

Hill International, Inc.  
Form DEF 14A  
May 17, 2017

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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 (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

**HILL INTERNATIONAL, INC.**

(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:

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(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):

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- (4) Proposed maximum aggregate value of transaction:
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    - o Fee paid previously with preliminary materials.
    - o 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:
-

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One Commerce Square  
2005 Market Street, 17th Floor  
Philadelphia, Pennsylvania 19103

May 17, 2017

Dear Fellow Stockholder:

You are cordially invited to attend the 2017 Annual Meeting of Stockholders (the "Annual Meeting") of Hill International, Inc. (the "Company"). The meeting will be held at Two Commerce Square, 2001 Market Street, 2nd Floor, Philadelphia, Pennsylvania on Tuesday, June 27, 2017 at 11:00 a.m. Eastern Time.

The Board of Directors is recommending a highly qualified and experienced slate of director nominees for election to the Board of Directors at the Annual Meeting. At the Annual Meeting, we will ask you to: (1) elect two directors; (2) approve the Company's 2017 Equity Compensation Plan; (3) provide an advisory vote to approve the Company's named executive officer compensation; (4) ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm; and (5) take action upon any other business as may properly come before the Annual Meeting.

The accompanying materials include the Notice of Annual Meeting of Stockholders and Proxy Statement. The Proxy Statement describes the business that we will conduct at the Annual Meeting. It also provides information about us that you should consider when you vote your shares.

On behalf of the Board of Directors, we would like to express our appreciation for your continued interest in the affairs of our Company.

Sincerely,

Paul J. Evans,  
Interim Chief Executive Officer

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One Commerce Square  
2005 Market Street, 17th Floor  
Philadelphia, Pennsylvania 19103

NOTICE OF 2017 ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD JUNE 27, 2017

To our Stockholders:

Hill International, Inc. (the "Company") will hold its 2017 Annual Meeting of Stockholders (the "Annual Meeting") at Two Commerce Square, 2001 Market Street, 2nd Floor, Philadelphia, Pennsylvania 19103 on Tuesday, June 27, 2017, at 11:00 a.m. Eastern Time, for the following purposes:

1. To elect two directors of the Company;
2. To approve the Company's 2017 Equity Compensation Plan;
3. To provide an advisory vote to approve the Company's named executive officer compensation;
4. To ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2017; and
5. To transact such other business as may properly come before the meeting or any and all adjournments or postponements of the meeting.

Only holders of record of common stock of the Company at the close of business on April 28, 2017 are entitled to notice of and to vote at the Annual Meeting and any adjournment or postponement thereof.

It is important that your shares be represented and voted at the meeting. If you are a stockholder of record and do not plan to attend the meeting, please mark, sign, date and promptly mail the enclosed proxy card in the enclosed postage-paid envelope. You may revoke your proxy at any time before its exercise at the meeting. If you do not hold your shares of record and you do not plan to attend the meeting, please follow the instructions provided by your broker, bank or other nominee to ensure that your shares are voted.

By Order of the Board of Directors,

William H. Dengler, Jr., Corporate Secretary

May 17, 2017  
Philadelphia, Pennsylvania

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**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY  
MATERIALS FOR OUR ANNUAL MEETING OF STOCKHOLDERS TO BE HELD  
ON JUNE 27, 2017**

The Proxy Statement and our 2016 Annual Report to stockholders are available at  
our website at [www.hillintl.com](http://www.hillintl.com), in the "Investors" section.

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## **2017 PROXY STATEMENT**

This 2017 Proxy Statement (the "Proxy Statement") is furnished in connection with the solicitation of proxies by Hill International, Inc. ("Hill" or the "Company") on behalf of the Board of Directors (the "Board") for the 2017 Annual Meeting of Stockholders (the "Annual Meeting"), to be held on Tuesday, June 27, 2017, and at any meeting following adjournment or postponement of the annual meeting. We are first mailing this Proxy Statement and proxy card (including voting instructions) on or about May 17, 2017, to persons who were stockholders at the close of business on April 28, 2017, the record date for the meeting. Also, this Proxy Statement contains certain information that the Securities and Exchange Commission (the "SEC") and the New York Stock Exchange (the "NYSE") require Hill to provide annually to stockholders.

The Annual Meeting is scheduled to begin at 11:00 a.m. Eastern Time on June 27, 2017 at Two Commerce Square, 2001 Market Street, 2nd Floor, Philadelphia, Pennsylvania 19103. Stockholders will be admitted beginning at 10:30 a.m. Eastern Time. The Board has designated Paul J. Evans and William H. Dengler to vote the shares represented by proxies at the Annual Meeting in the matter indicated by the proxies.

## **VOTING**

### **Who Can Vote**

You are entitled to vote at the annual meeting all shares of the Company's common stock that you held as of the close of business on April 28, 2017, the record date for voting at the Annual Meeting. On April 28, 2017, there were 51,878,215 shares of common stock outstanding. In accordance with Delaware law, a list of stockholders entitled to vote at the meeting will be available at the meeting.

### **Determining the Number of Votes You Have**

The enclosed proxy card indicates the number of shares of common stock that you own. Each share of common stock is entitled to one vote with respect to each matter properly brought before the meeting.

### **How to Vote If You Are a Stockholder of Record**

**By Mail** Stockholders may vote their shares by signing and dating the enclosed proxy card and returning it in the postage-paid envelope provided with this Proxy Statement. Proxy cards submitted by mail must be received by the time of the Annual Meeting for your shares to be voted.

**At the Annual Meeting** Only our stockholders and invited guests may attend the Annual Meeting. Refer to "How to Attend the Annual Meeting" for further information regarding admission to the Annual Meeting.

You will need to bring picture identification to the meeting. If you own shares in street name (i.e., your shares are held in street name through a broker, bank, trustee or other nominee), please bring your most recent brokerage statement, along with picture identification, to the meeting. We will use your brokerage statement to verify your ownership of common stock and admit you to the meeting. Shares held in your name as the stockholder of record may be voted by you in person at the Annual Meeting. Shares held beneficially in street name may be voted by you in person at the Annual Meeting only if you obtain a legal proxy from the broker or other agent that holds your shares giving you the right to vote the shares and only if you bring such proxy to the Annual Meeting. If you vote by proxy and also

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attend the Annual Meeting, you do not need to vote again at the Annual Meeting unless you wish to change your vote. Even if you plan to attend the Annual Meeting, we strongly urge you to vote in advance by proxy by signing and dating the enclosed proxy card and returning it in the postage-paid envelope provided.

For the election of directors, you can specify whether your shares should be voted for all, some or none of the nominees for director listed. Our Board urges you to use the enclosed proxy card to vote based on its recommendations, including FOR ALL of the nominees for director listed, FOR the approval of the Company's 2017 Equity Incentive Plan, FOR the advisory vote to approve the Company's named executive officers and FOR the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2017.

If you submit a proxy to us without indicating instructions with respect to specific proposals, we will vote your shares consistent with the recommendations of our Board of Directors as stated in this Proxy Statement, specifically for all our nominees for director, for the approval of the Company's 2017 Equity Compensation Plan and for the advisory approval of the Company's named executive officer compensation. If any other matters are properly presented at the Annual Meeting for consideration, then the persons named on your proxy will have discretion to vote for you on those matters. As of the date of the Notice of 2017 Annual Meeting of Stockholders, we knew of no other matters to be presented at the Annual Meeting.

**How to Vote If Your Shares Are Held in Street Name**

If your brokerage firm, bank, broker-dealer or other similar organization is the holder of record of your shares (i.e., your shares are held in "street name"), you will receive voting instructions from the holder of record. You must follow these instructions in order for your shares to be voted. Your broker is required to vote those shares in accordance with your instructions. If you do not give instructions to your broker, your broker will not be able to vote your shares with respect to the election of directors (Proposal 1), the approval of the Company's 2017 Equity Compensation Plan (Proposal 2), or the advisory approval of the Company's named executive officer compensation (Proposal 3). Brokerage firms do, however, have the authority under applicable rules to vote shares on certain matters when their customers do not provide voting instructions, such as the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2017 (Proposal 4). We urge you to instruct your broker or other nominee how to vote your shares by following those instructions.

**Voting by Employees Participating in 401(k) Plan**

If you are an employee of the Company and participate in the Hill International Inc. 401(k) Retirement Savings Plan (the "Plan"), the enclosed voting instruction form indicates the aggregate number of shares of common stock credited to your account as of April 28, 2017, the record date for voting at the Annual Meeting. If you timely submit your voting instructions to the Plan's trustee (the "Trustee") by following the instructions on the enclosed voting instruction form, your shares will be voted as you have directed. If you do not provide the Trustee with voting instructions, the Trustee will vote your Plan shares in the same proportion as the shares for which the Trustee receives voting instructions from other participants in the Plan. The Trustee must receive your voting instructions no later than June 23, 2017. Please note that Plan participants may vote their shares through the Trustee only and accordingly may not vote their Plan shares in person at the Annual Meeting.



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## Receipt of Multiple Proxy Cards

Many of our stockholders hold their shares in more than one account and may receive separate proxy cards or voting instruction forms for each of those accounts. To ensure that all of your shares are represented at the Annual Meeting, we recommend that you vote every proxy card you receive.

## Revocation of Proxies

You can change your vote or revoke your proxy at any time before it is exercised at the Annual Meeting by doing any of the following: (1) you can submit a valid proxy with a later date; (2) you can notify our Secretary in writing at Secretary, Hill International, Inc., One Commerce Square, 2005 Market Street, 17th Floor, Philadelphia, Pennsylvania 19103 that you have revoked your proxy; or (3) you can vote in person by written ballot at the Annual Meeting.

## Required Vote

**Proposal 1: Election of Directors.** Our Board of Directors has determined that this year's election will be considered uncontested, so majority voting will apply to the election of directors at the Annual Meeting. Nominees receiving a majority of votes cast for their election will be elected as a director.

If you do not vote for a particular nominee, or if you indicate on your proxy card that you want to withhold authority to vote for a particular nominee, then your shares will not be voted for that nominee. In addition, if you hold shares of common stock through a broker-dealer, bank nominee, custodian or other securities intermediary, the intermediary will not vote those shares for the election of any nominee for director unless you give the intermediary specific voting instructions on a timely basis directing the intermediary to vote for such nominee. Abstentions and broker non-votes do not constitute a vote "for" or "withheld" as to a director.

Pursuant to our Bylaws, written notice by stockholders of qualifying nominations for election to our Board of Directors must have been received by our Secretary by March 20, 2017. We did not receive any such nominations and no other nominations for election to our Board may be made by stockholders at the Annual Meeting.

If for some reason any of the Board's director nominees are unable to serve, the persons named as proxies may vote for a substitute nominee recommended by the Board and, unless you indicate otherwise on the proxy card, your shares will be voted in favor of the Board's remaining nominees. As of the date of the Notice of 2017 Annual Meeting of Stockholders, we knew of no reason why any of the Board's nominees would be unable or for good cause unwilling to serve as a director if elected.

**Proposal 2: Approval of the Company's 2017 Equity Compensation Plan.** The votes cast "for" this proposal must exceed the votes cast "against" such proposal for this proposal to pass. In addition, if you hold shares of common stock through a broker-dealer, bank nominee, custodian or other securities intermediary, the intermediary will not vote those shares either "for" or "against" the approval of the Company's 2017 Equity Compensation Plan unless you give the intermediary specific voting instructions on a timely basis directing the intermediary to vote. Abstentions and broker non-votes do not constitute a vote "for" or "against" this proposal and will be disregarded in the calculation of "votes cast."

**Proposal 3: Advisory vote on the approval of the Company's named executive officer compensation.** The votes cast "for" this proposal must exceed the votes cast "against" such proposal for this proposal to pass. In addition, if you hold shares of common stock through a broker-dealer, bank nominee, custodian or other securities intermediary, the intermediary will not vote those shares either "for" or

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"against" the approval of the Company's named executive officer compensation unless you give the intermediary specific voting instructions on a timely basis directing the intermediary to vote. Abstentions and broker non-votes do not constitute a vote "for" or "against" this proposal and will be disregarded in the calculation of "votes cast."

**Proposal 4: Ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2017.** The votes cast "for" this proposal must exceed the votes cast "against" such proposal for this proposal to pass. In addition, if you hold shares of common stock through a broker-dealer, bank nominee, custodian or other securities intermediary, the intermediary may exercise discretionary authority on those shares to either "for" or "against" the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2017, unless you give the intermediary specific voting instructions on a timely basis directing the intermediary to vote. Abstentions do not constitute a vote "for" or "against" this proposal and will be disregarded in the calculation of "votes cast."

**Broker non-votes**

A broker non-vote occurs when a beneficial owner of shares held by a broker, bank or other nominee fails to provide the record holder with specific instructions concerning how to vote on any "non-routine" matters brought to a vote at a stockholders meeting. Under the NYSE rules, "non-routine" matters include the election of directors (Proposal 1), the approval of the Company's 2017 Equity Compensation Plan (Proposal 2) and the vote, on an advisory basis, on the approval of the Company's named executive officer's compensation (Proposal 3). Under applicable rules, a brokerage firm has the authority to vote shares on certain matters when their customers do not provide voting instructions, such as the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for 2017 (Proposal 4).

If you hold your shares in street name, it is critical that you cast your vote by instructing your bank, broker or other nominee on how to vote if you want your vote to be counted at the Annual Meeting for Proposals 1, 2 and 3. Otherwise, your bank, broker or other nominee will not be able to vote your shares on these "non-routine" matters.

**How to Attend the Annual Meeting**

Registered stockholders may be admitted to the meeting upon providing picture identification. If you own shares in street name (i.e., your shares are held in street name through a broker, bank, trustee or other nominee), please bring your most recent brokerage statement, along with picture identification, to the meeting. We will use your brokerage statement to verify your ownership of common stock and admit you to the meeting.

Please note that cameras, sound or video recording equipment, or other similar equipment, electronic devices, large bags or packages will not be permitted in the Annual Meeting.

**Quorum**

A quorum of stockholders is necessary to transact business at the 2017 Annual Meeting. A quorum exists if the holders of at least a majority of the shares of common stock entitled to vote are present either in person or by proxy at the meeting. Abstentions and broker non-votes will be counted in determining whether a quorum exists.

Table of Contents**2017 Stockholder Proposals**

At each annual meeting, stockholders are asked to elect directors to serve on the Board. The Board or stockholders may submit other proposals to be included in the proxy statement. To be considered for inclusion in the 2018 Annual Meeting Proxy Statement, stockholder proposals must meet the requirements of SEC Rule 14a-8 and must be received no later than December 29, 2017. After such date, any shareholder proposal will be considered untimely and may be excluded from consideration at the meeting. Our Bylaws provide that a stockholder may otherwise propose business for consideration or nominate persons for election to the Board, in compliance with federal proxy rules, applicable state law and other legal requirements and without seeking to have the proposal or nomination included in our proxy statement. Our Bylaws currently require that notice of such proposals or nominations for our 2018 Annual Meeting be received by us during the period from February 27, 2018 to March 29, 2018. Any such notice must satisfy the other requirements in our Bylaws applicable to such proposals and nominations.

**Householding Information**

SEC regulations permit the Company to send a single set of proxy materials, which includes this Proxy Statement, the Annual Report to Stockholders and the Notice of Internet Availability of Proxy Materials, to two or more stockholders that share the same address. Each stockholder will continue to receive his or her own separate proxy card. Upon written or oral request, the Company will promptly deliver a separate set of proxy materials to a stockholder at a shared address that only received a single set of proxy materials for this year. If a stockholder would prefer to receive his or her own copy, please contact William H. Dengler, Jr., Corporate Secretary, at the Company's principal executive office: One Commerce Square, 2005 Market Street, 17th Floor, Philadelphia, PA 19103; or by email addressed to hil@openboard.info. Similarly, if a stockholder would like to receive his or her own set of the Company's proxy materials in future years or if a stockholder shares an address with another stockholder and both would like to receive only a single set of the Company's proxy materials in future years, please contact Mr. Dengler.

**What am I being asked to vote on and what are the Board of Directors' recommendations?**

The following table lists the proposals scheduled to be voted on, the vote required for approval of each proposal and the effect of abstentions and broker non-votes:

<b>Proposal</b>	<b>Board Recommendation</b>	<b>Vote Required</b>	<b>Abstentions</b>	<b>Broker Non-Votes</b>	<b>Unmarked Proxy Cards</b>
Election of Directors <i>(Proposal One)</i>	<b>FOR</b>	Majority of votes cast	No effect	No effect	Voted "FOR"
Approval of 2017 Equity Compensation Plan <i>(Proposal Two)</i>	<b>FOR</b>	Majority of votes cast	No effect	No effect	Voted "FOR"
Advisory Vote on Compensation of Named Executive Officers <i>(Proposal Three)</i>	<b>FOR</b>	Majority of votes cast	No effect	No effect	Voted "FOR"
Ratification of the Appointment of KPMG LLP as the Company's Independent Registered Public Accounting Firm for 2017 <i>(Proposal Four)</i>	<b>FOR</b>	Majority of votes cast	No effect	No effect	Voted "FOR"

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## **PROPOSAL 1 ELECTION OF DIRECTORS**

The Board is divided into three classes. One class is elected each year for a term of three years.

On May 2, 2017, David L. Richter decided to resign from his position as Chief Executive Officer and as a member of the Board of Directors of the Company, effective on May 3, 2017. Also effective May 3, 2017, the Board reduced its size from ten to nine members, the number of directors currently holding office.

Two directors will be elected at this Annual Meeting to serve for a three-year term expiring at our annual meeting in 2020. Upon the recommendation of the Governance and Nominating Committee, the Board has renominated Alan S. Fellheimer and Steven R. Curts to serve for terms expiring in 2020.

The persons named in the proxy card will vote such proxy "for" the election of Messrs. Fellheimer and Curts unless you indicate that your vote should be withheld. If elected, each of Messrs. Fellheimer and Curts will continue in office until his successor has been duly elected and qualified, or until the earliest of his death, resignation, retirement or removal. Messrs. Fellheimer and Curts have indicated to the Company that they will serve if elected and have consented to be named in this proxy. We do not anticipate that Messrs. Fellheimer and Curts will be unable to stand for election, but, if that happens, your proxy will be voted in favor of another person nominated by the Board upon the recommendation of the Governance and Nominating Committee.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT OUR STOCKHOLDERS VOTE "FOR ALL" THE ELECTION OF MESSRS. FELLHEIMER AND CURTS AS DIRECTORS.**

## **NOMINEES FOR DIRECTOR TERM EXPIRING IN 2020**

STEVEN R. CURTS has been a director since October 2015. Since May 2014, he has been the Chief Strategy Officer and, since November 2016, he has been the Interim Chief Information Officer for American Express Global Business Travel. Prior to that, he was a Vice President with Dell, Inc. from November 2009 to December 2013. Before that, he worked for 20 years with Perot Systems Corp. in numerous roles, including President of its Commercial Solutions Group, Vice President of Corporate Planning and Financial Operations, and Vice President of Finance. Mr. Curts received his B.B.A in accounting from Southern Methodist University. Among other things, Mr. Curts brings experience as a senior finance leader with executive roles encompassing financial operations, business development, treasury and corporate planning. Age: 56.

ALAN S. FELLHEIMER has been a director since June 2006. He has been Chairman of the Philadelphia law firm of Fellheimer & Eichen LLP since January 2006. He was Chairman of the Board of the Pennsylvania Business Bank, a state-chartered bank, from 1998, when he founded the bank, until 2008 when the bank was sold. He also served as the bank's President and Chief Executive Officer from 1998 until 2006. From 1991 to 1998, Mr. Fellheimer was a Partner in the Philadelphia law firm of Fellheimer Eichen Braverman & Kaskey. During 1990, he was a Partner with the Philadelphia law firm of Spector Gadon & Rosen, P.C. From 1985 to 1990, Mr. Fellheimer was Chairman and Chief Executive Officer of Equimark Corp., then a New York Stock Exchange-listed bank holding company. He currently serves as a member of the Board of Trustees and Executive Committee of Gratz College, an emeritus member of the Board of Trustees of the Pennsylvania Ballet, a member of the President's Advisory Board of Temple University and a member of the Dean's Advisory Board of the School of Social Policy & Practice of the University of Pennsylvania. Mr. Fellheimer is a Trustee of the Law Foundation of Temple University and a Past Master, Past High Priest and Trustee of the Grand Lodge of Pennsylvania, AF&AM. Mr. Fellheimer earned his A.B. in liberal arts and his J.D. *summa cum laude*

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from Temple University. He is a member of the New Jersey, New York and Pennsylvania bars. Mr. Fellheimer has significant banking expertise and brings to the Company experience in leadership positions with public and non-public entities. Age: 74.

**CONTINUING DIRECTORS TERM EXPIRING IN 2018**

CAMILLE S. ANDREWS has been a director since June 2009. Since 1998, Ms. Andrews has been an Associate Dean, and since 1996 a member of the faculty, of Rutgers University School of Law at Camden. From 2007 to 2015, Ms. Andrews served as Counsel to Context Capital Partners, a private equity firm. Between 1986 and 1996, Ms. Andrews was a Partner with the law firm of Dilworth Paxson LLP, and between 2006 and 2008, she was Of Counsel to that firm, with expertise in antitrust, securities, class actions, derivative and shareholder suits, and other complex litigation matters. Ms. Andrews earned a B.A. *magna cum laude* in rhetoric and communication from the University of Pittsburgh and a J.D. *with honors* from Rutgers University School of Law at Camden, where she served on the Law Review. She was a member of the Board of Trustees for the Leap Academy Charter School in Camden, NJ from 2000 to 2007 and has served on a number of charitable boards, including the Walnut Street Theater, ACYO Charitable Foundation (a subsidiary of The Goldman Sachs Group, Inc.), New Jersey Child Cares, and the Philadelphia Zoo Chairman's Council. She has also served on the New Jersey Supreme Court Committee on Judicial Education. Ms. Andrews is admitted to practice law in New Jersey, Pennsylvania and before the U.S. Supreme Court. Ms. Andrews offers a wealth of legal expertise in commercial matters and her service on the boards of other organizations provides cross-board experience. Age: 57.

BRIAN W. CLYMER has been a director since June 2006. Mr. Clymer retired from Prudential Financial, Inc. where he was Senior Vice President of External Affairs from July 1997 to January 2013. Prior to Prudential, he served as New Jersey State Treasurer under Governor Christine Todd Whitman from 1994 to 1997. Prior to that, Mr. Clymer was President and Chief Executive Officer of Railway System Design, Inc. and Vice President of its parent company, Gannett Fleming, Inc., an engineering design firm, from 1993 to 1994. From 1989 to 1993, he served under President George H.W. Bush as Administrator of the U.S. Federal Transit Administration. Mr. Clymer has served on numerous Boards of Directors, including the New Jersey Sports and Exposition Authority, the New Jersey Casino Reinvestment Development Authority, the New Jersey Performing Arts Center, the Southeastern Pennsylvania Transportation Authority, the American Public Transit Association, Security First Bank, and Motor Coach Industries International, Inc., then a New York Stock Exchange-listed designer and manufacturer of buses and coaches. He also served on the Board of Directors of the New Jersey Alliance for Action from 1997 to 2014 and currently serves on the Board of the Independent College Fund of New Jersey as past Chairman. Mr. Clymer earned his B.S. in business and economics from Lehigh University and holds an honorary doctorate from Drexel University. He is a Certified Public Accountant in the Commonwealth of Pennsylvania. Mr. Clymer has spent almost 20 years in the field of public accounting and brings extensive experience as an executive and board member of various publicly and non-publicly held entities and offers deep knowledge of financial, economic and accounting matters. Age: 70.

RAOUF S. GHALI has been our President and a member of our board since August 2016 and our Chief Operating Officer since January 2015. Prior to that, he was President of our Project Management Group (International) from January 2005 to January 2015, Senior Vice President in charge of project management operations in Europe, North Africa and the Middle East from 2001 to 2004, and Vice President from 1993 to 2001. Prior to joining us, he worked for Walt Disney Imagineering from 1988 to 1993. Mr. Ghali earned both a B.S. in business administration and economics and an M.S. in business organizational management from the University of LaVerne. Age: 55.

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CRAIG L. MARTIN has been our Executive Chairman since May 3, 2017, our Chairman since October 2016 and a director since February 2016. In December 2014, Mr. Jacobs retired as the President and Chief Executive Officer of Jacobs Engineering Group, Inc. He became President in July 2002 and Chief Executive in April 2006. He also served as a member of Jacobs' Board of Directors from 2002 until his retirement. Prior to July 2002, he served in several positions, most recently as Executive Vice President of Global Sales and Marketing. Before joining Jacobs in 1994, he worked in various roles at CRSS International Inc. and Martin K. Eby Construction Co. He received his B.S. in civil engineering from the University of Kansas and his M.B.A. from the University of Denver. Mr. Martin has nearly 45 years of experience in the international engineering and construction industry. Age: 67.

**CONTINUING DIRECTORS TERM EXPIRING IN 2019**

CHARLES M. GILLMAN has been a director since August 2016. Mr. Gillman has been the owner and Executive Managing Director of IDWR Multifamily Investment Office since 2013. From 2001 – 2013 he served as a Portfolio Manager for Nadel and Gussman, a holding company with a number of business interests. He currently serves on the Board of the following public companies: Digirad Corporation, Novation Companies, Solitron, and Points International. Previously, he served on the Board of the following public companies: Aetrium, Inc., InfuSystem Holdings, Inc., PMFG Inc., On Track Innovations Ltd., MRV Communications Inc., Littlefield, Hooper Holmes, and Compumed Inc. Age: 46.

PAUL J. EVANS has been our Interim Chief Executive Officer since May 3, 2017 and a director since August 2016. From 2012 – 2015 Mr. Evans served as Vice President, Chief Financial Officer and Treasurer of MYR Group, and President of MYR Real Estate Company. From 2010 – 2011, Mr. Evans was Chief Executive Officer of Conex Energy Corporation, a privately-held company that developed renewable energy projects. From 2002 – 2009 he served as Treasurer and Corporate Officer of NorthWestern Energy, a multi-state utility that provides electricity and natural gas. Prior to NorthWestern Energy, Mr. Evans held corporate operational finance positions at Duke Energy North America, NRG Energy, and McLane Company, Inc. Mr. Evans is a Certified Public Accountant and holds a B.B.A. in Accounting from Stephen F. Austin State University and Masters of International Management from Thunderbird School of Global Management. Age: 49.

DAVID SGRO has been a director since August 2016. Mr. Sgro is a Senior Managing Director of Crescendo Partners, L.P. and has held various positions at Crescendo Partners since May 2005. He is also a Managing Member and Head of Research for Jamarant Capital, a private investment fund. Mr. Sgro also serves as an officer and is a former director of Harmony Merger Corp. (NASDAQ:HRMN), a Special Purpose Acquisition Company. Mr. Sgro has been a director and chairman of the audit committee of Pangaea Logistics Solutions Ltd. (NASDAQ:PANL), a provider of seaborne dry bulk transportation services to industrial customers, since October 2014; a director and chairman of the audit committee of BSM Technologies Inc., a provider of GPS fleet and asset management solutions, since June 2016; and a director of Imvescor Restaurant Group Inc., a restaurant franchise and licensing company, since March 2016. He has also been a director, and chairman of the audit committee, of ComDev International, a TSX listed designer and manufacturer of space hardware subsystems, from April 2013 to February 2016; a director, and chairman of the audit committee, of SAExploration Holdings, Inc. (NASDAQ:SAEX), a provider of seismic data services to the oil and gas industries, from June 2013 to July 2016; a director of Bridgewater Systems, Inc., a TSX listed telecommunications software company, from June 2008 to August 2011; and a director of Primoris Services Corporation (NASDAQ:PRIM), a specialty construction company, from July 2008 to May 2011. Mr. Sgro also served as an officer and director of Quartet Merger Corp., from October 2013 until its merger with Pangaea Logistics Solutions Ltd. in October 2014, and as an officer and director of Trio Merger Corp., from March 2011 until its merger with SAExploration Holdings in June 2013. Prior to

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joining Crescendo Partners, Mr. Sgro held analyst positions with Management Planning, Inc. and MPI Securities, Inc. Mr. Sgro is a Chartered Financial Analyst (CFA) Charterholder and holds a B.S. in Finance from The College of New Jersey and an M.B.A. from Columbia Business School. Age: 40.

## **CORPORATE GOVERNANCE**

Pursuant to the Delaware General Corporation Law and the Company's Amended and Restated Bylaws, the Company's business, property and affairs are managed by or under the direction of the Board of Directors. Members of the Board are kept informed of the Company's business through discussions with the Chief Executive Officer and other officers, by reviewing materials provided to them and by participating in meetings of the Board and its committees. We currently have ten members on our Board.

During 2016, the Board held nineteen meetings and the committees held a total of twenty-four meetings. Each director attended more than 75% of the total number of meetings of the Board of Directors and the Board committees of which he or she was a member during the period he or she served as a director in 2016. Although we do not have a policy requiring all directors to attend annual meetings of stockholders, we expect all directors to attend, absent extenuating circumstances. Last year, our 2016 Annual Meeting of Stockholders was postponed but was later recognized to have convened by the Delaware Court of Chancery; accordingly, our directors did not attend our 2016 Annual Meeting of Stockholders.

### **Board Leadership Structure**

Our Amended and Restated Bylaws provide that we will have a Chairman who will chair Board meetings and perform such other duties as set forth in our Amended and Restated Bylaws or as otherwise assigned to him by our Board. The Chairman and Chief Executive Officer may be the same person; however, our Board may separate these two positions if it deems it to be in the best interests of our Company and our stockholders to do so. Presently, the Chairman and Chief Executive Officer positions are held by two different individuals. On October 6, 2016, Mr. Craig L. Martin was appointed as Chairman. On May 3, 2017, Mr. Martin was appointed our Executive Chairman. Mr. Martin is not considered an officer or employee of the Company and will not receive any additional compensation in connection with this appointment. Also, on May 3, 2017, the Board established an Office of the Chairman which has such authority as may be delegated by the Board from time to time; as of the date of this proxy statement, the Office of the Chairman is comprised of our Executive Chairman, Craig L. Martin, our Interim Chief Executive Officer and director, Paul J. Evans, our President and Chief Operating Officer and a director, Raouf S. Ghali, and our Executive Vice President and General counsel, William H. Dengler, Jr. Considering the independence of our Executive Chairman (discussed in the section titled "Director Independence"), the Board of Directors amended the Company's bylaws on November 3, 2016 to remove provisions with respect to a lead independent director.

### **Role of the Board in Risk Oversight**

The Board as a whole has responsibility for risk oversight, with reviews of certain areas conducted by relevant Board committees that report on their findings to the Board. The oversight responsibility of the Board and the Board committees is facilitated by management reporting processes designed to provide information to the Board concerning the identification, assessment and management of critical risks and management's risk mitigation strategies and practices. These areas of focus include operational, economic, competitive, financial (including accounting, reporting, credit, liquidity and tax), legal, regulatory, compliance, environmental, political and strategic risks. The full Board (or the appropriate Board committee), in concert with the appropriate management within the Company,

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reviews management reports to formulate risk identification, risk management and risk mitigation strategies. When a Board committee initially reviews management reports, the Chairman of the relevant Board committee briefs the full Board on the specifics of the matter at the next Board meeting. This process enables the Board to coordinate the risk oversight role, particularly with respect to risks spanning more than one operational area. The Compensation Committee reviews compensation policies to ensure that they do not, among other things, encourage unnecessary or excessive risk-taking.

## **Corporate Governance Guidelines**

The Corporate Governance Guidelines adopted by the Board, which include guidelines for determining director independence, are published on the Company's website at [www.hillintl.com](http://www.hillintl.com), in the "Investors" section, and are available in print to any stockholder upon request. That section of the website makes available the Company's corporate governance materials, including Board committee charters. Those materials are also available in print to any stockholder upon request.

## **Committees of the Board of Directors**

During 2016, the Board had standing Audit, Compensation, and Governance and Nominating Committees. All members of each committee have been determined by the Board of Directors to be "independent" under applicable NYSE rules. In addition, the Board has determined that each member of the Audit Committee meets SEC independence requirements which require that members of the Audit Committee may not accept directly or indirectly any consulting, advisory or other compensatory fee from Hill or any of its subsidiaries other than their directors' compensation. The charter of each committee is available on our website at [www.hillintl.com](http://www.hillintl.com), in the "Investors" section.

### *Audit Committee*

The Audit Committee consists of Brian W. Clymer (Chair), Alan S. Fellheimer and Charles M. Gillman. Mr. Gillman replaced Paul J. Evans as a member of the Audit Committee on May 3, 2017. The Board has determined that each member of the Audit Committee is financially literate. The Board has also determined that Brian W. Clymer possesses accounting or related financial management expertise within the meaning of the NYSE listing standards and qualifies as an "audit committee financial expert," as defined by the rules of the SEC.

The Audit Committee assists the Board in fulfilling its oversight responsibilities by (a) reviewing the financial reports and other financial information provided by Hill to its stockholders, the SEC and others, (b) monitoring the Company's financial reporting processes and internal control systems, (c) retaining Hill's independent registered public accounting firm, (d) overseeing the Company's independent registered public accounting firm and internal auditors and (e) monitoring the Company's compliance with its ethics policies and with applicable legal and regulatory requirements. The Audit Committee also reviews and approves any transactions between Hill and any related parties. During 2016, the Audit Committee met eight times. The Audit Committee has been established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934 (as amended, the "Exchange Act").

### *Compensation Committee*

The Compensation Committee consists of Steven R. Curts (Chair), Alan S. Fellheimer and David Sgro. Mr. Fellheimer replaced Paul J. Evans as a member of the Compensation Committee on May 3, 2017. Each member of the Compensation Committee is a "non-employee director" as defined in Rule 16b-3 of the Exchange Act and an "outside director" for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code").



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The Compensation Committee oversees Hill's executive compensation programs. The Compensation Committee reviews and recommends to the Board for approval the compensation arrangements for all of the Company's executive officers. During 2016, the Compensation Committee met thirteen times. The processes of the Compensation Committee are described below in "Compensation Discussion & Analysis."

*Governance and Nominating Committee*

The Governance and Nominating Committee consists of Camille S. Andrews (Chair), Charles M. Gillman and David Sgro. The Governance and Nominating Committee oversees matters relating to the evaluation and recommendation to the Board of the persons to be nominated for election as directors at any meeting of stockholders, and the persons to be appointed by the Board to fill any vacancy on the Board.

The Governance and Nominating Committee is responsible for reviewing and assessing with the Board the appropriate skills, experience, and background sought of Board members in the context of our business and the then-current membership on the Board. This assessment includes a consideration of independence, diversity, age, skills, experience, and industry backgrounds in the context of the needs of the Board and the Company, as well as the ability of current and prospective directors to devote sufficient time to performing their duties in an effective manner. Although the Company does not have a formal policy with respect to diversity standards, as a matter of practice, the Governance and Nominating Committee considers matters commonly viewed as matters of diversity in the context of the Board as a whole and, in its effort to select a Board that it believes will best serve the interests of the Company and its stockholders, takes into account the personal characteristics and experience of current and prospective directors to facilitate Board deliberations that reflect a broad range of perspectives.

The Governance and Nominating Committee carefully considers all director candidates recommended by our stockholders, and the Governance and Nominating Committee does not and will not evaluate such candidate recommendations any differently from the way it evaluates other candidates. The Company's Bylaws set forth minimum qualifications for an individual to serve as a director on the Company. These minimum qualifications provide that no person shall qualify for service or serve as a director of the Company: (a) unless such person is in compliance with all applicable laws and regulatory requirements to which the Company's directors may be subject in connection with such person's service as a director, (b) if such person has been convicted in, or entered a plea of nolo contendere with respect to, a criminal proceeding involving fraud, misappropriation or other similar charge during the ten years preceding the date of election, or if such person has been found responsible for or admitted responsibility for fraud, misappropriation or other similar charge in any governmental investigation or proceeding or other civil judicial proceeding during the ten years preceding the date of election, or if such person has been found responsible for or admitted responsibility for any material violation of any foreign, federal or state securities law or federal commodities law during the ten years preceding the date of election, (c) if such person has been convicted of, or entered a plea of nolo contendere with respect to, any felony, (d) if such person serves on the board of directors of more than three other public companies, (e) if such person is a director, officer or holder of more than a five percent (5%) equity interest, directly or indirectly, in a business that competes, directly or indirectly, with the Company, (f) if such person has made or makes any contribution or expenditure in connection with the election of any candidate for political office, including any contribution to any committee supporting such a candidate or to a political party, in any jurisdiction which results in the Company becoming ineligible to conduct its business or any portion thereof, or (g) if such person has ever been the subject of a filing of personal bankruptcy in any jurisdiction, either voluntarily or involuntarily (and in the case of an involuntary filing, if such filing was not dismissed within 60 days) during the ten years preceding the applicable date of election.

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Any stockholder who wishes to recommend an individual as a potential nominee for election to the Board should submit such recommendation in writing by mail to Hill International, Inc., One Commerce Square, 2005 Market Street, 17th Floor, Philadelphia, Pennsylvania 19103, Attn: Chair of Governance and Nominating Committee, together with information regarding the experience, education and general background of the individual and a statement as to why the stockholder believes such individual to be an appropriate candidate for the Board of Directors of Hill. Such recommendation should be provided to Hill no later than the close of business on the 120th day prior to the one-year anniversary of the date the Company's proxy statement was released to stockholders in connection with the previous year's annual meeting. During 2016, the Governance and Nominating Committee held three meetings.

**Majority Voting in Uncontested Elections of Directors**

Last year, our Board recommended and the stockholders approved the adoption of majority voting for uncontested elections of directors. Plurality voting continues to apply in contested elections. A contested election is one in which the number of nominees exceeds the number of directors to be elected, and other conditions are met. In an uncontested election, nominees will be elected directors if they receive a majority of the votes cast (i.e., the number of shares voted "for" a director must exceed the number of votes cast "withheld" from that director, without counting abstentions or broker non-votes); if a nominee is an incumbent director but is not elected, such director is required to tender his or her resignation to the Board promptly following the date of the certification of the election results. The Nominating and Governance Committee shall make a recommendation to the Board as to whether to accept or reject the tendered resignation, or whether other action should be taken. The Board shall act on the tendered resignation, taking into account the Nominating and Governance Committee's recommendation, and publicly disclose (by press release, filing with the SEC or other manner reasonably calculated to inform stockholders) its decision regarding the tendered resignation and the rationale behind the decision within 90 days from the date of the certification of the election results. In a contested election, the nominees who receive a plurality of the votes cast (i.e., more votes in favor of their election than other nominees) will be elected directors.

**Communicating Concerns to Directors**

The Company encourages all interested persons to communicate any concern that an officer, employee, director or representative of Hill may have engaged in illegal, dishonest or fraudulent activity, or may have violated Hill's Code of Ethics and Business Conduct. Such persons may report their concerns or other communications including suggestions or comments to the Board in one of the following ways: by mail sent to William H. Dengler, Jr., Corporate Secretary, at the Company's principal executive office: One Commerce Square, 2005 Market Street, 17th Floor, Philadelphia, Pennsylvania 19103; by telephone at (866) 352-2792; or by email addressed to [hil@openboard.info](mailto:hil@openboard.info). All such communications will be referred to Mr. Dengler who will circulate them to the members of the Board, or in the case of potential violations of the Code of Ethics and Business Conduct, to the Chairman of the Audit Committee. If the communication is directed to a particular director, Mr. Dengler will forward the communication to that director. The Board does not screen stockholder communications.

**Code of Ethics**

All directors, officers and employees of the Company are expected to act ethically at all times and in accordance with the policies comprising Hill's Code of Ethics and Business Conduct (the "Code") which is available on our website at [www.hillintl.com](http://www.hillintl.com), in the "Investor Relations" section, and is available in print to any stockholder upon request. Any waiver or any implicit waiver from a provision of the Code applicable to Hill's chief executive officer, chief financial officer, chief accounting officer

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or controller, or any amendment to the Code must be approved by the Board. We will disclose on our website amendments to, and, if any are granted, any such waiver of, the Code. Hill's Audit Committee is responsible for applying the Code to specific situations in which questions are presented to it and has the authority to interpret the Code in any particular situation. If, after investigating any potential breach of the Code reported to it, the Audit Committee determines (by majority decision) that a breach has occurred, it will inform the Board of Directors. Upon being notified that a breach has occurred, the Board (by majority decision) will take or authorize such disciplinary or preventive action as it deems appropriate, after consultation with the Audit Committee and/or the Company's General Counsel, up to and including dismissal or, in the event of criminal or other serious violations of law, notification of the SEC or other appropriate law enforcement authorities.

**Director Independence**

The standards applied by the Board in affirmatively determining whether a director is "independent," in compliance with the rules of the NYSE, generally provide that a director is not independent if:

- (1) the director is, or has been within the last three years, our employee, or an immediate family member (defined as including a person's spouse, parents, children, siblings, mothers-and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone, other than domestic employees, who shares such person's home), is, or has been within the last three years, one of our executive officers;
- (2) the director has received, or has an immediate family member who has received, during any 12-month period within the last three years, more than \$120,000 per year in direct compensation from us, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
- (3) (a) the director is a current partner or employee of a firm that is our internal or external auditor; (b) the director has an immediate family member who is a current partner of such a firm; (c) the director has an immediate family member who is a current employee of such a firm and who works on our audit; or (d) the director or an immediate family member was, within the last three years, a partner or employee of such a firm and personally worked on our audit within that time;
- (4) the director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of our present executive officers at the same time serves or served on that company's compensation committee; or
- (5) the director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to or received payments from us for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1,000,000 or two percent of such other company's consolidated gross revenues.

In addition to these objective standards, the Board of Directors has adopted a general standard, also in compliance with NYSE rules, to the effect that no director qualifies as independent unless the Board of Directors affirmatively determines that the director has no material relationship with us. In making this determination, the Board considers all relevant facts and circumstances regarding any transactions, relationships and arrangements between Hill and the director, and also between Hill and any company or organization with which the director is affiliated. The Board of Directors has determined that our current independent directors are Camille S. Andrews, Brian W. Clymer, Steven R. Curts, Alan S. Fellheimer, Charles M. Gillman, Craig L. Martin and David Sgro.

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**Involvement in Certain Legal Proceedings**

Charles M. Gillman is subject to an SEC administrative order, dated February 14, 2017 (Securities Exchange Act Release No. 80038), relating to alleged violations of Section 13(d) of the Securities Exchange Act of 1934 (the "Exchange Act") and the rules promulgated thereunder, including failing to disclose the members of a stockholder group, and further allegations that Mr. Gillman violated Section 16(a) of the Exchange Act and the rules promulgated thereunder, including failing to timely file initial statements of beneficial ownership on Form 3 and changes thereto on Form 4. Without admitting or denying any violations, Mr. Gillman agreed to cease and desist from committing or causing any violations of (i) Section 13(d) of the Exchange Act and Rules 13d-1 and 13d-2 promulgated thereunder and (ii) Section 16(a) of the Exchange Act and Rules 16a-2 and 16a-3 promulgated thereunder, and paid a \$30,000 civil penalty to the SEC.

**PROPOSAL 2 APPROVAL OF THE COMPANY'S 2017 EQUITY COMPENSATION PLAN**

The Board of Directors has adopted, upon the recommendation of the Compensation Committee (the "Committee") and subject to stockholder approval, the Hill International, Inc. 2017 Equity Compensation Plan (the "Plan"), to provide a compensation program for those directors, officers, employees, consultants and advisors whose contributions are essential to the growth and success of the Company, by enabling them to participate in the long-term growth of the Company through stock ownership and equity-based incentives. In its recommendation, the Committee considered the Company's existing 2006 Employee Stock Option Plan, as amended, which only provides for the grant of options exercisable into the Company's common stock and does not allow the Committee to structure equity awards in a manner the Committee might deem more able to produce the desired results to enable the Company to attract, retain, motivate and provide additional incentive to certain directors, officers, employees, consultants and advisors. If the new Plan is approved, the Board will release all 2,547,615 shares which were available for future grants under the Company's 2006 Employee Stock Option Plan, the Company's 2009 Non-Employee Director Stock Grant Plan and the Company's 2007 Restricted Stock Grant Plan and shares will no longer be able to be granted under these prior plans. A copy of the Plan is attached to this proxy statement as Annex A.

**Recommendation and Vote Required**

Approval of the proposal to adopt the Plan will require the affirmative vote of the holders of a majority of the outstanding shares of our common stock represented in person or by proxy and entitled to vote at the meeting.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT OUR STOCKHOLDERS VOTE "FOR" THE PROPOSAL TO APPROVE THE PLAN.**

The full text of the Plan is included in this Proxy as Appendix A. All capitalized terms not defined herein shall have the meanings set forth in the Plan. The following summary of the Plan is qualified in its entirety by reference to the full text of the plan.

**Purpose**

The purpose of the Plan is to enable the Company to attract, retain, motivate and provide additional incentive to certain directors, officers, employees, consultants and advisors, whose contributions are essential to the growth and success of the Company, by enabling them to participate in the long-term

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growth of the Company through stock ownership and equity-based incentives. Upon review of the Company's other compensation plans, the Committee recognized the need to have an omnibus plan which would provide the Company more flexibility in structuring compensation awards to specific recipients.

**Award Types**

Awards under the Plan may be made in the form of Options (including Stock Appreciation Rights), Restricted Stock, Deferred Stock Units, Restricted Stock Units, Dividend Equivalent Rights and other forms of equity based Awards.