

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): June 4, 2019



CONDUENT INCORPORATED
(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction
of incorporation)

001-37817
(Commission
File Number)

81-2983623
(IRS Employer
Identification No.)

100 Campus Drive, Suite 200
Florham Park, New Jersey 07932
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (844) 663-2638

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 (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))

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	CNDT	New York Stock Exchange

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

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 8, 2019, Conduent Incorporated (the “Company”) announced that Ashok Vemuri intends to step down as Chief Executive Officer and that, to ensure an orderly transition, Mr. Vemuri would continue in his current role as Chief Executive Officer and as a member of the Board of Directors (the “Board”) until his successor is appointed, which the Board expects to occur during the third quarter of 2019.

In connection with his separation from the Company, the Company and Mr. Vemuri have entered into a letter agreement, dated June 4, 2019 (the “Separation Letter”). Pursuant to the Separation Letter, Mr. Vemuri will continue in his current role until the successor Chief Executive Officer of the Company commences employment. To the extent that Mr. Vemuri’s successor is appointed prior to August 31, 2019, Mr. Vemuri will continue to be employed by the Company as an advisor to the Board and his successor until such date on his current terms and conditions of employment, subject to the terms of the Separation Letter. Upon his termination, Mr. Vemuri will be eligible for severance payments and benefits in accordance with the Company’s employee benefit plans and arrangements. For purposes of determining such payments and benefits, Mr. Vemuri’s separation will constitute an involuntary separation from service by the Company other than for cause. The Separation Letter includes a release of claims by Mr. Vemuri in favor of the Company, and he will be required to comply with certain restrictive covenants.

The foregoing description of the Separation Letter is a summary of its material terms, does not purport to be complete and is qualified in its entirety by reference to the Separation Letter, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit</u>	<u>Description</u>
10.1	Separation Letter Agreement dated June 4, 2019 between Ashok Vemuri and Registrant

Forward-Looking Statements

This Current Report on Form 8-K may contain “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. The words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “will,” “should” and similar expressions, as they relate to us, are intended to identify forward looking statements. These statements reflect management’s current beliefs, assumptions and expectations and are subject to a number of factors that could cause actual results to differ materially.

Such factors include, but are not limited to: our ability to identify and recruit potential CEO candidates; our ability to successfully manage the leadership transition and the potential for disruptions to our business from the transition; government appropriations and termination rights contained in our government contracts; our ability to renew commercial and government contracts awarded through competitive bidding processes; our ability to recover capital and other investments in connection with our contracts; our ability to attract and retain necessary technical personnel and qualified subcontractors; our ability to deliver on our contractual obligations properly and on time; competitive pressures; our significant indebtedness; changes in interest in outsourced business process services; our ability to obtain adequate pricing for our services and to improve our cost structure; claims of infringement of third-party intellectual property rights; the failure to comply with laws relating to individually identifiable information and personal health information and laws relating to processing certain financial transactions, including payment card transactions and debit or credit card transactions; breaches of our information systems or security systems or any service interruptions; our ability to estimate the scope of work or the costs of performance in our contracts; our continuing emphasis on and shift toward technology-led digital transactions; customer decision-making cycles and lead time for customer commitments; our ability to collect our receivables for unbilled services; a decline in revenues from or a loss or failure of significant clients; fluctuations in our non-recurring revenue; our failure to maintain a satisfactory credit rating; our ability to attract and retain key employees; increases in the cost of telephone and data services or significant interruptions in such services; our failure to develop new service offerings; our ability to modernize our information technology infrastructure and consolidate data centers; our ability to comply with data security standards; our ability to receive dividends or other payments from our subsidiaries; changes in tax and other laws and regulations; changes in government regulation and economic, strategic, political and social conditions; changes in U.S. GAAP or other applicable accounting policies; and other factors that are set forth in the “Risk Factors” section, the “Legal Proceedings” section, the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section and other sections of our 2018 Annual Report on Form 10-K filed with the Securities and Exchange Commission, as well as in our Current Reports on Form 8-K. Any forward-looking statements made by us in this Current Report on Form 8-K speak only as of the date on which they are made. We are under no obligation to, and expressly disclaim any obligation to, update or alter our forward-looking statements, whether as a result of new information, subsequent events or otherwise.

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 hereunto duly authorized.

CONDUENT INCORPORATED

Date: June 4, 2019

By: /s/ J. Michael Peffer

Name: J. Michael Peffer

Title: Secretary

SEPARATION AGREEMENT AND GENERAL RELEASE

This Separation Agreement and General Release (this "Agreement") is entered into by and among Conduent Business Services, LLC, its parent, subsidiaries, subdivisions and affiliates, (collectively, "Conduent" or "Company"), and ASHOK VEMURI ("Employee").

Introduction. Prior to the CEO Termination Date (as defined below), Employee agrees that he will continue to serve as the Chief Executive Officer of the Company. During such period and subject to this letter, the letter agreement between Employee and the Xerox Corporation, dated as of June 10, 2016, as amended, will remain in effect in accordance with its terms, provided that during such period, Employee's duties and obligations will include assisting the Board of Directors of the Company (the "Board") and supporting the transition of Employee's duties to a successor Chief Executive Officer. Employee's last day of employment as Chief Executive Officer ("CEO Termination Date") will be the date the Company's successor Chief Executive Officer commences employment or any earlier date as may be determined by the Board. As of the CEO Termination Date, Employee shall be deemed (without any further action by any party) to have resigned from all offices, titles, positions and appointments at the Company or any of its subsidiaries or affiliates, including as a member of the Board; provided that, in the event the CEO Termination Date occurs prior to August 31, 2019, Employee agrees that he will remain an employee of the Company during the period commencing on the day after the CEO Termination Date and ending August 31, 2019 (any such period, the "Advisory Period", and the later of the CEO Termination Date and such date, the "Last Day"). During any Advisory Period, Employee will continue to receive the same compensation and employee benefits as he received for his service as Chief Executive Officer of the Company as of the CEO Termination Date, and his duties will consist solely of advising the Board and the successor Chief Executive Officer. The Company and Employee have agreed on the terms of the separation of Employee's employment with the Company effective as of the six-month anniversary of the Last Day ("Termination Date"). In consideration of the mutual promises contained in this Agreement, the Company and Employee agree as follows:

1. Salary Continuation. Employee will receive salary continuation commencing on the Last Day at the same bi-weekly salary rate and continuing through and including his Termination Date. The Company shall withhold from such payments all applicable payroll taxes and other authorized deductions. The payments to be made under this Agreement shall be deemed to be wages in lieu of notice during the applicable benefit year in the event that the Employee files a claim for unemployment benefits. Employee understands that the Company will not make payment until all Company property in the Employee's possession or control is returned to the Company.

2. Benefits Continuation. Employee will receive benefits, subject to and conditioned upon Employee's continued premium contributions, that were in effect for the Employee on the Last Day through and including his Termination Date **OTHER THAN:** Short-term Disability, Long-term Disability, and 401(k) Savings Plan. Employee's vesting of restricted stock units, restricted shares and performance shares shall continue through the Last Day in accordance with the terms and conditions of the applicable equity plan documents.

3. **Bonus Eligibility.** Employee shall not be eligible to participate in any annual bonus plan for 2019.

4. **Confidentiality.** Employee shall keep confidential all confidential or proprietary information known to him concerning any matters affecting or relating to the business, operations, and financial affairs of the Company which are of a special or unique nature, regardless of whether any such information is labeled or otherwise treated as confidential, material, or important. The contents of this Agreement shall not be disclosed, released or communicated by Employee to any person, other than Employee's spouse, tax advisor or legal counsel, and to the extent necessary to enforce any of the terms of this Agreement.

5. **Release and Covenant Not to Sue.** As a material inducement to the Company to enter into this Agreement, Employee hereby irrevocably and unconditionally releases, acquits and forever discharges and covenants not to sue the Company and each of the Company's owners, stockholders, predecessors, successors, assigns, agents, directors, officers, employees, representatives, attorneys, divisions, subsidiaries, affiliates (and agents, directors, officers, employees, representatives and attorneys of such divisions, subsidiaries and affiliates) and all persons acting by, through, under or in concert with any of them (collectively "Releasees"), or any of them, from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses (including attorneys' fees and costs actually incurred) of any nature whatsoever, known or unknown ("Claim" or "Claims"), which Employee now has, owns, or holds or which Employee at any time previously had, owned or held against each of the Releasees, including, but not limited to, (a) **all Claims of Age Discrimination under the Age Discrimination in Employment Act of 1967 or any similar state statute;** (b) all Claims under the Employee Retirement Income Security Act of 1974; (c) all employment or discrimination Claims under the statutes of the State of New Jersey or any other state; (d) all Claims of unlawful discrimination based on age, sex, race, religion, national origin, handicap, disability, equal pay or any other basis; (e) all Claims of wrongful discharge, retaliation, breach of any implied or express employment contract, negligent or intentional infliction of emotional distress, libel, defamation, breach of privacy, fraud, and breach of any implied covenant of good faith and fair dealing; and (f) all Claims related to Employee's employment with the Company, including but not limited to all Claims related to unpaid wages, salary, overtime compensation, bonuses, commissions, severance pay, supplemental unemployment benefit pay, vacation pay, or other compensation or benefits arising out of Employee's employment with the Company. Employee covenants and agrees not to bring any judicial action or action under the Conduent Dispute Resolution Plan (the "Plan") against any of the Releasees with respect to any such Claim or Claims and warrants that no such Claim or Claims have been filed; provided, however, that nothing herein shall release the Company from any claims by Employee arising out of (i) any director and officer indemnification or insurance obligations in favor of Employee and any related obligations for advancement and reimbursement of expenses or (ii) any director and officer indemnification obligations under the Company's by-laws and any related obligations for advancement and reimbursement of expenses. By signing this Agreement, however, **Employee is not waiving any rights or claims arising after the date on which this Agreement is executed. Nothing in this Agreement prohibits Employee from reporting possible violations of a federal or state law or regulation to any governmental agency or entity, or participating in any proceedings or investigations with the federal, state or local government agency or entity responsible for enforcing such laws. Employee is not required to notify the Company that he has made such reports or disclosures.**

6. No Admission. This Agreement shall not in any way be construed as an admission by the Company of any illegal act whatsoever against Employee or any other person, and the Company specifically disclaims any liability to Employee or any other person, on the part of itself, its employees, or its agents.

7. No rehire. Employee acknowledges and understands that for a period of six months following his Termination Date, he is not eligible to be rehired by the Company as an employee or retained as a contractor or consultant.

8. Cooperation in Legal Matters. Employee agrees that he will assist and cooperate with the Company in connection with: a) the defense or prosecution of any claim that was asserted against, or by, the Company while Employee was employed with Company; b) any ongoing or future investigation, or any dispute or claim of any kind involving the Company, including any proceeding before any arbitral, administrative, judicial, legislative, or other body or agency, the facts of which arose during Employee's employment with Company; and c) any requests made by the Company related to Employee's duties and work product while employed by the Company, including preparing for and testifying honestly in any proceeding to the extent that such claims, investigations or proceedings relate to services performed or required to be performed by Employee, pertinent knowledge possessed by Employee, or any act or omission by Employee. Employee understands that cooperation as described in this paragraph means voluntary participation in all stages of adversarial proceedings, investigations, and the like, and includes testifying where requested by Company. Employee further agrees to execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Paragraph.

9. Representations of Employee. Employee represents and agrees (a) that he was advised by the Company in writing by this Agreement to consult with an attorney of his choice prior to signing this Agreement; (b) that the Company has afforded Employee **no less than twenty-one (21) days** to consider whether to execute this Agreement, and during that time Employee has had this Agreement in his possession; (c) that Employee has taken full advantage of this 21-day consideration period or has purposely waived his right to do so; (d) that Employee has consulted or has had sufficient opportunity to discuss with any person, including an attorney of his choice, all provisions of this Agreement, that Employee has carefully read and understands it, that Employee is competent to execute this Agreement, and that Employee is entering into this Agreement knowingly and voluntarily without reliance upon any statement or representation of any person or parties released, or their representatives, concerning the nature and extent of the damages and/or legal liability therefore; (e) that Employee has not assigned or transferred, or proposed to assign or transfer, to any person or entity, any Claim or any portion thereof or interest therein; (f) that the compensation and/or benefits provided to Employee pursuant to this Agreement exceeds any compensation and/or benefits to which Employee may be entitled; and (g) that in executing this Agreement, Employee does not rely and has not relied upon any representation or statement made by any of the Releasees or by any of the Releasees' agents, representatives or attorneys with regard to the subject matter, basis or effect of this Agreement or otherwise. Employee shall indemnify and hold each and all of the Releasees harmless from and against any and all loss, cost, damage, or expense, including, without limitation, attorneys' fees, incurred by Releasees, or any of them, arising out of any breach of this Agreement by Employee or the fact that any representation made by Employee was false when made.

10. Miscellaneous. It is the parties' intention that all provisions of this Agreement be enforced to the fullest extent permitted by law. If, however, any provision of this Agreement is held to be illegal or unenforceable, such provision shall be severable and the remaining provisions of this Agreement shall remain in full force and effect. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey. This Agreement contains the entire understanding and agreement between the Company and Employee with respect to the subject matter of this Agreement and supersedes all prior oral or written agreements between the parties with respect to that subject matter. However, this Agreement supplements, rather than supersedes, any of Employee's duties regarding non-competition, non-solicitation, confidentiality and trade secrets under law or contract. Any action regarding the enforceability of this Agreement or any other cause of action relating to or arising under this Agreement shall be subject to the Plan.

11. Withdrawal of Offer. Employee understands that if he has not signed this Agreement on or before the forty-fifth (45th) calendar date following the date on which Employee received this Agreement for review and consideration, it shall be withdrawn by the Company, and this Agreement shall not be effective or enforceable.

12. Revocation. It is expressly agreed that for seven (7) days following execution of this Agreement by Employee, Employee may revoke this Agreement by contacting Nancy K. Jagielski in writing at nancy.jagielski@conduent.com or 1702 N. Collins Blvd, Suite 260, Richardson, Texas 75080. It is further expressly agreed by the parties that this Agreement shall not become effective or enforceable until the seven (7) day revocation period described above has expired, after which time this Agreement shall be deemed effective and enforceable.

PLEASE READ CAREFULLY. THIS AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date hereof.

CONDUENT BUSINESS SERVICES, LLC,

By: /s/ J. Michael Peffer

Name: J. Michael Peffer

Title: Executive Vice President, General Counsel &
Secretary

Date: June 4, 2019

/s/ Ashok Vemuri

Name: Ashok Vemuri

Date: June 4, 2019

[Signature page for Separation Agreement and General Release]