

ASBURY AUTOMOTIVE GROUP INC
Form DEF 14A
March 14, 2019

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Asbury Automotive Group, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

Title of each class of securities to which transaction applies:

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Amount Previously Paid:

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Filing Party:

Date Filed:

Asbury Automotive Group, Inc.
2905 Premiere Parkway NW, Suite 300
Duluth, GA 30097

March 14, 2019

Dear Stockholders,

On behalf of the Board of Directors and management of Asbury Automotive Group, Inc., we cordially invite you to attend our 2019 Annual Meeting of Stockholders.

As you know, an important aspect of the annual meeting process is the vote by stockholders on corporate business. The matters to be voted on are described in the notice of meeting and the proxy statement, which accompany this letter. We value your vote and urge you to exercise your rights as a stockholder to vote. Whether or not you plan to attend the meeting, please read the enclosed proxy statement and complete, sign and date the enclosed proxy and return it as promptly as possible in the accompanying postage paid envelope or vote by telephone or the Internet. This will ensure that your shares are represented at the meeting.

Sincerely,

David W. Hult

President, Chief Executive Officer and Director

YOUR VOTE IS IMPORTANT

ASBURY AUTOMOTIVE GROUP, INC.
2905 PREMIERE PARKWAY NW, SUITE 300
DULUTH, GEORGIA 30097
(770) 418-8200

NOTICE OF THE 2019 ANNUAL MEETING OF STOCKHOLDERS AND IMPORTANT NOTICE
REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING
OF STOCKHOLDERS TO BE HELD ON
APRIL 17, 2019

To Our Stockholders:

The 2019 Annual Meeting of Stockholders of Asbury Automotive Group, Inc. (the “2019 Annual Meeting”) will be held at our corporate headquarters located at 2905 Premiere Parkway NW, Duluth, Georgia 30097 on April 17, 2019, at 8:00 a.m., Eastern Time, for the purpose of considering and acting upon the following proposals:

- 1.election of nine director nominees to hold office until the 2020 Annual Meeting of Stockholders and until their successors are duly elected and qualified;
- 2.approval of our 2019 Equity and Incentive Compensation Plan;
- 3.approval, on an advisory basis, of the compensation of our named executive officers;
- 4.ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2019; and
- 5.any other matters that may properly come before the 2019 Annual Meeting or any adjournments or postponements of the 2019 Annual Meeting.

Only stockholders of record, as of 5:00 p.m., Eastern Time, on February 28, 2019 (the “Record Date”), are entitled to notice of, and to vote at, the 2019 Annual Meeting and any adjournments or postponements of the 2019 Annual Meeting. A complete list of stockholders entitled to notice of, and to vote at, the 2019 Annual Meeting will be available for inspection by stockholders during normal business hours during the ten day period immediately prior to the 2019 Annual Meeting at our corporate headquarters located at 2905 Premiere Parkway NW, Suite 300, Duluth, Georgia 30097, as well as at the 2019 Annual Meeting.

Your vote is important. Please complete, date and sign the enclosed proxy. Then return it promptly in the enclosed envelope, or vote by telephone or the Internet, to ensure your shares are represented at the 2019 Annual Meeting. Any proxy you give will not be used if you thereafter choose to attend and vote in person at the 2019 Annual Meeting. This proxy statement and the Company’s 2018 Annual Report on Form 10-K are available on the Internet at www.edocumentview.com/ABG

BY ORDER OF THE BOARD OF DIRECTORS,

George A. Villasana
Senior Vice President, General Counsel & Secretary

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Asbury Automotive Group, Inc.
2905 Premiere Parkway NW, Suite 300
Duluth, GA 30097

PROXY STATEMENT

This proxy statement is furnished in connection with the solicitation of proxies by Asbury Automotive Group, Inc. (“Asbury”, the “Company”, “we”, “us” or “our”) on behalf of the Board of Directors (the “Board”) for the 2019 Annual Meeting of Stockholders (the “2019 Annual Meeting”), including all adjournments or postponements of the 2019 Annual Meeting. The accompanying Notice of the 2019 Annual Meeting and Important Notice Regarding the Availability of Proxy Materials for the 2019 Annual Meeting to be held on April 17, 2019, this proxy statement and proxy card are first being mailed to stockholders, and made available on the Internet, on or about March 15, 2019. A copy of the Company’s Annual Report on Form 10-K for the year ended December 31, 2018 is included with these materials.

INFORMATION ABOUT THE MEETING

What is the purpose of the 2019 Annual Meeting?

At the 2019 Annual Meeting, stockholders will be asked to consider and vote on the following proposals:

Proposal	Matter	Board Vote Recommendations
1	Election of Directors	FOR EACH NOMINEE
2	Approval of our 2019 Equity and Incentive Compensation Plan	FOR
3	Approval, on an advisory basis, of the 2018 compensation of our named executive officers	FOR
4	Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2019	FOR

We will also transact any other business that may properly come before the 2019 Annual Meeting. Representatives from our independent registered public accounting firm, Ernst & Young LLP, are expected to be present at the meeting to make a statement if they so desire and to respond to appropriate questions from stockholders.

Who is entitled to vote?

The record date for the 2019 Annual Meeting is February 28, 2019 (the “Record Date”). Only stockholders of record as of 5:00 p.m., Eastern Time, on the Record Date are entitled to notice of and to vote at the 2019 Annual Meeting. Attendance at the 2019 Annual Meeting will be limited to stockholders of record, their proxies, beneficial owners having evidence of ownership on the Record Date and our invited guests.

Our sole outstanding class of capital stock is our common stock, par value \$0.01 per share. Except as otherwise required by law, or as described in this proxy statement, each holder of our common stock is entitled to one vote per share with respect to each director nominee and on each other matter submitted at the 2019 Annual Meeting. As of the Record Date, there were 19,499,144 shares of our common stock issued and outstanding and entitled to vote on each matter to be voted upon at the 2019 Annual Meeting, which number includes 252,023 shares of unvested restricted stock entitled to voting rights and that are held by our employees.

How do I vote?

1. You may vote by mail. If you properly complete and sign the accompanying proxy card and return it in the enclosed envelope, your shares will be voted in accordance with your instructions. The enclosed envelope requires no additional postage if mailed in the United States.
2. You may vote by telephone or the Internet. If you are a stockholder of record (your shares are registered directly in your name with our transfer agent), you may vote by telephone or the Internet by following the voting instructions on the proxy card. If your shares are held in “street name” by a bank, broker or other nominee, you may also be able to vote by telephone or the Internet. Please check the voting form provided by your bank, broker or other nominee to see if it offers such options.
3. You may vote in person at the 2019 Annual Meeting. If you are a stockholder of record and attend the 2019 Annual Meeting and wish to vote in person, you will be given a ballot at the meeting. However, if your shares are held in

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the name of your bank, broker or other nominee, you will need to obtain a proxy from the institution that holds your shares indicating that you were the beneficial owner of our common stock as of the Record Date for the 2019 Annual Meeting. Please contact the bank, broker or other nominee holding your shares directly if you would like to obtain a proxy to vote your shares directly at the 2019 Annual Meeting. Even if you plan to attend the 2019 Annual Meeting, please complete, sign and return your proxy card, or vote by telephone or the Internet, to ensure that your shares are represented. If you attend the 2019 Annual Meeting, any votes you cast at the meeting will supersede your proxy.

How many shares must be present to hold the 2019 Annual Meeting?

A quorum must be present at the 2019 Annual Meeting for any business to be conducted. The presence at the 2019 Annual Meeting, in person or by proxy, of at least 9,749,573 shares, which represents a majority of the shares of common stock outstanding on the Record Date, will constitute a quorum. Proxies received but marked as abstentions or broker non-votes will be counted for the purpose of determining the presence of a quorum.

What if a quorum is not present at the 2019 Annual Meeting?

If a quorum is not present at the scheduled time of the 2019 Annual Meeting, the chairman of the 2019 Annual Meeting may adjourn or postpone the 2019 Annual Meeting until a quorum is present. The time and place of the adjourned or postponed 2019 Annual Meeting will be announced at the time the adjournment or postponement is taken, and, unless such adjournment or postponement is for more than 30 days, no other notice will be given. An adjournment or postponement will have no effect on the business that may be conducted at the 2019 Annual Meeting.

Can I change my vote after I submit my proxy?

Yes, you may revoke your proxy and change your vote at any time before the polls close at the 2019 Annual Meeting by:

• signing and properly submitting another proxy with a later date;

• voting by telephone or the Internet;

• giving written notice of the revocation of your proxy, which must be received by our Secretary at our corporate headquarters prior to the 2019 Annual Meeting; or

• voting in person at the 2019 Annual Meeting.

What if I return an executed proxy but do not specify how my shares are to be voted?

If you properly execute and return your proxy but do not indicate any voting instructions with respect to one or more matters to be voted upon at the 2019 Annual Meeting, or if your voting instructions are unclear, your shares will be voted in accordance with the recommendation of the Board as to all such matters.

Will any other business be conducted at the 2019 Annual Meeting?

The Board is aware of no other business that will be presented at the 2019 Annual Meeting. If any other business properly comes before the stockholders for a vote at the 2019 Annual Meeting, the proxy holders will vote the shares for which they have been granted a proxy as recommended by our Board, or if no recommendation is given, in accordance with their own discretion.

What are abstentions, broker non-votes and withheld votes, and how are they treated?

A share voted "abstain" with respect to any proposal is considered present and entitled to vote with respect to that proposal and will be included for purposes of calculating the presence of a quorum at the 2019 Annual Meeting. You may abstain from voting on any proposal to be voted on at the 2019 Annual Meeting other than the election of directors, which by virtue of the vote required to approve such proposal, does not provide for abstentions under applicable law.

A broker non-vote with respect to a proposal occurs when shares are held by a bank, broker or other nominee in "street name", and the bank, broker or other nominee does not receive voting instructions from the beneficial owner of these shares as to how to vote such shares, and the bank, broker or other nominee does not have the authority to exercise discretion to vote on such proposal. Banks, brokers and other nominees are only able to, but are not required to, exercise discretionary voting authority on routine matters. The proposal related to the ratification of our independent registered public accounting firm (Proposal 4) is the only item on the agenda for the 2019 Annual Meeting that is considered a routine matter. If a bank, broker or other nominee does not receive specific voting instructions with respect to one or more non-routine matters, such nominee may not cast a vote on the proposal,

resulting in a broker non-vote. Broker non-votes will be included for purposes of calculating the presence of a quorum at the 2019 Annual Meeting.

With respect to the election of directors (Proposal 1), our directors are elected by a plurality of the votes cast, but are subject to our director voting policy set forth in our Corporate Governance Guidelines. If you vote "withhold" with respect to the election of one or more nominees, your shares will not be voted with respect to those nominees.

"Withheld"

1

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votes will be counted for purposes of determining whether there is a quorum and will have a similar effect as a vote "against" that director nominee under our director voting policy.

What vote is required to approve each proposal at the 2019 Annual Meeting?

The table below describes the vote required for approval of each matter to be brought before the 2019 Annual Meeting, as well as the treatment of abstentions, broker non-votes and withheld votes.

Proposal	Vote Required	Treatment of Abstentions	Treatment of Broker Non-Votes	Treatment of Withhold Votes
Election of Directors	Each nominee must receive the affirmative vote of a plurality of the votes cast*	Not Applicable	No Effect	Against
Approval of the Company's 2019 Equity and Incentive Compensation Plan	The affirmative vote of a majority of the votes cast	Against	No Effect	Not Applicable
Advisory Approval of Executive Compensation	The affirmative vote of the holders of a majority of the voting power of shares present in person or represented by proxy and entitled to vote	Against	No Effect	Not Applicable
Ratification of Independent Registered Public Accounting Firm	The affirmative vote of the holders of a majority of the voting power of shares present in person or represented by proxy and entitled to vote	Against	No Effect	Not Applicable

*While directors are elected by a plurality of votes cast, our Corporate Governance Guidelines include a director voting policy. This policy provides that in an uncontested election, any nominee for director who is a current director and who receives a greater number of votes "withheld" from his or her election than votes "for" his or her election shall tender his or her resignation as a director to the Board promptly following the certification of the election results. The Governance & Nominating Committee will consider each resignation tendered and recommend to the Board whether to accept or reject it. The Board will act on each tendered resignation within 90 days following the certification of the election results.

Only votes "for" or "withheld" are counted in determining whether a plurality has been cast in favor of a director nominee. If you vote "Withhold" with respect to the election of one or more nominees, your shares will not be voted with respect to those nominees. For a "withheld" vote, your shares will be counted for purposes of determining whether there is a quorum and will have a similar effect as a vote "against" that director nominee under our director voting policy. Neither broker non-votes nor abstentions will be deemed to be votes "for" or "withheld".

Who pays for the costs of soliciting proxies?

We will pay the cost of soliciting proxies, including the expenses of preparing, printing and mailing the proxy materials to stockholders. We have retained Innisfree M&A Incorporated to aid in the broker search and the solicitation of proxies, for a fee of approximately \$15,000, plus reasonable out-of-pocket expenses and disbursements. We will also reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of our common stock. Our directors, officers and other employees may also solicit proxies without additional compensation. This solicitation may be in person or by telephone, email or other electronic communication methods.

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The following table sets forth certain information with respect to the beneficial ownership of shares of the Company's common stock by (1) each of our directors, (2) each of our named executive officers, and (3) our directors and executive officers as a group. In addition, the table sets forth information about all other persons known to the Company to be the beneficial owner of more than five percent of the Company's common stock.

Except as set forth below, the following information is given as of the Record Date. In the case of percentage ownership, the information is based on 19,499,144 shares of the Company's common stock being outstanding as of the Record Date, which number includes 252,023 shares of unvested restricted stock that have voting rights and are held by the Company's employees. Shares issuable upon the vesting of performance share units within 60 days after the Record Date are deemed to be outstanding for the purpose of computing the beneficial ownership and overall voting power of each person deemed to beneficially own such securities, but are not deemed to be outstanding for the purpose of computing the voting power of any other person.

Name of Beneficial Owner	Shares Beneficially Owned [†]	
	Number	%
Principal Stockholders		
BlackRock, Inc. ⁽¹⁾	3,384,516	17.36 %
The Vanguard Group ⁽²⁾	2,034,455	10.43 %
Abrams Capital Management, LLC ⁽³⁾	1,902,528	9.76 %
Victory Capital Management Inc. ⁽⁴⁾	1,302,181	6.68 %
Morgan Stanley ⁽⁵⁾	1,206,915	6.19 %
Neuberger Berman Group LLC ⁽⁶⁾	1,088,220	5.58 %
Current Directors, Including Director Nominees		
Joel Alsfine	6,367	*
Bridget Ryan-Berman	3,184	*
Dennis E. Clements	4,234	*
Thomas C. DeLoach, Jr.	40,703	*
David W. Hult ⁽⁷⁾	74,579	*
Juanita T. James	8,499	*
Eugene S. Katz	23,122	*
Philip F. Maritz		