

Aramark
Form DEF 14A
December 21, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

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 Pursuant to §240.14a-12.

Aramark

(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):

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(4) Date Filed:

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Dear Shareholders,

We are pleased to invite you to attend the Annual Meeting of Shareholders on Wednesday, January 30, 2019. Our meeting will be held at 10:00 a.m. at The Rittenhouse Hotel, located at 210 W. Rittenhouse Square, Philadelphia, Pennsylvania 19103.

As your Board, we value this opportunity to communicate with you, and share our perspective on the Company's performance and its future growth prospects. We maintain an active and ongoing dialogue with the Chief Executive Officer and other members of the management team around the Company's strategic priorities and initiatives. We seek to achieve sustainable shareholder value through execution against a clear and focused strategy, prudent risk management, sound corporate governance, effective executive compensation programs, environmental and social responsibility initiatives, and robust succession planning. We would like to highlight a few areas of particular significance for the Board this past year:

2018 Financial and Operating Performance

2018 has been an exciting year for Aramark. The Company reported another year of record results with Revenues of \$15.8 billion, Adjusted Operating Income of \$1.1 billion and the fifth consecutive year of double-digit Adjusted EPS growth. At the same time, the management team successfully integrated the strategic acquisitions of Avendra and AmeriPride, which strengthened the Company's competitive position across its portfolio. Also importantly, the Company achieved its three-year margin target, which enables it to compete even more effectively in the marketplace. The Company has been consistently delivering on operational and financial improvements. Finally, Aramark's strong cash flow generation and disciplined financial management have significantly bolstered the balance sheet giving the company increased financial flexibility.

Aramark exits 2018 as a much stronger company. Looking forward, we remain confident that, with its performance-driven culture, a more efficient operating model, an enhanced brand portfolio, and a stronger balance sheet, the Company is now even better positioned to continue to deliver long-term shareholder value.

Shareholder Outreach and Say-On-Pay Responsiveness

In our efforts to further enhance our shareholder engagement process and in response to last year's Say-on-Pay results, we expanded our outreach efforts by contacting investors representing 80% of our shares outstanding and conducting meetings with investors representing 65% of our shares outstanding. Together with members of management, the Chair of our Compensation Committee led a significant number of these discussions. In alignment with the valuable shareholder feedback we received, we adopted impactful changes in our executive pay programs, including eliminating the outperformance award as part of our CEO's long-term incentive award, modifying our Annual Incentive Bonus Plan, enhancing disclosure and transparency around compensation decisions, and by providing more context and clarity on the process for setting performance targets. We continue to ensure that our executive compensation programs are structured to align with our long term strategy, to drive operational performance and deliver strong financial results. We believe the changes further align our executive compensation with shareholder interests.

Environmental, Social, and Governance Stewardship

Through our extensive shareholder engagement this year, we also discussed the Board's oversight of sustainability matters. In response, we included disclosure of Aramark's environmental and social priorities, including sustainability and diversity, and the oversight of these initiatives more broadly in this Proxy Statement. We are committed to

sustainable environmental practices and operations through the Company's Green Thread commitment, which is focused on minimizing environmental impacts across our operations and communities. Most recently, we began to phase down single-use plastics, including straws and stirrers, and anticipate significant reductions by 2020. Our future plans include a comprehensive development approach across a framework of People, Products, Planet and Community.

Board Composition and Refreshment

We continue our commitment to best in class corporate governance practices with a focus on the right balance of skills, expertise, experience and diversity on our Board, coupled with our annual evaluation process. We have built a strong, independent Board with an effective mix of institutional knowledge, fresh perspectives, differentiated backgrounds, and diversity in terms of gender and ethnicity. Sanjeev Mehra, who currently serves as our Lead Director, will not stand for re-election this year. Sanjeev has served this Board with distinction for 12 years, starting in 2007 as a sponsor member and continuing since the IPO, and his contributions to the Board and our shareholders have been numerous and valued. The independent directors have appointed Steve Sadove as our Lead Director, effective at the time of the Annual Meeting. We believe that Steve's significant board and executive experience make him uniquely qualified and prepared to serve in this important role. Steve currently serves as Compensation Committee Chair and would also continue in that role. We greatly appreciate Sanjeev's years of service, and are fully confident that Steve will continue the record of strong leadership in that key position.

Shareholder feedback has and will continue to greatly influence and shape our governance and executive compensation practices. We greatly appreciate your feedback and value your support. We look forward to continuing the dialogue with you and are excited for what is to come at Aramark.

Sincerely,

Pierre-Olivier Beckers-Vieujant
Lisa G. Bisaccia
Calvin Darden
Richard W. Dreiling

Irene M. Esteves
Eric J. Foss
Daniel J. Heinrich
Sanjeev K. Mehra

Patricia B. Morrison
John A. Quelch
Stephen I. Sadove

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Dear Fellow Shareholders,

I am pleased to report that 2018 was another record year for our Company across key financial metrics, including revenue, margin, profit, and earnings. We also strengthened our balance sheet and smoothly integrated the two largest acquisitions in Aramark's history. As the capstone of our achievements, 2018 marked our fifth straight year of double-digit adjusted EPS growth—a feat matched by exceptionally few companies as we continue our transformation journey to ensure consistently profitable growth. Our winning results are detailed in this report, and I applaud the entire Aramark team for their success. Let me share the 2018 highlights with you.

Eric J. Foss

Chairman, President and
Chief Executive Officer

Our Performance

Our success starts by listening closely to our consumers and clients and keeping a steady focus on quality, innovation, health & wellness, and brand building. We elevated the experiences Aramark creates by upping our service levels and enhancing our offerings, while introducing new technology behind each. This included launching new premium and core brands, partnering with fresh, exciting and innovative concepts, and deploying integrated technologies to provide seamless consumer interactions. These initiatives are driving dramatic improvements in consumer satisfaction and solidifying client loyalty.

We achieved those advances while simultaneously strengthening our competitive position by relentlessly championing productivity throughout our operations. We successfully navigated tight labor markets, carefully managed our largest cost centers of food and labor, and relentlessly attacked complexity across the supply chain and every aspect of our business. These efforts yielded steady margin growth in 2018, and enabled us to deliver on our promised three-year margin target right on schedule.

Last year's performance was capped by strategically repositioning the Company's portfolio. We initiated the exit of a non-core business and completed the integration of Avendra and AmeriPride—each of which would have represented Aramark's largest acquisition as a stand-alone addition. Avendra substantially increases our purchasing scale and power. Since 2015, we have grown the Company's annual procurement spend from \$5 billion to \$12 billion today. AmeriPride also greatly expands our scale and broadens our geographic scope in the highly attractive and growing Uniforms industry. These strategic, synergistic and accretive deals further optimize our portfolio while bolstering our competitiveness.

Our Purpose

High performance like we achieved is impossible unless team members are united in a shared purpose. At Aramark, our purpose revolves around our mission to Enrich and Nourish Lives, which brings together 270,000 committed team

members in a collective effort to be successful by doing well. Our approach is to drive sustainable growth and create long-term stakeholder value by concentrating on our *People, Products, Planet* and *Community*.

Our People: Aramark's potential is tied to diversity that influences our thinking and actions. Our commitment to building a high-performance culture through diversity and inclusion extends from Aramark's front line to the board room. We grew our diverse representation of the board to nearly half of our directors last year, and continued growing diversity of our workforce. We consistently earn accolades for our progress, including recognition as a FORTUNE *Most Admired Company* and cited as an employer-of-choice by *Black Enterprise* and *Latino* magazines, *DiversityInc*, the *Human Rights Campaign* for LGBT equality, and the *Disability Equality Index*.

Our Products: Health and wellness is at the heart of every individual and family we serve and we take that priority to heart. For example, our groundbreaking partnership with the American Heart Association (Healthy for Life 20x20) has us on-track to fundamentally improve the health of consumers 20% by 2020 by enhancing our menu offerings. Last year we added to our progress and reduced calories, saturated fats and sodium 15%; and increased fruits, vegetables and whole grains 9%.

Our Planet: We are helping to protect and preserve the environment by operating efficiently, minimizing waste, and sourcing responsibly. Significant progress was achieved in 2018 as we diverted nearly 700 tons of food waste from landfills on our way to cutting waste 50% by 2030; reduced single-use plastics; and lowered carbon emissions from our 14,000 delivery vehicles to meet our 8% reduction goal next year.

Our Community: Aramark Building Community, our global charitable program, saw employee volunteers help nearly 500,000 families in communities around the globe, while our philanthropic fund donated \$15 million to improve community health and wellness and enabled millions of people to succeed through education and employment opportunities. The fund also supported global relief agencies to assist communities recovering from natural disasters.

Our Promise

I am pleased with our performance and purpose-driven culture. However, I am even more excited about our promising future. A future that we're not just imagining, but shaping with a confidence rooted in compelling and inescapable facts:

We operate in a large, growing market with long-term favorable outsourcing trends.

We have a proven, resilient business model that works in all economic cycles—favorable and unfavorable.

We have a demonstrated record of broad-based business results and momentum.

We have significant productivity and margin opportunities ahead of us.

We have recently completed acquisitions that boost our competitive position.

We have a strong and flexible balance sheet.

In closing, I firmly believe that Aramark's best days are ahead. Thank you for your continued investment and support.

Sincerely,

Chairman, President and CEO

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Notice of 2019 Annual Meeting of Shareholders

DATE AND TIME:

Wednesday, January 30, 2019 at 10:00 am (Eastern Standard Time)

PLACE:

The Rittenhouse Hotel, 210 W. Rittenhouse Square, Philadelphia, PA 19103

ITEMS OF BUSINESS:

PROPOSAL 1. To elect the 10 director nominees listed in the proxy statement to serve until the 2020 annual meeting of shareholders and until their respective successors have been duly elected and qualified;

PROPOSAL 2. To consider and vote upon a proposal to ratify the appointment of KPMG LLP as Aramark's independent registered public accounting firm for the fiscal year ending September 27, 2019;

PROPOSAL 3. To hold a non-binding advisory vote on executive compensation; and
To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

RECORD DATE:

The Board of Directors has fixed December 7, 2018 as the record date for the meeting. This means that only shareholders as of the close of business on that date are entitled to receive this notice of the meeting and vote at the meeting and any adjournments or postponements of the meeting.

HOW TO VOTE:

Shareholders of record can vote their shares by using the Internet or the telephone or by attending the meeting in person and voting by ballot. Instructions for voting by using the Internet or the telephone are set forth in the Notice of Internet Availability that has been provided to you. Shareholders of record who received a paper copy of the proxy materials also may vote their shares by marking their votes on the proxy card provided, signing and dating it, and mailing it in the envelope provided, or by attending the meeting in person and voting by ballot.

By Order of the Board of Directors,

Stephen R. Reynolds
Executive Vice President, General Counsel and
Secretary

December 21, 2018

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Proxy Statement Summary

This summary highlights information contained elsewhere in this proxy statement, which is first being sent or made available to shareholders on or about December 21, 2018. You should read the entire proxy statement carefully before voting. For more information regarding the Company's 2018 performance, please review Aramark's Annual Report.

MISSION & VALUES

Aramark's mission is to ***Deliver experiences that enrich and nourish lives.*** This mission is anchored in our core values which guide our execution in the marketplace:

Sell and Serve with Passion. Placing clients and consumers at the center of all that we do by listening and responding to their needs with service focused on quality and innovation.

Set Goals. Act. Win! Maintaining a culture of accountability where performance matters and exhibiting leadership that achieves and exceeds expectations through our execution.

Front-Line First. Providing our front-line employees with tools and training that empower them to deliver excellence at the point of service to thousands of consumers and clients every day.

Integrity and Respect Always. The highest ethical standards are the cornerstone of the Aramark brand and help us earn the trust of our key constituents.

We strive to accomplish this mission through a repeatable business model founded on five principles of excellence: selling, service, execution, marketing and operations. We operate our business with social responsibility, focusing on initiatives that support our diverse workforce, advance consumer health and wellness, protect our environment, and strengthen our communities. Aramark is recognized as one of the World's Most Admired Companies by FORTUNE, as well as an employer of choice by the Human Rights Campaign and DiversityInc.

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2018 RECORD BUSINESS PERFORMANCE HIGHLIGHTS

As we evaluate our compensation for the year, we note that Aramark reported another impressive, record year of results in 2018 driven by disciplined execution across our businesses. We delivered the fifth consecutive year of double-digit adjusted EPS growth, with a 14% increase in constant currency adjusted EPS in 2018 (a 50% increase in GAAP EPS). We also reported record revenue of \$15.8 billion, which was approximately 3.5% higher on a constant currency basis than the prior year in our legacy business (an 8% increase on a GAAP basis). Productivity improvements led to a 46 basis point increase in adjusted operating income margins to 7.05%. This strong improvement enabled us to achieve the three-year 100 basis point adjusted operating income margin improvement target that we set in fiscal 2016. As a result, we are now sustainably more profitable and therefore better positioned to compete in the marketplace. Another year of strong cash flow enabled the Company to aggressively reduce our debt levels from the middle of the year when we completed the acquisitions of Avendra and AmeriPride.

These two strategic, financially compelling acquisitions – each of which would have been the largest acquisition in the Company’s history – have significantly bolstered our competitive position across our portfolio of business. We would not have been able to make these investments without the disciplined deleveraging of the past few years and our ability to ensure we are maximizing our financial flexibility.

*See Annex A of this proxy statement for a reconciliation of non-GAAP financial measures to our results as reported under GAAP.

The Company’s diversified portfolio and blue-chip client base consistently deliver resilient earnings and strong free cash flow. Our transformative journey since our IPO five years ago has meaningfully strengthened this solid platform, driving improvement in metrics that matter for shareholder value creation, including double-digit annual adjusted EPS growth and TSR of 120% during such period:

TSR through September 28, 2018

Table of Contents**OVERVIEW OF OUR DIRECTOR NOMINEES**

Each of our 10 nominees has extensive leadership experience and relevant expertise and currently serves as a director for the Company. The Board undergoes an annual self-assessment and review to ensure that it has a balanced mix of skills and attributes to best oversee our business.

Director	Age	Background	Current Committee Memberships
Eric J. Foss	60	Chairman, President and Chief Executive Officer, Aramark	
Pierre-Olivier Beckers-Vieujant	58	Honorary President and Chief Executive Officer, Delhaize Group	Audit and Corporate Practices Nominating and Corporate Governance
Lisa G. Bisaccia	62	Executive Vice President and Chief Human Resources Officer, CVS Health Corporation	Compensation and Human Resources Nominating and Corporate Governance
Calvin Darden	68	Former Senior Vice President, U.S. Operations, United Parcel Service, Inc.	Compensation and Human Resources Finance
Richard W. Dreiling	65	Former Chairman and Chief Executive Officer, Dollar General Corporation	Compensation and Human Resources Finance
Irene M. Esteves	59	Former Chief Financial Officer, Time Warner Cable Inc.	Audit and Corporate Practices Finance
Daniel J. Heinrich	62	Former Executive Vice President and Chief Financial Officer, The Clorox	Audit and Corporate Practices Finance

Company			
Patricia B. Morrison	59	Former Executive Vice President, Customer Support Services & Chief Information Officer, Cardinal Health, Inc.	Audit and Corporate Practices Finance
John A. Quelch	67	Vice Provost, University of Miami, Dean, Miami Business School and Leonard M. Miller University Professor	Audit and Corporate Practices Nominating and Corporate Governance
Stephen I. Sadove	67	Former Chairman and Chief Executive Officer, Saks Incorporated	Compensation and Human Resources Nominating and Corporate Governance

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SHAREHOLDER ENGAGEMENT

Shareholder engagement is a cornerstone of our corporate governance practices. The Board remains committed to ongoing shareholder engagement, and using shareholder feedback to inform its decision-making processes. This is evidenced in the enhancements to our executive compensation program made in late 2018 following extensive shareholder feedback, as well as the updates to our executive compensation program and corporate governance practices made over the past few years and depicted in the timeline below.

Shareholder Outreach Following 2018 Annual Meeting

The Board recognized that we needed to conduct an even more comprehensive outreach program in order to better understand our shareholders' perspectives on our compensation program. In 2018, we reached out to shareholders representing approximately 80% of our shares outstanding, and met with shareholders representing approximately 65% of our shares outstanding. We discussed a variety of matters, but most of our conversations focused on our executive compensation program. The Chair of our Compensation Committee participated in our outreach program meeting with shareholders representing approximately 40% of our outstanding stock.

2018 Compensation and Governance Changes in Response to Shareholder Feedback

WHAT WE HEARD

WHAT WE DID

Compensation Feedback



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Questions and confusion around the TSR Outperformance Award	Eliminated the TSR Outperformance Award for the CEO s 2019 and go-forward long term incentive awards
Dislike use of negative discretion in the Annual Incentive Plan	Eliminated the structural component of the Plan that drove consistent use of negative discretion
Questions regarding the transparency and rigor of performance targets	Provided greater transparency and context throughout the CD&A on the process for setting performance targets and disclosed the 2019 targets in our Annual Incentive Plan
Ensure alignment with best practices relating to compensation governance	Expanded scope of Clawback Policy

Governance Feedback

Adopt majority voting for Director elections	Board amended bylaws to provide for majority voting for Director elections
Align with emerging best practices relating to disclosure on environmental and social priorities and oversight	Broadened the disclosure of sustainability, diversity and cyber risks

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Our compensation programs are designed to support our overall commitment to continued growth and the provision of quality and innovative services to our clients and customers in order to ensure continued shareholder value creation. Our programs are focused on three important goals:

Align with Shareholder Interests: Align each executive's interests with shareholders' interests by requiring significant stock ownership, tying substantial portions of pay to performance, paying a significant portion of compensation in equity and subjecting equity compensation to performance conditions and multi-year vesting periods;

Performance Based: Tie significant portions of compensation to performance in order to achieve our short-term and long-term business goals; and

Market Competitiveness: Attract and retain key executives with the capability to lead the business forward by providing innovative and effective service to our clients and customers.

Our Compensation Committee adheres to the following best practices:**WHAT WE DO****WHAT WE DO NOT DO**

Strong pay-for-performance alignment	×	Use single-trigger change of control provisions
Balanced performance metrics within annual and long-term plans	×	Provide tax gross-ups on perquisites
Performance metrics align management and shareholder interests	×	Pay dividends on long-term incentives prior to vesting
	×	Allow pledging, hedging or short-sale transactions
Rigorous goal setting aligned to business strategy	×	Encourage unreasonable risk taking
Majority of direct compensation paid over the long term	×	Grant equity awards discounted at values below 100% of fair market value
Independent compensation consultant		
	×	Reprice stock options
Significant stock ownership guidelines		

Enhanced clawback provisions

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Key Elements of 2018 Program

Percentage of Variable NEO Compensation At Risk

The charts below highlight the significant percentage of the CEO's compensation and the average compensation of our other named executive officers (NEOs) as a group for fiscal 2018 that is variable and at risk.

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VOTING MATTERS AND BOARD RECOMMENDATIONS

Proposal	Board's Recommendation
Proposal 1. Election of 10 Director Nominees (page 9)	FOR Each Director Nominee
Proposal 2. Ratification of KPMG LLP as Independent Registered Public Accounting Firm for 2019 (page 26)	FOR
Proposal 3. Advisory Approval of Executive Compensation (page 29)	FOR

2019 ANNUAL MEETING OF SHAREHOLDERS

Date and Time: **Wednesday, January 30, 2019 at 10:00 am EST**

Record Date: **December 7, 2018**

Place: **The Rittenhouse Hotel, 210 W. Rittenhouse Square, Philadelphia, PA 19103**

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Corporate Governance Matters

PROPOSAL NO. 1 ELECTION OF DIRECTORS

PROPOSAL SUMMARY

What Are You Voting On?

We are asking our shareholders to elect 10 director nominees listed below to serve on the Board for a one-year term. Information about the Board and each director nominee is included in this section.

Voting Recommendation

The Board recommends that you vote FOR each director nominee listed below. After consideration of the individual qualifications, skills and experience of each of our director nominees and his or her prior contributions to the Board, it believes a Board composed of the 10 director nominees would be well-balanced and effective.

The Board, upon recommendation from the Nominating and Corporate Governance Committee (the Nominating Committee), has nominated 10 directors for election at the Annual Meeting. Each of the directors elected at the annual meeting will hold office until the annual meeting of shareholders to be held in 2020 or until his or her successor has been elected and qualified, or until his or her earlier death, resignation, removal or disqualification. Each of the 10 director nominees currently serves as a member of the Board of Directors.

Unless contrary instructions are given, the shares represented by a properly executed proxy will be voted FOR each of the director nominees presented below. If, at the time of the meeting, one or more of the director nominees has become unavailable to serve, shares represented by proxies will be voted for the remaining director nominees and for any substitute director nominee or nominees designated by the Board of Directors, unless the size of the Board is reduced. The Board knows of no reason why any of the director nominees will be unavailable or unable to serve. Proxies cannot be voted for a greater number of persons than the director nominees listed.

1 Operating unit cost per tonne processed.

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, thereunto duly authorized.

BHP Billiton Limited and BHP Billiton Plc

Date: March 17, 2015

By: /s/ Rachel Agnew

Name: Rachel Agnew

Title: Company Secretary