

**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 15, 2020**

**AECOM**

(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**0-52423**  
(Commission  
File Number)

**61-1088522**  
(I.R.S. Employer  
Identification No.)

**1999 Avenue of the Stars, Suite 2600  
Los Angeles, California 90067**  
(Address of Principal Executive Offices, including Zip Code)

Registrant's telephone number, including area code **(213) 593-8000**

**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-(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:

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
Common Stock, \$0.01 par value	ACM	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 (§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.**

*AECOM To Appoint W. Troy Rudd as Chief Executive Officer*

On June 15, 2020, AECOM (the “Company”) announced that W. Troy Rudd, who has served as the Company’s Executive Vice President and Chief Financial Officer since October 2015, will be appointed Chief Executive Officer of the Company effective October 1, 2020, to succeed Michael S. Burke, who previously announced his plans to retire.

Mr. Rudd, age 55, has extensive leadership experience at the Company, having served as the Executive Vice President and Chief Financial Officer since October 2015. He previously served in leadership roles at the Company as Chief Operating Officer, Design Consulting Services (“DCS”) Americas and Chief Financial Officer, DCS Global from November 2014 to October 2015. He also served as Senior Vice President, Corporate Finance and Treasurer from 2012 until October 2015. Mr. Rudd joined AECOM in 2009 as Vice President, Financial Planning and Analysis. Prior to joining AECOM, he spent 10 years as a partner with KPMG LLP, where he held various leadership roles. Mr. Rudd earned a Bachelor of Science from the University of British Columbia and a Master of Science in Taxation from Golden Gate University.

On June 13, 2020, in connection with Mr. Rudd’s appointment as Chief Executive Officer, the Company entered into a letter agreement with Mr. Rudd (the “Rudd Letter Agreement”) setting forth the terms of his employment and compensation while serving as Chief Executive Officer. The Rudd Letter Agreement provides for: (i) a base salary of \$1,000,000 per year; (ii) participation in the Company’s Executive Incentive Plan (the “EIP”) with a target award opportunity equal to 125% of his base salary; and (iii) a long-term equity incentive award for fiscal year 2021 with a target grant date fair value equal to \$4,750,000, to be made in the form of a mix of restricted stock units (“RSUs”) and performance earnings program units (“PEPs”), as determined by the Compensation and Organization Committee of the Board of Directors of the Company (the “Compensation Committee”). The RSUs will be granted on the date of his succession to CEO and the PEPs will be granted at the time such awards are customarily made in December of 2020. The Rudd Letter Agreement also provides for a grant of performance vesting non-qualified stock options (the “Option Award”) with an aggregate grant date value equal to \$3,000,000. The Option Award will be granted on the succession date and have both a five year pro rata service vesting requirement and a stock price performance vesting requirement tied to increases in the Company’s stock price during the period from the date of grant through the fifth anniversary thereof. If Mr. Rudd’s employment terminates due to his death or disability or his retirement with the approval of the Board of Directors of the Company (the “Board”), the service vesting requirement of the Option Award will be deemed satisfied; however, if the stock price performance goals are not achieved prior to the earlier of the fifth anniversary of the date of grant or the date Mr. Rudd’s employment terminates, the unvested portion of the Option Award will be forfeited. If Mr. Rudd’s employment is terminated by the Company other than for “cause” or due to his death or disability (and other than a termination in connection with a change in control of the Company) or he terminates his employment due to a material breach of the Rudd Letter Agreement by the Company which remains uncured, he will receive (i) his accrued compensation; (ii) a lump sum payment equal to two (2) times his base salary; (iii) a prorated target bonus for the fiscal year in which the termination occurred based on the number of days of service in the fiscal year; (iv) two years of additional service vesting credit for purposes of his outstanding equity awards (including the Option Award); and (v) a lump sum payment in respect of healthcare premiums multiplied by 24 months, subject to the execution of a separation and release agreement. In addition, Mr. Rudd will continue to participate in the Company’s Change in Control Severance Policy for Key Executives (the “CIC Policy”), but with a two (2) times severance multiple. The Rudd Letter Agreement contains customary restrictive covenants, including obligations with respect to confidentiality and restrictions on soliciting the Company’s employees and customers.

## *AECOM To Appoint Lara Poloni as President*

Also on June 15, 2020, the Company announced that Lara Poloni will be appointed President of the Company effective October 1, 2020.

Ms. Poloni, age 51, was appointed Chief Executive of Europe, Middle East, India and Africa (“EMIA”) in October 2017. EMIA was reorganized in October 2018 to Europe, Middle East and Africa (“EMEA”). Ms. Poloni previously served the Company as Chief Executive of Australia New Zealand (“ANZ”) from July 2014 to September 2017, Managing Director of the Southern Australian Region from June 2012 to June 2014, Managing Director of Environment ANZ from 2009 to 2012 and Group Leader of Transportation VicSA from October 2006 to July 2009. Prior to joining AECOM, Ms. Poloni worked in the planning, assessment and development of major infrastructure in the transport, energy and telecommunications sectors, serving as Group Manager of Planning and Environment for civil engineering firm Maunsell from January 2002 to September 2006. She is a member of the World Economic Forum’s Global Future Council on Infrastructure and was also previously a Board Member of Infrastructure Partnerships Australia. Ms. Poloni earned a Bachelor of Arts from Monash University and a Graduate Diploma in Urban Policy Planning from the Royal Melbourne Institute of Technology.

On June 14, 2020, in connection with Ms. Poloni’s appointment as President, the Company entered into a letter agreement with Ms. Poloni (the “Poloni Letter Agreement”) setting forth the terms of her employment and compensation while serving as President. The Poloni Letter Agreement provides for: (i) a base salary of \$750,000 per year; (ii) participation in the EIP with a target award opportunity equal to 110% of her base salary; and (iii) a long-term equity incentive award for fiscal year 2021 with a target grant date fair value equal to \$1,725,000, to be made in the form of a mix of RSUs and PEPs, as determined by the Compensation Committee. The RSUs will be granted on the date of Ms. Poloni’s succession to President and the PEPs will be granted at the time such awards are customarily made in December of 2020. If Ms. Poloni’s employment is terminated by the Company other than for “cause” or due to her death or disability (and other than a termination in connection with a change in control of the Company) or she terminates her employment due to a material breach of the Poloni Letter Agreement by the Company which remains uncured, she will receive (i) her accrued compensation; (ii) a lump sum payment equal to one (1) times her base salary; (iii) a prorated target bonus for the fiscal year in which the termination occurred based on the number of days of service in the fiscal year; (iv) two years of additional service vesting credit for purposes of her outstanding equity awards; and (v) a lump sum payment in respect of healthcare premiums multiplied by 12 months, subject to the execution of a separation and release agreement. In addition, Ms. Poloni will continue to participate in the CIC Policy at her current severance multiple of 1.5. The Poloni Letter Agreement contains customary restrictive covenants, including obligations with respect to confidentiality and restrictions on soliciting the Company’s employees and customers.

### *Resignation of Peter A. Feld*

Effective June 12, 2020, Peter A. Feld, a Managing Member of Starboard Value LP, resigned from the Board based on his disagreement with the Board in connection with the CEO search process and other policies and procedures of the Board. Mr. Feld delivered a letter to the Board regarding his resignation, a copy of which is attached as Exhibit 17.1. Mr. Feld was Chair of the Board’s CEO Search Committee and a member of the Compensation and Organization Committee and the Nominating and Governance Committee.

### **Item 7.01. Regulation FD Disclosure.**

On June 15, 2020, the Company issued a press release announcing that Mr. Rudd will be appointed Chief Executive Officer and Ms. Poloni will be appointed President, in each case effective October 1, 2020, as described above in Item 5.02, and reaffirming the Company’s fiscal 2020 financial guidance. A copy of the press release is attached as Exhibit 99.1 and is incorporated herein by reference.

The information contained in this Item 7.01 (including Exhibit 99.1) is being furnished and shall not be deemed to be “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 and shall not be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

### **Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

<b>Exhibit No.</b>	<b>Description</b>
3 <a href="#">17.1</a>	<a href="#">Letter, dated June 12, 2020, from Peter A. Feld to the Board of Directors of AECOM</a>
<a href="#">99.1</a>	<a href="#">Press Release, dated June 15, 2020</a>
104	Cover Page Interactive Data File (formatted as Inline XBRL)

**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.

**AECOM**

Dated: June 15, 2020

By: /s/ David Y. Gan

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David Y. Gan

Executive Vice President, Chief Legal Officer



June 12, 2020

AECOM  
1999 Avenue of the Stars, Suite 2600  
Los Angeles, California 90067  
Attn: Board of Directors

Dear Members of the Board of Directors:

This letter serves as notice of my resignation from the Board of Directors (the "Board") of AECOM ("AECOM" or the "Company"), effective immediately. My decision is based on strong disagreements with the Board in connection with the CEO search process and other policies and procedures of the Board. The CEO search process recently and abruptly concluded with the surprise vote and non-unanimous appointment of Troy Rudd, the Company's long time CFO, as the successor CEO of AECOM pending a transition period until October 1<sup>st</sup>. Mike Burke would remain in the Chairman and CEO role until that time. It appears that Board leadership arranged a special meeting of the Board without a previously disclosed agenda to surprise certain members of the Board with a formal vote for CEO and without notifying the CEO Search Committee that it intended to take a formal vote on the CEO role. In doing so without unanimous support, the Board chose to rush through a decision to name Mr. Rudd as CEO despite certain members of the CEO Search Committee believing that they were continuing to work with highly qualified candidates who had expressed significant interest in the role and who had agreed to expeditiously engage with the Board regarding the CEO opportunity.

The CEO search process could have been concluded within weeks of this abrupt decision at which point members of the Board could have fully evaluated the qualifications of such other candidates and compared them to Mr. Rudd. In my opinion, the decision to not fully evaluate these candidates before making such a decision represents a failure of the Board to represent the best interest of all shareholders.

One thing we all agree on is that AECOM is a great company. However, there is much work to do to drive continued improvement in strategy, operations, and execution. By no measure is AECOM the market leader today that it can and should be. We should not be celebrating victory, we should be focused on the significant work ahead to drive improved execution, growth, and value creation. In my view, this requires renewed energy in leadership and open-minded perspectives, as opposed to a continuation of the same approach and mindset that have led to poor relative performance over the past five years.

Late last year, Starboard Value LP ("Starboard") reached an agreement with AECOM to appoint three new directors to the Board, including me. As part of the Agreement, a CEO transition was announced whereby Mr. Burke would resign upon the appointment of his successor. I was appointed as Chair of the CEO Search Committee. As Chair of the CEO Search Committee, it was my objective and intention to run an open process, consider any and all internal and external candidates, and objectively select the best candidate that met the Board's specification. We engaged a nationally-recognized executive search firm to assist in this process and work with the Board to fully understand what the Board felt were critical skill sets needed in a new CEO. The Board specification included candidates with the following attributes:

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- Current or former CEO, COO or Division President of a business of at least \$10B in revenue size. Operational and strategic in focus and experience.
- Experience in high performing engineering and construction company, or in an adjacent industrial industry.
- Proven change leadership, including culture building and business transformation. Positive and trusted relationship with market analysts.

Quite clearly, the Board was initially focused on moving away from the idea of having a finance-led organization as the outgoing CEO, Mr. Burke, had risen to the role of CEO as a promotion from the CFO role. Despite this, and in order to be thorough, members of the search committee met with Mr. Rudd to understand his interest in the role even though he was not an obvious fit with the specification criteria. Mr. Rudd was quite clear that he was not interested in the CEO role and chose, at that time, to remove his name from consideration. It was not until months later that he re-submitted his interest in being considered.

Although the timing of the search process took longer than anticipated due to (i) unforeseen complications, including the COVID-19 pandemic, (ii) the unfortunate loss of a strong external candidate due to a conflict, and (iii) certain other delays, the process did in fact yield at least three other highly qualified candidates. Each one of these external candidates met many of the criteria highlighted in the specification.

There are few decisions a board makes that are more important than the appointment of a CEO. In my view, given the critical function we play as directors in this regard, our fiduciary duties compelled us to fully vet these candidates before rendering a decision on the appointment of Mr. Rudd as the successor CEO and leaving Mr. Burke in place as Chairman and CEO through October 2020.

To this end, I, along with two other fellow directors, voted against the resolutions to appoint Mr. Rudd. Since I cannot, and will not, support the Board practices that culminated in this selection, I am resigning from the Board with immediate effect.

Starboard remains a large shareholder of AECOM, and we reserve our rights to take any action we deem necessary to continue to represent the best interests of all shareholders. We fully intend to remain significant shareholders and to hold the Board accountable for its actions. AECOM is a great company with a need for strong leadership, and I am extremely disappointed with this outcome.

The decision to tender my resignation in this manner is not one that I take lightly. I have served on thirteen public company boards over the past decade, and this is the first instance in which I have resigned from a board due to a fundamental disagreement with that board's policies or practices.

Best Regards,

/s/ Peter A. Feld  
Peter A. Feld  
Managing Member  
Starboard Value LP

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Press Release

**Investor Contact:**

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**AECOM to appoint W. Troy Rudd as Chief Executive Officer**  
**Company also names Lara Poloni as President**

**LOS ANGELES** (June 15, 2020) — AECOM (NYSE:ACM), the world’s premier infrastructure firm, today announced the appointment of W. Troy Rudd to Chief Executive Officer. Currently AECOM’s Chief Financial Officer, Mr. Rudd will assume the role from Michael S. Burke, who previously announced his plans to retire. Mr. Rudd’s appointment marks the completion of AECOM’s CEO succession search process. The Company also announced today the appointment of Lara Poloni, currently AECOM’s Chief Executive of Europe, the Middle East and Africa (EMEA), to President of AECOM. Both appointments are effective October 1, 2020.

“Following a comprehensive six-month search process that considered internal and external candidates, the Board concluded that Troy is best suited to lead AECOM at this pivotal time. We enter this new chapter providing greater certainty to all our stakeholders that AECOM is moving decisively to sustain its solid momentum, driven by its ongoing transformation into a professional services business,” said Steven Kandarian, Lead Independent Director of AECOM’s Board of Directors. “We have full confidence in Troy to define the next, successful era for our organization. His leadership, as well as Lara’s, have contributed to our strong financial performance and the execution of key initiatives that resulted in substantially improved profitability and expanded margins, and transformed our balance sheet with record levels of liquidity.”

“I am honored to be appointed CEO and look forward to leading AECOM with support from Lara, our executive leadership team, and our Board, as our great company shapes the future of our industry,” said Mr. Rudd. “Our people have demonstrated dedication, perseverance and adaptability throughout our transformation and the uncertainties of this past year. This has only affirmed my belief that we have the talent, capabilities and reach to deliver exceptional service to our clients, build on our strong financial performance, and create value for all our stakeholders.”

“I am excited to work with Troy and our teams around the world as we continue leveraging AECOM’s exceptional expertise and innovative solutions to deliver on our clients’ most complex projects,” said Ms. Poloni. “Looking ahead, we remain focused on creating value for our shareholders as our global workforce increasingly becomes the premier trusted professional services partner to our clients.”

Since joining AECOM in 2009, Mr. Rudd has held key leadership roles, including operational and financial responsibility for AECOM’s Americas Design and Consulting Services business, as well as AECOM Capital, mergers and acquisitions, investor relations, treasury, corporate controllership and financial reporting, risk and controls, and tax and shared services functions. Mr. Rudd has also led the expansion of the Company’s design center and shared services center practices. Throughout more than a decade of operational and financial leadership at AECOM, Mr. Rudd has played a critical role in the transformation and growth of the Company into an innovative, premier professional services firm and infrastructure industry leader.

Mr. Rudd’s leadership has been integral to the Company’s success, highlighted by its recent performance including the firm’s sixth-consecutive quarter of substantial margin improvement in its professional services business, continued double-digit adjusted EBITDA growth, a record \$9 billion of wins in second quarter of fiscal 2020 and a new all-time high backlog level.

Ms. Poloni has held significant leadership positions across her 25-plus year tenure with AECOM, including Chief Executive of AECOM’s Australia and New Zealand operations from 2014 before moving into her current Chief Executive of EMEA role in October 2017. Ms. Poloni’s institutional knowledge of global infrastructure markets, deep experience across AECOM’s sectors, and commitment to inclusion, diversity and leadership development position her to excel in this role.

Mr. Burke commented, “I have been privileged to lead this incredible organization and proud to see the positive impact our teams have made in building a better company and a better world. Troy has been core to these achievements and I am confident that AECOM will continue to thrive under his leadership. With Lara, their combined tenure and deep familiarity with the Company’s strategic initiatives uniquely position them to lead the firm forward and realize long-term success.”

Mr. Kandarian continued, “Mike has made significant contributions throughout his fifteen years serving AECOM. Not only was he instrumental in AECOM’s growth and evolution from a private company to a leading public firm in our industry, but he has created a strong foundation on which the Company can continue to build, and will help support both Troy and Lara as they transition to their new roles. On behalf of the Board of Directors, I thank Mike for all he has done for AECOM, and the legacy he leaves.”

Separately, the Company has reaffirmed its full year financial guidance, including its expectation for 10% adjusted EBITDA<sup>1</sup> growth at the mid-point of its \$700 million to \$740 million guidance range and free cash flow<sup>2</sup> of between \$100 million and \$300 million. The Company maintains a strong balance sheet with net leverage<sup>3</sup> of 1.2x exiting the fiscal second quarter, has \$760 million of remaining capacity under its Board authorized share repurchase program, and is committed to executing its capital allocation priorities including returning capital to stockholders.

<sup>1</sup> Excludes the impact of non-operating items, such as non-core operating losses and transaction-related expenses, restructuring costs and other items, and reflects continuing operations.

<sup>2</sup> Free cash flow is defined as cash flow from operations less capital expenditures net of proceeds from disposals, and includes the net working capital purchase price adjustment collected in May 2020 in association with the sale of the Management Services business.

<sup>3</sup> Net leverage is comprised of EBITDA as defined in the Company’s credit agreement dated October 17, 2014, as amended, which excludes stock-based compensation, and net debt as defined as total debt on the Company’s financial statements, net of total cash and cash equivalents.

## **About AECOM**

AECOM (NYSE:ACM) is the world’s premier infrastructure firm, delivering professional services throughout the project lifecycle – from planning, design and engineering to consulting and construction management. We partner with our clients in the public and private sectors to solve their most complex challenges and build legacies for generations to come. On projects spanning transportation, buildings, water, governments, energy and the environment, our teams are driven by a common purpose to deliver a better world. AECOM is a Fortune 500 firm with revenue of approximately \$20.2 billion during fiscal year 2019. See how we deliver what others can only imagine at [aecom.com](http://aecom.com) and [@AECOM](https://twitter.com/AECOM).

## **Forward-Looking Statements**

All statements in this communication other than statements of historical fact are “forward-looking statements” for purposes of federal and state securities laws, including any statements of the plans, strategies and objectives for future operations, profitability, strategic value creation, coronavirus impacts, risk profile and investment strategies, and any statements regarding future economic conditions and performance, and the expected financial and operational results of AECOM. Although we believe that the expectations reflected in our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Important factors that could cause our actual results, performance and achievements, or industry results to differ materially from estimates or projections contained in our forward-looking statements include, but are not limited to, the following: our business is cyclical and vulnerable to economic downturns and client spending reductions; impacts caused by the coronavirus and the related economic instability and market volatility, including the reaction of governments to the coronavirus, including any prolonged period of travel, commercial or other similar restrictions, the delay in commencement, or temporary or permanent halting of construction, infrastructure or other projects, requirements that we remove our employees or personnel from the field for their protection, and delays in planned initiatives by our governmental or commercial clients or potential clients; losses under fixed-price contracts; limited control over operations run through our joint venture entities; liability for misconduct by our employees or consultants; failure to comply with laws or regulations applicable to our business; maintaining adequate surety and financial capacity; high leverage and potential inability to service our debt and guarantees; exposure to Brexit; exposure to political and economic risks in different countries; currency exchange rate fluctuations; retaining and recruiting key technical and management personnel; legal claims; inadequate insurance coverage; environmental law compliance and adequate nuclear indemnification; unexpected adjustments and cancellations related to our backlog; partners and third parties who may fail to satisfy their legal obligations; AECOM Capital real estate development projects; managing pension cost; cybersecurity issues, IT outages and data privacy; risks associated with the benefits and costs of the Management Services transaction, including the risk that the expected benefits of the Management Services transaction or any contingent purchase price will not be realized within the expected time frame, in full or at all; the risk that costs of restructuring transactions and other costs incurred in connection with the Management Services transaction will exceed our estimates or otherwise adversely affect our business or operations; as well as other additional risks and factors that could cause actual results to differ materially from our forward-looking statements set forth in our reports filed with the Securities and Exchange Commission. Any forward-looking statements are made as of the date hereof. We do not intend, and undertake no obligation, to update any forward-looking statement.

## **Non-GAAP Financial Information**

This press release contains financial information calculated other than in accordance with U.S. generally accepted accounting principles (“GAAP”). The Company believes that non-GAAP financial measures such as adjusted EBITDA and free cash flow provide a meaningful perspective on its business results as the Company utilizes this information to evaluate and manage the business. We use adjusted EBITDA to exclude the impact of non-operating items, such as amortization expense, taxes and non-core operating losses to aid investors in better understanding our core performance results. We use free cash flow to represent the cash generated after capital expenditures to maintain our business.

Our non-GAAP disclosure has limitations as an analytical tool, should not be viewed as a substitute for financial information determined in accordance with GAAP, and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP, nor is it necessarily comparable to non-GAAP performance measures that may be presented by other companies.

When we provide our long term projections for adjusted EBITDA and free cash flow on a forward-looking basis, the closest corresponding GAAP measure and a reconciliation of the differences between the non-GAAP expectation and the corresponding GAAP measure generally is not available without



unreasonable effort due to the length, high variability, complexity and low visibility associated with the non-GAAP expectation projected against the multi-year forecast which could significantly impact the GAAP measure.

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