

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)

Title of each class of securities to which transaction applies:

(2)

Aggregate number of securities to which transaction applies:

(3)

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

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Proposed maximum aggregate value of transaction:

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(1)

Amount Previously Paid:

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(3)

Filing Party:

(4)

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  
Chairman of the Board of Directors

Henrik C. Slipsager  
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](http://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](http://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](http://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 Vote Recommendation	Page Reference (for more detail)
Board Proposals		
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](http://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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General Information About The Meeting

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](mailto: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](http://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:  
Director Nominees

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, Cytex 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.

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### 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.

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### 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. Herring				
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;
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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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### Corporate Governance

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.