ABM INDUSTRIES INC /DE/
Form DEF 14A
February 04, 2015
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No. ___)
Filed by the Registrant Filed by a Party other than the Registrant
Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Under 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)
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Date Filed:

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

February 4, 2015

Dear Fellow Shareholders:

Over the last 15 years, ABM has transformed itself. From a company with annual revenues of $1.8 billion and approximately 60,000 employees, ABM has become a leading provider of facility solutions, with revenues of more than $5.0 billion and approximately 118,000 employees in over 300 offices throughout the United States and various international locations. We now have the scope, scale and industry experience, as well as human capital, to deliver enterprise-wide solutions globally.

With the company's recent strong performance, its depth of talent, and the completion of its reorganization and re-branding, it is well-positioned to move to the next level. As we move into the future, together we — your Board of Directors and Henrik Slipsager, your President and Chief Executive Officer — jointly agreed that now, from this position of strength, is the appropriate time to effect a leadership transition.

Scott Salmirs, a seasoned industry veteran, with more than 11 years' experience with the Company, will succeed Mr. Slipsager as President and Chief Executive Officer on March 31, 2015. The entire Board extends enormous thanks to Henrik for all he has done to lead the successful transformation of our company. And we all look forward to having Scott serve as our next President and CEO, confident that he will contribute substantial value to the shareholders and other stakeholders of ABM.

We look forward to seeing you at the 2015 Annual Meeting of Shareholders.

Maryellen Herringer	Henrik C. Slipsager
Chairman of the Board of Directors	President and Chief Executive Officer

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

2015 ANNUAL MEETING OF SHAREHOLDERS
WEDNESDAY, MARCH 4, 2015
10:00 A.M.
NOTICE OF MEETING AND PROXY STATEMENT
YOUR VOTE IS IMPORTANT

ABM Industries Incorporated (ABM or the Company) will hold its 2015 Annual Meeting of Shareholders at Hotel Sofitel New York, 45 West 44th Street, New York, New York 10036, on Wednesday, March 4, 2015, at 10:00 a.m.

The items of business at the Annual Meeting are:

Item One: Election of three directors to serve three-year terms until the 2018 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: Approval of the Amended and Restated 2006 Equity Incentive Plan. 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 14, 2015, are entitled to vote. On that day 55,884,518 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 and restated 2006 Equity Incentive 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, 2014, and from the ABM 2014 Annual Report to Shareholders, as well as 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 4, 2015, and were first mailed, together with a proxy card, to shareholders on or about February 4, 2015.

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.

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Important Notice Regarding the Availability of Proxy Materials
for the Shareholder Meeting to Be Held on March 4, 2015

The Proxy Statement, Annual Report on Form 10-K for the fiscal year ended October 31, 2014 and ABM 2014 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.

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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 4, 2015

- Place:
  Hotel Sofitel New York
  45 West 44th Street
  New York, New York 10036

- Record Date:
  January 14, 2015

- 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 2015

- Non-binding advisory vote to approve executive compensation

- Approval of the Amended and Restated 2006 Equity Incentive Plan

- Transact 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	5

Ratification of the selection of KPMG LLP as our independent registered public accounting firm for fiscal year 2015	FOR	57
Advisory vote to approve executive compensation	FOR	58
Approval of the Amended and Restated 2006 Equity Incentive Plan	FOR	59

Board Nominees

The following table provides summary information about each director who is nominated for election. Each director nominee will serve a three-year term expiring at the 2018 Annual Meeting of Shareholders.

Name	Age	Director Since	Occupation	Independent	Committee Assignments
Linda Chavez	67	1997	President — Becoming American Institute		Compensation; Governance
J. Philip Ferguson	69	2009	Former Vice Chairman — University of Texas Investment Management Company		Audit; Governance
Scott Salmirs	52	2015	Executive Vice President — ABM Industries Incorporated		—

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General Information About The Meeting

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 14, 2015, may vote. On that date, there were 55,884,518 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 27,942,260 votes), present in person or represented by proxy, is needed to hold the 2015 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 2015 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 "non-routine" items. In the case of a non-routine 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 14, 2015, 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.

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General Information About The Meeting

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 towards 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 towards 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 2015, 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 2015 fiscal year.

Will our directors attend the annual meeting?
It is expected that all of our directors will attend our annual meeting. All directors attended the 2014 Annual Meeting of Shareholders except for Stephen Kadenacy, who had a scheduling conflict.

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.

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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. ABM does not use householding for the copies of the proxy statement that it delivers directly to shareholders.

SHAREHOLDER PROPOSALS, DIRECTOR NOMINATIONS AND COMMUNICATING WITH OUR BOARD

How do I submit a shareholder proposal or director nomination for consideration at the 2016 Annual Meeting?

Our 2016 Annual Meeting is currently scheduled for March 9, 2016. If you wish to submit a proposal to be included in the 2016 proxy statement, you must submit your proposal in writing so that we receive it no later than October 12, 2015. 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 2016 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 11, 2015 and no later than December 11, 2015. 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 abmhotline.ethicspoint.com.

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Election of Directors

OUR BOARD OF DIRECTORS

General

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. Our Board of Directors is currently comprised of ten members: Linda Chavez, J. Philip Ferguson, Anthony G. Fernandes, Luke S. Helms, Maryellen C.
Herringer, Sudhakar Kesavan, Scott Salmirs, Henrik C. Slipsager, William W. Steele and Winifred Markus Webb. The terms of Ms. Chavez and Messrs. Ferguson and Salmirs expire at the 2015 Annual Meeting. Mr. Slipsager is not seeking re-election to the Board.

Nominees

Our Board has proposed the following nominees for election as directors with three-year terms expiring at the Annual Meeting in 2018: Linda Chavez, J. Philip Ferguson and Scott Salmirs. Ms. Chavez and Mr. Ferguson were elected to serve for their present terms at the 2012 Annual Meeting of Shareholders. Mr. Salmirs was appointed to the Board in January 2015. The other continuing directors will remain in office until the expiration of their terms at the 2016 or 2017 Annual Meeting, as the case may be. The Board expects each nominee for election as a director to serve if elected. If a nominee is unable or unwilling to serve, proxies will be voted in favor of the other nominees and may be voted for a substitute nominee. Each nominee elected as a director will continue in office until his or her successor has been duly elected and qualified, or until his or her earlier death, resignation or retirement as a director.
Each nominee was recommended by the Governance Committee, has been nominated by the Board of Directors for election and has consented to serve. In recommending Ms. Chavez and Messrs.
Ferguson and Salmirs for election as directors, the Governance Committee considered these directors' service to our Board, their independence, skills, contributions to the Board, current and previous occupations and current and former directorships with other public companies.
Our Board is composed of individuals who have experience as current or former chief executive officers, current or former senior executives with significant operational, finance or audit responsibilities, and individuals who have extensive experience in legal matters, investment management and finance, mergers and acquisitions, government and public policy as well as service on the boards of other public companies. As such, they have strong leadership skills and working knowledge of matters facing companies such as ours. The Board of Directors' Skills Matrix sets out selection criteria used by our Board in concluding that each nominee's service on the Board is appropriate and also reflects the current skills and experience of each of the other continuing members of our Board.

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Election of Directors

Board of Directors’ Skills Matrix

Skills and Experience

Operations Experience
Compensation Expertise
Industry Experience
Board Experience
Financial Experience
Mergers and Acquisitions Experience
Sales and Marketing
Government/Government Relations
Global
Diversity

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PROPOSAL 1 — ELECTION OF DIRECTORS
THE BOARD OF DIRECTORS RECOMMENDS VOTES
"FOR" THE ELECTION OF ALL OF THE NOMINEES AS DIRECTORS

The three persons who receive a plurality of the votes cast will be elected as directors. This means that the three director nominees with the most votes are elected. Only votes "For" affect the outcome. Withheld votes do not affect the voting calculation.

Nominees for Election as Directors with Terms Expiring in 2018

Linda Chavez Director Since 1997 Age 67

President, Becoming American Institute

Ms. Chavez is the president of the Becoming American Institute, a position she has held since 2014. Additionally, she is founder and chairman of the Center for Equal Opportunity, a position she has held since January 2006. Prior to her appointment as chairman, Ms. Chavez served as president of the Center for Equal Opportunity from January 1995 through December 2005. Ms. Chavez was a director of Pilgrim's Pride Corporation from 2004 to 2008 where she served on the audit committee. Previously, she was a director of Greyhound Lines, Inc. from 1995 to 1999, when it was acquired by another company. Ms. Chavez has held numerous appointed positions, including chief executive officer of the National Commission on Migrant Education from 1988 to 1992, chief executive officer of the U.S. Commission on Civil Rights from 1983 to 1985, and White House Director of Public Liaison in 1985. In 1992, she was elected by the United Nations Commission on Human Rights to serve a four-year term as U.S. Expert to the U.N. Sub-Commission on the Prevention of Discrimination and Protection of Minorities. She is a 2006 graduate of the UCLA Anderson Graduate School of Management Director Training and Certification Program and served on the advisory board of the Outstanding Directors Exchange in 2008 and 2009. Ms. Chavez serves on the board of Research Electro-Optics, a privately held company. Ms. Chavez also serves or has served on numerous non-profit boards, including the Campaign to Prevent Teen and Unplanned Pregnancies, and she is an author and nationally syndicated columnist and television commentator and writes extensively about public policy issues.

J. Philip Ferguson Director Since 2009 Age 69

Former Vice Chairman, University of Texas Investment Management Company

Mr. Ferguson has spent 45 years in the investment management business, currently serving on the board of managers of Salient Partners, on the investment committee for Silver Ventures and Houston Endowment, Inc., and as non-executive chair of the investment committee of Ascendant Advisors. Mr. Ferguson served until April 2012, on the board of directors of the University of Texas Investment Management Company (UTIMCO), a position he held since August 2003. He chaired the UTIMCO compensation committee and served on its risk and policy committees. Mr. Ferguson also serves on the advisory committee of the MBA Investment Fund at the McCombs School of Business at the University of Texas-Austin, a position held since March 2005 and is vice-chair of the University of Texas Health Science Center Development Board. Mr. Ferguson held various executive positions with AIM Capital Management, Inc. (now Invesco AIM) from 2000 to 2007, serving most recently as president and chief investment officer. Previously, he held senior positions at several investment management firms, including: managing partner at Beutel, Goodman & Company; senior vice president at Lehman Brothers, Inc.; and vice president of Goldman, Sachs & Company. Mr. Ferguson also serves or has served on various investment and civic boards, including the Investment Adviser Association, Museum of Fine Arts, Houston, and on the Chancellor’s Advisory Council, Texas Christian University.

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Proposal 1 — Election of Directors:
Director Nominees

Scott Salmirs Director Since 2015 Age 52

Executive Vice President, ABM Industries Incorporated

Mr. Salmirs is an executive vice president of the Company, a position held since September 2014. As such, he has global responsibility for the Company's aviation division and all international activities. Previously, Mr. Salmirs served as executive vice president of ABM Janitorial Services — Northeast from 2003 to December 2014. Prior to joining the Company, Mr. Salmirs held various leadership positions at Goldman, Sachs & Company, Lehman Brothers, Inc., and CBRE. Mr. Salmirs also serves on the board of Outreach, a New York non-profit organization dedicated to rehabilitating teen drug users, and is a founding board member of Donate Eight, a non-profit group associated with the New York Organ Donor Network. In January 2015, the Company's Board of directors appointed Mr. Salmirs president and chief executive officer effective March 31, 2015.

Directors with Terms Expiring in 2016

Luke S. Helms Director Since 1995 Age 71

Managing Director, Sonata Capital Group

Mr. Helms is the managing director of Sonata Capital Group, a privately owned, registered investment advisory firm, a position held since June 2000. Previously, Mr. Helms served as vice chairman of KeyBank from April 1998 to March 2000 and held various senior executive positions at Bank of America Corporation, including vice chairman from May 1993 to October 1998. He also served as president of Seafirst Bank from November 1987 to September 1990 and chief executive officer from September 1990 to May 1993. Mr. Helms was a director of Lifelock, Inc., a privately owned company, from 2007 to 2008 and has served as a director of Manulife Financial Corporation since 2007.

Sudhakar Kesavan Director Since 2012 Age 60

Chairman and Chief Executive Officer, ICF International

Mr. Kesavan is chairman and chief executive officer of ICF International, a position held since 1999. He has also been a director of ICF International since June 1999. Previously, Mr. Kesavan served as the president of ICF Consulting Group, a subsidiary of ICF Kaiser from 1997 to 1999. Mr. Kesavan serves as chair of the Northern Virginia Technology Council. He also serves as board member emeritus of the Rainforest Alliance, a New York-based non-profit environmental organization and on the board of Inova Health Systems, a not-for-profit healthcare system based in Northern Virginia.

William W. Steele Director Since 1998 Age 78

Former President and Chief Executive Officer, ABM Industries Incorporated

Mr. Steele is a former officer and employee of the Company, who retired in October 2000 after 43 years of employment with the Company. Mr. Steele's positions with the Company included service as president from November 1991 to October 2000 and chief executive officer from November 1994 to October 2000. Mr. Steele also serves as a director of TrueBlue, Inc. (NYSE: TBI), a leading staffing, recruiting and workforce management company, a position he has held since 2001, where he chairs its governance and nominating committee, is a member of its audit committee and has served as its lead independent director since October 2008.

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Proposal 1 — Election of Directors:
Director Nominees

Directors with Terms Expiring in 2017

Anthony G. Fernandes Director Since 2007 Age 69

Former Chairman, Chief Executive Officer and President of Philip Services Corporation

Mr. Fernandes served as chairman, chief executive officer and president of Philip Services Corporation from August 1999 to April 2002. Prior to joining Philip Services Corporation, Mr. Fernandes had a 30-year career with the Atlantic Richfield Company (ARCO), serving as executive vice president and director of ARCO from 1994 to 1999; president of ARCO Coal, a subsidiary of ARCO, from 1990 to 1994 and corporate controller of ARCO from 1987 to 1990. He was a member of the ARCO board of directors and chairman of ARCO Chemical Company, a NYSE company 80% owned by ARCO. From 2003 to 2007, he was a director of Tower Automotive, Inc. He also currently serves as a director of Baker Hughes Incorporated, Cytec Industries, and Black and Veatch Corporation.

Maryellen C. Herringer Director Since 1993 Age 71

Non-Executive Chairman of the Board, ABM Industries Incorporated

Ms. Herringer is retired executive vice president, general counsel and secretary of APL Limited. She held various executive positions with APL Limited, an international provider of transportation and logistics, from 1991 to 1997 and was responsible at various times for overseeing functions including legal, risk management, corporate communications, human resources, internal audit, tax and community affairs. Prior to joining APL Limited, Ms. Herringer was a partner in the international law firm of Morrison & Foerster from 1989 to 1991. From 1981 to 1989, Ms. Herringer held various positions at Transamerica Corporation (insurance and financial services), including vice president and general counsel from 1981 to 1983 and senior vice president and general counsel from 1983 to 1989. Ms. Herringer serves as a director of PG&E Corporation and Pacific Gas and Electric Company, a subsidiary of PG&E Corporation, and is chair of such companies' nominating and governance committees and serves on their audit and compensation committees. She served as interim lead director of PG&E Corporation and Pacific Gas and

Electric Company and interim non-executive Chairman of the Board of Pacific Gas & Electric Company from May to September 2011. Ms. Herringer currently is a member of the Board of Trustees of Mills College, Vassar College and the San Francisco Museum of Modern Art and has served on the boards of numerous educational institutions and not-for-profit organizations. She is also a former chair of the Business Law Section of the State Bar of California.

Winifred Markus Webb Director Since 2014 Age 56

Chief Executive Officer, Kestrel Corporate Advisors

Ms. Webb is chief executive officer of Kestrel Corporate Advisors, a position she has held since February 2013. From January 2010 to January 2013 she was managing director for Tennenbaum Capital Partners, LLC. Ms. Webb was a member of the corporate executive team as chief communications and investor relations officer and senior advisor for Ticketmaster Entertainment Inc. from April 2008 to January 2010. She served for 20 years with The Walt Disney Company, from 1988 to 2008, primarily as corporate senior vice president of investor relations and shareholder services responsible for overseeing Disney’s strategic financial communications worldwide and governance outreach. She was also executive director for The Walt Disney Company Foundation. Her previous roles included investment banking positions with PaineWebber Inc. and Lehman Brothers Kuhn Loeb. A member of the board of directors for publicly traded Jack in the Box Inc. from 2008 to 2014, Ms. Webb currently also serves on the boards of Personal BlackBox Company and PetSmart Charities Inc.

Corporate Governance

CORPORATE GOVERNANCE

Corporate Governance Principles

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. As described below, our Board committee charters are designed to assure that our Board fully discharges its responsibilities, and our Board regularly reviews these charters and Corporate Governance Principles in response to changing regulatory requirements, evolving best practices and the concerns of our shareholders and other constituents. 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.

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 non-management 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 relationship as well as any transactions or relationships between our Company and our directors or any members of their immediate family (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. To facilitate this process, our Governance
Committee reviews directors' responses to our annual Directors' and Officers' Questionnaire, which requires disclosure of each director's, and his or her immediate family's relationships to our Company, as well as any potential conflicts of interest that may otherwise be brought to the attention of our Governance Committee.
In this context, our Governance Committee considered the retirement benefits of Mr. Steele that are described under "Transactions with Related Persons." Our Governance Committee determined that this relationship was not material. 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 confirmed, that all of our directors, other than our Chief Executive Officer (CEO), should be designated as independent.

Board Leadership Structure

The Company currently has separate persons serving as its Chairman of the Board and CEO in recognition of the differences between the two roles. As set forth in the Company's Bylaws, the CEO has general and active management over the business and affairs of the Company, subject to the control of the Board. Our Chairman, on the other hand, is charged with presiding over all meetings of the Board and our shareholders, as well as providing advice and counsel to the CEO, 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 by separating the roles of CEO and Chairman, the CEO is better able to focus his time and energy on managing the Company's operations. The Board of Directors believes that at this

time, the separate CEO/ Chairman structure is the most appropriate and effective leadership structure for the Company and its shareholders.

Corporate Governance

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, 2014. 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.

Executive Sessions of Directors

At least four times a year, after regularly scheduled and special Board meetings, our independent directors meet in executive session without management present and consider matters important to our Company and corporate governance. Executive sessions are chaired by our Chairman. During fiscal year 2014, our Board met in executive session six times.

Code of Business Conduct

The Board of Directors has adopted the Code of Conduct. The Code of Conduct applies to all directors, officers and employees of ABM, including ABM's CEO, Chief Financial Officer (CFO) and Chief Accounting Officer. The Code of Conduct is available on ABM's website under "Governance" at http://investor.abm.com and in printed hard-copy format upon written request to the Corporate Secretary at the Company's corporate headquarters. If any amendments are made to the Code of Conduct or if any waiver, including any implicit waiver, of a provision of the Code of Conduct is granted to ABM's CEO, CFO or Chief Accounting Officer, ABM will disclose such amendment or the nature of such waiver on its website.

Mandatory Retirement

On December 9, 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. However, if a director was elected to the Board prior to the adoption of this policy, and the director had attained the age of 73 at the time he or she was last elected to the Board, the director may continue to serve as director until his or her current term expires or is terminated.

Meetings and Attendance

During fiscal year 2014, the Board of Directors met six times, with an attendance rate of 100% for all incumbent directors. During this period, each of the Company's incumbent directors attended at least 96% of the meetings of the committees on which he or she served.

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Corporate Governance

Committees

The following table sets forth the current membership on each committee of the Board and the number of committee meetings held in fiscal year 2014.

Director	Audit Committee	Compensation Committee	Corporate Citizenship and Communications Committee	Governance Committee
Linda Chavez				
J. Philip Ferguson				
Anthony G. Fernandes	(C)			
Luke S. Helms				(C)
Maryellen C. Herringer				
Sudhakar Kesavan		(C)		
Scott Salmirs				
Henrik C. Slipsager				
William W. Steele			(C)	
Winifred Markus Webb				
Number of meetings in fiscal year 2014	7	9	4	8

= Member

C = Chairman

Audit Committee

Responsibilities. The Audit Committee of the Board of Directors performs the responsibilities set forth in its Charter, which include overseeing the Company's financial reporting process and the internal and independent audits of ABM and the communication process among the Board, management and ABM's independent registered public accounting firm. The responsibilities of the Audit Committee include:

- assisting the Board with respect to the Company's compliance with legal and regulatory requirements;
- selecting the independent registered public accounting firm;
- approving the fees for the independent registered public accounting firm;
- ensuring the independence of the independent registered public accounting firm;
- overseeing the work of the independent registered public accounting firm;
- reviewing ABM's system of internal accounting controls;

- obtaining assurances from the independent registered public accounting firm that no acts have been detected, or have otherwise come to the attention of the independent auditors, that would require disclosure to the Audit Committee under Section 10A(b) of the Securities Exchange Act of 1934, as amended (the Securities Exchange Act); and
- reviewing policies with respect to risk assessment and risk management and the Company's major financial risk exposures.

Meetings. Meeting agendas are developed by the Audit Committee chair in consultation with committee members and senior management, who regularly attend the meetings. On a regular basis, the committee holds executive sessions without members of management and it also meets privately with representatives of the Company's independent registered public accounting firm and separately with each of our CFO, our Executive Vice President, General Counsel and Corporate Secretary, and our Vice President-Internal Audit.

Members. The members of the Audit Committee are: Mr. Fernandes, Chair, and Messrs. Ferguson and Helms and Ms. Webb. Each member of the Audit Committee has been determined to be independent under the standards for independence for audit committee members established by the NYSE. In addition, the Board of Directors has determined that each member of the Committee is financially literate and that each qualifies as an "audit committee financial expert" under the definition promulgated by the Securities and Exchange Commission (SEC).

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Corporate Governance

Compensation Committee

Responsibilities. The Compensation Committee performs the responsibilities set forth in its Charter, which include:

- providing direction to the Company in the area of executive compensation;
- annually reviewing and approving corporate goals and objectives relevant to the CEO's compensation, and evaluating the CEO's performance;
- recommending for approval to the directors who are both independent under applicable NYSE and SEC rules and "outside" directors under Section 162(m) of the Internal Revenue Code of 1986, the CEO's compensation, including equity grants;
- reviewing the Company's compensation structure and approving the compensation of all other employees of the Company who are executive officers of the Company;
- with the assistance of an outside consultant retained directly by the Committee, conducting a review of all executive incentive plans at least once every three years and making recommendations to the Board with respect to compensation plans for the Company;
- making awards under and overseeing the administration of the Company's executive benefit and equity-based compensation plans;
- reviewing the CEO's employment agreement and recommending the terms of the CEO's employment agreement to the independent and outside directors;
- reviewing and approving the Company's form of employment agreements for executive officers, other than the CEO;
- reviewing and recommending to the Board severance and other terms in any change-in-control agreements and policies;
- reviewing and discussing with management the Company's disclosures in respect of the "Compensation Discussion and Analysis" required under the Securities Exchange Act rules and recommending to the Board that the Compensation Discussion and Analysis reviewed by the Committee be included in the Company's Proxy Statement and Annual Report on Form 10-K;
-

preparing the Compensation Committee Report required under Securities Exchange Act rules; and

•

reviewing and assessing risks, if any, arising from the Company's compensation policies and practices.

Meetings. Meeting agendas are developed by the Compensation Committee chair in consultation with committee members and senior management, who regularly attend each meeting. In addition, the committee's independent compensation consultant regularly attends meetings. The Committee meets in executive session without the CEO when discussing the CEO's compensation and certain other matters, including, from time to time, the compensation of other executives.

Members. The members of the Compensation Committee are: Mr. Kesavan, Chair, Mss. Chavez and Herringer and Mr. Helms. As described above, each member of the Compensation Committee has been determined to be independent.

Corporate Citizenship and Communications Committee

Responsibilities. The Corporate Citizenship and Communications Committee is responsible for providing board-level oversight and advice on various matters, including the following:

•

equal opportunity employer;

•

crisis management planning and communications;

•

sustainability and environmental and green energy issues;

•

health and safety issues;

•

public affairs, public policy and government relations;

•

political action committee activities, if any;

•

marketing, branding and communications; and

•

corporate philanthropy.

Meetings. Meeting agendas are developed by the Corporate Citizenship and Communications Committee chair in consultation with senior management.

Members. The members of the Corporate Citizenship and Communications Committee are: Mr. Steele, Chair, Ms. Chavez, Messrs. Ferguson and Fernandes. Each member of the Corporate Citizenship and Communications Committee has been determined to be independent.

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Corporate Governance

Governance Committee

Responsibilities. The Governance Committee performs the responsibilities set forth in its Charter, which include:

- making recommendations to the Board as to the optimal number of directors on the Board;
- reviewing and recommending criteria and candidates for selection of new directors and the reelection of incumbent directors;
- reviewing and recommending executive officer succession;
- making equity grants to non-employee directors;
- reviewing and recommending to the Board any changes in cash compensation of non-employee directors; and
- other matters of corporate governance.

Meetings. Meeting agendas are developed by the Governance Committee chair in consultation with the chairman of the Board, the CEO and the Executive Vice President, General Counsel and Corporate Secretary.

Members. The members of the Governance Committee are: Mr. Helms, Chair, Ms. Chavez and Mr. Ferguson. As described above, each member of the Governance Committee has been determined to be independent.

Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation Committee during fiscal year 2014 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.

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, including the CEO, are asked to take part in the 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 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

and who maintain 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 and the Board of Directors focus on the areas set forth in the Board of Directors' Skills Matrix when analyzing whether directors and nominees have the requisite experience, qualifications, attributes and skills, taken as a whole, to enable the Board of Directors to satisfy its oversight responsibilities effectively in light of the Company's business and structure. 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 and to spend the time needed and to meet as frequently as necessary to properly discharge their responsibilities and duties as directors. Each Board member is expected to arrange his or her schedule so that other

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existing and planned future commitments do not materially interfere with the member's 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.

CERTAIN RELATIONSHIPS AND TRANSACTIONS WITH RELATED PERSONS

Policy for the Review, Approval or Ratification of Transactions with Related Persons

The Board of Directors has adopted a written policy for review of transactions involving more than $120,000 in any fiscal year in which ABM or its subsidiaries are a participant and in which any director, executive officer, holder of more than 5% of the outstanding shares of ABM common stock or any immediate family member of any of these persons has a direct or indirect material interest. Such transactions may include employment or consulting relationships with a related person or contracts under which ABM receives goods or services from (or provides goods and services to) a related person or a company for which the related person is an employee or otherwise affiliated. Directors and executive officers are required to inform ABM of any such transaction promptly after they become aware of it, and ABM also collects information from directors and executive officers about their affiliations and the affiliations of their family members. The policy does not require review of the following transactions:

- the compensation of executive officers and directors approved in accordance with ABM Corporate Governance Principles and the Governance and Compensation Committee charters;
- transactions with entities where the sole interest of the director, executive officer, more than 5% shareholder or immediate family member is as a director of the entity;
- transactions with entities where the sole interest of the director, executive officer, more than 5% shareholder or immediate family member arises from direct or indirect ownership, together with any other related persons, of less than 10% equity interest in such entity (other than partnerships);
- transactions with entities where the sole interest of the director, executive officer, more than 5% shareholder or immediate family member arises from such person's position as a limited partner in a partnership in which the person and all other related parties have an interest of less than 10%, and the person is not a general partner and does not hold another position in the partnership; and
- transactions in which all security holders receive proportional benefits.

Generally, transactions that ABM's General Counsel determined may be covered by the policy are subject to a determination of materiality by the Board and, if so determined to be material to the related party, must be approved or ratified by the Board. The Board approves or ratifies a transaction if it determines, in its business judgment based on the available information, that the transaction is fair and reasonable to ABM and consistent with the best interests of ABM.

Transactions with Related Persons

The General Counsel informed the Board, based on a review of potential transactions with related persons, that there were no transactions involving related persons requiring review by the Board since the beginning of fiscal year 2014 under the terms of the Related Party Transactions Policy.

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 2014 amounted to approximately $440.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act requires ABM's directors, officers and persons who own more than 10% of a registered class of ABM's securities to file reports of beneficial ownership and changes in ownership with the Securities and Exchange Commission. Based solely on a review of the reporting forms and representations of its directors and officers, ABM believes that since the beginning of fiscal year 2014, all forms required to be filed by its executive officers and directors under Section 16(a) were filed on a timely basis, with the exception of two filings for two transactions by Mr. Slipsager, which were each filed one day late due to an administrative error.

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Compensation of Directors

DIRECTOR COMPENSATION FOR FISCAL YEAR 2014

Director Compensation Elements

ABM compensates non-employee directors through a combination of annual cash retainers, fees relating to service on a committee, and equity grants. Our non-employee director compensation policy for fiscal year 2014 is described below.

Fiscal 2014 Non-Employee Director Compensation

The Governance Committee reviews the compensation of non-employee directors periodically and recommends changes to the Board whenever it deems appropriate. In 2014, the 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. Based on this review, the Governance Committee approved increasing directors' annual equity compensation to $110,000 from $90,000, effective as of November 1, 2014. In addition, in January 2015, based on a review by Semler Brossy, the Governance Committee recommended increasing the annual cash retainer for the Chairman of the Board to $175,000, while eliminating, for this position, separate cash committee retainers, and increasing the annual equity grant to the Chairman of the Board to $175,000. The Board approved these recommendations.

The following table describes the components of the non-employee director compensation program in effect during 2014 and 2015.

Compensation Element	2014 Compensation Program	2015 Compensation Program
Annual Board Cash Retainer	$145,000 for Chairman of the Board; $70,000 for other non-employee directors	$175,000 for Chairman of the Board; $70,000 for other non-employee directors
Annual Board Equity Retainer	$90,000	$175,000 for the Chairman of the Board; $110,000 for other non-employee directors
Board Attendance Fees	None	None
Committee Attendance Fees	None	None
Annual Chair Fees	$15,000 for Audit Chair $10,000 for Compensation Chair $7,500 for Governance Chair $5,000 for Corporate Citizenship and Communications Chair	$15,000 for Audit Chair $10,000 for Compensation Chair $7,500 for Governance Chair $5,000 for Corporate Citizenship and Communications Chair
Annual Committee Member Retainer*	$20,000 for Audit members $12,500 for Compensation members $7,500 for Governance members $5,000 for Corporate Citizenship and Communication members	$20,000 for Audit members $12,500 for Compensation members $7,500 for Governance members $5,000 for Corporate Citizenship and Communication members *The Chairman of the Board will

not receive a separate retainer for Committee memberships.

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. ABM reimburses its non-employee directors for their out-of-pocket expenses incurred in attending Board and Committee meetings. The Board may also determine from time to time 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

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Compensation of Directors

such cases, the Board member will receive $2,000 for each such meeting attended. Beginning in 2015, the Chairman of the Board is not eligible to receive such payments.

Director Stock Ownership and Retention Policy

Each director is expected 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 joining the board. 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. All incumbent directors who became members of the Board prior to 2014 are in compliance with required stock ownership levels.

2014 Non-Employee Director Compensation Table

The following table shows fiscal year 2014 compensation for ABM’s non-employee directors based on the SEC’s compensation disclosure requirements. Our CEO, Mr. Slipsager, did not receive additional compensation for his services as a director. Ms. Webb was named to the Board in fiscal year 2015 and therefore is not included in this table.

Name of Director	Fees Earned or Paid in Cash(2) ($)	Stock Awards(3) ($)	All Other Compensation(4) ($)	Total ($)
Linda Chavez	95,000	89,992	9,780	194,772
J. Philip Ferguson	102,500	89,992	5,065	197,557
Anthony G. Fernandes	110,000	89,992	—	199,992
Luke S. Helms	117,500	89,992	5,065	212,557
Maryellen C. Herringer	169,500	89,992	5,065	264,557
Stephen M. Kadenacy(1)	80,806	104,965	28	185,799
Sudhakar Kesavan	92,500	89,992	1,688	184,180
William W. Steele	90,000	89,992	5,065	185,057

(1)
Mr. Kadenacy resigned from the Board in October 2014 to devote his time to his new responsibilities as President and Chief Financial Officer of AECOM Technology Corporation. As described in footnotes 3 and 4 below, most of Mr. Kadenacy’s non-cash compensation was forfeited as a result of his resignation.

(2)
Amount includes retainers and Board and Committee meeting 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.

(3)
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. The grant for 2014 for each director on March 5, 2014 was 3,198 RSUs, which was calculated by dividing $90,000 by $28.14, which was the closing price of ABM common stock on March 5, 2014. Director RSUs vest 33% each on the first, second and third annual meeting of shareholders following the grant date. In connection with his election to the Board in December 2013, Mr. Kadenacy received a pro rata grant of RSUs having a value of $14,973. As of October 31, 2014, the aggregate number of RSUs held by each current director was: Ms. Chavez 8,351; Mr. Ferguson 7,306; Mr. Fernandes 30,327; Mr. Helms 12,830; Ms. Herringer 21,202; Mr. Kesavan 6,808; and Mr. Steele 14,646. Mr. Kadenacy's unvested RSUs were forfeited upon his resignation. As of October 31, 2014, the aggregate number of stock options held by each current director was: Ms. Chavez 16,000; Mr. Helms 22,000; Ms. Herringer 22,000; and Mr. Steele 10,000.

(4)

Amounts shown represent dividend equivalents paid with respect to prior Director RSU awards that were paid to non-employee directors in fiscal year 2014. 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. Dividend equivalents on deferred RSUs are received when the deferral period ends. Mr. Kadenacy's dividend equivalents were forfeited upon his resignation.

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Compensation of Directors

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 table on the previous page include any deferred amounts.

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.

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Compensation Discussion and Analysis

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

In this section, we discuss the material aspects of our executive compensation program for our named executive officers ("NEOs"), whose compensation is set forth in our 2014 Summary Compensation Table and other tables included in this Proxy Statement. References to years are to our fiscal year ending October 31, in 2014, our NEOs were:

NAMED EXECUTIVE OFFICERS

- Henrik C. Slipsager, our President and Chief Executive Officer
- James S. Lusk, our Executive Vice President and Chief Financial Officer
- James P. McClure, our Executive Vice President and business leader for our Onsite Services
- Tracy K. Price, our Executive Vice President and business leader for Building & Energy Services and Corporate Sales and Marketing
- Sarah Hlavinka McConnell, our Executive Vice President, General Counsel and Corporate Secretary

President and CEO Transition

On January 12, 2015, the Company announced that, effective March 31, 2015, Henrik Slipsager will step down from his current position as the Company's President and Chief Executive Officer. Mr. Slipsager provided significant leadership to the Company in his almost 15 years of service as President and Chief Executive Officer. Since November 2000, under Mr. Slipsager's leadership, ABM has transformed from a company with annual revenues of $1.8 billion and approximately 60,000 employees into a leading provider of facility solutions, with revenues of more than $5.0 billion and approximately 118,000 employees in over 300 offices throughout the United States and various international locations. On January 12, the Board also named Scott Salmirs to succeed Mr. Slipsager as President and CEO. Mr. Salmirs currently serves as an Executive Vice President of the Company, with global responsibility for the Company's aviation division and all international activities. The Board believes his expertise and capabilities make him the right person to lead the Company in the years to come. Mr. Salmirs was also appointed to the Board of Directors. A description of the compensation arrangements relating to Messrs. Slipsager and Salmirs in connection with this transition can be found beginning on page 38.

2014 — Business Highlights

Our Business. We are a leading provider of facility solutions. Founded in 1909, today our comprehensive capabilities include facilities engineering, commercial cleaning, energy solutions, HVAC, electrical, landscaping, parking, security, and services in support of commercial aviation. For more information about our business, please see “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended October 31, 2014, filed with the SEC on December 17, 2014.

2014 Business Highlights. Fiscal 2014 was a year in which the Company achieved record revenue and operating profit, reflecting a well-executed growth strategy and solid momentum in our business, largely related to strong organic growth. Our fiscal 2014 revenues increased 4.6% over fiscal 2013, while operating profit before taxes and adjusted operating profit before taxes grew by 8.1% and 9.9%, respectively, over fiscal 2013. Under the leadership of our executive team, we continued to make progress with initiatives to drive our top and bottom lines while expanding our service offerings within key industry vertical markets. Our adjusted EBITDA increased 5.2% to $216.7 million in fiscal year 2014 over fiscal year 2013.

The Company generated strong cash flow from operations of approximately $121 million in fiscal year 2014, which enabled us to continue to return value to shareholders through the payment of quarterly cash dividends and share repurchases, as well as to make investments in technology, sales and marketing and other strategic priorities in support of future growth.

As discussed below, to reinforce alignment of the interests of our executive officers with the interests of our shareholders and other stakeholders, our long-term and short-term performance incentive programs reference net income from continuing operations, operating cash flows and adjusted EBITDA growth as key components of incentive

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compensation. We believe that these measures are good gauges of value creation by the Company.

In this Compensation Discussion and Analysis, we refer to certain non-GAAP financial measures described as "Adjusted EBITDA," "Adjusted net income," "Adjusted earnings per share," "Adjusted operating profit," and "Adjusted operating cash flow."

The presentation of these non-GAAP financial measures is not meant to be considered in isolation or as a substitute for financial statements prepared in accordance with accounting principles generally accepted in the United States of America. (See Appendix A for reconciliations of non-GAAP financial measures to certain GAAP financial measures.)

Leading Compensation Policies and Practices

We implement and maintain leading practices in our executive compensation programs, designed to align our executive compensation with long-term shareholder interest, including:

- Compensation Tied to Performance. A significant portion of each executive's total direct compensation varies with performance. In 2014, we replaced stock options with a performance share program based on relative total shareholder return over a three-year period.

- "Clawback" Provision. We have adopted a Recoupment Policy that permits us to recover compensation paid to executives under various circumstances, including those in which compensation is based upon the achievement of specified financial results.

- Hedging and Pledging Prohibition. We have 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.

- Stock Ownership and Retention Policy. We have stock ownership requirements for our executive officers, including our NEOs, that require them to hold equity in an amount relative to their base salaries. In addition, we have retention requirements that that require our executive officers to retain 50% of net shares (after payment of the exercise price and taxes) acquired upon the exercise of stock options or the vesting of any performance shares and restricted stock units (after any withholding for taxes) if stock ownership requirements have not been met within five years of becoming subject to the requirements.

- Double-Trigger Change-in-Control Provisions. Our equity plan provides for "double-trigger" change-in-control vesting, under which accelerated vesting of equity in connection with a change-in-control can occur only upon both (1) a change-in-control being consummated, and (2) a qualifying termination of employment or the acquirer not assuming the awards. Our change-in-control agreements with our NEOs also have a "double-trigger" provision.

- No tax gross-ups. Our change-in-control arrangements do not provide for tax gross-ups in the event that executives become subject to excise taxes as a result of receiving benefits in connection with a change-in-control.

Our Compensation Philosophy and Objectives

Our compensation philosophy is to align our executive's compensation with the Company's short-term and long-term performance, thereby increasing alignment with shareholder interests, while providing the compensation and incentives needed to attract, motivate and retain executives who are key to the Company's long-term success. To achieve this we:

- emphasize performance by designing a program that includes primarily objective financial goals (in the case of our annual cash bonus and the vesting of performance shares) but also subjective evaluation criteria;

- use evaluation criteria that include internally measured performance (represented by our

financial performance against our financial targets) and externally measured performance (represented by stock price and dividends paid); and

- place significant weight on long-term equity compensation, thereby tying the total compensation of our NEOs to the achievement of shareholder value.

Compensation is provided in the form of salary, annual cash performance incentives, equity awards and benefits. A significant portion of the total compensation opportunity for each of our NEOs is directly related to ABM's stock price performance and to other performance factors that measure our progress against the goals of our short-term and

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long-term performance programs. Generally, total compensation opportunity is weighted toward incentive compensation linked to the financial
performance of the Company and to individual performance that contributes to the Company's strategic initiatives.

Role of the Compensation Committee

The Compensation Committee annually reviews and assesses all components of pay in connection with our executive compensation program, including base salary, annual incentives, equity compensation and the value of benefits (including potential severance benefits) and perquisites, while taking into consideration our desire to improve Company profitability and control costs. The Committee also bases its assessment in part on tally sheets prepared by management for each NEO. Tally sheets give the Compensation Committee detail with respect to the totality of each executive's compensation, and how compensation earned by each executive compares to the compensation earned by others.

Commencing at the end of each fiscal year, the CEO's performance is evaluated by the Committee, in consultation with the Board. Our Compensation Committee considers the Board's assessment and makes recommendations about the CEO's compensation to the CEO Committee. The CEO Committee is composed of our directors who are both independent and "outside" under Section
162(m) of the Internal Revenue Code. The CEO is not present during deliberations about his performance or compensation.

Annually, our CEO provides the Compensation Committee with a performance assessment and compensation recommendation for each NEO, other than himself. This performance assessment is based on the individual's self-assessment and the CEO's assessment of the individual's achievements, strengths and weaknesses as well as the performance of the individual's business unit or department and other considerations. The Compensation Committee considers the recommendations of the CEO, together with information it may request from its consultant or management, with respect to the level of base salary, the annual cash incentive awards and long-term equity incentive awards for those NEOs. The Compensation Committee approves any changes to levels of compensation for these NEOs, in its sole discretion.

Role of the Compensation Consultant

The Compensation Committee has exclusive authority under its charter to retain and approve fees and other terms of engagement for consultants to assist it in the evaluation of the compensation for our executive officers. The Committee has engaged Semler Brossy, represented by Marc Baranski, as the Committee's independent compensation consultant. In connection with this engagement, the Compensation Committee reviewed Semler Brossy's independence under applicable SEC and NYSE rules and concluded that its engagement did not raise any conflicts of interest.

The Committee's compensation consultant reports directly to the Compensation Committee. Under the direction of the Compensation Committee, the Committee's compensation consultant may work with management in connection with gathering information and reviewing our compensation programs and compensation levels. The Compensation Committee's consultant is expected to:

- attend meetings of the Committee;

- provide advice and ongoing recommendations concerning executive compensation programs, including advice related to employment agreements with the CEO and the other NEOs;

-

advise the Committee on management proposals, as requested;

- undertake special projects at the request of the Committee;

- review the Company's compensation philosophy, peer group and competitive positioning and advise the Committee on their reasonableness and appropriateness;

- communicate with the Chair of the Committee, as requested;

- provide advice and assistance with respect to the design of our executive compensation programs;

- support the Committee in its review of equity plan design, including recommendations relating to shares available for issuance under the plan; and

- provide general insight into executive compensation practices across markets that are relevant to the Company.

In 2014, at the request of the Governance Committee, and with the approval of the Compensation Committee, Semler Brossy provided information to the Board related to Board compensation.

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The Company retains Towers Watson to advise management on such matters as program design and evolving practices and trends. The
Compensation Committee has also considered the independence of Towers Watson under applicable rules of the New York Stock Exchange.

Use of Market Data and 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. Companies in our Compensation Comparator Group 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 (e.g., restaurant, hotel management) 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 2013, as part of its annual assessment of Compensation Comparator Group companies, the Compensation Committee reviewed the companies selected for 2013 compensation decisions and, with the assistance of an analysis by its independent compensation consultant, determined that certain changes in the Compensation Comparator Group were appropriate in connection with 2014 executive compensation practices. The Committee decided that G&K Services, Inc. should be removed from the 2014 Compensation Comparator Group, since its revenues were significantly lower than those of the Company, and that Healthcare Services Group, Inc. should be added as a compensation comparator group company because of its business and revenues.
The following 21 companies were selected by the Compensation Committee as ABM's 2014 Compensation Comparator Group:

COMPENSATION COMPARATOR GROUP		
Arkansas Best 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 Compensation 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 Compensation Comparator Group. The proxy analysis reviewed by the Committee in 2014 compared base salaries, short-term incentives, long-term incentives and total compensation to corresponding practices among companies in the Compensation Comparator Group. Although the results of this analysis are considered important by the Compensation Committee, it does not determine or change compensation in response to market data alone. Instead, it takes this information into account as one of several considerations that it uses to inform its decisions relating to compensation levels.

The Compensation 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 generally managed within the ranges of compensation paid by companies in the Compensation Comparator Group and the general industry community. While the Compensation Committee normally references the compensation comparator group 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. The Committee looks beyond the competitive data and places significant weight on individual job performance, experience, compensation history, future potential, internal comparisons, affordability, retention risk as well as, in the case of executives other than the CEO, the CEO's recommendations.

In October 2014, the Committee reviewed the Compensation Comparator Group selected for 2014 compensation comparator purposes, and determined that it was appropriate to retain this Compensation Comparator Group for 2015.

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Compensation Discussion and Analysis

“Say on Pay” Vote

Approximately 95% of votes cast in the shareholder advisory vote on executive compensation (“Say on Pay”) that was held at our 2014 Annual Meeting of Shareholders were voted for our 2013 compensation for our NEOs. We believe that this favorable vote
supports our approach to executive compensation. The Committee will continue to consider the outcome of the Say on Pay votes when making future decisions on executive compensation.

Pay for Performance Alignment

The following graph illustrates three-year realizable compensation of our NEOs in relationship to NEO compensation of our Compensation Comparator Group. 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 2011-2013 year period. ABM’s position in the alignment zone shows that the Company’s pay-for-performance is strongly aligned with that of our Compensation Comparator Group.

About this graph:

This graph is based on the 2014 proxy filings reflecting 2013 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 12/31/2013 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 2013; and ii) as granted, for performance cycles that have not yet been completed, assuming target performance.

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Realized Pay

The following table is intended to supplement the 2014 Summary Compensation Table. The Realized Pay Table shows the compensation actually realized in fiscal years 2014, 2013 and 2012 by our NEOs. We have included the Realized Pay Table to better show how our performance-based equity compensation drives actual or “realized” compensation.

The primary difference between this supplemental table and the 2014 Summary Compensation Table is the method used to value RSUs, performance shares and stock options. SEC rules require that the grant date fair value of all RSUs, performance shares and stock options be reported in the 2014 Summary Compensation Table for the year in which they were granted. As a result, a significant portion of the total compensation amounts reported in the 2014 Summary Compensation Table relates to equity grants that have not yet vested (and may never be earned) and for which the value is consequently uncertain. In contrast, the supplemental table below includes only performance shares, stock options and RSU awards that vested during the applicable fiscal year and shows the value of those awards as of the applicable vesting date. It should be noted that there is no assurance that the NEOs will actually realize the value attributed to these awards even in this supplemental table, since the value of the stock options will depend on when the stock options are exercised and the underlying shares are sold and the ultimate value of the performance shares and RSUs will depend on when the underlying shares are sold.

Realized Pay Table

Name	Fiscal Year	Base Salary ($)	Performance Share Awards Vested in Fiscal Year(1) ($)	Option Awards Vested in Fiscal Year(2) ($)	RSU Awards Vested in Fiscal Year(3) ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation(4) ($)	Total Compens Realized ($)
Henrik C. Slipsager	2014	888,666	661,203	304,836	253,312	1,048,806	69,073	3,225,8
President & Chief	2013	864,166	415,870	199,565	402,651	1,303,448	37,453	3,223,1
Executive Officer	2012	847,898	511,521	63,934	490,452	646,000	57,976	2,617,7
James S. Lusk	2014	559,342	191,690	134,338	164,126	455,221	26,257	1,530,9
Executive Vice	2013	543,916	127,848	113,828	116,588	537,078	18,292	1,457,5
President & Chief Financial Officer	2012	526,763	145,313	12,874	115,766	304,843	28,580	1,134,1
James P. McClure	2014	674,347	264,311	181,584	243,906	572,773	14,176	1,951,0
Executive	2013	655,750	162,465	153,501	164,708	683,657	14,815	1,834,8
Vice President	2012	637,324	202,258	17,712	158,779	403,931	49,167	1,469,1

Tracy K. Price Executive Vice President	2014	674,347	264,311	146,227	122,638	683,129	44,648	1,935,3
	2013	655,750	0	126,380	117,535	682,900	42,673	1,625,2
	2012	643,247	0	0	0	384,581	41,543	1,069,3
Sarah H. McConnell Executive Vice President	2014	470,475	189,816	66,250	87,773	375,928	13,818	1,204,0
	2013	457,500	57,374	55,842	57,842	370,688	11,841	1,009,1
	2012	441,778	57,237	4,114	39,163	234,090	13,855	790,237

(1)
Amounts shown represent the aggregate value of all earned performance shares that vested during fiscal years 2012, 2013, and 2014 (excluding the value of dividend equivalents vested and distributed in the fiscal year as this value is included in "All Other Compensation"). The value of vested performance shares is calculated by multiplying the number of shares vested by the closing price of ABM's common stock on the date that the shares vested.

(2)
Amounts shown represent the aggregate value of all stock options that vested during the applicable fiscal year. The value of vested stock options is calculated by multiplying the number of shares vested by the difference between the closing price of ABM's common stock on the vesting date and the exercise price without regard to actual option exercise activity.

(3)
Amounts shown represent the aggregate value of all RSU awards that vested during the applicable fiscal year (excluding the value of dividend equivalents vested and distributed in the fiscal year as this value is included in "All Other Compensation"). The value of vested RSUs is calculated by multiplying the number of shares vested by the closing price of ABM's common stock on the vesting date.

(4)
Amounts shown equal the amounts reported in the "All Other Compensation" column of the Summary Compensation Table.

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Elements of Compensation

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 longer-term corporate objectives that drive shareholder value. The material components of our executive compensation program and their purposes and characteristics are summarized below.

Reward Element	Form	Purpose
Base Salary	Cash	Provide a fixed level of competitive base pay to help us attract and retain strong executive talent through a full career
Annual Short-Term Incentive Plan	Cash	Reward NEOs for annual Company, business unit, and individual performance
Long-Term Incentive Plan	Performance shares Restricted Stock Units	Reward creation of long-term shareholder value
Savings Plans	Savings Plan	Provide retirement benefits

2014 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, the 2013 base salary and 2014 base salary. Each NEO’s base salary increased by approximately 3%.

NEO	2013 Annual Base Salary	2014 Annual Base Salary
Henrik C. Slipsager	$ 867,000	$ 893,000
James S. Lusk	$ 545,700	$ 562,071
James P. McClure	$ 657,900	$ 677,637
Tracy K. Price	$ 657,900	$ 677,637