

ASBURY AUTOMOTIVE GROUP INC  
Form DEF 14A  
March 21, 2017

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  X  
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Check the appropriate box:  
Preliminary Proxy Statement  
Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
 X Definitive Proxy Statement  
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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)  
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X No fee required

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(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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

March 21, 2017

Dear Stockholders,

On behalf of the Board of Directors and management of Asbury Automotive Group, Inc., we cordially invite you to attend our 2017 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,

Craig T. Monaghan  
President, Chief Executive Officer and Director

YOUR VOTE IS IMPORTANT

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

NOTICE OF THE 2017 ANNUAL MEETING OF STOCKHOLDERS AND IMPORTANT NOTICE  
REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING  
OF STOCKHOLDERS TO BE HELD ON

APRIL 19, 2017

To Our Stockholders:

The 2017 Annual Meeting of Stockholders of Asbury Automotive Group, Inc. (the “Annual Meeting”) will be held at The Ritz Carlton, Buckhead located at 3434 Peachtree Road, NE, Atlanta, Georgia 30326 on April 19, 2017, at 8:00 a.m. Eastern Time, for the purpose of considering and acting upon the following proposals:

- 1.election of three nominees to Class III of the Board of Directors to hold office until the 2019 annual meeting of stockholders and until their successors are duly elected and qualified;
- 2.approval of the material terms of the performance goals under the Asbury Automotive Group, Inc. 2012 Equity Incentive Plan, as amended;
- 3.advisory approval of the compensation of our named executive officers;
- 4.advisory vote on the frequency of future advisory votes on executive compensation;
- 5.ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2017; and
- 6.any other matters that may properly come before the Annual Meeting or any adjournments or postponements of the Annual Meeting.

Only stockholders of record as of 5:00 p.m. Eastern Time on February 27, 2017, the record date, are entitled to notice of, and to vote at, the Annual Meeting and any adjournments or postponements of the Annual Meeting. A complete list of stockholders entitled to notice of, and to vote at, the Annual Meeting will be available for inspection by stockholders during normal business hours during the ten day period immediately prior to the Annual Meeting at our corporate headquarters located at 2905 Premiere Parkway NW, Suite 300, Duluth, Georgia 30097, as well as at the 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 Annual Meeting. Any proxy you give will not be used if you thereafter choose to attend and vote in person at the Annual Meeting.

This proxy statement and the Company’s 2016 Annual Report are available on the Internet at <http://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, GEORGIA 30097

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON APRIL 19, 2017

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 2017 Annual Meeting of Stockholders, including all adjournments or postponements of the 2017 Annual Meeting. The accompanying Notice of the Annual Meeting of Stockholders and Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on April 19, 2017, this proxy statement and proxy card are first being mailed to stockholders, and made available on the Internet, on or about March 21, 2017. A copy of the Company’s Annual Report on Form 10-K for the year ended December 31, 2016 is included with these materials.

INFORMATION ABOUT THE MEETING

What is the purpose of the Annual Meeting?

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

PROPOSAL 1: election of three nominees to Class III of the Board to hold office until the 2019 annual meeting of stockholders and until their successors are duly elected and qualified;

PROPOSAL 2: approval of the material terms of the performance goals under the Asbury Automotive Group, Inc. 2012 Equity Incentive Plan, as amended;

PROPOSAL 3: advisory approval of the compensation of our named executive officers;

PROPOSAL 4: advisory vote on the frequency of future advisory votes on executive compensation; and

PROPOSAL 5: ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2017.

We will also transact any other business that may properly come before the 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 Annual Meeting is February 27, 2017. Only stockholders of record at the close of business on that date are entitled to notice of and to vote at the Annual Meeting. Attendance at the 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 Annual Meeting. As of 5:00 p.m. Eastern Time on the record date there were 21,145,669 shares of our common stock issued and outstanding and entitled to vote on each matter to be voted upon at the Annual Meeting, which number includes 219,603 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



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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 Annual Meeting. If you are a stockholder of record and attend the Annual Meeting and wish to vote in person, you will be given a ballot at the Annual Meeting. However, if your shares are held in 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 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 Annual Meeting. Even if you plan to attend the 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 Annual Meeting, any votes you cast at the meeting will supersede your proxy.

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

A quorum must be present at the Annual Meeting for any business to be conducted. The presence at the Annual Meeting, in person or by proxy, of at least 10,572,836 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 Annual Meeting?

If a quorum is not present at the scheduled time of the Annual Meeting, the chairman of the Annual Meeting may adjourn or postpone the Annual Meeting until a quorum is present. The time and place of the adjourned or postponed Annual Meeting will be announced at the time the adjournment 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 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 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 to the Secretary of the Company prior to the Annual Meeting; or
- voting in person at the Annual Meeting.

How does the Board recommend I vote on the proposals?

The Board recommends that you vote:

- “FOR” the election of the three nominees to Class III of the Board of Directors to hold office until the 2019 annual meeting of stockholders and until their successors are duly elected and qualified;
- “FOR” the approval of the material terms of the performance goals under the Asbury Automotive Group, Inc. 2012 Equity Incentive Plan, as amended;
- “FOR” the advisory approval of the compensation of our named executive officers;
- “ONE YEAR” on the frequency of future advisory votes on executive compensation; and
- “FOR” the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2017.

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 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.



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Specifically, your shares will be voted FOR the election of all director nominees (Proposal 1), FOR the approval of the material terms of the performance goals under the Asbury Automotive Group, Inc. 2012 Equity Incentive Plan, as amended (Proposal 2), FOR the advisory approval of the compensation of our named executive officers (Proposal 3), for ONE YEAR on the frequency of future advisory votes on executive compensation (Proposal 4), and FOR the ratification of the appointment of Ernst & Young LLP as the independent registered public accounting firm of the Company for the year ending December 31, 2017 (Proposal 5), as well as in the discretion of the persons named as proxies on all other matters that may properly come before the Annual Meeting.

Will any other business be conducted at the Annual Meeting?

The Board is aware of no other business that will be presented at the Annual Meeting. If any other business properly comes before the stockholders for a vote at the 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 Annual Meeting. You may abstain from voting on any proposal to be voted on at the 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 5) is the only item on the agenda for the 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 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" 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 Annual Meeting?

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

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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
Approve the Material Terms of the Performance Goals under the Asbury Automotive Group, Inc. 2012 Equity Incentive Plan, as amended	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
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
Advisory Approval of the Frequency of Future Advisory Votes on 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 for directors. This policy provides that in an uncontested election, any nominee for director 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 for directors. 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 MacKenzie Partners, Inc. to aid in the broker search and the solicitation of proxies, for a fee of approximately \$10,000, 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 of the Company may also solicit proxies without additional compensation. This solicitation may be in person or by telephone, email or other electronic communication methods.



## SECURITIES OWNED BY MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

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 (including the director nominees), (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 February 27, 2017. In the case of percentage ownership, the information is based on 21,145,669 shares of the Company's common stock being outstanding as of February 27, 2017, which number includes 219,603 shares of unvested restricted stock that have voting rights and are held by the Company's employees. Shares issuable upon the vesting of performance shares within 60 days after February 27, 2017 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 <sup>†</sup>	
	Number	%
<b>Principal Stockholders</b>		
Blackrock, Inc. <sup>(1)</sup>	2,368,104	11.2 %
MSD Capital, L.P. <sup>(2)</sup>	2,004,954	9.5 %
Morgan Stanley <sup>(3)</sup>	1,936,591	9.2 %
Eminence Capital, LP <sup>(4)</sup>	1,851,726	8.8 %
The Vanguard Group <sup>(5)</sup>	1,715,080	8.1 %
Burgundy Asset Management Ltd. <sup>(6)</sup>	1,188,463	5.6 %
<b>Current Directors, Including Director Nominees</b>		
Joel Alsfine <sup>(2)</sup>	2,004,954	9.5 %
Dennis E. Clements	25,531	*
Thomas C. DeLoach, Jr.	83,676	*
Juanita T. James	11,946	*
Eugene S. Katz	25,433	