

CDW Corp  
Form PRE 14A  
March 22, 2016  
**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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 under §240.14a-12

**CDW CORPORATION**

*(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.**

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

**Fee paid previously with preliminary materials.**

**Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.**

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

**PRELIMINARY PROXY STATEMENT, SUBJECT TO COMPLETION, DATED MARCH 22, 2016**

**Notice of 2016 Annual  
Meeting of Stockholders  
and Proxy Statement**

*„2015 was another year of strategic progress and strong financial performance, as we captured market share and delivered excellent profitability while continuing to invest in our future.”*

Dear Fellow Stockholder,

On behalf of our Board of Directors, I'm pleased to invite you to CDW's 2016 Annual Meeting of Stockholders. The meeting will be held on Thursday, May 19 at 7:30 a.m. CDT, at CDW Center, 200 Tri-State International, Lincolnshire, Illinois. The attached Notice of Annual Meeting of Stockholders and Proxy Statement will serve as your guide to the business conducted at the meeting.

For CDW, 2015 was another year of strategic progress and strong financial performance, as we captured market share and delivered excellent profitability while continuing to invest in our future. Yet again, our performance reflected the power of our business model, our strategies and our unique ability to understand and meet the evolving needs of our customers.

For more information on CDW and to take advantage of the many stockholder resources and tools, we encourage you to visit our Investor Relations website at [investor.cdw.com](http://investor.cdw.com).

Your vote is very important. Whether or not you plan to attend the Annual Meeting, we urge you to vote either via the Internet, by telephone or by signing and returning a proxy card. Please vote as soon as possible so that your shares will be represented.

Thank you for your continued trust in CDW and investment in our business.

**Thomas E. Richards**

*Chairman and Chief Executive Officer*

April \_\_, 2016

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**Notice of Annual Meeting of Stockholders**

**When:**

**Where:**

**Thursday, May 19, 2016 CDW Center**

**7:30 a.m. CDT**

**200 Tri-State International  
Lincolnshire, Illinois 60069**

**We are pleased to invite you to the CDW Corporation Annual Meeting of Stockholders.**

**Items of Business:**

1. To elect the five Class III director nominees named in this proxy statement for a term expiring at the 2019 Annual Meeting of Stockholders;
2. To approve the amendment to the Company's Fifth Amended and Restated Certificate of Incorporation to adopt majority voting for uncontested elections of directors;
3. To approve, on an advisory basis, named executive officer compensation;
4. To approve the material terms of the performance measures under the CDW Corporation Amended and Restated 2013 Senior Management Incentive Plan;
5. To approve the CDW Corporation Amended and Restated 2013 Long-Term Incentive Plan;
6. To ratify the selection of Ernst & Young LLP as the Company's independent registered public accounting firm for the year ending December 31, 2016; and
7. To consider any other matters that may properly come before the meeting or any adjournments or postponements of the meeting.

**Record Date:**

Holders of our common stock at the close of business on March 21, 2016 are entitled to notice of, and to vote at, the Annual Meeting.

**How to Vote:**

Your vote is important to us. Please see “Voting Information” on page 5 for instructions on how to vote your shares.

These proxy materials are first being distributed on or about April \_\_, 2016.

**April \_\_, 2016** By Order of the Board of Directors,

**Christine A. Leahy**

*Senior Vice President – International,*

*Chief Legal Officer and Corporate Secretary*

***Important Notice Regarding Availability of Proxy Materials for the Annual Meeting to be Held on May 19, 2016:  
The proxy materials relating to our 2016 Annual Meeting (notice, proxy statement and annual report) are available  
at [www.proxyvote.com](http://www.proxyvote.com).***

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You are entitled to vote at the Annual Meeting if you were a stockholder of CDW Corporation (the “Company” or “CDW”) as of the close of business on March 21, 2016, the record date for the Annual Meeting.

**Participate in the Future of CDW—Vote Today**

**Please cast your vote as soon as possible on all of the proposals listed below to ensure that your shares are represented.**

	<b>More Information</b>	<b>Board Recommendation FOR each Class</b>
Proposal 1 Election of Directors	Page 17	<b>III Director Nominee</b>
Proposal 2 Approval of the Amendment to the Company’s Fifth Amended and Restated Certificate of Incorporation to Adopt Majority Voting for Uncontested Elections of Directors	Page 31	<b>FOR</b>
Proposal 3 Advisory Vote to Approve Named Executive Officer Compensation	Page 32	<b>FOR</b>
Proposal 4 Approval of the Material Terms of the Performance Measures under the CDW Corporation Amended and Restated 2013 Senior Management Incentive Plan	Page 53	<b>FOR</b>
Proposal 5 Approval of the CDW Corporation Amended and Restated 2013 Long-Term Incentive Plan	Page 56	<b>FOR</b>
Proposal 6 Ratification of Selection of Independent Registered Public Accounting Firm	Page 64	<b>FOR</b>

**Voting in Advance of the Annual Meeting**

Even if you plan to attend our Annual Meeting in person, please read this proxy statement with care and vote right away as described below. For stockholders of record, have your notice and proxy card in hand and follow the instructions. If you hold your shares through a broker, bank or other nominee, you will receive voting instructions from your broker, bank or other nominee, including whether telephone or Internet options are available.

BY INTERNET  
USING  
YOUR COMPUTER

BY INTERNET USING YOUR  
TABLET  
OR SMARTPHONE

BY TELEPHONE

BY MAILING  
YOUR PROXY CARD

**Visit 24/7**

***www.proxyvote.com***

**Scan this QR code 24/7**

**to vote with your mobile device**

*(may require free software)*

**Dial toll-free 24/7**

**1-800-690-6903 (registered  
holders)**

**1-800-454-8683 (beneficial  
holders)**

**Cast your ballot,  
sign your proxy card  
and  
return by mail in the  
postage  
prepaid envelope**

### **Voting at the Annual Meeting**

You may vote in person at the 2016 Annual Meeting of Stockholders, which will be held on Thursday, May 19, 2016, at 7:30 a.m. CDT, at CDW Center, 200 Tri-State International, Lincolnshire, Illinois 60069. If you hold your shares through a broker, bank or other nominee and would like to vote in person at the Annual Meeting, you must first obtain a proxy issued in your name from the institution that holds your shares.

### **Frequently Asked Questions**

We provide answers to many frequently asked questions about the meeting and voting under “Frequently Asked Questions Concerning the Annual Meeting” beginning on p. 67 of this proxy statement.

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## **PROXY SUMMARY**

*This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement and our 2015 Annual Report on Form 10-K carefully before voting at the Annual Meeting of Stockholders. Measures used in this proxy statement that are not based on accounting principles generally accepted in the United States (“non-GAAP”) are each defined and reconciled to the most directly comparable GAAP measure in Appendix A.*

### **Business Overview**

We are a leading provider of integrated information technology (IT) solutions serving a growing and fragmented market. Our full suite of offerings include discrete hardware and software products, services and complex technology solutions such as cloud computing, virtualization, collaboration, security, mobility and data center optimization. As we have evolved with the IT market, we have built an organization with significant scale, reach and deep intimate knowledge of customer and partner needs. When coupled with our market presence, our solutions set that addresses the entire IT lifecycle and our large and highly-skilled sales and technical organization, we deliver unique value – for both our customers and our vendor partners.

We serve more than 250,000 customers in the US, United Kingdom and Canada. Our five US selling channels (Medium and Large business; Small business; Government; Education; and Healthcare) each generated \$1 billion or more in revenue in 2015. Our product portfolio includes more than 100,000 products from over 1,000 leading and emerging partners. Our more than 5,000 sellers, technical specialists and service delivery engineers help our customers navigate today’s complex information technology environment to maximize their return on IT investment. Since we are technology agnostic, we can offer the best solution to meet our customers’ needs without being constrained by a particular brand or product technology.

### **2015 Business Highlights**

Our 2015 performance demonstrated the strength of our business model as we captured market share and delivered excellent profitability while continuing to invest in our future. For the year, we delivered:

- Net sales (which include results from our August 2015 acquisition of UK-based integrated solutions provider, Kelway) growth of 7.6%
- Organic, constant currency net sales growth of 5.3%

- Adjusted EBITDA growth of 12.3%

- Non-GAAP net income per diluted share growth of 23.6%, fueled by strong operating profits as well as a reduction in annual interest expense of 19.2% and the repurchase of more than 6 million shares

*See Appendix A for a reconciliation of each non-GAAP financial measure to the most directly comparable GAAP measure.*

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There were three main drivers of performance in 2015:

**First, the power of our balanced portfolio** of channels, with five US channels, each with over \$1 billion in annual net sales. In 2015, we had balanced performance across our two segments as both Corporate and Public net sales increased by 5%.

**Second, our diverse product suite** of more than 100,000 products from over 1,000 leading and emerging brands, which ensures we are well-positioned to meet our customers needs – whether transactional or highly complex. US solutions saw nearly double-digit growth for the year and represented approximately half of US net sales.

**Third, our variable cost structure**, on-going focus on cost control and conservative approach to hiring helped us achieve an adjusted EBITDA margin for the year above our annual medium term target.

In 2015, we made excellent progress against our three part strategy:

**OUR THREE PART STRATEGY**

We delivered strong free cash flow of \$283 million and continued to make progress against our four capital allocation priorities in 2015. These priorities are designed to provide stockholders with a balance between receiving short-term capital returns and long-term value creation by providing us with the flexibility required to execute our long term growth strategy.

**CAPITAL ALLOCATION PRIORITIES**

<b>PRIORITIES</b>	<b>OBJECTIVES</b>	<b>2015 ACTIONS</b>
Increase Dividends Annually	Target 30% payout of free cash flow in 5 years <sup>1</sup>	59% increase to \$0.43/share
Maintain Net Leverage <sup>2</sup>	~2.5 to 3.0 times net leverage	Currently at 3.0x <sup>3</sup>
Supplement Organic Growth with M&A	Tuck-in, accretive deals	Kelway acquisition

Return Excess Free Cash Flow after Dividends & M&A Through Share Repurchase	Offset to incentive plan dilution and to supplement earnings per share growth	> \$240 million in share repurchases
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(1) *Established target in November 2014.*

*Defined in our credit agreement as the ratio of total debt at period-end excluding any unamortized discount and/or premium and deferred financing costs, less cash and cash equivalents, to trailing twelve months (TTM) Adjusted EBITDA, which includes TTM Adjusted EBITDA for Kelway, on a proforma basis. TTM Adjusted EBITDA is a term defined in our credit agreement.*

(3) *As of December 31, 2015.*



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Our strategic and capital allocation priorities remain the same for 2016 and our annual medium term targets have been refreshed for 2016 through 2018:

**OUR ANNUAL MEDIUM TERM TARGETS**

	<b>THROUGH 2015</b>	<b>2016 – 2018</b>
Net Sales Growth <sup>(1)</sup>	+ 200-300 basis points faster than U.S. IT growth	+ 200-300 basis points faster than U.S. IT growth
Adjusted EBITDA	Mid-7% Margin	Mid-7% Margin
Net Leverage <sup>(2)</sup>	Deleverage approximately 1/3 to 1/2x per year until approximately 3.0x	Maintain net debt/ Adjusted EBITDA ratio at approximately 2.5-3.0x
Non-GAAP Net Income Per Diluted Share Growth	Mid-teens	Low double-digits

<sup>(1)</sup>Organic, constant currency.

<sup>(2)</sup>Defined in our credit agreement as the ratio of total debt at period-end excluding any unamortized discount and/or premium and deferred financing costs, less cash and cash equivalents, to TTM Adjusted EBITDA, which includes TTM Adjusted EBITDA for Kelway, on a proforma basis. TTM Adjusted EBITDA is a term defined in our credit agreement.

We believe our 2015 results, strategic progress and capital allocation actions were recognized by the stock market. The following chart shows how a \$100 investment in the Company's common stock on June 27, 2013, the date our common stock first traded on the Nasdaq Global Select Market ("NASDAQ") after our IPO, would have grown to \$249 on December 31, 2015, with dividends reinvested quarterly. The chart also shows CDW's significant outperformance versus the S&P Mid Cap 400 Index (\$100 investment would have grown to \$127) and the Company's 2015 compensation peer group (see page 43 of this proxy statement) (\$100 investment would have grown to \$130) over the same period, with dividends reinvested quarterly.

For further details about our performance in 2015, please see the Company's 2015 Annual Report on Form 10-K for the fiscal year ended December 31, 2015.



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**Our Board of Directors**

**Independent Board.** Our Board of Directors is comprised entirely of independent directors, other than our Chief Executive Officer.

**Independent Lead Director.** Barry K. Allen serves as our independent lead director.

**Independent Board Committees.** All members of our Audit, Compensation and Nominating and Corporate Governance Committees are independent directors.

Name	Director	Age	Since <sup>(1)</sup>	Primary Occupation	Independent	Board Committee		
						Audit	Comp	Corp Gov
						Membership		
						As of April __, 2016 <sup>(2)</sup>		
						Nom &		
Thomas E. Richards (Chairman)*		61						