

AVIS BUDGET GROUP, INC.
Form 8-K
May 24, 2018

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

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): May 24, 2018 (May 23, 2018)

Avis Budget Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware

001-10308 06-0918165

(Commission

(State or Other Jurisdiction of Incorporation) File (IRS Employer Identification Number)
Number)

6 Sylvan Way

Parsippany, NJ

07054

(Address of Principal Executive Offices)

(Zip Code)

(973) 496-4700

(Registrant's telephone number, including area code)

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On May 23, 2018, the Board of Directors (the “Board”) of Avis Budget Group, Inc. (the “Company”) approved committee assignments and appointments following the Company’s 2018 Annual Meeting of Stockholders (the “Annual Meeting”) as follows:

Chairman of the Board: Leonard S. Coleman, previously the Company’s independent lead director.
Audit Committee: Francis J. Shammo (Chair), Lynn Krominga, Glenn Lurie, F. Robert Salerno and Carl Sparks
Compensation Committee: Mary C. Choksi (Chair), Brian J. Choi, Leonard S. Coleman and Jeffrey H. Fox
Governance Committee: Lynn Krominga (Chair), Brian J. Choi, Leonard S. Coleman and F. Robert Salerno
Executive Committee: Leonard S. Coleman (Chair), Larry D. De Shon, Eduardo G. Mestre and Jagdeep Pahwa

In light of the appointment of an independent director as Chairman of the Board, the Board does not intend to appoint a successor independent lead director.

On May 23, 2018, the Company entered into a Separation and Consulting Agreement (the “Agreement”) with Ronald L. Nelson. The Agreement sets forth the terms of Mr. Nelson’s separation of employment with the Company effective May 23, 2018 consistent with the Employment Agreement the Company entered into with Mr. Nelson in April 2014. Pursuant to the Agreement, Mr. Nelson has agreed to provide consulting services to the Company for a one-year term unless the Agreement is terminated earlier in accordance with its terms. Compensation for the consulting services will be paid in cash based on an annual rate of \$200,000.

A copy of the Agreement is attached as Exhibit 10.1 and is incorporated herein by reference. The foregoing description of the Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Agreement.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On May 23, 2018, the Board approved amendments to the Company’s Amended and Restated By-Laws (the “By-Laws”). As amended, the By-Laws provide that the Chairman of the Board shall be a member of the Board of Directors and may, but is not required to, be an officer of the Company. The foregoing summary is qualified in its entirety by reference to the text of the Company’s Amended and Restated By-Laws, as of May 23, 2018, a copy of which is attached as Exhibit 3.2 and is incorporated herein by reference.

Item 5.07 Submission of Matters to a Vote of Security Holders.

The following matters were submitted to a vote of stockholders at the Annual Meeting, which was held on May 23, 2018 in New York, New York, and the voting results were as follows:

Election of Directors: The Board nominated thirteen nominees to stand for election at the Annual Meeting and each (1) of the nominees were elected to serve a one-year term expiring in 2019 and until their successors are duly elected and qualified, with the voting results set forth below:

| Director Nominee | Votes For | Withheld |
|--------------------|------------|-----------|
| Larry D. De Shon | 60,041,601 | 317,971 |
| Brian J. Choi | 59,550,707 | 808,865 |
| Mary C. Choksi | 59,873,808 | 485,764 |
| Leonard S. Coleman | 59,657,109 | 702,463 |
| Jeffrey H. Fox | 56,843,647 | 3,515,925 |
| Lynn Krominga | 59,883,541 | 476,031 |
| Glenn Lurie | 60,263,662 | 95,910 |
| Eduardo G. Mestre | 60,170,680 | 188,892 |
| Jagdeep Pahwa | 59,596,031 | 763,541 |
| F. Robert Salerno | 59,873,019 | 486,553 |
| Francis J. Shammo | 60,236,165 | 123,407 |
| Carl Sparks | 60,119,451 | 240,121 |
| Sanoke Viswanathan | 59,937,019 | 422,553 |

(2) Ratification of Appointment of Independent Registered Accounting Firm: The appointment of Deloitte & Touche LLP to serve as the Company's independent registered accounting firm for fiscal year 2018 was ratified as follows:

| Votes For | Votes Against | Abstain |
|------------|---------------|---------|
| 73,193,683 | 927,833 | 154,478 |

Advisory Approval of the Compensation of our Named Executive Officers: The proposal to approve, on an advisory basis, the compensation of the Company's named executive officers, as described in the Company's 2018 proxy statement, was approved by the following votes:

| Votes For | Votes Against | Abstain | Broker Non-Votes |
|------------|---------------|---------|------------------|
| 56,843,838 | 3,472,317 | 43,418 | 13,916,422 |

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

The following exhibits are filed as part of this report:

| Exhibit No. | Description |
|-------------|---|
| 3.2 | Amended and Restated By-Laws of Avis Budget Group, Inc., as of May 23, 2018. |
| 10.1 | Separation and Consulting Agreement between Avis Budget Group, Inc. and Ronald L. Nelson, dated May 23, 2018. |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereto duly authorized.

AVIS BUDGET GROUP, INC.

~~By~~ Bryon L. Koepke

~~By~~ Bryon L. Koepke

~~Signature~~ Senior Vice President and Chief Securities Counsel

Date: May 24, 2018

AVIS BUDGET GROUP, INC.
CURRENT REPORT ON FORM 8-K
Report Dated May 24, 2018 (May 23, 2018)

EXHIBIT INDEX

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