lessor. Lessor shall not unreasonably withhold its consent to a subletting or assignment. The Lessee shall, by thirty (30) days written notice, advise the Lessor of its intent to assign this Lease or sublet the Premises or any portion thereof for any part of the term hereof, which notice shall include a description of all of the material terms of such assignment or subletting, and a reasonably detailed description of the proposed assignee or sublessee and its business and financial condition. Within fifteen (15) days after receipt of Lessee's notice, Lessor shall either give approval to Lessee to assign the Lease or sublease the portion of the Premises described in Lessee's notice, or notify Lessee of Lessor's disapproval. In addition, Lessor shall have the right to terminate this Lease in its entirety on the date specified in Lessee's notice if Lessee's notice proposes an assignment of the Lease or if the portion of the Premises described in Lessee's notice to be sublet constitutes more than seventy-five percent (75%) of the floor area of the building. If Lessor elects to terminate this Lease pursuant to the preceding sentence, this Lease shall be terminated on the date specified in Lessee's notice. If the Lessor approves an assignment or subletting, the Lessee may assign or sublet immediately after receipt of the Lessor's written approval. In the event Lessee is allowed to assign, transfer or sublet the whole or any part of the Premises, with the prior written consent of Lessor, then no assignee, transferee or sublessee shall assign or transfer this Lease, either in whole or in part, or sublet the whole or any part of the Premises, without also having obtained the prior written consent of the Lessor. In the event of any approved assignment or subletting, Lessee shall pay to the Lessor, as additional rental, fifty percent (50%) of all assignment proceeds and rents received by the Lessee from its assignee or sublessee which are in excess of the amount payable by the Lessee to the Lessor hereunder, after deducting the amount of any market rate real estate brokerage commissions paid by Lessee in connection with the assignment or subletting. A consent of Lessor to one assignment, transfer, hypothecation, subletting, occupation or use by any other person shall not release Lessee from any of Lessee's obligations hereunder or be deemed to be a consent to any subsequent similar or dissimilar assignment, transfer, hypothecation, subletting, occupation or use by any other person. Any such assignment, transfer, hypothecation, subletting, occupation or use without such consent shall be void and shall constitute a breach of this Lease by Lessee and shall, at the option of Lessor exercised by written notice to Lessee, terminate this Lease. The leasehold estate under this Lease shall not, nor shall any interest therein, be assignable for any purpose by operation of law without the written consent of Lessor. As a condition to its consent, Lessor may require Lessee to pay all expenses in connection with the assignment (not to exceed $2,000 per request), and Lessor may require Lessee's assignee or transferee (or other assignees or transferees) to assume in writing all of the obligations under this Lease.

Any dissolution, or merger, consolidation or other reorganization of Lessee into another entity, or the sale or other transfer in the aggregate over the term of the Lease of a controlling percentage of the capital stock of Lessee (excluding transfers over a national securities exchange, or any issuance of Lessee's stock other than in connection with a transaction requiring Lessor's consent pursuant to this sentence), or the sale or transfer of all or a substantial

portion (i.e., more than fifty percent (50%) in value) of the assets of Lessee, shall be deemed a voluntary assignment of Lessee's interest in this Lease; provided that, a merger, consolidation, reorganization or sale of assets shall not require Lessor's consent hereunder unless Lessee's tangible net worth (determined in accordance with generally accepted accounting principles) immediately after such transaction is less than Lessee's tangible net worth immediately prior to such transaction. The phrase "controlling percentage" means the ownership of and the right to vote stock possessing more than fifty percent of the total combined voting power of all classes of Lessee's capital stock issued, outstanding and entitled to vote for the election of directors. If Lessee is a partnership, a withdrawal or change, voluntary, involuntary or by operation of Law, of any general partner, or the dissolution of the partnership, shall be deemed a voluntary assignment of Lessee's interest in this Lease. In the event that, through a merger, stock sale or other transaction, Lessee becomes the subsidiary of any other entity (a "parent") and if Lessee's tangible net worth (determined in accordance with generally accepted accounting principles) at any time after such merger, stock dale or other transaction is less than Lessee's tangible net worth immediately prior to such transaction, Lessor shall have the right to require that the parent guaranty all of the Lessee's obligations under the Lease pursuant to a form of guaranty reasonably satisfactory to Lessor. Notwithstanding anything to the contrary contained in this Lease, Lessee, without Lessor's prior written consent but with notice to Lessor, may sublet the Premises or assign this Lease to: (i) a subsidiary, affiliate, franchisee, division, corporation or other business entity controlling, controlled by or under common control with Lessee; (ii) a successor business entity related to Lessee by merger, consolidation, acquisition, non-bankruptcy reorganization or government action provided such transaction does not require Lessor's consent in accordance with this Paragraph 26; or (iii) a purchaser of substantially all of Lessee's assets provided such transaction does not require Lessor's consent in accordance with this Paragraph 26 (each, a "Permitted Transfer", and each entity referenced herein a "Permitted Transferee"). Lessor's right of recapture and Lessor's right to excess rent shall not apply to a Permitted Transfer.

CONDEM- NATION

27. If any part of the Premises shall be taken for any public or quasi-public use, under any statute or by right of eminent domain or private purchase in lieu thereof, and a part thereof remains which is susceptible of occupation hereunder, this Lease shall, as to the part so taken, terminate as of the date title shall vest in the condemnor or purchaser, and the rent payable hereunder shall be adjusted so that the Lessee shall be required to pay for the remainder of the term only such portion of such rent as the value of the part remaining after such taking bears to the value of the entire Premises prior to such taking; but in such event Lessor shall have the option to terminate this Lease as of the date when title to the part so taken vests in the condemnor or purchaser. If all of the Premises, or such part thereof be taken so that there does not remain a portion susceptible for occupation hereunder, this Lease shall thereupon terminate. If a part or all of the Premises be taken, all compensation awarded upon such taking shall go to the Lessor and the Lessee shall have no claim thereto; provided that the Lessee shall have the right to make a separate claim for loss of good will and relocation expenses so long as such claim does not diminish the Lessor's claim.

EFFECT OF CONVEYANCE

28. The term "Lessor" as used in this Lease, means only the owner for the time being of the land and building containing the Premises, so that, in the event of any sale of said land or building, the Lessor shall be and hereby is entirely freed and relieved of all covenants and obligations of the Lessor hereunder accruing thereafter, and it shall be deemed and construed, without further agreement between the parties and the purchaser at any such sale, that the purchaser of the building has assumed and agreed to carry out any and all covenants and obligations of the Lessor hereunder. If any security be given by the Lessee to secure the faithful performance of all or any of the covenants of this Lease on the part of the Lessee, the Lessor shall transfer and deliver the security, as such, to the purchaser at any such sale, and thereupon the Lessor shall be discharged from any further liability in reference thereto.

SUBORDI- NATION

29. Lessee agrees that this Lease shall be subject and subordinate to any mortgage, deed of trust or other instrument of security which has been or shall be placed on the land and building or land or building of which the Premises form a part, and this subordination is hereby made effective without any further act of Lessee. The Lessee shall, at any time hereinafter, on demand, execute any instruments, releases, or other documents that may be required by any mortgagee, mortgagor, or trustor or beneficiary under any deed of trust for the purpose of subjecting and subordinating this Lease to the lien of any such mortgage, deed of trust or other instrument of security, and the failure of the Lessee to execute any such instruments, releases or documents, shall constitute a default hereunder. Notwithstanding Lessee's obligations, and the subordination of the Lease, under this paragraph 29, no mortgagee, trustee or beneficiary under any deed of trust or other instrument of security which may be placed on the Premises shall have the right to terminate the Lease or disturb Lessee's occupancy thereunder so long as no Event of Default has occurred and is continuing under this Lease. Lessor shall use commercially reasonable efforts to obtain, prior to the Commencement Date, a subordination, non-disturbance and attornment agreement from any current holder of a mortgage or deed of trust on, or the ground lessor of, the Premises on commercially reasonable terms (an "SNDA").

WAIVER

30. The waiver by Lessor of any breach of any term, covenant or condition, herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition therein contained. The subsequent acceptance of rent hereunder by Lessor shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant or condition of this Lease, other than the failure of Lessee to pay the particular rental so accepted, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rent.

HOLDING OVER

31. Any holding over after the expiration or other termination of the term of this Lease with the written consent of Lessor, shall be construed to be a tenancy from month to month, at a rental to be negotiated by Lessor and Lessee prior to the expiration of said term, and shall otherwise be on the terms and conditions herein specified, so far as applicable. Any holding over after the expiration or other termination of the term of this Lease without the written consent of Lessor shall be construed to be a tenancy at sufferance on all the terms set forth herein, except that the Base Monthly Rent shall be an amount equal to two hundred percent (200%) of the Base Monthly Rent payable by Lessee immediately prior to such holding over, or the fair market rent for the Premises as of such date, whichever is greater.

SUCCESSORS AND ASSIGNS

32. The covenants and conditions herein contained shall, subject to the provisions as to assignment, apply to and bind the heirs, successors, executors, administrators and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.

TIME

33. Time is of the essence of this Lease.

MARGINAL CAPTIONS; COMPLETE AGREEMENT; AMENDMENT

34. The marginal headings or titles to the paragraphs of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part thereof. This instrument contains all of the agreements and conditions made between the parties hereto and may not be modified orally or in any other manner than by an agreement in writing signed by all of the parties hereto or their respective successors in interest.

ENVIRON-MENTAL OBLIGATIONS

35. Lessee's obligations under this Paragraph 35 shall survive the expiration or termination of this Lease.

35.1 As used herein, the term "Hazardous Materials" shall mean any toxic or hazardous substance, material or waste or any pollutant or infectious or radioactive material, including but not limited to those substances, materials or wastes regulated now or in the future under any of the following statutes or regulations and any and all of those substances included within the definitions of "hazardous substances," "hazardous materials," "hazardous waste," "hazardous chemical substance or mixture," "imminently hazardous chemical substance or mixture," "toxic substances," "hazardous air pollutant," "toxic pollutant," or "solid waste" in the (a) Comprehensive Environmental Response, Compensation and Liability Act of 1990 ("CERCLA" or "Superfimd"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), 42 U.S.C. § 9601 *et seq.,* (b) Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. § 6901 *et seq.,* (c) Federal Water Pollution Control Act ("FSPCA"), 33 U.S.C. § 1251 *et seq.,* (d) Clean Air Act ("CAA"), 42 U.S.C. § 7401 *et seq.,* (e) Toxic Substances Control Act ("TSCA"), 14 U.S.C. § 2601 *et seq.,* (i) Hazardous Materials Transportation Act, 49 U.S.C. § 1801, *et seq.,* (g) Carpenter-Presley-Tanner Hazardous Substance Account Act ("California Superfund"), Cal. Health & Safety Code § 25300 *etseq.,* (h) California Hazardous Waste Control Act, Cal. Health & Safety code § 25100 *et seq.,* (i) Porter- Cologne Water Quality Control Act ("Porter-Cologne Act"), Cal. Water Code § 13000 *et seq.,* (j) Hazardous Waste Disposal Land Use Law, Cal. Health & Safety codes §25220 *etseq.,* (k) Safe Drinking Water and Toxic Enforcement Act of 1986 ("Proposition 65"), Cal. Health & Safety code § 25249.5 *etseq.,* (1) Hazardous Substances Underground Storage Tank Law, Cal. Health & Safety code § 25280 *etseq.,* (m) Air Resources Law, Cal. Health & Safety Code § 39000 *et seq.,* and (n) regulations promulgated pursuant to said laws or any replacement thereof, or as similar terms are defined in the federal, state and local laws, statutes, regulations, orders or rules. The term "Hazardous Materials" shall also mean any and all other biohazardous wastes and substances, materials and wastes which are, or in the future become, regulated under applicable Laws for the protection of health or the environment, or which are classified as hazardous or toxic substances, materials or wastes, pollutants or contaminants, as defined, listed or regulated by any federal, state or local law, regulation or order or by common law decision. The term "Hazardous Materials" shall include, without limitation, (i) trichloroethylene, tetrachloroethylene, perchloroethylene and other chlorinated solvents, (ii) any petroleum products or fractions thereof, (iii) asbestos, (iv) polychlorinted biphenyls, (v) flammable explosives, (vi) urea formaldehyde, (vii) radioactive materials and waste, and (viii) materials and wastes that are harmful to or may threaten human health, ecology or the environment.

35.2 Notwithstanding anything to the contrary in this Lease, Lessee, at its sole cost, shall comply with all Laws relating to the storage, use and disposal of Hazardous Materials; *provided, however,* that Lessee shall not be responsible for contamination of the Premises by Hazardous Materials (a) existing as of the date the Premises are delivered to Lessee unless caused by Lessee, or (b) migrating from outside the Premises unless caused by Lessee. Lessee shall not store, use or dispose of any Hazardous Materials except for those Hazardous Materials ("Permitted Materials") which are (a) listed in a Hazardous Materials management plan ("HMMP") which Lessee shall submit to appropriate governmental authorities as and when required under applicable Laws, and (b) are either normal quantities of ordinary office or cleaning supplies or are approved in writing by Lessor. Lessee may use, store and dispose of Permitted Materials provided that (i) such Permitted Materials are used, stored, transported, and disposed of in strict compliance with applicable Laws, and (ii) such Permitted Materials shall be limited to the materials listed on and may be used only in the quantities specified in the HMMP. In no event shall Lessee cause or permit to be discharged into the plumbing or sewage system of the Premises or onto the land underlying or adjacent to the Premises any Hazardous Materials. If the presence of Hazardous Materials on the Premises caused or permitted by Lessee results in contamination or deterioration of water or soil, then Lessee shall promptly take any and all action necessary to clean up such contamination as required by applicable laws, but the foregoing shall in no event be deemed to constitute permission by Lessor to allow the presence of such Hazardous Materials.

35.3 Lessee shall immediately notify Lessor in writing of:

(a) Any enforcement, cleanup, removal, or other governmental or regulatory action instituted, completed or threatened against Lessee related to any Hazardous Materials;

(b) Any claim made or threatened by any person against Lessee or the Premises relating to damage, contribution, cost recovery compensation, loss or injury resulting from or claimed to result from any Hazardous Materials; and,

(c) Any reports made to any environmental agency arising out of or in connection with any Hazardous Materials in, discharged at, or removed from the Premises, including any complaints, notices, warnings or asserted violations in connection therewith.

Lessee shall also supply to Lessor as promptly as possible, and in any event within five (5) business days after Lessee first receives or sends the same, with copies of all claims, reports, complaints, notices, warnings or asserted violations related in any way to the existence of Hazardous Materials at, in, under or about the Premises or Lessee's use thereof. Lessee shall, upon Lessor's request, promptly deliver to Lessor copies of any documents or information relating to the use, storage or disposal of Hazardous Material on or from the Premises.

35.4 Upon termination or expiration of the Lease, Lessee at its sole expense shall cause all Hazardous Materials placed in or about the Premises, by Lessee, its agents, contractors, or invitees, and all installations (whether interior or exterior) made by or on behalf of Lessee relating to the storage, use, disposal or transportation of Hazardous Materials to be removed from the property and transported for use, storage or disposal hi accordance and compliance with all Laws and other requirements respecting Hazardous Materials used or permitted to be used by Lessee. Lessee shall apply for and shall obtain from all appropriate regulatory authorities (including any applicable fire department or regional water quality control board) all permits, approvals and clearances necessary for the closure of the Premises and shall take all other actions as may be required to complete the closure of the Premises. In addition, prior to vacating the Premises, Lessee shall, upon Lessor's request (which request Lessor shall make only if Lessor has reason to believe there may have been a release of Hazardous Materials on or about

the Premises during the term of the Lease), undertake and submit to Lessor an environmental site assessment from an environmental consulting company reasonably acceptable to Lessor which site assessment shall evidence Lessee's compliance with this Paragraph 35.

35.5 At any time prior to expiration of the Lease term, subject to reasonable prior notice (not less than forty-eight (48) hours) and Lessee's reasonable security requirements and provided such activities do not unreasonably interfere with the conduct of Lessee's business at the Leased Premises, Lessor shall have the right to enter in and upon the Premises in order to conduct appropriate tests of water and soil to determine whether levels of any Hazardous Materials in excess of legally permissible levels has occurred as a result of Lessee's use thereof. Lessor shall furnish copies of all such test results and reports to Lessee and, at Lessee's option and cost, shall permit split sampling for testing and analysis by Lessee. Such testing shall be at Lessee's expense if Lessor has a reasonable basis for suspecting and confirms the presence of Hazardous Materials in the soil or surface or ground water in, on, under, or about the Premises, which has been caused by or resulted from the activities of Lessee, its agents, contractors, or invitees.

35.6 Lessor may voluntarily cooperate in a reasonable manner with the efforts of all governmental agencies in reducing actual or potential environmental damage. Lessee shall not be entitled to terminate this Lease or to any reduction in or abatement of rent by reason of such compliance or cooperation. Lessee agrees at all times to cooperate fully with the requirements and recommendations of governmental agencies regulating, or otherwise involved in, the protection of the environment.

35.7 Lessee shall indemnify, defend by counsel reasonably acceptable to Lessor, protect and hold Lessor and each of Lessor's partners, employees, agents, attorneys, successors, and assignees, free and harmless from and against any and all claims, damages, liabilities, penalties, forfeitures, losses or expenses (including reasonable attorney's fees) or death of or injury to any person or damage to any property whatsoever arising from or caused in whole or in part, directly or indirectly by (A) the presence in, or under or about the Premises or discharge in or from the Premises of any Hazardous Materials caused by Lessee, its agents, employees, invitees, contractors, assignees, or Lessee's use, analysis, storage, transportation, disposal, release, threatened release, discharge or generation of Hazardous Materials to, in, on, under, about or from the leased Premises, or (B) Lessee's failure to comply with any Hazardous Materials Law. Lessee's obligations hereunder shall include, without limitation, whether foreseeable or unforeseeable, all costs, of any repair, cleanup or detoxification or decontamination of the Premises required by by any applicable law, and the preparation and implementation of any closure, remedial action or other required plans in connection therewith, and shall survive the expiration or earlier termination of the term of this Lease. For purposes of indemnity provision hereof, any actions or omissions of Lessee or by employees, agents, assignees, contractors or subcontractors of Lessee or others acting for or on behalf of Lessee (whether or not they are negligent, intentional, willful or unlawful) shall be strictly attributable to Lessee.

35.8 To the actual knowledge of Lessor, no Hazardous Material is present on or about the Premises or the soil, surface water or groundwater thereof in violation of applicable laws. Under no circumstance shall Lessee be liable for any losses, costs, claims, liabilities and damages (including attorneys' and consultants' fees) arising from the presence of any Hazardous Material on or about the Premises (a) on or prior to the Commencement Date and not caused by Lessee or its agents, employees or contractors, or (b) caused by Lessor or its agents, employees or contractors.

LESSOR'S RIGHT TO PERFORM

36. If Lessee shall fail to perform any obligation or covenant pursuant to this Lease within a reasonable period of time (not to exceed 15 days) following notice from Lessor to do so, then Lessor may, at its election and without waiving any other remedy it may otherwise have under this Lease or at law, perform such obligation or covenant and Lessee shall pay to Lessor, as Additional Rent, the costs incurred by Lessor in performing such obligation or covenant.

OPTION TO EXTEND

37. Provided that Lessee is not in default under the Lease after applicable notice and cure periods and has faithfully performed its obligations under the Lease within applicable notice and cure periods, Lessee shall have one (1) option to extend the term of this Lease ("Option to Extend") for a period of two (2) years commencing March 1, 2010 ("Option Period") on all the same terms and conditions of the Lease excepting that there shall be no additional options to extend and excepting the Base Monthly Rent which shall be at the then current fair market rental value for the Premises as improved ("FMV"). However, notwithstanding anything to the contrary in this Lease, in no event shall the Base Monthly Rent for the Option Period be less than that being paid during the month most immediately preceding the Option Period without the consent of Lessor. In establishing FMV for the Premises, the parties shall consider only direct leases for comparable office/R&D space in Santa Clara occurring during the six months most immediately preceding the Lessee's exercise of this Option to Extend ("Comparable Leases"), taking into consideration the terms and conditions of this Lease and Comparable Leases and the condition of, and state of improvements in, the Premises and the premises demised under Comparable Leases. This Option to Extend shall be personal to Lessee and Permitted Transferees and may not be transferred through assignment or sublease without the express written consent of Lessor.

Lessee shall exercise its Option to Extend by giving written notice to Lessor of its intent to do so not less than three (3) months nor more than six (6) months prior to the Option Period. Lessor and Lessee shall negotiate FMV within thirty (30) days following Lessee's written notice as set forth above. In the event Lessor and Lessee cannot agree upon FMV within the thirty-day period set forth above, then each party shall within five (5) days, appoint a licensed commercial real estate broker who is active in commercial and industrial leasing in Santa Clara County and the two brokers so appointed shall meet within twenty-one (21) days of the second broker's appointment to make a determination of FMV. The determination of the brokers as set forth herein shall be binding upon Lessor and Lessee. If the two brokers cannot reach agreement within five (5) days of their initial meeting, then the two shall immediately thereafter appoint a third broker with the same qualifications and within twenty-one (21) days of the third brokers' appointment, all three brokers shall meet to make a determination of FMV. If agreement cannot be reached, then the two closest opinions of FMV shall be averaged, and the resulting figure shall become the Base Monthly Rent for the Option Period and be binding on Lessor and Lessee. Lessor and Lessee shall pay the fee of their respective broker and shall share the cost of the third broker, if necessary.

FURNITURE & EQUIPMENT

38. With the exception of the server racks presently located in the large lab which shall be removed by the current tenant, Lessee shall be permitted to use at no additional charge and without warranty during the term of this Lease, Lessor's cubicles, furniture, server room racks, phone and security systems (collectively hereinafter "Lessor's Personal Property") as set forth in a detailed Asset Inventory incorporated herein as Exhibit "A" to this Lease. The telephone and security systems and data links connected to the cubicles and server room shall be delivered to Lessee in their current condition and locations in the Premises as of the date hereof. Upon expiration or sooner termination of this Lease, Lessee shall surrender the Premises, leaving all of Lessor's Personal Property in the same good condition as delivered to Lessee by Lessor, ordinary wear and tear excepted.

TENANT IMPROVEMENTS

39. Lessor shall, at its sole expense, demise the large existing lab room into two separate labs, add an additional six (6) tons of HVAC capacity to the existing server room, re-lamp existing light fixtures, replace missing or stained ceiling tiles and touch up paint throughout the Premises, as necessary and perform the other work described on Exhibit B attached hereto (the "Tenant Improvements"). Lessor shall construct the Tenant Improvements through its general contractor, Vance Brown, Inc. and shall use commercially reasonable efforts to cause the Tenant Improvements to be substantially complete within fifteen (15) days after the Commencement Date. The term "substantially complete" shall mean complete but for minor items such that Lessee is able to occupy and use the Premises without material interference. The Tenant Improvements shall be constructed in accordance with applicable laws, in a good and workmanlike manner, free of defects and using new materials and equipment of good quality. Lessee shall have the right to submit a written "punch list" to Lessor, setting forth any materially defective item of construction, and Lessor shall promptly cause such items to be corrected. If Lessor fails to substantially complete the Tenant Improvements within fifteen (15) days after the Commencement Date, the dates set forth in Section 4, commencing with February 28, 2007 shall be delayed by one (1) day for each day substantial completion is delayed beyond such date, except to the extent such delay results from Tenant's acts or omissions (such as change orders or interference with the progress of the work) or from force majeure. All additional improvements required by Lessee in conjunction with the Tenant Improvements or to be performed prior to occupancy shall be constructed by Vance Brown and paid for by Lessee in cash directly to Vance Brown, Inc.; provided, however, Lessee shall have the right to install itself new server racks in the server room of the Premises. For all subsequent tenant improvement work to be performed on the Premises by Lessee during the Lease Term, Lessee shall select its own contractor pursuant to the terms of Paragraph 9 of this Lease. See existing improvement plan and new Tenant Improvement plan attached hereto as Exhibit B.

APPROVALS

40. Whenever this Lease requires an approval, consent, determination, selection or judgment by either Lessor or Lessee, unless another standard is expressly set forth, such approval, consent, determination, selection or judgment and any conditions imposed thereby shall be reasonable and shall not be unreasonably withheld or delayed.

THIS LEASE HAS BEEN PREPARED FOR SUBMISSION TO YOUR ATTORNEY WHO WILL REVIEW THE DOCUMENT AND ASSIST YOU TO DETERMINE WHETHER YOUR LEGAL RIGHTS ARE ADEQUATELY PROTECTED. RENAULT & HANDLEY IS NOT AUTHORIZED TO GIVE LEGAL AND TAX ADVICE. NO REPRESENTATION OR RECOMMENDATION IS MADE BY RENAULT & HANDLEY OR ITS AGENTS OR EMPLOYEES AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT OR TAX CONSEQUENCES OF THIS DOCUMENT OR ANY TRANSACTION RELATING THERETO. THESE ARE QUESTIONS FOR YOUR ATTORNEY WITH WHOM YOU SHOULD CONSULT BEFORE SIGNING THIS DOCUMENT.

IN WITNESS WHEREOF, Lessor and Lessee have executed these presents, the day and year first above written.

LESSOR:

Renault & Handley Employees Investment Co.

/s/ George O. McKee
George O. McKee, President

LESSEE:

Ambarella Corporation, A Delaware corporation

By: /s/ Fermi Wang
Its: President

By: /s/ Fermi Wang
Its: Secretary

Memorandum of Lease Commencement

Re: That certain Lease dated September 29, 2006, by and between Renault & Handley Employees Investment Co. as Lessor and Ambarella Corporation, a Delaware corporation as Lessee, for the Premises located at 2975 San Ysidro Way, Santa Clara, California (the "Lease").

Pursuant to Paragraph 6 of the Lease, Lessor delivered possession of the Premises to Lessee on February 21, 2007. Accordingly, the following adjustments to the dates contained in the Lease are hereby acknowledged by Lessor and Lessee:

The term shall be for thirty seven (37) months commencing February 22, 2007 (the "Commencement Date") and ending March 21, 2010.

Base Monthly Rent for the period February 22, 2007 through March 21, 2007 shall be abated. Prepaid rent in the amount of $13,200 shall be applied as Base Monthly Rent for the Period of March 22, 2007 through April 21, 2007. On April 1, 2007, Seven Thousand Nine Hundred Twenty and No 00/100ths Dollars ($7,920.00) shall be due as Base Monthly Rent for the period April 22, 2007 through April 30, 2007. On May 1, 2007 and on the first day of each succeeding month to and including February 1, 2008, Twenty Six Thousand Four Hundred and No 00/100ths Dollars ($26,400.00) shall be due. On March 1, 2008, Twenty Six Thousand Seven Hundred Fifty Four and 84/100ths Dollars ($26,754.84) shall be due. Commencing on April 1 2008 and on the first day of each succeeding month to and including February 1, 2009, Twenty Seven Thousand Five Hundred and No 00/100ths Dollars ($27,500.00) shall be due. On March 1, 2009, Twenty Seven Thousand Eight Hundred Fifty Four and 84/100ths Dollars ($27,854.84) shall be due. Commencing on April 1, 2009 and on the first day of each succeeding month to and including February 1, 2010, Twenty Eight Thousand Six Hundred and No 00/100ths Dollars ($28,600.00) shall be due. On March 1, 2010, Nineteen Thousand Three Hundred Seventy Four and 19/100ths Dollars ($19,374.19) shall be due.

All capitalized terms used but not defined herein shall have the same meaning as contained in die Lease and those terms redefined here shall have the same new definition applied to them in the Lease as well.

Acknowledged and Agreed:

Renault & Handley Employees Investment Co.

/s/ George O. McKee
George O. McKee, President

Date: 2/22/07

Ambarella Corporation

/s/ Fermi Wang
Fermi Wang, President and Secretary

Date:

FIRST AMENDMENT TO LEASE

This First Amendment To Lease ("First Amendment") is dated as of November 12, 2009 for reference purposes only, and amends that certain Lease dated September 29, 2006 by and between Renault & Handley Employees' Investment Co. ("Lessor") and Ambarella Corporation, a Delaware corporation ("Lessee"), for the Premises located at 2975 San Ysidro Way, Santa Clara, California (the "Lease"):

1. RECITALS

A. WHEREAS, the Lease is scheduled to expire March 21, 2010 and Lessor and Lessee wish to extend the Lease for a period of thirty six (36) months, commencing March 22, 2010 (the "Extension Period").

B. WHEREAS, Lessor and Lessee wish to set a new Base Monthly Rent schedule for the Extension Period which schedule shall commence March 22, 2010.

C. WHEREAS, Lessor and Lessee wish to make certain Alterations to the Premises for the benefit of Lessee, which Alterations shall be made by Lessor at Lessor's sole expense ("Lessor Alterations").

D. WHEREAS, Lessor and Lessee wish to agree upon certain optional Alterations to the Premises which may be made by Lessee at its sole expense, subject to the terms and conditions of the Lease ("Lessee Alterations").

E. WHEREAS, Lessor and Lessee wish that Lessee receive a Non-Disturbance Agreement from any future Lien Holder, and that Lessee provide its financial statements for such Lien Holder's review and approval as necessary.

F. WHEREAS, Lessor and Lessee wish that the Option to Extend contained in Paragraph 37 of the Lease remain in full force and effect.

G. WHEREAS, Lessor and Lessee wish to agree that Lessor shall pay Cornish & Carey Commercial a three percent (3%) brokerage fee in connection with this First Amendment.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the parties agree, as follows:

1. RECITALS: The recitals set forth above are incorporated by reference into this First Amendment as though set forth at length. Capitalized terms that are used in

this First Amendment but not defined herein shall have the meanings set forth in the Lease.

2. TERM EXTENSION: The Term of the Lease is hereby extended for thirty-six (36) months, commencing March 22, 2010 (the "Extension Commencement Date") through and expiring on March 21, 2013.

3. RENTAL: Effective as of the Extension Commencement Date, Paragraph 4 of the Lease shall be replaced with the following:

Base Monthly Rent shall be payable to the Lessor on the first day of each calendar month during the Lease in advance and without defense, deduction or offset at the address set forth in paragraph 23 of the Lease or at such other place or places as may be designated from time to time by the Lessor in the following amounts:

On March 22, 2010, Seven Thousand Four Hundred Fifty One and 61/100ths Dollars ($7,451.61) shall be due for the partial month of March, 2010. Commencing April 1, 2010 and on the first day of each succeeding month to and including February 1, 2011, Twenty Three Thousand One Hundred and No 00/100ths Dollars ($23,100.00) shall be due. On March 1, 2011, Twenty Three Thousand Four Hundred Fifty Four and 84/100ths Dollars ($23,454.84) shall be due.

Commencing April 1, 2011 and on the first day of each succeeding month to and including February 1, 2012, Twenty Four Thousand Two Hundred and No 00/100ths Dolllars ($24,200.00) shall be due. On March 1, 2012, Twenty Four Thousand Five Hundred Fifty Four and 84/100ths Dollars ($24,554.84) shall be due.

Commencing April 1, 2012 and on the first day of each succeeding month to and including February 1, 2013, Twenty Five Thousand Three Hundred and No 00/100ths Dolllars ($25,300.00) shall be due. On March 1, 2013, Seventeen Thousand One Hundred Thirty Eight and 71/100ths Dollars ($17,138.71) shall be due.

4. LESSOR ALTERATIONS: Upon full execution of this First Amendment, Lessor shall make the following Alterations to the Premises at its sole expense for the benefit of Lessee; provided that for the avoidance of doubt, Lessor and Lessee shall otherwise continue to have their respective maintenance obligations as expressly set forth in the Lease. The Lessor Alterations are further defined on the attached Exhibit A to this First Amendment:

a) Install five (5) tons of additional air conditioning capacity and an exhaust fan/server system in the server room.

b) Replace one (1) toilet and clear the sewage lines.

c) Design, place and install one (1) monument sign.

d) At Lessee's direction, remove existing desk chairs.

5. LESSEE ALTERATIONS: Lessee may, at its sole expense, make the following Alterations to the Premises, subject to the terms and conditions of the Lease:

a) Soundproof the existing conference rooms and offices.

b) Install its name and logo artwork on the newly constructed monument sign. Lessee may install electricity to the monument if desired and approved by the City of Santa Clara.

6. NON-DISTURBANCE AGREEMENT: As of the Extension Commencement Date, Paragraph 29 of the Lease shall be deleted in its entirety and replaced with the following:

Lessee agrees that this Lease shall be subject and subordinate to any mortgage, deed of trust or other instrument of security which has been or shall be placed on the land and building or land or building of which the Premises form a part, and this subordination is hereby made effective without any further act of Lessee. The Lessee shall, at any time hereinafter, on demand, execute any instruments, releases, or other documents that may be required by any mortgagee, mortgagor, or trustor or beneficiary under any deed of trust for the purpose of subjecting and subordinating this Lease to the lien of any such mortgage, deed of trust or other instrument of security, and the failure of the Lessee to execute any such instruments, releases or documents, shall constitute a default hereunder. Notwithstanding Lessee's obligations, and the subordination of the Lease, under this paragraph 29, no mortgagee, trustee or beneficiary under any deed of trust or other instrument of security which may be placed on the Premises ("Lien Holder") shall have the right to terminate the Lease or disturb Lessee's occupancy thereunder so long as no Event of Default has occurred and is continuing under this Lease. Any such Lien Holder shall provide Lessee a commercially reasonable non-disturbance agreement (Non-Disturbance Agreement). If requested by Lessor, Lessee shall promptly provide Lessor with the most recent annual financial statements of Lessee or, if financial statements of Lessee are not available, then financial statements of Lessee's parent corporation or other parent entity.

7. OPTION TO EXTEND: Upon full execution of this First Amendment, Paragraph 37 of the Lease shall be modified as follows: The date "March 1, 2010" shall be replaced with March 22, 2013.

8. BROKERAGE FEE: Upon full execution of this First Amendment, Lessor shall pay Cornish & Carey Commercial Twenty Six Thousand One Hundred Thirty Six and No 00/100ths Dollars ($26,136.00) as a brokerage fee.

9. FULL FORCE & EFFECT: As of the date hereof, the Lease is in full force and effect. From and after the date hereof, the term "Lease" shall mean the Lease as extended and amended by this First Amendment.

10. ENTIRETY: The Lease, as extended and amended hereby, constitutes the entire agreement between the parties and there are no agreements or representations between the parties except as expressed therein. Moreover, no subsequent change or modification of the Lease, as amended, shall be binding unless in writing and fully executed by Lessor and Lessee.

11. REPRESENTATION OF AUTHORITY TO EXECUTE: Each person executing this First Amendment of behalf of a party represents and warrants that such person is duly and validly authorized to do so on behalf of the entity it purports to so bind.

IN WITNESS THEREOF, Lessor and Lessee have executed this First Amendment to Lease as of the later date set forth in the signature block below.

Lessee:

Ambarella Corporation,
a Delaware corporation

/s/ Victor Lee
Victor Lee, CFO and Secretary

Date: 11/20/09

Lessor:

Renault & Handley Employees'
Investment Company, a California
corporation

/s/ George O. McKee
George O. McKee, President

Date: 11/24/09

Exhibit 21.1

SUBSIDIARIES OF REGISTRANT

Ambarella Corporation (Delaware)

Ambarella International Limited (Hong Kong)

Ambarella Japan KK (Japan)

Ambarella Limited (Hong Kong)

Ambarella Shanghai Co., Ltd. (China)

Ambarella Taiwan Ltd. (Taiwan)

Spondias Corporation (Cayman Islands)

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-1 of Ambarella, Inc. of our report dated June 10, 2011 relating to the financial statements of Ambarella, Inc., which appears in such Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

/s/ PricewaterhouseCoopers LLP
San Jose, California
June 10, 2011