ABM INDUSTRIES INC /DE/
Form DEF 14A
February 05, 2016
TABLE OF CONTENTS
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 Rule 14a-12

ABM Industries Incorporated
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)
Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1)
Title of each class of securities to which transaction applies:

(2)
Aggregate number of securities to which transaction applies:

(3)

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4)
Proposed maximum aggregate value of transaction:

(5)
Total fee paid:

Fee paid previously with preliminary materials.

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

(1)
Amount Previously Paid:

(2)
Form, Schedule or Registration Statement No.:

(3)
Filing Party:

(4)
Date Filed:

TABLE OF CONTENTS

ABM Industries Incorporated
551 Fifth Avenue, Suite 300
New York, New York 10176

February 5, 2016

Dear Fellow Shareholders:

You are invited to our annual meeting of shareholders, which will take place on March 9, 2016 at 10:00 a.m. Eastern Time at the Lotte New York Palace Hotel, 455 Madison Avenue, New York, New York 10022. We hope that you will attend the meeting, but whether or not you attend, please designate the proxies on the proxy card to vote your shares.

This past year was an important year for our Company. The Board appointed a new President and Chief Executive Officer as well as a new Executive Vice President and Chief Financial Officer. With the Board's full support and under the leadership of our CEO, the Company is embarking on a transformation initiative, which we call our 2020 Vision that is intended to drive long-term profitable growth and enhance shareholder value. We are also pleased to welcome two new Board members, Thomas M. Gartland and Lauralee E. Martin, to our Board. Most recently, Mr. Gartland served as president, North America for Avis Budget Group, Inc., a publicly traded, leading global provider of vehicle rental services. Ms. Martin is currently the chief executive officer and president of HCP, Inc., a publicly traded, fully integrated real estate investment trust.

We look forward to seeing you at the 2016 Annual Meeting of Shareholders.

| | |
|---|---|
| Maryellen C. Herringer<br>Chairman of the Board of Directors | Scott Salmirs<br>President and Chief Executive Officer |

TABLE OF CONTENTS

ABM Industries Incorporated
551 Fifth Avenue, Suite 300
New York, New York 10176

2016 ANNUAL MEETING OF SHAREHOLDERS
WEDNESDAY, MARCH 9, 2016
10:00 A.M. EASTERN TIME
NOTICE OF MEETING AND PROXY STATEMENT
YOUR VOTE IS IMPORTANT

ABM Industries Incorporated ("ABM," or the "Company") will hold its 2016 Annual Meeting of Shareholders at the Lotte New York Palace Hotel, 455 Madison Avenue, New York, New York 10022, on Wednesday, March 9, 2016, at 10:00 a.m. Eastern Time. The items of business at the Annual Meeting are:

Item One: Election of three directors to serve three-year terms until the 2019 Annual Meeting and until their successors are duly elected and qualified. The Board recommends a vote FOR each of the nominees.

Item Two: Ratification of the selection of KPMG LLP as ABM's independent registered public accounting firm for the current year. The Board recommends a vote FOR this proposal.

Item Three: Advisory vote to approve executive compensation. The Board recommends a vote FOR this proposal.

Item Four: A management proposal to amend the Company's Employee Stock Purchase Plan ("ESPP") to increase by 1,000,000 the number of shares of the Company's common stock authorized for issuance under the ESPP, as described in the proxy materials. The Board recommends a vote FOR this proposal.

Item Five: Transact such other business as may properly come before the meeting.

If you are a shareholder of record, you may vote in any one of four ways: in person by attending the Annual Meeting, by Internet, by telephone or by mail using the enclosed proxy card. Specific voting information is included under the caption "Voting Procedures." Only shareholders of record at the close of business on January 13, 2016 are entitled to vote. On that day 55,936,795 shares of ABM common stock were outstanding. Each share entitles the holder to one vote.

The ABM Board of Directors asks you to vote in favor of the director nominees, for the ratification of KPMG LLP as ABM's independent registered public accounting firm, for the approval, on an advisory basis, of the compensation of our executive officers and for approval of the amended 2004 Employee Stock Purchase Plan. This Proxy Statement provides you with detailed information about each of these matters. We encourage you to read this Proxy Statement carefully. In addition, you may obtain information about ABM from our Annual Report on Form 10-K for the fiscal year ended October 31, 2015, our 2015 Annual Report to Shareholders, and from additional documents that we have filed with the Securities and Exchange Commission that are available on ABM's website at www.abm.com.

This Notice and Proxy Statement are dated February 5, 2016, and were first mailed, together with a proxy card, to shareholders on or about February 5, 2016.

Shareholders may obtain free of charge a copy of our latest annual report (without exhibits) as filed with the SEC by writing to: Investor Relations, ABM Industries Incorporated, Corporate Headquarters, 551 Fifth Avenue, Suite 300, New York, New York 10176 or calling (212) 297-0200. In addition, all of our public filings, including our Annual Report on Form 10-K, can be found free of charge on the SEC's website at www.sec.gov.

TABLE OF CONTENTS

Important Notice Regarding the Availability of Proxy Materials
for the Shareholder Meeting to Be Held on March 9, 2016

The Proxy Statement, Annual Report on Form 10-K for the fiscal year ended October 31, 2015 and 2015 Annual Report to Shareholders and the means to vote by Internet are available at www.proxyvote.com.

Instead of receiving paper copies of future annual reports and proxy statements in the mail, you can elect to receive an e-mail that will provide an electronic link to these documents. Choosing to receive your proxy materials online will save us the cost of producing and mailing documents to you as well as conserve natural resources. With electronic delivery, we will notify you by e-mail as soon as the annual report and proxy statement are available on the Internet, and you can easily submit your shareholder vote online. If you are a shareholder of record, you may enroll in the electronic delivery service at the time you vote by marking the appropriate box on your proxy card, or by selecting electronic delivery if you vote on the Internet, and following the enrollment instructions. If you are a beneficial holder, you may also have the opportunity to receive annual meeting materials electronically. Please check the information provided in the proxy materials mailed to you by your brokerage firm, bank or trustee.

You may contact ABM at (212) 297-0200 to obtain directions to the site of the Annual Meeting.

TABLE OF CONTENTS

Table of Contents

TABLE OF CONTENTS

TABLE OF CONTENTS

Summary Information

PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in this proxy statement. You should read the entire proxy statement carefully before voting.

Annual Meeting of Shareholders

- Time and Date:
  10:00 a.m. Eastern Time, March 9, 2016

- Place:
  Lotte New York Palace Hotel
  455 Madison Avenue
  New York, New York 10022

- Record Date:
  January 13, 2016

- Voting:
  Shareholders

Meeting Agenda

- Election of three directors

- Ratification of the selection of KPMG LLP as ABM's independent registered public accounting firm for fiscal year 2016

- Nonbinding advisory vote to approve executive compensation

- Amendment of the 2004 Employee Stock Purchase Plan

- Transaction of any other business that may properly come before the meeting

Voting Matters

| Board Proposals | Board Vote Recommendation | Page Reference (for more detail) |
|---|---|---|
| Election of Directors | FOR EACH DIRECTOR NOMINEE | 50 |

| | | |
|---|---|---|
| Ratification of the selection of KPMG LLP as our independent registered public accounting firm for fiscal year 2016 | FOR | 55 |
| Advisory vote to approve executive compensation | FOR | 56 |
| Amendment of the 2004 Employee Stock Purchase Plan | FOR | 57 |

Board Nominees

The following table provides summary information about each director who is nominated for election.

| Name | Age | Director Since | Occupation | Independent | Committee Assignments |
|---|---|---|---|---|---|
| Luke S. Helms | 72 | 1995 | Managing Director, Sonata Capital Group | | Governance, Chair Audit Compensation |
| Sudhakar Kesavan | 61 | 2012 | Chairman and Chief Executive Officer, ICF International | | Compensation, Chair |
| Lauralee E. Martin | 65 | 2015 | Chief Executive Officer and President, HCP, Inc. | | Corporate Citizenship and Communications |

1

TABLE OF CONTENTS

Voting Procedures and
Annual Meeting Attendance

## VOTING PROCEDURES AND ANNUAL MEETING ATTENDANCE

### Who may vote and how many votes do I have?

Shareholders of record at the close of business on the record date, January 13, 2016, may vote. On that date, there were 55,936,795 outstanding shares of ABM common stock. All of the shares of ABM's common stock are entitled to vote at the meeting. Shareholders of record will have one vote for each share they hold.

### How many votes must be present to hold the annual meeting?

A majority of the votes that may be cast (at least 27,968,398 votes), present in person or represented by proxy, is needed to hold the 2016 Annual Meeting. If you properly vote on any proposal, your shares will be included in the number of shares to establish a quorum for the annual meeting. Shares represented by proxy cards marked "abstain" or returned without voting instructions will be counted as present for the purpose of determining whether the quorum for the annual meeting is satisfied. In addition, if you hold shares through a bank or brokerage account, your shares will be counted as present for the purpose of determining whether the quorum for the annual meeting is satisfied, even if you do not provide voting instructions to your bank or brokerage firm. However, neither these shares nor any abstentions will count in the voting results.

We urge you to vote by proxy even if you plan to attend the meeting. That will help us to know as soon as possible that we have enough votes to hold the meeting. Returning your proxy card will not affect your right to revoke your proxy or to attend the 2016 Annual Meeting and vote in person.

### How do I vote my shares?

You may vote at the annual meeting by proxy or in person.

If you are a "holder of record" (that is, if your shares are registered in your own name with our transfer agent), you have several options. You may vote by telephone, on the Internet or by attending the meeting and voting in person. In addition, you may vote by mail using the enclosed proxy card.

If you hold your shares in "street name" (that is, if you hold your shares through a broker, bank or other holder of record), you received this proxy statement and voting instruction card from your broker, bank or other holder of record. The voting instruction card explains which voting options are available to you. As the beneficial owner of shares held in street name, you have the right to direct your bank or broker how to vote your shares, and it is required to vote your shares in accordance with your instructions. If you do not give instructions to your bank or brokerage firm, it will nevertheless be entitled to vote your shares with respect to "routine" items, but it will not be permitted to vote your shares with respect to "nonroutine" items. In the case of a nonroutine item, your shares will be considered "broker non-votes" on that proposal. If you want to vote in person at the annual meeting, you must obtain a power of attorney or proxy from your broker, bank or other holder or record authorizing you to vote. You must bring this power of attorney or proxy to the meeting.

### How do I attend the annual meeting?

All shareholders as of the record date, January 13, 2016, or their proxy holders, are welcome to attend the annual meeting. If you are voting by mail, by telephone or via the Internet, but still wish to attend the meeting, follow the instructions on your proxy card or via the Internet (www.proxyvote.com) to tell us that you plan to attend. When you arrive at the meeting, please look for the "Shareholders' Welcome Desk," where you will be asked for photo identification in order to receive your admittance card.

If you hold your shares in street name and you decide to attend, you must bring to the meeting a copy of your bank or brokerage statement evidencing your ownership of ABM Industries Incorporated common stock as of the record date. Please go to the "Shareholders' Welcome Desk" and provide the bank or brokerage statement, as well as your photo identification, in order to obtain an admittance card.

### What happens if the annual meeting is postponed or adjourned?

Your proxy will still be valid and may be voted at the postponed or adjourned meeting. You will still be able to change or revoke your proxy until it is voted.

TABLE OF CONTENTS

Voting Procedures and
Annual Meeting Attendance

Can I change or revoke my proxy?

Yes, you may change your vote or revoke your proxy at any time at or before the annual meeting. If you are a holder of record, you may change your vote or revoke your proxy through any of the following means:

- by casting a new vote by telephone or the Internet prior to the annual meeting, or by properly completing and signing another proxy card with a later date and returning the proxy card prior to the annual meeting;

- giving written revocation to our Corporate Secretary prior to the annual meeting directed to the address on page 4, or at the meeting; or

- voting in person at the annual meeting.

What if I do not indicate my vote for one or more of the matters on my proxy card?

If you are a registered shareholder and you return a proxy card without indicating your vote, your shares will be voted in accordance with the Board's recommendations for proposals described in this proxy statement.

What if I do not return a proxy card or vote at the annual meeting?

If you are a registered shareholder and you do not return a proxy card or vote at the annual meeting, your shares will not be voted and will not count toward the quorum requirement to hold the annual meeting. Your shares that are not voted will not affect the outcome of any of the Company's proposals.

What if my shares are held in "street name" and I do not give my bank or broker
instructions on how to vote?

If your shares are held in "street name" and you do not give your bank or broker instructions on how to vote, your shares will be counted toward the quorum requirement for the annual meeting.

The failure to instruct your bank or broker how to vote will have one of two effects on the proposals for consideration at the annual meeting, depending upon the type of proposal. For the election of directors in Proposal 1, and for Proposals 3 and 4, absent instructions from you, the bank or broker may not vote your shares at all and your shares will be considered broker non-votes, which will have no effect on the outcome of the proposal. For Proposal 2, involving ratification of our independent registered public accounting firm for 2016, the broker may vote your shares at its discretion.

Will my vote be confidential?

Yes. Your vote is confidential and will not be disclosed to our directors or employees.

Will the Company's independent registered public accounting firm be present at the annual meeting?

Yes, representatives of KPMG LLP (KPMG) will attend the meeting. They will be available during the meeting to answer your questions, and they will have the opportunity to make a statement, if they desire to do so. The Audit Committee of our Board has approved the appointment of KPMG as our independent registered public accounting firm for our 2016 fiscal year.

Will our directors attend the annual meeting?

It is expected that all of our directors will attend our annual meeting absent a conflict. All continuing directors attended the 2015 Annual Meeting of Shareholders.

Who will be soliciting proxies on our behalf?

The Company pays the cost of preparing proxy materials and soliciting your vote. Proxies may be solicited on our behalf by our directors, officers or employees by telephone, electronic or facsimile transmission or in person.

Who will count the vote?

Broadridge Financial Solutions, Inc. will be the proxy tabulator and IVS Associates, Inc. will act as the Inspector of Election.

3

TABLE OF CONTENTS



### What is "householding"?

Shareholders who hold their shares in the name of their bank or broker and live in the same household as other shareholders may receive only one copy of this Proxy Statement. This practice is known as "householding." If you hold your shares in your broker's name and would like additional copies of these materials, please contact your broker. If you receive multiple copies and would prefer to receive only one, please contact your broker.

## SHAREHOLDER PROPOSALS, DIRECTOR NOMINATIONS AND COMMUNICATING WITH OUR BOARD

### How do I submit a shareholder proposal or director nomination for consideration at the 2017 Annual Meeting?

Our 2017 Annual Meeting is currently scheduled for March 8, 2017. If you wish to submit a proposal to be included in the 2017 proxy statement, you must submit your proposal in writing so that we receive it no later than October 8, 2016. Proposals should be sent to the Corporate Secretary, Sarah H. McConnell, ABM Industries Incorporated, 551 Fifth Avenue, Suite 300, New York, New York 10176.

Under our Bylaws, any shareholder wishing to make a nomination for director or wishing to introduce any business at the 2017 Annual Meeting of Shareholders (other than a proposal submitted for inclusion in the Company's proxy materials) must provide the Company advance notice of such business which must be received by the Company no earlier than November 9, 2016 and no later than December 9, 2016. Nominations for director for consideration by the Governance Committee should include the candidate's name and qualifications for Board membership and fulfill all of the requirements set forth in the Company's Bylaws and should be sent within the time frame specified in the Bylaws.

### How do I communicate with the Board?

You may communicate with our entire Board or the independent directors as a group by sending an e-mail to boardofdirectors@abm.com or by writing to Board of Directors, ABM Industries Incorporated, 551 Fifth Avenue, Suite 300, New York, New York 10176. Our Corporate Secretary will forward all communications relating to ABM's interests, other than business solicitations, advertisements, job inquiries or similar communications, directly to the appropriate directors.

In addition, we maintain a Compliance Hotline that is available 24 hours a day, seven days a week, to receive calls, e-mails and letters to report a concern or complaint, anonymous or otherwise. The Compliance Hotline can be reached at 1-877-253-7804 or online at www.abmhotline.ethicspoint.com.

### Forward-Looking Statements

This proxy statement contains forward-looking statements. Forward-looking statements are not based on historical facts but instead reflect our current expectations, estimates or projections concerning future results or events. These statements generally can be identified by the use of forward-looking words or phrases such as "believe," "expect," "anticipate," "may," "could," "intend," "forecast," "outlook," or other similar words or phrases. These statements are not guarantees of future performance and are inherently subject to known and unknown risks, uncertainties and assumptions that are difficult to predict and could cause our actual results to differ materially from those indicated by those statements. Information regarding risks and uncertainties the Company faces is contained in the Company's Annual Report on Form 10-K for the year ended October 31, 2015 and in other reports the Company files from time to time with the Securities and Exchange Commission. The Company urges readers to consider these risks and uncertainties in evaluating its forward-looking statements. The Company cautions readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. The Company disclaims any obligation or undertaking to publicly release any updates or revisions to any forward-looking statements contained herein (or elsewhere) to reflect any change in the Company's expectations with regard thereto, or any change in events, conditions or circumstances on which any such statement is made, whether as a result of new information, future events or otherwise, except as otherwise required by the federal securities laws.

TABLE OF CONTENTS



# CORPORATE GOVERNANCE AND BOARD MATTERS

## Governing Documents

Our Board of Directors has adopted Corporate Governance Principles that reflect our commitment to good corporate governance and the role of governance in building long-term shareholder value. Our Corporate Governance Principles, which include our independence standards, are published on our website at http://investor.abm.com. Other information relating to our corporate governance is also available on our website at the same address, including our Code of Business Conduct ("Code of Conduct"), and the Charters of our Audit Committee, Compensation Committee, Corporate Citizenship and Communications Committee, and Governance Committee. These documents are also available in printed hard-copy format upon written request to the Corporate Secretary at the Company's corporate headquarters.

## The Board of Directors

Our Certificate of Incorporation provides that the Board of Directors shall be divided into three classes serving staggered three-year terms, each class to be as nearly equal in number as possible as the other two. Directors whose terms expire in 2016 are Luke S. Helms, Sudhakar Kesavan, Lauralee E. Martin and William W. Steele. Mr. Steele will retire at the close of the 2016 Annual Meeting of Shareholders and is not seeking re-election to the Board.

### BOARD OF DIRECTORS

| | |
|---|---|
| Maryellen C. Herringer, Chair<br>Linda Chavez<br>J. Philip Ferguson<br>Anthony G. Fernandes<br>Thomas M. Gartland<br>Luke S. Helms | Sudhakar Kesavan<br>Lauralee E. Martin<br>Scott Salmirs<br>William W. Steele<br>Winifred Markus Webb |

The Governance Committee periodically reviews the skills and types of experience that it believes should be represented on the board of directors in light of the Company's current business needs and future strategy. The Governance Committee then uses this information to consider whether all of the identified skills and experience are represented on the Board. Based upon its review, the Committee may recommend to the Board that the expertise of the current members should be supplemented. The Committee takes these factors into account when looking for candidates for the Board. Information relating to our current Board members, tenure, committee assignments and skills they bring to the Board is summarized in the following table. Detailed information about our Board, including nominees, can be found on pages 5 through 12 and pages 50 through 54.

TABLE OF CONTENTS

Corporate Governance and Board Matters

Summary Board Information

| | | | | Committee | | | | Qualifications | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Name and Current Position | | | | | | | | | | | | |
| Maryellen C. Herringer Non-Executive Chairman of the Board | 72 | 1993 | YES | | • | | | • | • | • | • | • |
| Linda Chavez President, Becoming American Institute | 68 | 1997 | YES | | • | • | • | • | • | • | • | |
| J. Philip Ferguson Former Vice Chairman, University of Texas Investment Management Company | 70 | 2009 | YES | • | | • | • | • | • | • | • | |
| Anthony G. Fernandes Former Chairman, Chief Executive Officer and President of Philip Services Corporation | 70 | 2007 | YES | Chair | | | • | • | • | • | • | • |
| Thomas M. Gartland Former President, North America of Avis Budget Group, Inc. | 58 | 2015 | YES | • | | | | • | • | • | • | • |
| Luke S. Helms Managing Partner, Sonata Capital Group | 72 | 1995 | YES | • | • | Chair | | • | • | • | • | • |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sudhakar Kesavan<br>Chairman and Chief Executive Officer, ICF International | 61 | 2012 | YES | | Chair | | • | • | • | • | • | • |
| Lauralee E. Martin<br>Chief Executive Officer and President, HCP, Inc. | 65 | 2015 | YES | | | • | • | • | • | • | • | • |
| Scott Salmirs<br>President and Chief Executive Officer, ABM Industries Incorporated | 53 | 2015 | NO | | | | • | • | • | • | • | • |
| William W. Steele<br>Former President and Chief Executive Officer,<br>ABM Industries Incorporated | 79 | 1998 | YES | | | Chair | • | • | • | • | • | |
| Winifred Markus Webb<br>Chief Executive Officer,<br>Kestrel Corporate Advisors | 57 | 2014 | YES | • | | | • | | • | • | • | • |

TABLE OF CONTENTS

## Corporate Governance and Board Matters

### Board Leadership Structure

The Company currently has separate persons serving as its Chairman and Chief Executive Officer in recognition of the differences between the two roles. As set forth in the Company's Bylaws, the Chief Executive Officer has general and active management over the business and affairs of the Company, subject to the control of the Board. Our Chairman is charged with presiding over all meetings of the Board and our shareholders, as well as providing advice and counsel to the Chief Executive Officer, coordinating the preparation of agendas, keeping directors informed of matters impacting the Company, and maintaining contact with the Company's General Counsel. Maryellen Herringer serves as Chairman of the Board, a position she has held since 2006. The Board of Directors believes that at this time, the separation of these roles is the most appropriate and effective leadership structure for the Company and its shareholders.

### Director Independence

Our Corporate Governance Principles provide that a majority of our directors will be independent and that our Audit Committee, Compensation Committee and Governance Committee shall consist solely of independent directors and that the Corporate Citizenship and Communications Committee shall consist solely of nonmanagement directors. Each year, our Governance Committee reviews the independence of each of our directors under the NYSE listing standards and considers any current or previous employment relationships as well as any transactions or relationships between our Company and our directors or any members of their immediate families (or any entity of which a director or an immediate family member is an executive officer, general partner or significant equity holder). The purpose of this review is to determine whether any relationships or transactions exist that preclude a director from being deemed independent under the NYSE listing standards or are otherwise inconsistent with a determination that the director is independent.

In this context, our Governance Committee considered the retirement benefits that Mr. Steele receives from the Company that are described under "Transactions with Related Persons." Based on its analysis and our independence standards, our Governance Committee concluded and recommended to our Board that this relationship did not impair the independence of this director, and our Governance Committee affirmatively determined and recommended to our Board, and the Board agreed, that all of our directors, other than our Chief Executive Officer, should be designated as independent.

### The Board's Role in Risk Management

Our Company is subject to a number of risks. Our most significant risks are outlined in our Annual Report on Form 10-K for the fiscal year ended October 31, 2015. Our Board of Directors exercises oversight over the Company's strategic, operational and financial matters, as well as compliance and legal risks. In connection with this role, the Board oversees our Company's Enterprise Risk Management ("ERM") process, under which it reviews our business risk framework. The ERM process is designed to strengthen our risk management capability as well as to monitor business risks. The Board, as permitted in the Company's Bylaws and committee charters, exercises its oversight, in part, through the Audit Committee, the Compensation Committee, the Corporate Citizenship and Communications Committee, and the Governance Committee. The Audit Committee reviews and discusses guidelines and policies with respect to risk assessment and risk management. The Compensation Committee annually reviews and assesses risks, if any, arising from the Company's compensation policies and practices for its employees and whether any such risks are reasonably likely to have a material adverse effect on the Company. The Corporate Citizenship and Communications Committee reviews and advises with respect to risks related to strategies, policies and communications targeted to various key constituencies. The Governance Committee considers risks in relationship to succession planning. The Board's role in risk oversight has not affected its leadership structure.

### Mandatory Retirement

In 2013, the Board adopted a mandatory retirement policy for non-employee directors. Under this policy, a director who attains the age of 73 during his or her current term must resign from the Board effective upon the conclusion of the annual shareholders meeting next following his or her 73rd birthday. William Steele, who was elected to the Board prior to the adoption of this policy, will continue to serve as director until the expiration of his term at the 2016 Annual Meeting of Shareholders.

7

TABLE OF CONTENTS

Corporate Governance and Board Matters

## Committees

The Board has four standing committees: Audit, Compensation, Governance, and the Corporate Citizenship and Communications Committee. Information about these committees is provided below. Each committee meets periodically throughout the year, reports its actions and recommendations to the Board, receives reports from senior management, annually evaluates its performance and has the authority to retain outside advisors. The primary responsibilities of each committee are summarized below. For more detail, see the committee charters on our website at www.abm.com.

### Audit Committee

| Members | Key Oversight Responsibilities |
|---|---|
| Anthony G. Fernandes, Chair<br>J. Philip Ferguson<br>Thomas M. Gartland<br>Luke S. Helms<br>Winifred Markus Webb | • Independent auditor, including audit/nonaudit services provided<br>• Scope & results of the independent auditor's audit<br>• Financial reporting activities & accounting standards/principles used<br>• Internal audit functions<br>• Disclosure controls and internal controls |

"In 2015, our principal focus was on risks related to our insurance and safety programs."

The Audit Committee met nine times in 2015. The Board of Directors has determined that each member of the Audit Committee is financially literate and that each qualifies as an "audit committee financial expert" under the definition promulgated by the Securities and Exchange Commission.

### Compensation Committee

| Members | Key Oversight Responsibilities |
|---|---|
| Sudhakar Kesavan, Chair<br>Linda Chavez<br>Luke S. Helms<br>Maryellen C. Herringer | • CEO compensation and evaluation<br>• Executive incentive compensation<br>• Equity plan and awards<br>• Review of compensation structure<br>• Executive employment agreements |

"This year we focused on arrangements relating to management succession and continued alignment of incentive compensation with corporate strategy."

The Compensation Committee met nine times in 2015.

Governance Committee

| | |
|---|---|
| Luke S. Helms, Chair<br>Linda Chavez<br>J. Philip Ferguson | Key Oversight Responsibilities<br>• Director recruitment<br>• Corporate governance<br>• Board committee structure & membership<br>• Director compensation<br>• Succession planning<br><br>"CEO succession, Chairman succession, director recruitment and Board composition were key priorities in 2015."<br>The Governance Committee met six times in 2015. |

8

TABLE OF CONTENTS

Corporate Governance and Board Matters

Corporate Citizenship and Communications Committee

| | |
|---|---|
| | Key Oversight Responsibilities |
| | • Corporate philanthropy |
| William W. Steele, Chair<br>Linda Chavez<br>J. Philip Ferguson<br>Anthony G. Fernandes<br>Lauralee E. Martin | • Public affairs and government relations<br><br>• Crisis management planning |
| | "Sustainability and corporate philanthropic outreach potential were areas of focus in 2015." |
| | The Corporate Citizenship and Communications Committee met four times in 2015. |

Board and Committee Attendance in 2015

During 2015, the Board held 14 meetings. Together, the directors attended 97% of the combined total meetings of the full Board and the committees on which they served in 2015, and no director attended less than 89% of the combined total meetings of the full Board and the committees on which he or she served in 2015. Our Board meets in executive session during each regularly scheduled Board meeting and may meet in executive session during specially called meetings. Under our Corporate Governance Principles, directors are expected to dedicate the time, energy and attention necessary to discharge their duties.

Our directors attend our annual meetings of shareholders, absent a conflict or other extenuating circumstance. In 2015, all of our directors attended the annual meeting of shareholders except for Mr. Slipsager, who was stepping down as CEO and not continuing as a member of the Board following the annual meeting.

Identifying and Evaluating Nominees for Directors

Our Board is responsible for selecting nominees for election as directors. The Board delegates the screening process to the Governance Committee with the expectation that other members of the Board will participate in this process, as appropriate. Candidates recommended by the Governance Committee are subject to approval by the Board. Our Governance Committee regularly assesses the appropriate size of the Board and whether any vacancies on the Board are expected because of retirement or otherwise. In the event that any vacancy is anticipated, or otherwise arises, the Governance Committee considers various potential candidates for director.

Our Governance Committee recommends to the Board the criteria for director candidates, and the Board establishes the criteria. The Governance Committee of the Board is also responsible for reviewing with the Board the requisite skills and characteristics of new Board candidates and current Board members in the context of the current composition of the Board.

In analyzing director nominations and director vacancies, our Governance Committee seeks to recommend candidates for director positions who will create a collective membership on the Board with varied experience and perspectives. The Governance Committee believes that this will contribute to a Board that reflects diversity, including, but not limited to, gender, ethnicity, background and experience. We do not have a policy that requires specified types of diverse backgrounds. The Governance Committee strives to recommend candidates who demonstrate leadership and significant experience in a specific area or endeavor, understand the role of a public company director and can provide insights and practical wisdom based on their experience and expertise.

The Governance Committee utilizes a variety of methods for identifying and evaluating nominees for director, such as search firms and the relationships of current directors. Candidates may also come to the attention of the Governance Committee through shareholders or other persons. These candidates are evaluated at regular or special meetings of the

Governance Committee and may be considered at any point during the year.

Our Directors are expected to prepare for, attend and participate in Board meetings and meetings of the Committees of the Board on which they serve. They are also expected to meet as frequently and spend as much time as necessary to properly discharge their responsibilities and duties as directors and to arrange their schedules so that other existing and planned future commitments do not materially interfere with their service as a director. Ordinarily, directors who are full-time employees of ABM or who serve as chief executive officers or in equivalent positions at other companies may not serve on the boards of more than two other publicly traded companies. Other directors may not serve on the boards of more than four other publicly traded companies. Service on other boards and other commitments are considered by the Governance Committee and the Board when reviewing Board candidates.

TABLE OF CONTENTS

Corporate Governance and Board Matters
Director Compensation

Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation Committee during fiscal year 2015 or as of the date of this Proxy Statement is or has been an officer or employee of the Company, and no executive officer of the Company served on the compensation committee or board of any company that employed any member of the Company's Compensation Committee or Board of Directors.

DIRECTOR COMPENSATION FOR FISCAL YEAR 2015

ABM compensates non-employee directors through a combination of annual cash retainers, fees relating to chairing a committee, and equity grants. The Governance Committee reviews the compensation of non-employee directors periodically and recommends changes to the Board whenever it deems appropriate. In 2014, the Governance Committee engaged Semler Brossy Consulting Group, LLC ("Semler Brossy"), which also serves as the Compensation Committee's independent consultant, to review the existing non-employee director compensation program. As a result of this review, the Governance Committee recommended, and the Board approved, increasing the annual equity compensation of the Chairman of the Board to $175,000 from $90,000 and increasing the annual equity compensation for the other board members to $110,000 from $90,000, effective November 1, 2014. In addition, the annual cash retainer for the Chairman of the Board was raised to $175,000, in recognition of the responsibilities of the Chairman. Separate cash committee retainers for membership on a committee for the Chairman of the Board were eliminated. The Chairman of the Board generally attends all committee meetings.

2015 Director Compensation

| Compensation Element | 2015 Compensation Program |
|---|---|
| Annual Board Cash Retainer | $175,000 for Chairman of the Board;<br>$70,000 for other non-employee directors |
| Annual Board Equity Retainer | $175,000 for Chairman of the Board;<br>$110,000 for other non-employee directors |
| Board and Committee Attendance Fees | None |
| Annual Chair Fees | $15,000 for Audit Chair;<br>$10,000 for Compensation Chair;<br>$7,500 for Governance Chair;<br>$5,000 for Corporate Citizenship and Communications Chair |
| Annual Committee Member Retainer*<br>*The Chairman of the Board does not receive a separate retainer for Committee memberships | $20,000 for Audit members;<br>$12,500 for Compensation members;<br>$7,500 for Governance members;<br>$5,000 for Corporate Citizenship and Communications members |

From time to time, the Governance Committee may recommend to the Board that directors who invest significant time above and beyond the normal requirements of service on the Board, or a committee thereof, receive $2,000 per day for such service. The Board may also determine that it is appropriate to compensate Board members (other than the Chairman of the Board) who are not serving on a particular committee of the Board for attendance at such committee's meetings if the Board member's attendance has been requested by the Chair of that committee. In such cases, the Board member may receive $2,000 for each such meeting attended. The Chairman of the Board is not eligible to receive such payments. ABM also reimburses its directors for out-of-pocket expenses incurred in attending Board and Committee meetings. Equity awards to non-employee directors are granted under our shareholder-approved 2006 Equity Incentive Plan, which limits the amount of equity awards that may be granted to non-employee directors in any

one calendar year.
10

TABLE OF CONTENTS

Director Compensation

2015 Non-Employee Director Compensation Table

| Name of Director | Fees Earned or Paid in Cash(1) ($) | Stock Awards(2) ($) | All Other Compensation(3) ($) | Total ($) |
|---|---|---|---|---|
| Linda Chavez | 95,000 | 116,626 | 10,607 | 222,233 |
| J. Philip Ferguson | 102,500 | 116,626 | 5,357 | 224,483 |
| Anthony G. Fernandes | 110,000 | 116,626 | 722 | 227,348 |
| Thomas M. Gartland(4) | 1,451 | 0 | 0 | 1,451 |
| Luke S. Helms | 117,500 | 116,626 | 5,357 | 239,483 |
| Maryellen C. Herringer | 172,625 | 181,621 | 4,635 | 358,881 |
| Sudhakar Kesavan | 92,500 | 116,626 | 3,992 | 213,118 |
| Lauralee E. Martin(4) | 1,209 | 0 | 0 | 1,209 |
| William W. Steele | 96,000 | 116,626 | 5,357 | 217,983 |
| Winifred Markus Webb | 80,806 | 128,323 | 0 | 209,129 |

(1)
Amount includes retainers and Board and Committee fees as well as amounts paid in connection with the performance of services beyond the normal requirements of Board service, under our policy described above. Our chief executive officer does not receive separate compensation for Board service.

(2)
The value of stock awards shown in the "Stock Awards" column is based on grant date fair value computed in accordance with FASB ASC Topic No. 718. The grant date fair value of the equity awards shown in the "Stock Awards" column is based on the closing price of the Company's common stock on the date of grant of the equity award. A director who becomes a Board member following the date of the last held annual meeting of shareholders receives a grant of restricted stock units ("RSUs") prorated to the next annual meeting. During fiscal year 2015, each then-current non-employee director received a grant on January 15, 2015 and March 4, 2015. The January grant related to an adjustment to account for an increase in equity compensation, effective November 1, 2014, which was calculated by dividing $20,000 (the amount of the increase in equity compensation) by $29.10, which was the closing price of ABM common stock on January 15, 2015. For each then-current director, with the exception of Ms. Herringer, the grant for 2015 on March 4, 2015 was 3,745 RSUs, which was calculated by dividing $110,000 by $29.37, which was the closing price of ABM common stock on March 4, 2015. For Ms. Herringer, the grant on March 4, 2015 was 5,958 RSUs, which was calculated by dividing $175,000 by $29.37, which was the closing price of ABM common stock on March 4, 2015. Director RSUs vest ratably over a three-year period, except that in the case of a mandatory retirement, RSUs immediately vest upon retirement. RSUs held by each director as of October 31, 2015, were: Ms. Chavez 8,757; Mr. Ferguson 7,579; Mr. Fernandes 33,878; Mr. Helms 13,220; Ms. Herringer 25,105; Mr. Kesavan 7,579; Mr. Steele 15,074; and Ms. Webb 4,418. As of October 31, 2015, the aggregate number of stock options (relating to grants prior to 2006) held by each director was: Ms. Chavez 6,000; Mr. Helms 12,000; and Ms. Herringer 12,000.

(3)
Amounts shown represent dividend equivalents paid with respect to prior Director RSU awards that were paid to

non-employee directors in fiscal year 2015. Dividend equivalents are settled in Company stock when the underlying RSUs vest. Directors who defer RSUs under the Deferred Compensation Plan for Non-Employee Directors do not receive dividend equivalents on deferred RSUs until the deferral period ends.

(4)
Mr. Gartland’s and Ms. Martin’s cash compensation was based on service relating to the last month in the Company’s 2015 fiscal year when they were appointed to the Board. Their initial equity grants were made after the end of the Company’s fiscal year.

Director Deferred Compensation Plan

Non-employee directors are eligible to participate in the ABM Deferred Compensation Plan for Non-Employee Directors (“Director Deferred Compensation Plan”). Plan participants may elect to defer receipt of all or any portion of their annual cash retainers and meeting fees (if any) until they cease to be members of the Board, or to specified withdrawal dates (at least three years after their election), in accordance with the terms of the Director Deferred Compensation Plan. The amounts held in each director’s account are credited with interest quarterly at a rate based on the prime interest rate published in the Wall Street Journal on the last business day coinciding with or next preceding the valuation date. Any prime rate up to 6% will be considered in full, and 1/2 of any prime rate over 6% will be considered, except that the interest rate will not exceed 120% of the long-term applicable federal rate as published by the Internal Revenue Service. In addition, this plan permits directors to defer the settlement of Director RSUs to a date later than the vesting date. Values presented in the “2015 Non-Employee Director Compensation Table” include any deferred amounts.

TABLE OF CONTENTS



## Other Arrangements

ABM has entered into indemnification agreements with its directors. Among other things, these agreements require ABM to indemnify its directors against certain liabilities that may arise in connection with their services as directors to the fullest extent provided by Delaware law. ABM permits non-employee directors who were members of the Board on or before October 31, 2012 to participate in ABM's health benefit plans. Directors who elect to participate pay the entire direct costs of participation in such plans. This benefit is not available to directors who join the Board after October 31, 2012. No directors are currently participating in ABM's health benefit plans.

## Director Stock Ownership Policy

Our Corporate Governance Guidelines encourage our directors to own common stock, including unvested or deferred restricted stock units, having a value equivalent to five times his or her annual cash retainer within five years of becoming a director. Directors who are not at their targeted stock ownership level within the five-year period must hold at least 50% of any net shares realized until they reach their target. "Net shares realized" means unrestricted shares acquired by a director under the 2006 Equity Incentive Plan or acquired pursuant to the exercise of an option, net of any shares sold to pay the exercise price. As of January 15, 2016, all directors, other than those who joined the Board in 2014 and 2015 and who have five years to meet stock ownership guidelines, are at or above stock ownership levels.

# CERTAIN RELATIONSHIPS AND TRANSACTIONS WITH RELATED PERSONS

Our Board has adopted a written policy and procedures for review and approval or ratification of transactions involving the Company and "related persons." Related persons are directors and executive officers and their immediate family members or shareowners owning 5% or greater of our outstanding common stock and their immediate family members.

The policy covers any related person transaction that meets the minimum threshold for disclosure in the proxy statement under the SEC's rules, specifically, any transaction involving the Company in which:

(i) the amount involved exceeded $120,000; and

(ii) a related person had a direct or indirect material interest.

Under our policy, transactions with any person who falls into any of the above categories at any time during a fiscal year of the Company are subject to the Policy, even if the person has ceased to have such status during the year.

Prior to entering into a transaction, a related person must provide the details of the transaction to the General Counsel, including the relationship of the person to the Company, the dollar amount involved and whether the related person or his or her family member has or will have a direct or indirect interest in the transaction. The General Counsel notifies the Board and submits the proposed transaction to the Board for consideration. The Board then considers the transaction and makes a determination of materiality.

In September 2015, in connection with the departure from the Company of Tracy K. Price, who was then an executive officer, the Board approved a transaction involving the sale of the Company's interest in certain proprietary software of the Company to a newly formed entity owned by Mr. Price, in exchange for a minority equity interest in the new entity. The Company also received a non-exclusive right to use and further develop this software for use with its own clients and other third parties. In connection with this transaction, an independent appraisal by an unaffiliated third-party appraiser valued Mr. Price's interest in the newly formed entity at approximately $336,000 and valued the overall enterprise at approximately $518,000.

Mr. Steele is a current director. He retired as an officer and employee of ABM in October 2000. Pursuant to his previous employment agreement, ABM provides Mr. Steele with $150,000 in life insurance coverage for the remainder of his life and pays certain club dues for Mr. Steele, which in fiscal year 2015 amounted to $200.

TABLE OF CONTENTS



# EXECUTIVE COMPENSATION

## Compensation Discussion and Analysis

### 2015 — Key Executive Officer Changes

In January 2015, the Board appointed Scott Salmirs President and Chief Executive Officer ("CEO"), effective March 31, 2015, succeeding Henrik C. Slipsager, who had served as President and CEO since 2000. Mr. Salmirs had previously served as an executive vice president of the Company. In April 2015, D. Anthony Scaglione was appointed Executive Vice President and Chief Financial Officer ("CFO"), succeeding James S. Lusk, who had served in that position since 2008. Mr. Scaglione had previously served as a senior vice president of the Company. In September 2015, the Company announced that Tracy K. Price, Executive Vice President and business leader for Building & Energy Solutions, was leaving ABM to serve as chief executive officer of a newly-formed company. For additional information relating to these executive leadership changes, please see "CEO and CFO Succession and Other Management Transition" on pages 29 to 31 and "Certain Relationships and Transactions with Related Persons" on page 12.

### 2015 — Financial Performance

The Company experienced solid operating performance during fiscal year 2015. Year-over-year revenues increased by 5.3% to approximately $4.9 billion, with organic growth of 2.9%. Year-over-year cash flow from continuing operations increased 25.5%, and during 2015, we returned over $67 million to shareholders in the form of dividends and share repurchases. Many of our businesses had great success throughout 2015. Our Air Serv business enjoyed double-digit growth in revenue and profitability. Similarly, revenues in our Building and Energy Solutions segment increased 15.3% and operating profit for the segment increased 13.9%. Revenues in our Onsite business, which comprises our Janitorial, Facility Services and Parking businesses, grew 3.2% year-over-year to more than $3.9 billion. Notwithstanding these achievements, income from continuing operations was down approximately 19%, compared to fiscal year 2014, primarily due to an increase in insurance reserves. Reflecting the link between performance and compensation, our annual cash incentive program was negatively impacted by the decline in income from continuing operations, resulting in no payout under our annual cash incentive compensation program for the portion of incentive compensation that was tied to Company-wide results.

### 2015 — Transformation Initiative

In September 2015, the Company announced a strategic transformation initiative called 2020 Vision, which is designed to organize the delivery of our services through a go-to-market strategy that will focus on certain key industries: Aviation, Business and Industry, Education, Healthcare and High Tech. We believe that this will position us to deliver value-added solutions, establish clear competitive differentiation, align us more closely with our clients and allow us to continue to be a highly valued partner, thereby increasing shareholder value over the long-term. We have made several changes to our 2016 incentive compensation programs in connection with our 2020 Vision. An overview of 2015 incentive compensation and preview of changes to our 2016 incentive compensation programs begins on page 18.

### Compensation Philosophy

Our objective is to design an executive compensation program that encourages all of our leaders to produce strong financial results and create sustainable long-term value for our shareholders. To achieve this, we:

- use evaluation criteria that include internally measured performance (represented by our financial performance against our financial targets) and externally measured performance (represented by total shareholder return);
- place significant weight on long-term equity compensation, thereby tying the total compensation of our executives to the achievement of shareholder value; and

- provide a mix of short-term annual cash incentive compensation and long-term performance-based equity compensation.

TABLE OF CONTENTS

Compensation Discussion and Analysis

In furtherance of our objective to align compensation with shareholder interests, we:

- implemented a “claw-back” policy that permits us to recover compensation paid to executives under certain circumstances, including those in which compensation is based upon the achievement of specified financial results;
- prohibit hedging and pledging of Company stock;
- utilize double-trigger change-in-control provisions;
- do not have tax gross-ups; and
- adopted stock ownership guidelines.

Say-on-Pay Considerations

In March 2015, our “Say-on-Pay” proposal received overwhelming approval, with support from over 97% of votes cast by our shareholders. While the program was approved by nearly all shares voted, the Compensation Committee (the “Committee”) and management remain committed to strengthening our pay-for-performance correlation, as well as the overall design of our executive compensation program, and to addressing any shareholder concerns. The Committee and management will continue to use the annual “Say-on-Pay” vote as a guidepost for shareholder perspective.

Role of the Compensation Committee

The Committee is responsible for the Company’s executive compensation program, including the design elements of our program and for reviewing the overall effectiveness of our executive compensation program to ensure the design achieves our objectives. The Committee:

- approves CEO annual performance objectives and performance achievement;
- approves our compensation market analysis process, as well as the companies used for compensation comparison purposes;
- approves performance metrics of our annual and long-term incentive compensation programs;
- approves non-CEO executive officer compensation, based on recommendations from the CEO; and
- performs an annual evaluation of risk as it pertains to our Company-wide compensation plans and programs.

In addition, based on the Committee’s assessment of the CEO’s performance achievement against his performance objectives, the Committee recommends CEO compensation to the members of our Board who are both independent and "outside" under Section 162(m) of the Internal Revenue Code (the "CEO Committee"). This recommendation includes base pay levels, equity awards and cash incentive compensation. All elements of CEO pay are approved by the CEO Committee.

Role of Compensation Consultants

The Committee continued to engage Semler Brossy in 2015 to serve as its independent compensation consultant. The Committee takes into consideration the advice of Semler Brossy to inform its decision-making process and has sole authority for retaining and terminating its consultant, as well as approving the terms of engagement, including fees. Semler Brossy works for the Committee and, with the approval of the Committee, also has provided services to the Governance Committee in connection with director compensation matters. Semler Brossy provides no services to the Company. The Committee has determined Semler Brossy to be independent from the Company. The Company retains Towers Watson as its primary compensation consultant to advise on program design, apprise management of evolving practices and trends, and perform other consulting services as needed. The Committee also considered the independence of Towers Watson under applicable rules of the New York Stock Exchange. From time-to-time, the Committee may also engage other consultants and advisors in connection with various compensation and benefits matters.

TABLE OF CONTENTS

Compensation Discussion and Analysis

Use of Market Data and Our Compensation Comparator Group

The Compensation Committee uses compensation comparator group comparisons as one of its tools in connection with its assessment of our executive compensation programs and levels of compensation. Working with Semler Brossy, the Committee regularly reviews the various criteria by which it selects the Company's Compensation Comparator Group ("CCG"). Companies in our CCG are generally selected with reference to the following criteria:

- companies, like ABM, that provide business-to-business services, such as outsourcing, logistics management, food service, staffing, and cleaning;
- companies in other industries that have a high ratio of employees to revenue or market capitalization; and
- companies that generate between $2.5 billion and $5 billion in annual revenue.

In October 2014, as part of its annual assessment of CCG companies, the Compensation Committee reviewed the companies selected for 2014 compensation decisions and, with the assistance of an analysis by its independent compensation consultant, decided not to make changes in the CCG in connection with 2015 executive compensation practices.

2015 COMPENSATION COMPARATOR GROUP

| | | |
|---|---|---|
| ArcBest Corporation | Corrections Corporation of America | Rent-A-Center |
| Brinker International, Inc. | Emcor Group, Inc. | Republic Services, Inc. |
| The Brink's Company | Healthcare Services Group, Inc. | Robert Half International Inc. |
| C. H. Robinson Worldwide, Inc. | Insperity, Inc. | Rollins Inc. |
| Cintas Corporation | Iron Mountain Inc. | SP Plus Corporation |
| Convergys Corporation | J.B. Hunt Transport Services, Inc. | URS Corporation |
| Con-Way Inc. | Kelly Services, Inc. | Werner Enterprises, Inc. |

The Committee's decisions relating to NEO pay are informed by its review of the compensation practices reported in the proxy statements filed by the companies in the CCG. The Committee believes that the proxy data reviewed provides a reasonable indicator of total compensation paid by companies that recruit executives with skill sets similar to those which we seek in our executives. Compensation for our executives is typically managed within the ranges of compensation paid by companies in the CCG and the general industry community. While the Committee normally references the CCG median (50th percentile) for each compensation element, the Committee uses its judgment to determine pay levels necessary to pay for performance and attract and retain executive talent and places significant weight on individual job performance, experience, compensation history, future potential, internal comparisons, affordability, retention risk and, in the case of executives other than the CEO, the CEO's recommendations.

In October 2015, the Committee reviewed the CCG selected for 2015 compensation comparator purposes, and determined that it was appropriate to add ServiceMaster and Aramark to the CCG for 2016. Due to merger and acquisition activity during the year, URS Corporation and Con-Way Inc. have been eliminated from the Company's 2016 CCG.

Pay for Performance Alignment

The following graph illustrates three-year realizable compensation of our NEOs in relationship to NEO compensation of our CCG. Each point on the graph represents three-year realizable compensation of the NEOs in this group relative to his or her company's three-year performance in Total Shareholder Return ("TSR") over the 2012-2014 year period. ABM's position in this graph shows that the Company's pay-for-performance is strongly aligned with that of our CCG.

This graph represents a three-year "look-back" with respect to the compensation of our NEOs and includes compensation of three former executive officers (Messrs. Slipsager, Lusk and Price). For a discussion of how 2015 performance impacted 2015 actual pay, please see pages 21 through 28.

TABLE OF CONTENTS



About this graph:

This graph is based on the 2015 proxy filings reflecting 2014 compensation of our Compensation Comparator Group.

TSR reflects share price appreciation, adjusted for dividends and stock splits.

Realizable pay consists of: 1) actual base salary paid over the three-year period; 2) actual short-term incentive payouts over the three-year period; and 3) the 12/31/2014 market value of equity grants as listed below:

- in-the-money value of stock options granted over the three-year period;
- service-based restricted stock awards granted over the three-year period; and
- performance-based incentives: i) as achieved, for performance cycles that have been completed through 2014; and ii) as granted, for performance cycles that have not yet been completed, assuming target performance.

TABLE OF CONTENTS

Compensation Discussion and Analysis

Elements of Compensation

The material components of our executive compensation program and their purposes and characteristics are summarized in the following table.

| Pay Element | Description and Purpose | Link to Business and Strategy |
|---|---|---|
| Base salary — payable in cash (see page 18) | • Designed to recognize individual performance, leadership skills, responsibility and time in role<br>• Annual review and adjustment, if appropriate | • Competitive base pay to help attract and retain strong executive talent<br>• Increases are not automatic or guaranteed |
| Annual short-term incentives — payable in cash (see page 18) | • Variable compensation measured by performance against annually established financial and individual performance targets<br>• Designed to reward annual performance related to key financial and operational measures | • Design of short-term incentives is evaluated annually for alignment with strategy |
| Long-term incentives — structured as equity awards, settled in Company stock (see page 19) | • Variable compensation that consists of a mix of performance-based and time-vested equity awards<br>• Equity award mix and design of performance metrics reviewed annually | • Designed to link incentives to long-term shareholder value<br>• Performance-based equity programs are evaluated annually for alignment with Company strategy |

Following is a discussion of the material aspects of our executive compensation program for our current and former CEO, our current and former CFO, our three other most highly compensated officers and an additional individual for whom disclosure would have been provided but for the fact that the individual was not serving as an executive officer at the end of the last completed fiscal year (collectively, the "Named Executive Officers," or "NEOs") as determined under the rules of the Securities and Exchange Commission and set forth in the Summary Compensation Table and other tables included in this proxy statement. References to years are to our fiscal year ending October 31. The following table lists our NEOs.

NAMED EXECUTIVE OFFICERS

| Current Officers | Former Officers |
| --- | --- |
| • Scott Salmirs, President and Chief Executive Officer | |
| • D. Anthony Scaglione, Executive Vice President and Chief Financial Officer | • Henrik C. Slipsager, Former President and Chief Executive Officer |
| • James P. McClure, Executive Vice President | • James S. Lusk, Former Executive Vice President and Chief Financial Officer |
| • Sarah Hlavinka McConnell, Executive Vice President, General Counsel and Corporate Secretary | • Tracy K. Price, Former Executive Vice President and business leader for Building & Energy Solutions and Corporate Sales and Marketing |
| • Dean A. Chin, Senior Vice President, Chief Accounting Officer and Corporate Controller | |

TABLE OF CONTENTS

Compensation Discussion and Analysis

2015 Base Salary

The Compensation Committee reviews total compensation, including base salaries, for executives in the first quarter of each fiscal year and, as needed, in connection with recruitment, promotions or other changes in responsibilities. Base salary amounts affect potential annual cash performance incentive payments and equity awards, since these other elements are based on a percentage of base salary. The following table shows, for each NEO who was an executive officer on October 31, 2015, such officer's 2014 base salary and 2015 base salary. In light of their new roles as CEO and CFO, respectively, Messrs. Salmirs and Scaglione received increases in base salary that reflect their new responsibilities. The Committee believes that this pay positioning around the 25th percentile for the CEO and CFO provides room for growth in pay opportunity commensurate with continued tenure and performance. Each of Mr. McClure, Ms. McConnell and Mr. Chin received an increase in base salary of less than 5%.

| NEO | 2014 Annual Base Salary | 2015 Annual Base Salary |
|---|---|---|
| Scott Salmirs, President and CEO | $ 499,898 | $ 760,000(1) |
| D. Anthony Scaglione, Executive Vice President and CFO | $ 315,143 | $ 425,000(1) |
| James P. McClure, Executive Vice President | $ 677,637 | $ 691,190 |
| Sarah H. McConnell, Executive Vice President and General Counsel and Secretary | $ 472,770 | $ 482,225 |
| Dean A. Chin, Senior Vice President, Controller and Chief Accounting Officer | $ 319,934 | $ 332,794 |

(1)
Effective upon their appointment as CEO and CFO, respectively.

Incentive Compensation: An Overview

We design the mix of short- and long-term incentives to reward and motivate short-term performance, while at the same time providing significant incentives to keep our executives focused on long-term corporate objectives that drive shareholder value. Each year, the Committee considers our incentive compensation programs with a view to developing incentive compensation that is aligned with Company strategy and long-term shareholder interests. In 2015, the Committee conducted an in-depth review process in light of the significant shift in Company strategy embodied in our 2020 Vision. Following this review, which involved seeking input from management and advice from its independent consultant, the Committee decided to make certain changes to the structure of our short-term cash incentive compensation program and our long-term equity incentive compensation program to further link incentive compensation to business strategy. The 2015 programs and the changes to our 2016 programs are described below. Results and awards under our 2015 programs are then discussed in greater detail under the headings "2015 Annual Cash Incentive Award Decisions" and "Long-Term Equity Incentive Programs," beginning on pages 21 and 27, respectively.

2015 Short-Term Annual Cash Incentive Compensation

In 2015, as in prior years, the Committee established financial performance objectives and individual performance objectives for the CEO that would serve as the basis for determining his short-term annual cash incentive payment for the fiscal year. The financial objectives for the CEO were based on metrics involving cumulative pre-tax income, organic revenue growth and income from continuing operations. At the time the Committee developed these metrics for the CEO, the Committee was focused on the importance to the Company of increasing pre-tax income and driving organic revenue growth. For additional information, please see "2015 Annual Cash Incentive Payment for Scott

Salmirs," beginning on page 22.
Each year, the Committee also approves an annual short-term cash incentive compensation program (our Performance Incentive Program or "PIP") for other executives, including our other NEOs, and key employees. The financial metrics under the PIP are based on income from continuing operations Company-wide and at various business unit levels throughout the Company. Under the 2015 PIP, income from continuing operations for the fiscal

TABLE OF CONTENTS



year is measured against the budget established for that fiscal year and against the prior year's actual results. The chart on page 21 shows the allocation or weightings associated with achievement of Company, business-unit and individual performance objectives. A discussion of the payouts for our NEOs relating to 2015 short-term annual cash incentive compensation begins at page 21.

## 2015 Long-Term Incentive Compensation

The Committee believes that a long-term incentive program motivates and rewards our executive officers for their contributions to our Company's performance and aligns long-term compensation with the performance of Company stock. Our practice is to grant long-term incentives annually in the form of equity awards that are allocated among restricted stock units ("RSUs"), which typically vest over a four-year period, and performance share units, which we also sometimes refer to as "performance shares." In connection with regular equity grants, the Committee generally approves an equity award of a specific dollar value for each recipient based on a multiple of the recipient's base salary. The dollar value of the award is determined after taking into consideration various factors, including the market analysis prepared by the Committee's compensation consultant, and the overall mix of performance-based or "at risk" compensation. The Committee believes that a significant portion of equity compensation should be performance-based.

In 2015, in addition to granting time-based RSUs, we had two different types of performance share programs: one based on "value creation" ("Value Creation PSP") and one based on total shareholder return ("TSR PSP"). The Value Creation PSP focuses on financial performance objectives that relate to our financial performance against pre-established objectives. Achievement under the Value Creation PSP was measured by three one-year periods using a formula based on operating cash flow and adjusted EBITDA1, and one over-arching three-year period in which performance was measured by compounded three-year adjusted EBITDA growth, calculated at the end of the three-year performance period. The TSR PSP measures Company TSR against the TSR of the S&P 600 over a three-year period. Accordingly, this TSR-based program allows for direct comparisons of our performance relative to other companies in the S&P 600 while the Value Creation PSP measures our performance against internal objectives.

## 2016 Changes to Short-Term and Long-Term Incentive Compensation

As noted above, the Committee reviewed our incentive compensation programs in light of the significant changes in business strategy that were announced in September 2015. Reflecting the importance of having a Company-wide unified approach to achievement, the Committee simplified the design of our short-term incentive compensation by adopting one program that would apply to the CEO, the other NEOs and executives and key employees. By simplifying the approach, the Committee recognized the importance to Company strategy of consolidating and standardizing metrics across the Company to ensure consistency and uniformly drive relevant behaviors. In developing financial objectives relating to the 2016 short-term incentive compensation program, the Committee adopted metrics related to adjusted EBITDA margin and net income from continuing operations. In addition, taking into consideration factors negatively impacting Company performance in 2015, the Committee also determined that objectives relating to safety would be added to the mix of metrics under the 2016 short-term incentive compensation program.

Similarly, for our 2016 annual grants, the Committee decided to replace the Value Creation PSP with a three-year performance share program for executive officers based on organic revenue, adjusted EBITDA and return on invested capital ("ROIC"). The Committee believed that this simplified program would better promote behaviors that would drive long-term shareholder value in light of the Company's 2020 Vision and provide greater transparency to the link between compensation and results. This performance share program will be effective for new grants commencing at the beginning of fiscal year 2016. The differences in these performance share programs are illustrated in the following tables.

1

EBITDA and adjusted EBITDA are non-GAAP financial measures. As used in our equity incentive programs described herein, adjusted EBITDA is earnings before interest, taxes, depreciation and amortization and excludes items impacting comparability.

TABLE OF CONTENTS

Compensation Discussion and Analysis

2016 – 2018 PSP

| | Results | Weight | Award Funding ( %) |
|---|---|---|---|
| Organic Revenue Growth | | 20% | |
| Adjusted EBITDA | | 60% | |
| ROIC | | 20% | |

Award funding level for the 2016 – 2018 PSP is shown below.

| Achievement | Award Funding |
|---|---|
| ≥ 135% | 200.0% |
| ≥ 125% | 150.0% |
| ≥ 115% | 125.0% |
| ≥ 95% – 105% | 100.0% |
| ≥ 90% | 85.0% |
| ≥ 75% | 50.0% |

Value Creation PSP (Grants in 2015 and Prior Years)

| 60% | | | | | | | 40% | | |
|---|---|---|---|---|---|---|---|---|---|
| Year | Operating Cash Flow ($ millions) | Adjusted EBITDA ($ millions) | | Value Creation ($ millions) | | Weight | Adjusted EBITDA Growth | Award Funding (%) | Weight |
| | Results | Plan | Results | Plan | Results | | | | |
| 1 | | | | | | 20% | n/a | n/a | n/a |
| 2 | | | | | | 20% | n/a | n/a | n/a |
| 3 | | | | | | 20% | | | 40% |
| Final | | | | | | | | | |

Award funding level for the Value Creation PSP for fiscal years 2015 and earlier is shown below.

| Achievement | Award Funding |
|---|---|
| ≥ 135% | 200.0% |
| ≥ 125% | 150.0% |
| ≥ 115% | 125.0% |
| ≥ 100% | 100.0% |
| ≥ 90% | 85.0% |
| ≥ 75% | 50.0% |

As in the past, the Committee will annually assess whether the Company’s incentive compensation programs are promoting the desired behaviors and profitable Company growth, whether the metrics can be easily communicated to and understood by participants and whether, when considered with other elements of compensation, the program supports the Company’s compensation philosophy.

TABLE OF CONTENTS

Compensation Discussion and Analysis

2015 Annual Cash Incentive Award Decisions

As described earlier, short-term incentive compensation for 2015 is based on the achievement of financial and personal objectives that are established each year. Executives who have significant responsibility for business units currently have financial metrics that are based on Company-wide results, as well as the results of the business units these executives lead. Personal objectives, which are inherently subjective in nature, include individual results and department results for executives who are responsible for departments. The following chart shows the respective weightings related to the achievement of Company, Business Unit, Department and Individual performance objectives for our NEOs (for our CEO and our CFO, after their promotions to those positions).

ANNUAL BONUS WEIGHTINGS FOR 2015

2015 Company Results

The incentive compensation for all of our NEOs was based partly on 2015 Company Results, measured by the Company’s 2015 income from continuing operations relative to (i) 2015 budget and (ii) 2014 results, each weighted equally. We used income from continuing operations to measure Company Results because we believe that this metric correlates with annual Company financial performance. The following table shows 2015 results compared to (i) 2015 budget and (ii) 2014 results, and the resulting bonus funding.

Company Results

| Income from Continuing Operations | Base Level | 2015 Results | Achievement | Bonus Funding |
|---|---|---|---|---|
| 2015 Budget (50%) | $83.1 million | $51.2 million* | 61.6% | 0% |
| 2014 Actual (50%) | $69.5 million* | $51.2 million* | 73.7% | 0% |
| TOTAL | | | | 0% |

*

The 2014 base level number of $69.5 million represents income from continuing operations, adjusted to include the estimated effect of the 2014 Worker Opportunity Tax Credit (WOTC), which Congress retroactively reenacted in December 2014. So as not to “double count” the benefit of this adjustment, 2015 results were adjusted to exclude the actual 2014 WOTC benefit received in fiscal year 2015.

As further described below, Mr. Salmirs' financial objectives as CEO included threshold metrics whereby, in order to receive any incentive compensation related to financial objectives, income from continuing operations for fiscal year 2015 had to equal or exceed 80% of actual income from continuing operations for fiscal year 2014 and 80% of the 2015 budget. Because these thresholds were not met, financial results for Mr. Salmirs as CEO were assessed at zero.

TABLE OF CONTENTS

Compensation Discussion and Analysis

The funding level for each component for our other NEOs under the PIP (and for a portion of Mr. Salmirs' bonus before he became CEO) was determined based on the following table, and so resulted in 0% funding for the portion attributable to Company Results:

Bonus Funding Table

| Achievement | Funding |
|---|---|
| ≥ 125% | 175.0% |
| ≥ 120% | 150.0% |
| ≥ 100% | 100.0% |
| ≥ 80% | 50.0% |
| < 80% | 0% |

2015 Annual Cash Incentive Payment for Scott Salmirs, President and CEO

Mr. Salmirs' annual cash incentive payment for fiscal year 2015 was based in part on the period that he was an executive vice president of the Company (November 1, 2014 to March 31, 2015) and in part on the period following his appointment as President and CEO (April 1, 2015 to October 31, 2015).

Cash Incentive Compensation — November 1, 2014 to March 31, 2015. During the period that Mr. Salmirs was an executive vice president, his financial performance objectives, weighted at 60% of bonus opportunity, included metrics related to Company Results (which are shown above under "2015 Company Results"), results for our Onsite business as a whole, which comprise our Janitorial, Parking, Security and Facility Services businesses, and results for our Onsite operations in the Northeast, reflecting his responsibilities for Northeast operations. The following table shows Business Unit financial objectives and results relating to this period compared to 2015 budget and 2014 results.

Salmirs Financial Objectives/Results — November 1, 2014 to March 31, 2015

| Income from Operations | Base Level | 2015 Results | Achievement | Bonus Funding** |
|---|---|---|---|---|
| Onsite 2015 Budget | $233.9 million | $216.6 million* | 92.6% | 81.5% |
| Onsite 2014 | $215.2 million | $216.6 million* | 100.6% | 101.5% |
| Northeast 2015 Budget | $44.7 million | $52.6 million* | 117.7% | 144.3% |
| Northeast 2014 | $40.2 million | $52.6 million* | 130.8% | 175.0% |

*
Amounts shown reflect income from operations and include results of our Security division.

**
The funding level for each component was determined based on the "Bonus Funding Table" shown above under "2015 Company Results."

In addition to financial metrics, Mr. Salmirs' incentive compensation was also based on individual performance. Because of the very strong financial performance of the Northeast which was under Mr. Salmirs' leadership during the relevant period, the Committee determined that his individual performance objectives for this period had been achieved at 150%. The following table sets forth the target bonus opportunity related to each of the financial measures and individual performance objectives and the resulting bonus payout in light of these factors and their respective weightings.

Salmirs — Cash Incentive Compensation
for the Period November 1, 2014 to March 31, 2015

| | Company (10%) | Onsite (10%) | Northeast (40%) | Individual (40%) | Overall Bonus Payout |
|---|---|---|---|---|---|
| Target bonus opportunity* | $ 10,708 | $ 10,708 | $ 42,831 | $ 42,831 | |
| Funding** | 0% | 91.5% | 159.7% | 150.0% | 133.0% |
| Payout | $ 0 | $ 9,798 | $ 68,401 | $ 64,247 | $ 142,446 |

*
Prorated for the period November 1, 2014 to March 31, 2015.

**
Funding includes results relating to performance against current year budget and prior year actual.

TABLE OF CONTENTS

Compensation Discussion and Analysis

Cash Incentive Compensation — April 1, 2015 to October 31, 2015. Mr. Salmirs' financial objectives as CEO involved two Company-wide metrics: income from continuing operations before income taxes for the seven-month period of April 2015 through October 2015 and organic revenue growth during the same period, as well as two threshold metrics. Under the established thresholds, in order to receive any incentive compensation related to financial objectives, income from continuing operations for fiscal year 2015 had to equal or exceed 80% of actual income from continuing operations for fiscal year 2014 and 80% of the 2015 budget. The Committee established these thresholds for the CEO because it believed that income from continuing operations is an important measure of overall financial performance of the Company and aligns with the interests of shareholders.

As reflected in the table shown above under "2015 Company Results," these thresholds were not achieved. Accordingly, financial results for Mr. Salmirs as CEO were assessed at zero.

Mr. Salmirs' individual performance objectives as CEO were established by the Committee and included:

- development of a Board-approved strategic plan (50% weighting);
- having an effective and stable management leadership team in place by end of fiscal year 2015 (25% weighting); and
- ensuring a successful leadership transition through effective communication with the Board and other key Company stakeholders (25% weighting).

The Committee considered Mr. Salmirs' performance against these objectives in a process that involved discussions with those Board members who had been on the Board for most of fiscal year 2015. After considering the perspectives of these Board members, the Committee agreed that Mr. Salmirs had provided crucial strategic leadership to the Company in his role as President and CEO and had successfully led the development and initial implementation of the Company's 2020 Vision, including the successful divestiture of the Company's Security division. In addition, the Committee believed that Mr. Salmirs had achieved the objectives relating to communication and had been successful in retaining key executive talent throughout the organization during a pivotal year of transformation. Accordingly, the Committee determined that Mr. Salmirs' individual performance objectives had been attained at 133% of target, out of a maximum possible achievement level of 150% of target.

The following table sets forth the target bonus opportunity related to the CEO's financial measures and individual performance objectives and the resulting bonus payout in light of these factors and their respective weightings.

Salmirs — Cash Incentive Compensation
for the Period April 1, 2015 to October 31, 2015

| | Financial (70%) | Individual (30%) | Overall Bonus Payout |
|---|---|---|---|
| Target bonus opportunity* | $ 308,560 | $ 132,240 | |
| Funding | 0% | 133.0% | 39.9% |
| Payout | $ 0 | $ 175,879 | $ 175,879 |

* Prorated for the period April 1, 2015 to October 31, 2015.

Mr. Salmirs' annual cash incentive compensation for fiscal year 2015 therefore totaled $318,325 ($142,446 + $175,879).

Annual Cash Incentive Payments for Our Other Current Officers Who Are NEOs

In 2015, annual cash incentive payments for Messrs. Scaglione, McClure, Chin and Ms. McConnell were governed by the PIP. Payments under the PIP are based on a combination of Company results (which are shown above under "2015 Company Results"), business unit results, in the case of NEOs who have responsibility for business units, and individual performance objectives. Typically, individual performance objectives are based on factors relating to the executive's areas of responsibility and influence, as well as achievement level, and vary from NEO to NEO. However, due to the pivotal nature of the Company's 2020 Vision, after consultation with Mr. Salmirs, the Committee determined that the individual performance objectives for Messrs. Scaglione, McClure and Chin and Ms. McConnell would be based on their respective contributions to the development of the Company's 2020 Vision. In determining individual achievement levels, the Committee considered the value added by each executive to the development, launch and early implementation of the Company's 2020 Vision, including the successful

Compensation Discussion and Analysis

divestiture of the Company's Security division in October 2015. The Committee also considered Mr. Salmirs' assessment of each of these NEOs. After discussion, the Committee agreed that each of these officers had achieved their respective individual performance objectives at 150% of target, the highest possible achievement level for individual performance objectives.

D. Anthony Scaglione, Executive Vice President and Chief Financial Officer

In light of the fact that Mr. Scaglione became Executive Vice President and CFO in April 2015, the Committee determined that it was appropriate to base his annual cash incentive compensation on the weightings of the metrics relating to that period he served as Senior Vice President and Treasurer (November 1, 2014 to March 31, 2015) and weightings of these metrics relating to his service as Executive Vice President and CFO (April 1, 2015 to October 31, 2015). As Senior Vice President and Treasurer, Mr. Scaglione's annual cash incentive compensation was based 50% on Company Results and 50% on individual performance objectives. As CFO, his annual cash incentive compensation was based 70% on Company Results and 30% on individual performance objectives. Since Company Results were achieved at 0%, there was no incentive compensation attributable to Company Results for either period. As discussed earlier, the Committee determined for all current officers who are NEOs that individual performance objectives were achieved at 150%. The following tables show the bonus targets, results and funding for Mr. Scaglione's bonus.

Scaglione — Cash Incentive Compensation
for the Period November 1, 2014 to March 31, 2015

| | Company (50%) | Individual (50%) | Overall Bonus Payout |
|---|---|---|---|
| Target bonus opportunity* | $ 27,002 | $ 27,002 | |
| Funding | 0% | 150.0% | |
| Payout | $ 0 | $ 40,503 | $ 40,503 |

*
Prorated for the period November 1, 2014 to March 31, 2015.

Scaglione — Cash Incentive Compensation
for the Period April 1, 2015 to October 31, 2015

| | Company (70%) | Individual (30%) | Overall Bonus Payout |
|---|---|---|---|
| Target bonus opportunity* | $ 120,785 | $ 51,765 | |
| Funding | 0% | 150.0% | |
| Payout | $ 0 | $ 77,648 | $ 77,648 |

*
Prorated for the period April 1, 2015 to October 31, 2015.

Mr. Scaglione's annual cash incentive compensation for 2015 therefore totaled $118,151 ($40,503 + 77,648).

James P. McClure, Executive Vice President

Mr. McClure continued to lead the Company's Onsite businesses during 2015. His annual cash incentive compensation was based 50% on Company Results, 25% on Onsite Results and 25% on individual performance objectives. As previously described, Company Results were achieved at 0%. Onsite Results are described in the following table.

Onsite Results

| Income from Operations | Base Level | 2015 Results | Achievement | Bonus Funding |
|---|---|---|---|---|
| Onsite 2015 Budget (50%) | $233.9 million | $216.6 million | 92.6% | 81.5% |
| Onsite 2014 Actual (50%) | $215.2 million | $216.6 million | 100.6% | 101.5% |
| TOTAL | | | | 91.5% |

Compensation Discussion and Analysis

The following table sets forth targets, results and bonus funding for Mr. McClure's annual cash incentive compensation.

McClure — Annual Cash Incentive Compensation

| | Company (50%) | Onsite (25%) | Individual (25%) | Overall Bonus Payout |
|---|---|---|---|---|
| Target bonus opportunity | $ 259,197 | $ 129,598 | $ 129,598 | |
| Funding | 0% | 91.5% | 150.0% | |
| Payout | $ 0 | $ 118,582 | $ 194,397 | $ 312,979 |

Sarah Hlavinka McConnell, Executive Vice President, General Counsel and Corporate Secretary

Ms. McConnell continued in her role as Executive Vice President, General Counsel and Corporate Secretary in 2015. Her annual cash incentive compensation was based 70% on Company Results and 30% on individual performance objectives. The following table sets forth targets, results and bonus funding for Ms. McConnell.

McConnell — Annual Cash Incentive Compensation

| | Company (70%) | Individual (30%) | Overall Bonus Payout |
|---|---|---|---|
| Target bonus opportunity | $ 202,535 | $ 86,801 | |
| Funding | 0% | 150.0% | |
| Payout | $ 0 | $ 130,202 | $ 130,202 |

Dean A. Chin, Senior Vice President, Chief Accounting Officer and Controller

Mr. Chin continued in his role as Senior Vice President. Chief Accounting Officer and Controller during 2015. His annual cash incentive compensation was based 50% on Company Results and 50% on Individual Results. The following table sets forth targets, results and bonus funding for Mr. Chin.

Chin — Annual Cash Incentive Compensation

| | Company (50%) | Individual (50%) | Overall Bonus Payout |
|---|---|---|---|
| Target bonus opportunity | $ 66,559 | $ 66,559 | |
| Funding | 0% | 150.0% | |
| Payout | $ 0 | $ 99,839 | $ 99,839 |

Former Officers who are NEOs

Annual cash incentive compensation for each of Messrs. Slipsager, Lusk and Price in 2015 was governed by the terms of their respective separation arrangements, which are described under "CEO and CFO Succession and Other Management Transition," beginning on page 29. Payments made under these separation arrangements are described below.

Henrik C. Slipsager, Former President and CEO

Mr. Slipsager's annual cash incentive compensation for fiscal year 2015 was governed by the terms of his employment agreement which provided that upon a termination of employment without "Just Cause" incentive compensation would be based on the achievement of preestablished financial objectives, based on actual performance, as well as individual performance objectives, which were deemed to have been achieved at 100% of target. In each case, results were prorated for the period of his employment. As was the case with Mr. Salmirs, the Committee determined that in order for Mr. Slipsager to receive any incentive compensation related to financial objectives, income from continuing operations for fiscal year 2015 had to equal or exceed 80% of actual income from continuing operations for fiscal year 2014 and 80% of the 2015 budget. As discussed above, this threshold

TABLE OF CONTENTS

Compensation Discussion and Analysis

was not achieved. Therefore, under the terms of his employment agreement, Mr. Slipsager's annual cash incentive compensation was determined to be $112,518, which represented a proration of his bonus opportunity based on individual performance objectives achieved at 100% of target.

Slipsager — Cash Incentive Compensation
November 1, 2014 to March 31, 2015

| | CEO Financial Goals (70%) | Individual (30%) | Overall Bonus Payout |
|---|---|---|---|
| Target bonus opportunity* | $ 262,542 | $ 112,518 | |
| Funding | 0% | 100.0% | |
| Payout | $ 0 | $ 112,518 | $ 112,518 |

* Target bonus opportunity amounts have been prorated to the date of termination of employment.

James S. Lusk, Former Executive Vice President and CFO

Mr. Lusk's annual cash incentive compensation for fiscal year 2015 was governed by the terms of his employment agreement which provided that upon a termination of employment without cause, he would receive a pro-rated portion of his incentive compensation based on actual Company results and individual performance objectives, which were deemed to have been achieved at 100% of target. In each case, results were prorated for the period of his employment. As discussed above, Company results were achieved at 0%. Accordingly, Mr. Lusk's annual cash incentive compensation was determined to be $81,869, which represented a proration of his bonus opportunity based on individual performance objectives achieved at target.

Lusk — Cash Incentive Compensation
November 1, 2014 to July 5, 2015

| | Company (70%) | Individual (30%) | Overall Bonus Payout |
|---|---|---|---|
| Target bonus opportunity* | $ 191,028 | $ 81,869 | |
| Funding | 0% | 100.0% | |
| Payout | $ 0 | $ 81,869 | $ 81,869 |

* Target bonus opportunity amounts have been prorated to the date of termination of employment.

Tracy K. Price, Former Executive Vice President, Business Leader for Building & Energy Solutions and Corporate Sales and Marketing

Because Mr. Price's employment with the Company did not terminate prior to the end of fiscal year 2015, his bonus was not prorated. His annual cash incentive compensation was based 50% on Company Results, 25% on Building & Energy Solutions (BESG) results and 25% on individual performance objectives. As previously described, Company Results were achieved at 0%. The BESG results are shown in the following table. His individual performance objectives were deemed to have been achieved at 100% of target.

BESG Results

| Income from Operations | Base Level | 2015 Results | Achievement |
|---|---|---|---|

| | | | | Bonus Funding |
|---|---|---|---|---|
| BESG 2015 Budget (50%) | $26.7 million | $26.4 million | 98.9% | 97.3% |
| BESG 2014 Actual (50%) | $23.1 million | $26.4 million | 114.0% | 135.0% |
| TOTAL | | | | 116.2% |

Compensation Discussion and Analysis

Price — Annual Cash Incentive Compensation

| | Company (50%) | BESG (25%) | Individual (25%) | Overall Bonus Payout |
|---|---|---|---|---|
| Target bonus opportunity | $ 259,197 | $ 129,598 | $ 129,598 | |
| Funding | 0% | 116.2% | 100.0% | |
| Payout | $ 0 | $ 150,593 | $ 129,598 | $ 280,191 |

Long-Term Equity Incentive Programs

As noted under “2015 Long-Term Incentive Compensation,” our practice is to grant long-term incentives annually in the form of equity awards that are allocated among RSUs, which typically vest over a four-year period, and PSUs which are earned if certain performance objectives are met. PSUs typically vest on the third anniversary of the grant date. The Committee believes that a significant portion of equity compensation should be performance-based, and for 2015, a majority of the annual equity grants consisted of our Value Creation PSP PSUs and our TSR PSP PSUs, which are further described below. The Committee also approves special grants from time to time, such as the retention grants made in 2015 in connection with our management transition as described on page 36. More information about individual grants for 2015, including the individual number of shares for each type of equity award and the grant date value of each award, can be found in the table “Grants of Plan-Based Awards During Fiscal Year 2015” on page 37.

Value Creation PSP

The following tables summarize the results for 2015 under each of our 2013 – 2015, 2014 – 2016 and 2015 – 2017 Value Creation PSPs. Yearly targets under different performance share programs may be different for the same years as a result of the then-current Company conditions when the targets were established. In addition, amounts shown with respect to “Results” may be different for the same fiscal year in the different Value Creation PSPs due to the effects of pre-specified adjustments under the different performance share programs.

2013 – 2015 Value Creation PSP

| 60% | | | | | | | | | | 40% |
|---|---|---|---|---|---|---|---|---|---|---|
| Year | Operating Cash Flow ($ millions) | | Adjusted EBITDA ($ millions) | | Value Creation(1) ($ millions) | | Value Creation Achievement (%) | Award Funding(2) (%) | Weight | Adjusted EBITDA Growth (%) |
| | Plan | Results | Plan | Results | Plan | Results | | | | |
| 2013 | 141.9 | 135.3 | 206.2 | 205.9 | 290.9 | 282.8 | 97.2 | 95.8 | 20% | n/a |
| 2014 | 134.9 | 120.7 | 216.5 | 216.7 | 186.4 | 174.7 | 93.7 | 90.6 | 20% | n/a |
| 2015 | 133.9 | 145.3 | 227.3 | 221.6 | 187.9 | 169.8 | 90.4 | 85.6 | 20% | 97.5 |
| Final | | | | | | | | | | |

(1)
Value Creation equals Operating Cash Flow plus change in current-year Adjusted EBITDA over prior-year Adjusted EBITDA multiplied by 5.

(2)
The award funding percentage is determined by applying the percentage under the Value Creation Achievement or Adjusted EBITDA Growth, as applicable, to the award funding table (as shown below) under “2015 – 2017 Value Creation PSP.”

For the final tranche under the 2013 – 2015 Value Creation PSP (i) Value Creation was achieved at approximately 91% of target and (ii) Adjusted EBITDA growth was achieved at approximately 98% of target. Overall, for the three-year period, achievement under the 2013 – 2015 Value Creation PSP resulted in award funding of approximately 93% of target.

2014 – 2016 Value Creation PSP

| 60% | | | | | | | | | | 40% |
|---|---|---|---|---|---|---|---|---|---|---|
| Year | Operating Cash Flow ($ millions) | | Adjusted EBITDA ($ millions) | | Value Creation(1) ($ millions) | | Value Creation Achievement (%) | Award Funding(2) (%) | Weight | Adjuste EBITD Growth (%) |
| | Plan | Results | Plan | Results | Plan | Results | | | | |
| 2014 | 124.0 | 120.7 | 218.7 | 216.7 | 188.0 | 174.7 | 92.9 | 89.4 | 20% | n/a |
| 2015 | 93.4 | 145.3 | 229.6 | 221.6 | 147.9 | 169.8 | 114.8 | 124.7 | 20% | n/a |
| 2016 | | | | | | | | | 20% | |
| Final | | | | | | | | | | |

27

TABLE OF CONTENTS

Compensation Discussion and Analysis

(1)
Value Creation equals Operating Cash Flow plus change in current-year Adjusted EBITDA over prior-year Adjusted EBITDA multiplied by 5.

(2)
The award funding percentage is determined by applying the percentage under Value Creation Achievement or Adjusted EBITDA Growth, as applicable, to the award funding table (as shown below) under “2015 – 2017 Value Creation PSP.”

For the second tranche of performance shares under the 2014 – 2016 Value Creation PSP, Value Creation was achieved at approximately 115% of target since Value Creation was $169.8 million compared to the target of $147.9 million.

2015 – 2017 Value Creation PSP

| 60% | | | | | | | | | | 40% |
|---|---|---|---|---|---|---|---|---|---|---|
| Year | Operating Cash Flow ($ millions) | | Adjusted EBITDA ($ millions) | | Value Creation(1) ($ millions) | | Value Creation Achievement (%) | Award Funding(2) (%) | Weight | Adjusted A<br>EBITDA F<br>Growth ( |
| | Plan | Results | Plan | Results | Plan | Results | | | | |
| 2015 | 118.4 | 145.3 | 236.0 | 221.6 | 214.9 | 169.8 | 79.0 | 59.3 | 20% | n/a |
| 2016 | | | | | | | | | 20% | n/a |
| 2017 | | | | | | | | | 20% | |
| Final | | | | | | | | | | |

(1)
Value Creation equals Operating Cash Flow plus change in current-year Adjusted EBITDA over prior-year Adjusted EBITDA multiplied by 5.

(2)
The award funding percentage is determined by using the Value Creation Actual versus Plan percentage and applying it to the award funding table (shown below). Percentages in between the table values are calculated using straight-line interpolation.

| Value Creation | Award Funding |
|---|---|
| ≥ 135% | 200.0% |
| ≥ 125% | 150.0% |
| ≥ 115% | 125.0% |
| ≥ 100% | 100.0% |
| ≥ 90% | 85.0% |
| ≥ 75% | 50.0% |

For the first tranche of performance shares under the 2015–2017 Value Creation PSP, Value Creation was achieved at approximately 79% of target since Value Creation was $169.8 million compared to the target of $214.9 million.

2014 TSR PSP and 2015 TSR PSP

The Committee introduced a TSR-based performance share program (TSR PSP) in 2014. The TSR PSP replaced stock options as a component of executive long-term compensation. The Committee believes that TSR, which is stock price appreciation plus the reinvestment of dividends over a defined period, is a significant measure of shareholder value creation and a useful supplement to other performance-based incentives. In general, higher TSR often equates with greater potential returns for shareholders and can better position the Company for growth in the future.

The measurement period under the 2014 TSR PSP is a three-year period, commencing on November 1, 2013 and ending on October 31, 2016. The measurement period under the 2015 TSR PSP is a three-year period, commencing on November 1, 2014 and ending on October 31, 2017. Payouts under the 2014 TSR PSP and the 2015 TSR PSP will be measured by the Company's three-year TSR percentile rating compared to the S&P 600, as reflected in the following table.

TSR PSP Payout and Performance Table

| Performance Level | Three-Year TSR Percentile Rating | Shares Awarded (as a % of Target) |
|---|---|---|
| Maximum | 75th Percentile | 150% |
| Target | 50th Percentile | 100% |
| Threshold | 25th Percentile | 50% |

28

TABLE OF CONTENTS

Compensation Discussion and Analysis

Other Compensation and Governance-Related Matters
CEO and CFO Succession and Other Management Transition
Mr. Slipsager's Transition and Separation Arrangements
In connection with the announcement of his departure, the Company entered into a letter agreement with Mr. Slipsager on January 12, 2015. Pursuant to the terms of this agreement, following his departure, Mr. Slipsager agreed to provide senior advisory consulting services to the Company through September 30, 2015. He received a fee of $20,000 per month for these services. The letter agreement also provided that Mr. Slipsager's separation payments and benefits from the Company in connection with his departure would be generally as set forth in his Amended and Restated Employment Agreement that was entered into on July 16, 2013, and as provided under the terms of previously made equity awards. Under these arrangements, Mr. Slipsager was entitled to:

- an amount equal to two times the sum of his then current base salary and then current target annual incentive opportunity under the Company's annual incentive program, payable in substantially equal installments over 24 months commencing April 2015;
- a prorated annual cash incentive bonus for the fiscal year ended October 31, 2015, based on employment through March 31, 2015;
- post-termination benefits and payments vested under the Company's benefit plans, including certain post-employment health insurance assistance payments;
- vesting of his 2012 performance share awards, subject to the achievement of the applicable performance conditions; and
- pro-rated vesting (through his last day of employment with the Company) of his 2014 performance share awards, subject to the achievement of the applicable performance conditions.

Mr. Salmirs' Employment Agreement and Change-in-Control Agreement
In connection with his appointment as the Company's President and Chief Executive Officer, on January 12, 2015, the Company and Mr. Salmirs entered into an executive employment agreement. The executive employment agreement, effective as of March 31, 2015, has a term ending October 31, 2017, unless sooner terminated under the terms of the executive employment agreement. Mr. Salmirs' initial base salary under the executive employment agreement is $760,000. In addition, Mr. Salmirs is eligible for a target bonus equal to 100% of his base salary, with a maximum of up to 185% of his base salary, subject in all cases to achievement of the applicable performance conditions, and is eligible to participate in the Company's long-term equity incentive plan. Mr. Salmirs will also be entitled to receive post-termination benefits and payments under the Company's benefit plans, including specified post-employment health insurance assistance payments. The terms of his executive employment agreement provide that upon the termination of Mr. Salmirs' employment for any reason, he will refrain from competing with, or soliciting the employees or customers of, the Company for one year following the termination of employment.
If Mr. Salmirs' employment during the term is terminated by the Company without "Just Cause," as defined in the executive employment agreement, Mr. Salmirs will be entitled to receive two times the sum of his base salary and

target bonus, payable in equal installments during the 24-month period following the date of termination, a lump sum payment equal to a prorated portion of his annual bonus for the year of termination, based on the performance of the Company for that year, and specified post-employment health insurance assistance payments. If Mr. Salmirs' employment terminates at the expiration of the term and the Company has not offered to renew upon materially similar terms and conditions, Mr. Salmirs will be entitled to receive one times the sum of his base salary and target bonus, subject to certain conditions, a lump sum payment equal to a prorated portion of his annual bonus for the year of termination, based on the performance of the Company for that year, and specified post-employment health insurance assistance payments.

On January 12, 2015, the Company also entered into an agreement providing "double-trigger" severance benefits in the event that Mr. Salmirs' employment terminates under certain defined circumstances following a "Change-in-Control," as defined in the severance agreement. These double-trigger severance arrangements are similar to those described for our NEOs under "Potential Payments upon Qualifying Terminations of Employment Following a Change-in-Control on October 31, 2015," except that his severance multiple is 2.5 times salary and target bonus. There is no tax gross-up under this agreement.

## Mr. McClure’s and Mr. Price’s Employment Agreement and Retention Awards

On January 13, 2015, the Company entered into amended and restated executive employment agreements with James P. McClure and Tracy K. Price. The amended employment agreements extended the term of employment through October 31, 2017, unless terminated earlier by either party. In September 2015, the Company announced that Mr. Price would be leaving the Company. Arrangements relating to his separation from the Company are described under “Mr. Price’s Separation Arrangement” on page 31.

Under the amended and restated executive employment agreements entered into on January 13, 2015, unless there is a mutual agreement to extend the term or the executive’s employment is terminated earlier by either party, the executive’s employment terminates at the expiration of the term. In such event, the Company shall pay the executive all compensation to which executive is entitled up through the date of termination and a prorated portion of the executive’s bonus for the fraction of the fiscal year that has been completed prior to the date of termination based on ABM’s actual performance for the entire fiscal year. Further, in the event that the executive’s employment terminates at the end of the term, and ABM had not offered to renew the executive’s employment upon materially similar terms and conditions, the Company will pay the executive an amount equal to one times the sum of his base salary and target bonus over the twelve-month period following his termination of employment. These payments will cease in the event that the executive finds full-time employment which does not violate certain restrictive covenants in the employment agreement or the Company notifies the executive that it is waiving its rights with respect to applicable restrictions on competition in the employment agreement. The agreements also provide for termination by the Company without cause. In connection with a termination by the Company without cause, the executive is entitled to all compensation that the executive is entitled to through termination, severance in the amount of 18 months base pay and target bonus, plus a prorated portion of bonus for the fraction of the fiscal year that has been completed prior to the date of termination based on the Company’s actual performance for the entire fiscal year and post-employment health insurance assistance payments. Payment of severance is contingent upon the execution of a release agreement in the form provided by the Company, and compliance with certain covenants.

In addition, in January 2015, in recognition of the importance of incentivizing our operational management team during a time of leadership transition, the Compensation Committee of the Company approved one-time retention awards consisting of performance share units for each of Mr. McClure and Mr. Price. The performance share units vest in one installment on October 31, 2017 and do not contain accelerated vesting in the event of retirement or involuntary termination prior to the vesting date. The Company must achieve income from continuing operations before taxes of at least $100 million, as set forth in the Company’s annual report on Form 10-K for any one of the fiscal years 2015, 2016 or 2017 for the performance share units to vest. Mr. Price’s retention awards were forfeited with the termination of his employment prior to the vesting date.

## Mr. Scaglione’s Employment Agreement and Change-in-Control Agreement

In connection with Mr. Scaglione’s appointment as CFO, the Company and Mr. Scaglione entered into an executive employment agreement with a term that will expire on October 31, 2017, unless extended by mutual agreement of the parties or the executive’s employment is terminated earlier by either party. If during the term of the executive employment agreement, the Company terminates his employment without “Cause” (as defined in the executive employment agreement), he will receive severance in an amount equal to 18 months base pay and target bonus, as well as a prorated bonus for the year of termination, subject in each case to signing a release agreement, and post-employment health insurance assistance payments. Mr. Scaglione’s agreement provides that upon the termination of his employment for any reason, he will refrain from competing with, or soliciting the employees or customers of, the Company for one year following the termination of employment. The executive employment agreement also provides that if his employment terminates at the expiration of the term and the Company has not offered to renew upon materially similar terms and conditions, he will receive severance in an amount equal to 12 months base pay and target bonus, as well as a prorated bonus for the year of termination.

The Company and Mr. Scaglione also entered into a severance agreement providing for “double-trigger” severance benefits such that if, within two years following a change in control, the Company terminates his employment without “Cause” or he resigns for “Good Reason” (each as defined in the Executive Employment Agreement), he will receive severance in an amount equal to 24 months base pay and target bonus, as well as a prorated bonus for the year of termination and 18 months of benefits.

TABLE OF CONTENTS

Compensation Discussion and Analysis

Mr. Lusk's Separation Arrangement

On April 27, 2015, Mr. Lusk and the Company entered into a letter agreement relating to his separation from the Company. The terms of Mr. Lusk's separation from the Company were generally governed by the terms of his employment agreement dated October 20, 2014 relating to a termination without cause and the terms of previously made equity awards. Accordingly, he was entitled to an amount equal to 18 months base pay and target bonus, payable in substantially equal semimonthly installments over an 18-month period, an amount equal to the Company portion of medical insurance for 18 months following his termination date, and an amount equal to the prorated portion of his target bonus for fiscal year 2015, based on the Company's actual performance for the fiscal year. In addition, under the terms of the Company's equity award agreements, certain performance awards will remain eligible for prorated vesting through his departure date if the performance conditions are met. Payment of the foregoing amounts was conditioned upon the signing of a release in the form provided by the Company.

Mr. Price's Separation Arrangement

On September 25, 2015, the Company entered into a separation and transition agreement with Mr. Price confirming his 60-day notice period and severance benefits pursuant to his amended and restated employment agreement dated January 13, 2015, subject to his executing a general release of claims and complying with certain restrictive covenants. Pursuant to this agreement, his severance benefits consist of 18 months base pay and target bonus, payable in substantially equal semimonthly installments over an 18-month period, and post-employment health insurance assistance in the form of $10,000 per year for ten years. He also remained eligible for his fiscal 2015 performance bonus. In addition, under the terms of the Company's equity award agreements, certain performance awards will remain eligible for prorated vesting through his departure date if the performance conditions are met. Mr. Price agreed to remain with the Company until January 11, 2016 to provide transition services, during which time he received a monthly salary of $20,000, as well as continued equity vesting and eligibility for other standard employee benefits.

Annual Compensation-Related Risk Evaluation

We annually review risks associated with our executive compensation program, as well as other broad-based employee incentive plans with respect to enterprise risk factors, with the assistance of management's compensation consultant, Towers Watson. The Compensation Committee and its independent compensation consultant, Semler Brossy, review this analysis. In connection with this review, the Committee noted the various ways in which risk is managed or mitigated. Practices and policies mitigating risks included the balance of corporate, business unit and department and individual weightings in incentive compensation plans, the mix between long-term and short-term incentives, use of stock ownership requirements, Company policy prohibiting hedging, and the Company's recoupment or "claw-back" policy. Based on this review, the Compensation Committee agreed with the findings in the study that the Company's compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on the Company.

Stock Ownership Guidelines and Anti-Hedging and Pledging Policy

The Company has stock ownership guidelines for certain officers, including NEOs. Executives are expected to achieve their targets within five years of becoming subject to the stock ownership policy. Stock ownership guidelines are based on a multiple of base salary. Individuals who have not met their stock ownership level at the end of the applicable five-year period are expected to retain 50% of their net shares paid under any Company long-term incentive plan or program, such as shares paid out under the performance share program and vested restricted stock units, until their ownership guidelines are satisfied. The Committee periodically reviews the stock ownership guidelines and makes adjustments to these guidelines to the extent that it believes such adjustments are appropriate. Progress toward targeted ownership levels may be taken into consideration in future grants to executives. Unvested RSUs are taken into consideration when determining if ownership guidelines have been achieved; unearned performance shares are not included nor are stock options, whether vested or unvested. Current stock ownership guidelines are as follows:

| Position | Requirements |
|---|---|

| | |
|---|---|
| CEO | Shares with a fair market value equal to six times base salary |
| Executive Vice Presidents | Shares with a fair market value equal to three times base salary |
| Senior Vice Presidents and certain subsidiary senior officers | Shares with a fair market value equal to base salary |

TABLE OF CONTENTS



All of our NEOs are either at or above stock ownership guidelines or are well positioned to achieve compliance within the required time period.

Additionally, the Company has a policy prohibiting all employees, including the NEOs and members of our Board, from engaging in any hedging transactions involving our stock. We also prohibit pledging, or using as collateral, Company stock to secure personal loans or other obligations.

### Window Trading and Rule 10b5-1 Trading Plans

Under the Company's insider trading policy, officers may only purchase or sell ABM securities during "window" periods, which begin on the third business day following the date of each quarterly earnings announcement and end at the close of trading on the fifteenth day of the third month of the fiscal quarter. The only exception to this is for officers who have entered into a trading plan pursuant to SEC Rule 10b5-1.

NEOs are permitted to establish trading plans under Section 10b5-1 of the Securities Exchange Act during open trading windows. These plans enable an executive to diversify his or her holdings of Company stock during periods in which the executive would otherwise be unable to buy or sell such stock because he or she possessed material, nonpublic information about the Company. Any trading plan must be submitted in writing to the Company's General Counsel for review and approval prior to its effective date.

### Compensation Recoupment (Claw-back) Policy

In December 2009, the Board of Directors adopted a policy relating to the recoupment of cash and equity compensation. The policy provides that, if the Company's financial statements are the subject of a restatement due to misconduct, fraud or malfeasance, then, to the extent permitted by applicable law, the independent members of the Board, or a committee consisting of independent members of the Board designated by the Board, may, in their discretion, recover cash compensation paid to an executive officer of the Company or rescind or make other adjustments to an equity award made to an executive officer of the Company, including recovering cash proceeds relating to the sale or other disposition of an equity award, to the extent that the payment or award was predicated upon the achievement of certain financial results that were subsequently the subject of a restatement. Where applicable, the Company may seek to recover any amount determined to have been inappropriately received by the individual executive officer. In addition, it is the Board of Directors' policy that if the independent members of the Board, or a committee consisting of independent members of the Board, determine that an employee who has received a cash incentive payment or an equity award has engaged in conduct constituting "cause" (such as serious misconduct, dishonesty, disloyalty, conviction of a felony or misdemeanor involving moral turpitude, or failure to substantially perform employment-related duties or responsibilities), the Board or such Committee may take such action it deems necessary to address such conduct, including recovery of cash incentive payments, rescission of equity grants made to the employee in the 36-month period prior to the date on which the Board or such Committee makes such determination and recovery of proceeds relating to the sale or other disposition of an equity award during such 36-month period.

### Benefits and Perquisites

The NEOs are eligible for customary employee benefits, which include participation in ABM's 401(k) Plan, as well as group life, health and accidental death and disability insurance programs and executive health examinations. In addition, Messrs. Salmirs and Scaglione received certain perquisites in connection with positions held by them prior to becoming CEO and CFO, respectively. These perquisites terminated at the end of fiscal year 2015. Mr. Price received certain perquisites that have carried over from his employment with The Linc Group, LLC, prior to its acquisition by the Company. These perquisites are set forth in the Summary Compensation Table.

Mr. McClure qualifies for benefits under the Supplemental Executive Retirement Plan (SERP), an unfunded retirement plan that was previously closed to new participants. Mr. McClure also participates in the Service Award Benefit Plan (SAB), which provides participants, upon termination of employment, with a minimum of seven days of pay for each year of employment between November 1989 and January 2002. Both the SERP and the SAB were closed to new participants prior to the employment of our other current officers who are NEOs.

TABLE OF CONTENTS



The NEOs are eligible to participate in ABM's Employee Deferred Compensation Plan, which is an unfunded deferred compensation plan available to highly compensated employees. The Employee Deferred Compensation Plan benefits are shown in the "Nonqualified Deferred Compensation in Fiscal Year 2015" table, followed by a description of the plan. The Committee regularly reviews the benefits provided under this and other plans, and as a result of such a review, in January 2011, the Company entered into a trust agreement that will fund amounts due under the Employee Deferred Compensation Plan in the event of a change-in-control of ABM.

Change-in-Control and Severance Agreements

In order to assure continuity of ABM's senior management in the event of a potential change-in-control, ABM has agreed to provide the NEOs with "double-trigger" severance compensation should their employment with ABM be terminated following a change-in-control. The payment of severance compensation is predicated upon the occurrence of two triggering events: (1) the occurrence of a change-in-control and (2) either the involuntary termination of employment with ABM (other than for "cause" as defined in the change-in-control agreements) or the termination of employment with ABM by the executive for "good reason" as defined in the change-in-control agreements.

In addition, our NEOs may be eligible for severance benefits outside of a change-in-control under their employment agreements. The terms of these agreements are described under "Potential Benefits on Termination."

Accounting and Tax Considerations

The Compensation Committee takes into consideration the accounting, tax and related financial implications to the Company and executives when designing compensation and benefit programs. From an accounting perspective, in general, base salary, annual cash incentive bonus payments and the costs related to benefits and perquisites are recognized as compensation expense at the time they are earned or provided, and equity-based compensation expense is recognized over the vesting period of the grant. Subject to the exceptions and limits described below, the Company deducts for federal income tax purposes payments of compensation and other benefits to executives. The Company does not deduct nonqualified deferred compensation until the year that the deferred compensation is paid to the executive.

Section 162(m) of the Internal Revenue Code generally does not allow a tax deduction to public companies for compensation over $1 million paid to the CEO or any of the three other most highly compensated executive officers (other than the chief financial officer), unless the compensation is paid based solely on the attainment of one or more preestablished objective performance goals and certain other requirements are met. While generally the Company intends to structure components of its compensation in a manner that would comply with Section 162(m), the Compensation Committee has the flexibility to pay nondeductible compensation if it believes it is in the best interests of the Company. The Company's Executive Officer Incentive Plan and 2006 Equity Incentive Plan, both of which have been approved by the Company's shareholders, have been designed to permit the Company to make incentive payments and awards of performance shares and stock options that are not subject to the deduction limits of Section 162(m). From time to time, the Compensation Committee or, in the case of the CEO, the CEO Committee, has awarded, and may in the future award, compensation that is not fully deductible.

Our change-in-control arrangements do not provide for tax gross-ups in the event that executives become subject to excise taxes under Section 4999 and Section 280G of the Internal Revenue Code as a result of receiving benefits in connection with a change-in-control of ABM.

TABLE OF CONTENTS



## COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed the Compensation Discussion and Analysis and discussed the Compensation Discussion and Analysis with management. Based on its review and discussions with management, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in ABM's Annual Report on Form 10-K for the fiscal year ended October 31, 2015 and ABM's 2016 Proxy Statement.

This report is provided by the following independent and outside directors, who comprise the Compensation Committee:

Sudhakar Kesavan, Chair
Linda Chavez
Luke S. Helms
Maryellen C. Herringer

TABLE OF CONTENTS

## Additional Executive Compensation Information

### Additional Information about Executive Compensation

The following tables and accompanying narrative provide detailed information regarding the compensation of the NEOs.

2015 Summary Compensation Table

| Name | Fiscal Year | Salary(1) ($) | Stock Awards(2) ($) | Option Awards ($) | Nonequity Incentive Plan Compensation(3) ($) | Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) | All Other Compensation(4) ($) | Tota ($) |
|---|---|---|---|---|---|---|---|---|
| Scott Salmirs(5) President and Chief Executive Officer | 2015 | 654,124 | 1,094,960 | 0 | 318,325 | 0 | 64,277 | 2, |
| Henrik C. Slipsager Former President & Chief Executive Officer | 2015 | 372,083 | 0 | 0 | 112,518 | 0 | 3,804,169 | 4, |
| | 2014 | 888,666 | 1,759,971 | 0 | 1,048,806 | 43,027 | 69,073 | 3, |
| | 2013 | 864,166 | 1,044,983 | 449,997 | 1,303,448 | 0 | 37,453 | 3, |
| D. Anthony Scaglione(5) Executive Vice President & Chief Financial Officer | 2015 | 379,673 | 394,493 | 0 | 118,151 | 0 | 29,967 | 92 |
| James S. Lusk Former Executive Vice President & Chief Financial Officer | 2015 | 407,942 | 281,019 | 0 | 81,869 | 0 | 1,557,932 | 2, |
| | 2014 | 559,342 | 553,851 | 0 | 455,221 | 0 | 26,257 | 1, |
| | 2013 | 543,916 | 337,222 | 149,994 | 537,078 | 0 | 18,292 | 1, |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| James P. McClure Executive Vice President, President Onsite Services | 2015 | 688,931 | 2,647,633 | 0 | 312,979 | 0 | 15,566 | 3, |
| | 2014 | 674,347 | 734,511 | 0 | 572,773 | 22,155 | 14,176 | 2, |
| | 2013 | 655,750 | 448,315 | 199,994 | 683,657 | 0 | 14,815 | 2, |
| Sarah H. McConnell Executive Vice President, General Counsel & Corporate Secretary | 2015 | 480,649 | 536,355 | 0 | 130,202 | 0 | 13,108 | 1, |
| | 2014 | 470,475 | 465,829 | 0 | 375,928 | 0 | 13,818 | 1, |
| | 2013 | 457,500 | 209,986 | 74,997 | 370,688 | 0 | 11,841 | 1, |
| Dean A. Chin(5) Senior Vice President, Chief Accounting Officer & Controller | 2015 | 330,651 | 328,878 | 0 | 99,839 | 0 | 30,394 | 78 |
| Tracy K. Price Former Executive Vice President | 2015 | 688,931 | 2,172,664 | 0 | 280,191 | 0 | 60,006 | 3, |
| | 2014 | 674,347 | 734,511 | 0 | 683,129 | 0 | 44,648 | 2, |
| | 2013 | 655,750 | 448,315 | 199,994 | 682,900 | 0 | 42,673 | 2, |

(1)
For fiscal year 2015, amounts shown for Messrs. Slipsager and Lusk reflect actual base compensation paid through the date of termination.

(2)
The value shown is the aggregate grant date value for performance share unit (PSU) and RSU awards computed in accordance with FASB ASC Topic No. 718, based on target levels of achievement (the probable outcome at grant), in the case of PSUs. A discussion of assumptions used in calculating these values may be found in Note 17, "Share-Based Compensation Plans," in the Notes to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2015. The maximum values for PSU awards granted in fiscal year 2015 under the 2015 – 2017 Performance Share Program are as follows: Mr. Salmirs: $499,996; Mr. Scaglione: $189,034; Mr. Lusk: $562,037; Mr. McClure: $745,367; Ms. McConnell: $472,759; Mr. Chin: $391,894; and Mr. Price: $745,367. The maximum values for PSU awards granted under the TSR-Based 2015 – 2017 Performance Share Program are as follows: Mr. Salmirs: $569,965; Mr. Scaglione: $224,995; Mr. McClure: $356,243; Ms. McConnell: $224,995; and Mr. Chin: $59,812. The values of the special retention awards granted to Messrs. McClure and Price in January 2015 are $1,799,981 each (but Mr. Price's award was forfeited upon his departure). No stock options were granted in 2014 and 2015. In addition, in light of CEO succession planning, Mr. Slipsager did not receive any equity grants in 2015.

(3)
Amounts shown in this column represent annual performance-based cash bonuses.

(4)
For fiscal year 2015, represents: for Mr. Salmirs: ABM contributions to the 401(k) plan in the amount of $10,600; auto allowance of $10,200; reimbursement for gas, $339; club dues, $365; parking, $6,405; credit card membership, $450; family travel, $5,393; reimbursable legal fees, $20,000; value of realized dividend equivalents (DEUs) upon distribution of PSUs, $1,351; and value of realized DEUs upon distribution of RSUs, $9,174; for Mr. Scaglione: ABM contributions to the 401(k) plan in the amount of $10,494; auto allowance of $10,200; reimbursement for gas, $583; parking, $3,600; family

TABLE OF CONTENTS



travel, $600; value of realized DEUs upon distribution of PSUs, $852; and value of realized DEUs upon distribution of RSUs, $3,638; for Mr. McClure: ABM contributions to the 401(k) plan in the amount of $10,600; family travel, $1,559; and value of realized DEUs upon distribution of PSUs, $3,407; for Ms. McConnell: ABM contributions to the 401(k) plan in the amount of $10,600; medical exam, $1,216; and value of realized DEUs upon distribution of PSUs, $1,292; for Mr. Chin: ABM contributions to the 401(k) plan in the amount of $8,220; auto allowance of $10,200; reimbursement for gas, $2,370; parking, $3,600; value of realized DEUs upon distribution of PSUs, $852; and value of realized DEUs upon distribution of RSUs, $5,152; for Mr. Slipsager: Severance payments in the amount of $3,572,000 (payable over 18 months); ABM contributions to the 401(k) plan in the amount of $10,600; family travel, $2,977; medical exam, $3,432; reimbursable legal fees, $10,000; value of corporate gift, $5,000; value of realized DEUs upon distribution of PSUs, $9,663; and value of realized DEUs upon distribution of RSUs, $190,497; for Mr. Lusk: Severance payments in the amount of $1,461,946 (payable over 18 months); ABM contributions to the 401(k) plan in the amount of $10,600; medical exam, $2,909; value of realized DEUs upon distribution of PSUs, $2,555; and value of realized DEUs upon distribution of RSUs, $79,922; and for Mr. Price: ABM contributions to the 401(k) plan in the amount of $10,600; auto allowance, $16,800; medical exam, $880; political contribution, $750; value of realized DEUs upon distribution of PSUs, $3,407; value of realized DEUs upon distribution of RSUs, $19,319; and an allowance for, among other things, certain benefits relating to investment advice and other professional services in the amount of $8,250.

(5)
For Messrs. Salmirs, Scaglione and Chin, compensation for only fiscal year 2015 is shown because none of these individuals was a named executive officer in fiscal years 2014 or 2013.

Payments which may be made to an NEO upon certain terminations of employment are described under “Potential Benefits on Termination,” beginning on page 44 of this Proxy Statement.

[Intentionally left blank]

TABLE OF CONTENTS

Additional Executive Compensation Information

The following table shows payout ranges for the NEOs with respect to non-equity incentive plan awards and equity incentive plan awards, as well as other information.

Grants of Plan-Based Awards During Fiscal Year 2015

| Named Executive Officer | Grant Date | Committee Approval Date | Estimated Future Payouts under Non-Equity Incentive Plan Awards(1) ($) | | | Estimated Future Payouts under Equity Incentive Plan Awards(2) (#) | | |
|---|---|---|---|---|---|---|---|---|
| | | | Threshold | Target | Maximum | Threshold | Target | Maximum |
| Scott Salmirs | n/a | n/a | n/a | 547,878 | 1,002,069 | | | |
| | 01/15/2015 | 01/13/2015 | | | | 4,296 | 8,591 | 17,182 |