

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 and Exchange Act of 1934

Date of Report (Date of earliest event reported): December 15, 2020

CDK Global, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation)

1-36486

(Commission File Number)

46-5743146

(I.R.S. Employer Identification Number)

1950 Hassell Road, Hoffman Estates, IL 60169
(Address of Principal Executive Offices) (Zip Code)

(847) 397-1700

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(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:

- 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.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 Par Value	CDK	NASDAQ Global Select Market

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

On December 15, 2020, CDK Global, Inc. (the “Company”) announced that its Board of Directors (the “Board”) has appointed Eric Guerin, 49, as the Company’s Executive Vice President, Chief Financial Officer effective January 18, 2021. Mr. Guerin will replace Joseph A. Tautges, 45, who has been appointed by the Board as the Company’s Executive Vice President, Chief Operating Officer, also effective January 18, 2021.

Mr. Guerin has 20 years of finance experience with publicly traded companies. Mr. Guerin joins the Company from Corning Incorporated, where he served as division vice president and sector Chief Financial Officer, Corning Glass Technologies. Throughout his career, Mr. Guerin has held various leadership roles, including vice president, Finance and Chief Financial Officer, Aftermarket Services and Solutions at Flowserve Corporation; vice president, Finance, Global R&D, Alcon Division at Novartis; and finance director, WWR&D and New Business Development, Ethicon at Johnson & Johnson. Mr. Guerin holds a Bachelor of Science in Accounting with a minor in Economics from the College of Staten Island and a Master of Business Administration from St. John’s University. Mr. Guerin has also earned his CPA and CMA designations (both inactive).

The Company has entered into an offer letter with Mr. Guerin, which provides for:

- (i) an annual base salary of \$600,000;
 - (ii) a pro-rated cash incentive bonus for the Company’s fiscal year ending June 30, 2021 equal to 80% of his base salary;
 - (iii) the following equity awards to be granted on or before February 17, 2021, subject to any trading blackouts, pursuant to the Company’s 2014 Omnibus Award Plan (the “Plan”) and the applicable forms of award agreements for executive officers: (a) restricted stock units (“RSUs”) to be valued at \$1,050,000 on the date of the grant that will vest in three equal installments on (x) the first anniversary of the grant date, (y) September 17, 2022, and (z) September 17, 2023; (b) RSUs to be valued at \$500,000 on the date of the grant that will vest on the first anniversary of the grant date; and (c) performance stock units to be value at \$700,000 on the grant date that will be earned over the three-year performance cycle ending June 30, 2023 and will settle in shares of the Company’s common stock; and
 - (iv) a one-time signing bonus of \$500,000 payable upon the completion of 30 days of employment with the Company, all of which is to be repaid (net of taxes) in the event that he resigns or is terminated for “cause” (as defined in the Company’s Corporate Officer Severance Plan) within one year of the first date of his employment and 50% of which is to be repaid in the event that he voluntarily resigns or is terminated for “cause” after the one year anniversary of the first date of his employment but prior to the two year anniversary of the first date of his employment.
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Mr. Guerin will also participate in the Company's Amended and Restated Corporate Officer Severance Plan and Third Amended and Restated Change in Control Severance Plan. The plans are described in the Company's definitive proxy statement filed with the Securities and Exchange Commission on September 29, 2020.

The foregoing description of the offer letter with Mr. Guerin does not purport to be complete and is qualified in its entirety by reference to the full text of the offer letter, which is attached to this Current Report on Form 8-K as Exhibit 10.1 and is incorporated by reference herein.

Joseph A. Tautges has served as the Company's Executive Vice President since August 1, 2017 and began service as the Company's Executive Vice President, Chief Financial Officer on August 9, 2017. Prior to joining the Company, Mr. Tautges served as Chief Financial Officer of the Enterprise Services segment of Hewlett Packard Enterprise ("HPE") from May 2014 to April 2017. While at HPE, he led a transformation initiative which enabled significant margin expansion and improved free cash flow resulting in the spin-merger of Enterprise Services with Computer Science Corporation to form DXC Technology Company. Prior to HPE, Mr. Tautges held various levels of increasing responsibility in both operations and financial management with Sears Holdings from 2011 to 2014 and Aon Hewitt from 2002 to 2011. Mr. Tautges is a Certified Public Accountant. There were no changes to Mr. Tautges compensatory arrangements adopted in connection with his appointment as the Company's Chief Operating Officer.

Item 7.01. Regulation FD Disclosure.

On December 15, 2020, the Company issued a press release announcing Mr. Guerin's appointment. A copy of the press release is attached to this Current Report on Form 8-K as Exhibit 99.1 and is incorporated by reference herein.

The information in this Item 7.01 and Exhibit 99.1 hereto is furnished solely pursuant to Item 7.01 of this Form 8-K. Consequently, it is not deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") or otherwise subject to the liabilities of that section. It may only be incorporated by reference in another filing under the Exchange Act or Securities Act of 1933, as amended, if such subsequent filing specifically references this Form 8-K.

Safe Harbor for Forward-Looking Statements

This Current Report on Form 8-K contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, including: statements regarding plans; objectives; forecasts; goals; beliefs; business strategies; future events; business conditions; results of operations; financial position and business outlook and trends; and other information, may be forward-looking statements. Words such as "might," "will," "may," "could," "should," "estimates," "expects," "continues," "contemplates," "anticipates," "projects," "plans," "potential," "predicts," "intends," "believes," "forecasts," "future," "assumes," and variations of such words or similar expressions are intended to identify forward-looking statements. These statements are based on management's expectations and assumptions and are subject to risks and uncertainties that may cause actual results to differ materially from those expressed, or implied by, these forward-looking statements.

Factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include: the company's ability to achieve the intended benefits of the disposition of its international business and the expected costs of the disposition; the Company's expectations regarding the potential impacts on the Company's business of the outbreak of the COVID-19 pandemic; the Company's success in obtaining, retaining and selling additional services to customers; the pricing of the Company's products and services; overall market and economic conditions, including interest rate and foreign currency trends, and technology trends; adverse global economic conditions and credit markets and volatility in the countries in which we do business; auto sales and related industry changes; competitive conditions; changes in regulation; changes in technology, security breaches, interruptions, failures and other errors involving the Company's systems; availability of skilled technical employees/labor/personnel; the impact of new acquisitions and divestitures; employment and wage levels; availability of capital for the payment of debt service obligations or dividends or the repurchase of shares; any changes to the Company's credit ratings and the impact of such changes on financing costs, rates, terms, debt service obligations, access to capital market and working capital needs; the impact of the Company's indebtedness, access to cash and financing, and ability to secure financing, or financing at attractive rates; the onset of or developments in litigation involving contract, intellectual property, competition, shareholder, and other matters, and governmental investigations; and the ability of the Company's significant stockholders and their affiliates to significantly influence the Company's decisions or cause it to incur significant costs.

There may be other factors that may cause the Company's actual results, performance or achievements to differ materially from those expressed in, or implied by, the forward-looking statements. The Company gives no assurances that any of the events anticipated by the forward-looking statements will occur or, if any of them do, what impact they will have on its results of operations and financial condition. You should carefully read the factors described in the Company's reports filed with the Securities and Exchange Commission ("SEC"), including those discussed under "Part I, Item 1A. Risk Factors" in its most recent Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q for a description of certain risks that could, among other things, cause the Company's actual results to differ from any forward-looking statements contained herein. These filings can be found on the Company's website at investors.cdkglobal.com and the SEC's website at www.sec.gov.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
10.1	Offer Letter, dated December 2, 2020, by and between CDK Global, Inc. and Eric Guerin
99.1	Press Release issued by CDK Global, Inc. on December 15, 2020
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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 hereunto duly authorized.

Date: December 15, 2020

CDK Global, Inc.

By: /s/ JOSEPH A. TAUTGES
Joseph A. Tautges
Executive Vice President, Chief Financial Officer



December 2, 2020

Eric Guerin
Sent via electronic mail

Dear Eric,

Congratulations! Let me be the first to welcome you to CDK Global, a leading provider of integrated technology solutions to dealerships for automobiles, motorcycles, boats, recreational vehicles, and heavy equipment throughout the world.

This letter confirms our conversation concerning your offer of employment with CDK Global. Your start date as EVP, Chief Financial Officer will be January 18, 2021. You will report to the Chief Executive Officer, Brian Krzanich. All compensation and benefit programs available to Senior Officers, including those outlined in this letter, will be available to you effective January 18. The components of this offer are as follows:

Your annual salary will be \$600,000.

Your management bonus will have a target of 80% of your annual base salary. Your bonus payout will be calculated based on performance against a set of objectives which will be determined upon your start with CDK. Your bonus will be prorated based on the number of days worked in the fiscal year as of your start date.

You are eligible to participate in our corporate officer equity program. Equity grants will be made in accordance with the program guidelines, subject to the terms and conditions in effect at the time of grant, and subject to Board approval. Based on current terms of the plan, you will be eligible for a target grant of \$1,750,000 in equity value, inclusive of \$1,050,000 in time-vested restricted stock units (RSUs) and \$700,000 in performance stock units (PSUs). The number of shares will be determined by the closing price CDK stock on the grant date. The PSUs will be settled in shares of CDK stock following the end of the three year performance period and the number of PSUs awarded will be based on CDK's actual results against the defined financial goals for the performance period. Your initial PSU award will be based on the FY21-23 performance period. One-third of the RSUs will vest on the first anniversary of the grant date. An additional one-third of the RSUs will vest in September, 2022, and the remaining RSUs will vest in September, 2023. Following the grant date you will receive confirmation of your equity awards and the details of the grant.

In addition, you will be awarded a one-time equity grant of \$500,000 in time vested RSUs. The actual number of RSUs granted will be determined based on CDK's closing stock price on the grant date. This award will vest in full on the first anniversary of the grant date.

You will receive a one-time cash sign-on bonus of \$500,000, payable upon the successful completion of 30 days of employment. You will be required to repay this sign-on bonus in its entirety (net of taxes) to CDK Global should you voluntarily resign or be terminated for "cause" (as defined in the Severance Plan) within one year of employment, and you will be required to repay 50% of this bonus (\$250,000, net of taxes) should you voluntarily resign or be terminated for cause after the one-year anniversary and prior to the two-year anniversary of your start date.

You will be eligible for an executive relocation package. Additionally, you will be eligible to participate in the officer car perquisite program.

The equity components of the offer described above are subject to the terms and conditions of the specific plan documents. Please note that this offer is contingent upon the successful completion of our standard background and reference check, as noted on the following page under Important Reminders. This offer is also contingent on the approval of the Board of Directors.

We think you will find CDK Global to be an exciting and dynamic place to work. We are glad you have decided to join the CDK Global team.

Sincerely,

/s/ Amy W. Byrne

Amy W. Byrne
EVP, Chief Human Resources & Communications Officer

Cc: Lee Brunz, EVP, General Counsel
Paul Reiman, VP, Total Rewards & HR Operations

Signature of Acceptance

/s/ Eric Guerin
Name

December 3, 2020
Date

IMPORTANT REMINDERS

In conjunction with this offer letter, here are additional items of importance that you must comply with or need to know about:

Background Check; Required Documentation: This offer is conditioned on your satisfactory completion of CDK's standard background check process, which we will initiate immediately. In addition, on your first day of work, please bring with you documents to establish your identity and authorization to work in the United States, as required by the Immigration Reform and Control Act of 1986. Please note that failure to provide the proper documentation within three days of your start date may affect your continued employment with CDK Global.

New Hire Agreement: In accordance with our policy, your employment is conditioned upon your review and execution of a New Hire Agreement, which sets forth various obligations of CDK employees, including confidentiality and non-solicitation obligations. Please refer to your electronic welcome materials for the New Hire Agreement.

At-Will Employment: Your employment with CDK Global is on an at-will basis, and either you or CDK can terminate the employment relationship at any time for any reason, with or without advance notice and with or without cause. CDK Global also reserves the right to amend or terminate any form of compensation or benefits for any reason and at any time at CDK's discretion. No one other than the Chief Executive Officer or General Counsel of CDK may enter into any agreement with you contrary to the foregoing and any such contrary agreement must be in writing and signed by the Chief Executive Officer or General Counsel.

**CDK GLOBAL NAMES ERIC GUERIN CHIEF FINANCIAL OFFICER**

HOFFMAN ESTATES, Ill. – Dec. 15, 2020 – CDK Global, Inc. (Nasdaq: CDK), a leading retail automotive technology company, today announced Eric Guerin will join the Company as executive vice president and chief financial officer (CFO) on January 18. The appointment of Guerin will enable Joe Tautges to complete his transition to the role of chief operating officer (COO) early in 2021.

In his role, Guerin will be responsible for driving the Company’s financial strategy, growth opportunities, and performance to ensure they are pursued efficiently, profitably, and with minimal risks.

“We are looking forward to Eric bringing his more than 20 years of finance experience from well regarded, publicly-traded companies to help us strengthen our balance sheet and accelerate growth in our business,” said Brian Krzanich, president and chief executive officer, CDK Global. “As we welcome Eric, I want to thank Joe for his tremendous contributions as CFO and look forward to him continuing to play a critical role as COO as we build on our momentum and transform the way the industry connects.”

Guerin joins CDK Global from Corning Incorporated, where he served as division vice president and sector CFO, Corning Glass Technologies. Throughout his career, Guerin has held various leadership roles, including vice president, Finance and CFO, Aftermarket Services and Solutions at Flowserve Corporation; vice president, Finance, Global R&D, Alcon Division at Novartis; and finance director, WWR&D and New Business Development, Ethicon at Johnson & Johnson.

“I’m excited to join CDK Global at a time of significant opportunity when the Company is investing in its growth,” said Guerin. “I look forward to helping CDK execute on its strategy to provide innovative solutions to automotive retailers and OEMs that allow them to connect better, manage, analyze and grow their business, as well as enhance value for shareholders.”

Guerin holds a Bachelor of Science in Accounting with a minor in Economics from the College of Staten Island and a Master of Business Administration from St. John’s University. Guerin has also earned his CPA and CMA designations (both inactive).

Guerin will be based in the Company’s Hoffman Estates, Ill. office.

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**About CDK Global, Inc.**

With approximately \$2 billion in revenues, CDK Global (Nasdaq: CDK) is a leading global provider of integrated information technology solutions to the automotive retail and adjacent industries. Focused on enabling end-to-end automotive commerce, CDK Global provides solutions to dealers in more than 100 countries around the world, serving approximately 30,000 retail locations and most automotive manufacturers. CDK solutions automate and integrate all parts of the dealership and buying process, including the acquisition, sale, financing, insuring, parts supply, repair, and maintenance of vehicles. Visit cdkglobal.com.

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All forward-looking statements speak only as of the date of this press release even if subsequently made available by the Company on its website or otherwise. The Company disclaims any obligation to update or revise any forward-looking statements that may be made to reflect new information or future events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events, other than as required by law.

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