ABM INDUSTRIES INC /DE/
Form DEF 14A
February 05, 2013

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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 ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

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

ý Definitive Proxy Statement

o Definitive Additional Materials

o 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):

ý No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

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(3) Filing Party:

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551 Fifth Avenue, Suite 300
New York, New York 10176

February 5, 2013

Dear Fellow Shareholders:

You are cordially invited to attend the 2013 Annual Meeting of Shareholders of ABM Industries Incorporated at Hotel Sofitel New York, 45 West 44th Street, New York, New York 10036, on Tuesday, March 5, 2013, at 10:00 a.m. The Notice of Meeting and Proxy Statement and accompanying proxy card describe in detail the matters to be acted upon at the meeting.

Whether or not you plan to attend the meeting in person, please take the time to vote on the Internet, by telephone or by mailing your proxy card. As explained in the Proxy Statement, you may revoke your proxy at any time before it is actually voted at the meeting.

Only shareholders of record at the close of business on January 16, 2013 will be entitled to vote at the meeting and any adjournments thereof. A list of shareholders on that date will be available for inspection by any shareholder for ten days prior to the meeting during normal business hours at ABM's corporate headquarters located at 551 Fifth Avenue, Suite 300, New York, New York 10176. You may make an appointment to review the list of shareholders by contacting ABM at (212) 297-0200.

If you plan to attend the meeting in person and vote at the meeting, please remember to bring a form of personal identification with you. If you are acting as a proxy for another shareholder, please bring appropriate documentation from the record owner for whom you are acting as a proxy. If you will need any special assistance at the meeting, please contact ABM at (212) 297-0200 prior to the meeting.

We look forward to seeing you at the meeting.

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

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551 Fifth Avenue, Suite 300
New York, New York 10176

2013 ANNUAL MEETING OF SHAREHOLDERS
TUESDAY, MARCH 5, 2013
10:00 A.M.
NOTICE OF MEETING AND PROXY STATEMENT

YOUR VOTE IS IMPORTANT

ABM Industries Incorporated ("ABM" or the "Company") will hold its 2013 Annual Meeting of Shareholders at Hotel Sofitel New York, 45 West 44th Street, New York, New York 10036, on Tuesday, March 5, 2013, 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 2016 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: 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 16, 2013, are entitled to vote. On that day 54,508,562 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, and for the approval, on an advisory basis, of the compensation of our executive officers. 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, 2012, and from the ABM 2012 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 web site at www.abm.com.

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This Notice and Proxy Statement are dated February 5, 2013, and were first mailed, together with a proxy card, to shareholders on or about February 5, 2013.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on March 5, 2013.

The Proxy Statement, Annual Report on Form 10-K for the fiscal year ended October 31, 2012 and ABM 2012 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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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 16, 2013, may vote. On that date, there were 54,508,562 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 27,254,282 votes), present in person or represented by proxy, is needed to hold the 2013 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 2013 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 16, 2013, 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

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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.

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 5, 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 Proposal 3, 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 Item 2 involving ratification of our independent registered public accounting firm for 2013, 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 2013 fiscal year.

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Will our directors attend the annual meeting?

It is expected that our directors will attend our annual meeting. With the exception of one director, all continuing directors attended the 2012 Annual Meeting of Shareholders.

Who will be soliciting proxies on our behalf?

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

Who will count the vote?

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

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 2014 Annual Meeting?

Our 2014 Annual Meeting is currently scheduled for March 5, 2014. If you wish to submit a proposal to be included in the 2014 proxy statement, you must submit your proposal in writing so that we receive it no later than October 9, 2013. 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 2014 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 6, 2013 and no later than December 6, 2013. 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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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 eight members: Linda Chavez, J. Philip Ferguson, Anthony G. Fernandes, Luke S. Helms, Maryellen C. Herringer, Sudhakar Kesavan, Henrik C. Slipsager and William W. Steele. The terms of Messrs. Helms, Kesavan and Steele expire at the 2013 Annual Meeting.

Nominees

Our Board has proposed the following nominees for election as directors with three-year terms expiring at the Annual Meeting in 2016: Luke S. Helms, Sudhakar Kesavan and William W. Steele. Mr. Kesavan was elected by the Board to serve for his present term on August 6, 2012. Messrs. Helms and Steele were elected to serve for their present terms at the 2010 Annual Meeting of Shareholders. The other continuing directors will remain in office until the expiration of their terms at the 2014 or 2015 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 Messrs. Helms, Kesavan and Steele 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.

Board of Directors' Skills Matrix

Skills and Experience	Linda Chavez	J. Philip Ferguson	Anthony G. Fernandes	Luke S. Helms	Maryellen C. Herringer	Sudhakar Kesavan	Henrik C. Slipsager	William W. Steele
Operations Experience		ü	ü	ü		ü	ü	ü
Compensation Expertise	ü	ü	ü		ü	ü	ü	ü
Industry Experience						ü	ü	ü
Board Experience	ü	ü	ü	ü	ü	ü	ü	ü
Financial Experience	ü	ü	ü	ü	ü	ü	ü	ü
Mergers and Acquisitions Experience		ü	ü	ü	ü	ü	ü	ü
Sales and Marketing		ü		ü			ü	ü
Government/Government Relations	ü				ü	ü		
Global			ü	ü	ü	ü	ü	
Diversity	ü		ü	ü	ü	ü	ü	ü

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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 2016

Luke S. Helms	**Director Since 1995**	**Age 69**

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 58**

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 the executive vice 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. Mr. Kesavan is an active supporter of IIMPACT, a nonprofit focused on primary education for girls from economically- and socially-underprivileged rural areas of India.

William W. Steele	**Director Since 1998**	**Age 76**

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., a public company provider of blue-collar staffing, a position he has held since 2001, where he chairs its governance and nominating committee, is a member of its compensation committee, and has served as its lead independent director since October 2008.

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Directors with Terms Expiring in 2014

Anthony G. Fernandes	Director Since 2007	Age 67

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 69

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 also 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 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 was a director of Wachovia Corporation from October 2006 and a member of that company's risk committee until it merged with Wells Fargo & Company in December 2008. 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.

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Directors with Terms Expiring in 2015

Linda Chavez **Director Since 1997** **Age 65**

Chairman of the Board, Center for Equal Opportunity

Ms. Chavez is the founder of the Center for Equal Opportunity and currently serves as chairman, 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 nonprofit 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 67**

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 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 a member of the advisory board of Murphree Venture Partners. 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, the Houston Ballet, the Memorial Hermann Foundation, Museum of Fine Arts, Houston, and on the Chancellor's Advisory Council, Texas Christian University.

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Henrik C. Slipsager **Director Since 2000** **Age 58**

President and Chief Executive Officer, ABM Industries Incorporated

Mr. Slipsager is president and chief executive officer of the Company, a position held since November 2000. Previously, Mr. Slipsager served as executive vice president of the Company and president of ABM Janitorial Services from November 1999 to October 2000, and as senior vice president of the Company and executive vice president of ABM Janitorial Services from January 1997 to October 1999. From October 1994 to December 1996, he was president of 2M Invest of Denmark, a venture capital firm. Previously, he held executive roles at the ISS Group, a leading facility services company based in Denmark, which he joined in 1982 as corporate controller of ISS International. From 1984 to 1994, Mr. Slipsager served as chief financial officer, chief operating officer and later president and chief executive officer of ISS of America. Mr. Slipsager is a member of the board of directors of Briggs & Stratton Corporation, and serves on its nominating and governance committee.

CORPORATE GOVERNANCE

Corporate Governance Principles and Committees of the Board

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 web site at http://investor.abm.com. Other information relating to our corporate governance is also available on our web site 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.

Governance Information

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

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

The Board's Role in Risk Management

Our Board of Directors exercises oversight of the Company's strategic, operational and financial matters, as well as compliance and legal risks. In connection with this role, the Board oversees our enterprise risk management process, which is designed to fortify 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 2012, our Board met in executive session ten 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 web site 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 web site.

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Meetings and Attendance

During fiscal year 2012, the Board of Directors met twelve times, with an average attendance rate of 99% for incumbent directors. During this period, each of the Company's incumbent directors attended all of the meetings of the committees on which he or she served.

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 2012. Mr. Steele stepped down as a member of the Audit Committee in June 2012.

Director	Audit Committee	Compensation Committee	Corporate Citizenship and Communications Committee	Governance Committee	Executive Committee
Linda Chavez		ü(C)	ü	ü	
J. Philip Ferguson	ü		ü	ü	
Anthony G. Fernandes	ü(C)				
Luke S. Helms	ü	ü		ü(C)	ü
Maryellen C. Herringer		ü			ü
Sudhakar Kesavan	ü	ü			
Henrik C. Slipsager					ü
William W. Steele			ü(C)		ü(C)
Number of meetings in fiscal year 2012	**8**	**8**	**0**	**9**	**0**

ü = 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 auditor 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; and

reviewing policies with respect to risk assessment and risk management and the Company's major financial risk exposures.

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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 senior 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, Helms, and Kesavan. 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").

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 "Code"), 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: Ms. Chavez, Chair, Mr. Helms, Ms. Herringer and Mr. Kesavan. 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. The Committee was formed in September 2011 and the Committee met once in fiscal year 2011. The Committee is not required to meet annually and instead meets periodically as needed. The Committee did not meet in fiscal year 2012.

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

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 nonemployee directors;

reviewing and recommending to the Board any changes in cash compensation of nonemployee directors; and

other matters of corporate governance.

Meetings. Meeting agendas are developed the Governance Committee chair in consultation with the chairman of the Board, the CEO and the Senior 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.

Executive Committee

The Executive Committee has the authority to exercise all power and authority of the Board in the management of the business and affairs of ABM, except: (1) any functions delegated to other committees of the Board, and (2) any powers that, under Delaware law, may only be exercised by the full Board. The members of the Executive Committee are: Mr. Steele, Chair, Ms. Herringer, and Messrs. Helms and Slipsager. The committee did not meet in fiscal year 2012.

Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation Committee during fiscal year 2012 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 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.

DIRECTOR COMPENSATION FOR FISCAL YEAR 2012

Director Compensation Elements

ABM compensates non-employee directors through a combination of annual cash retainers, meeting fees and equity grants. Our non-employee director compensation policy for fiscal year 2012 and for fiscal year 2013 is described below.

Fiscal 2012 Director Compensation

Cash compensation

- Annual retainer of $70,000.

- Committee meeting fees in the amount of $2,000 for each Audit Committee meeting and $1,500 for each meeting of the Governance, Compensation, Corporate Citizenship and Communications, and Executive Committees.

- For the Chairman of the Board, an additional retainer of $70,000 per year.

- For the Chair of the Audit Committee, an additional retainer of $15,000 per year; for the Chair of the Compensation Committee, an additional retainer of $7,500 per year; and for the Chair of each of the Governance, Corporate Citizenship and Communications, and Executive Committees, an additional retainer of $5,000 per year.

Equity compensation

- Annual grant of RSUs ("Director RSUs") on the date of the Annual Meeting of Shareholders, with the number of shares calculated by dividing $80,000 by the closing price of ABM common stock on the date of the grant. The Director RSUs vest in equal annual installments over three years.

- Directors appointed during the year receive a prorated portion of Director RSUs in connection with their appointment.

- Director RSUs are credited with dividend equivalents that are converted to Director RSUs on the same terms and conditions as the underlying Director RSUs.

Fiscal 2013 Director Compensation

In October 2012, the Governance Committee, with the assistance of the Compensation Committee's independent consultant, conducted a review of director compensation. Based upon this review, the Board of Directors approved changes to director compensation, effective for fiscal year 2013. Principal changes included eliminating committee meeting fees and increasing certain retainers and equity compensation. Director compensation for fiscal year 2013 is described below.

Cash compensation

Annual retainer of $70,000.

For each member of the Audit Committee, an annual retainer of $20,000; for each member of the Compensation Committee, an annual retainer of $12,500; for each member of the Governance

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Committee, an annual retainer of $7,500; and for each member of the Corporate Communications and Citizenship Committee, an annual retainer of $5,000.

For the Chairman of the Board, an additional retainer of $75,000 per year.

For the Chair of the Audit Committee, an additional retainer of $15,000 per year; for the Chair of the Compensation Committee, an additional retainer of $10,000 per year; for the Chair of the Governance Committee, an additional retainer of $7,500 per year; and for the chairs of the Corporate Citizenship and Communications Committee and the Executive Committee, an additional retainer of $5,000 per year.

Equity compensation

Annual grant of Director RSUs on the date of the Annual Meeting of Shareholders, with the number of shares calculated by dividing $90,000 by the closing price of ABM common stock on the date of the grant. The Director RSUs vest in equal annual installments over three years.

Directors appointed during the year receive a prorated portion of Director RSUs in connection with their appointment.

Director RSUs are credited with dividend equivalents that are converted to Director RSUs on the same terms and conditions as the underlying Director RSUs.

In addition to the foregoing, 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 who are not serving on a particular committee of the Board for attendance at such committee's meetings if the Board member's attendance has been requested by the Chair of that committee. In such cases, a Board member will receive $2,000 for each such meeting attended.

2012 Non-Employee Director Compensation Table

The following table shows fiscal year 2012 compensation for ABM's non-employee directors based on the SEC's compensation disclosure requirements. Our CEO, Mr. Slipsager, does not receive additional compensation for his services as a director.

Name of Director	Fees Earned or Paid in Cash[1] ($)	Stock Awards[2] ($)	Other Compensation[3] ($)	Total ($)
Dan T. Bane[4]	43,211	79,993	9,360	132,564
Linda Chavez	115,000	79,993	5,021	200,014
J. Philip Ferguson	107,500	79,993	2,370	189,863
Anthony G. Fernandes	107,000	79,993	0	186,993
Luke S. Helms	116,500	79,993	2,150	198,643
Maryellen C. Herringer	156,000	79,993	608	236,601
Sudhakar Kesavan	25,059	39,993	0	65,052

Henry L. Kotkins, Jr.[5]	32,209	0	130,824[6]	163,033
William W. Steele	91,778	79,993	10,018	181,789

(1) 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.

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(2)
The value of stock awards shown in the "Stock Awards" column is based on grant date fair value computed in accordance with FASB ASC Topic 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 RSUs pro-rated to the next annual meeting. The grant for 2012 for each director, other than Mr. Kesavan and Mr. Kotkins, on March 6, 2012 was 3,510 RSUs, which was calculated by dividing $80,000 by $22.79, which was the closing price of ABM common stock on March 6, 2012. Mr. Kesavan's prorated grant was 2,141 RSUs, which was calculated by dividing $40,000 by $18.68, which was the closing price of ABM common stock on September 10, 2012. Mr. Kotkins retired from the Board effective March 6, 2012, and did not receive a grant. As of October 31, 2012, the aggregate number of RSUs held by each current director was: Ms. Chavez 9,158; Mr. Ferguson 7,173; Mr. Fernandes 21,727; Mr. Helms 12,423; Ms. Herringer 18,940; Mr. Kesavan 2,141; and Mr. Steele 14,149. As of October 31, 2012, the aggregate number of stock options held by each current director was: Ms. Chavez 36,000; Mr. Helms 42,000; Ms. Herringer 42,000; and Mr. Steele 20,000.

(3)
Amounts shown represent dividend equivalents paid with respect to prior Director RSU awards that were paid to non-employee directors in fiscal year 2012.

(4)
Mr. Bane resigned from the Board April 13, 2012.

(5)
Mr. Kotkins retired from the Board at the 2012 Annual Meeting of Shareholders.

(6)
Amount shown includes $90,000 paid to Mr. Kotkins in connection with his retirement from the Board at the 2012 Annual Meeting of Shareholders, and $40,824 representing the value of dividend equivalents paid in fiscal year 2012 with respect to Director RSU awards, including RSUs which had been deferred until retirement.

Director Stock Ownership and Retention Guidelines

The Board of Directors believes that directors more effectively represent ABM's shareholders, whose interests they are charged with protecting, if they are shareholders themselves. As part of its review of director compensation, in October 2012, the Board increased its stock holding guidelines from three to five times the value of his or her annual cash retainer fee for service on the Board. For purposes of this calculation, RSUs are counted as shares. Directors who are not at their targeted stock ownership level 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 net of any shares sold to pay the exercise price (if any) and an amount equal to the taxes that would have been withheld by ABM were the director an employee. The Governance Committee periodically assesses the guidelines and directors' ownership relative to these guidelines and makes recommendations as appropriate.

Director Deferred Compensation Plan

Non-employee directors are eligible to participate in the ABM Deferred Compensation Plan for Non-Employee Directors ("Directors Deferred Compensation Plan"). Plan participants may elect to defer receipt of all or any portion of their annual cash retainers and meeting fees until they cease to be members of the Board, or to specified withdrawal dates (at least three years after the election), in accordance with the terms of the Directors 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. These agreements, among other things, 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. During fiscal year 2012, ABM permitted non-employee directors to participate in ABM's health benefit plans. Directors who elected to participate paid the entire direct costs of participation in such plans. This benefit will not be extended to directors who join the Board after October 31, 2012.

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CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

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 are determined by ABM's General Counsel to 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 in fiscal year 2012 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 contract, ABM contributed $901 per month for medical and dental insurance for Mr. Steele and his spouse through December 2011. Also, in connection with his previous employment agreement, ABM will provide 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 2012 equaled to $3,195.

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 during fiscal year 2012 all forms

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required to be filed by its executive officers and directors under Section 16(a) were filed on a timely basis, except that a Form 4 for Mr. Kesavan was filed one day late due to a processing error.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis ("CD&A") provides information about our fiscal year 2012 compensation program for our named executive officers ("NEOs"). For fiscal year 2012, our NEOs were:

Henrik C. Slipsager, President and Chief Executive Officer;
James S. Lusk, Executive Vice President and Chief Financial Officer;
James P. McClure, Executive Vice President;
Tracy K. Price, Executive Vice President; and
Sarah H. McConnell, Senior Vice President and General Counsel

Executive Summary

Fiscal Year 2012 Performance Overview

Operating Results

Our fiscal year 2012 financial results were flat compared to fiscal year 2011. Continued economic weakness and reduced spending by certain clients impacted the Company's operating results. Despite macroeconomic challenges, on a year-over-year basis, the Company generated slightly higher revenues, reflecting new business in our Janitorial, Security and Parking segments. Revenues in our Facility Solutions segment continued to be negatively impacted by diminished sales to the U.S. Government. Operating profit for all four operating segments was up in the fourth quarter of fiscal year 2012 compared to the same period in fiscal year 2011. To that end, we continued to leverage our incumbent client relationships while concentrating on mid-market opportunities to drive additional business into our higher margin and high-growth sectors. Our cash flow remained strong throughout the fiscal year, with approximately $151 million in net cash provided by operating activities at fiscal year-end.

In calendar year 2012 we marked 187 consecutive quarterly dividend payments and increased our dividend to $0.15 per share, an increase of 3.4%, paying over $39 million to shareholders during the period from November 1, 2011 to December 31, 2012. Fiscal year 2012 was also notable for the successful roll-out of our new ABM brand, which better personifies our Company and our future. Our long-term strategy aims to drive more business for our Janitorial, Facility Solutions, Parking and Security segments through an increased focus on vertical opportunities in the areas of healthcare and aviation, and other market niches.

Strategic Positioning

Throughout the 2012 fiscal year, Company management continued to leverage our strengths across our business segments, while looking for opportunities to grow organically and by strategic acquisitions as we move towards an integrated facility services business model. In October 2012, we announced that we had entered into a definitive agreement to acquire Air Serv Corporation ("Air Serv"). This acquisition closed on November 1, 2012, expanding our capabilities relating to the provision of facility services to airports. In addition, Air Serv's operations in the United Kingdom provide a strategic base from which to expand our global presence. On November 1, 2012 we also acquired HHA Services, Inc., a provider of comprehensive environmental, maintenance and food services to the health care industry. This strategic acquisition increases our presence in the healthcare vertical market segment, further advancing the Company's increasing focus on integrated facility services.

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Summary of Payouts under Our Incentive Programs and Realized Pay

A significant portion of NEO compensation is connected to performance-based short-term and long-term performance. The annual cash incentive payments to our CEO and other NEOs, described in detail beginning on page 27 take into account corporate, business unit or department performance, assigning these factors a combined weight of 70%, and individual performance, which is assigned a 30% weight. Our Performance Share Programs reward long-term financial performance by looking at performance over a three-year period, as described in detail in this Proxy Statement. The following is a summary of certain results, in light of fiscal 2012 performance, under our short-term and long-term incentive compensation programs.

- Our annual cash incentive program paid out below target for fiscal 2012, with our CEO receiving 76% of target and our other NEOs receiving, on average, payouts equal to 82.8% of target;

- The performance shares for our 2010-2012 performance share program ("2010 PSP") paid out at 52.8% of target;

- The second tranche of the performance shares under our 2011-2013 performance share program ("2011 PSP") was achieved at 58.2%; and

- No shares were earned with respect to the first tranche of performance shares under our 2012-2014 performance share program ("2012 PSP") as minimum achievement levels for fiscal year 2012 were not attained.

In order to provide additional information about the relationship between our performance-based compensation and realized compensation, we have prepared a Realized Pay Table, that appears on page 37 of this Proxy Statement, and which supplements the 2012 Summary Compensation Table that appears on page 41. The Realized Pay Table shows compensation actually realized in fiscal years 2012, 2011, and 2010 by our NEOs.

Best Practices

The Compensation Committee reviews our compensation practices regularly in terms of what it believes are best practices in executive compensation. At ABM, examples of best practices in the area of executive compensation include the following:

- A large portion of each executive's total direct compensation varies with performance and is therefore at risk;

- Stock ownership guidelines designed to align the financial interests of executives with those of the Company's shareholders;

- Prohibitions against hedging or pledging Company stock;

- A comprehensive recoupment (clawback) policy that enables the Company to recover payments of incentive compensation;

- "Double trigger" accelerated vesting for equity awards under our 2006 Equity Incentive Plan in the event of a change in control of the Company, meaning that vesting is accelerated only if an individual's employment is terminated following the change in control or if the acquiring company does not assume the equity award;

- Limited perquisites and no tax gross-up provisions in any executive compensation plans or employment agreements;

- Non-compete and non-solicitation agreements with key employees (where permissible under applicable law) prohibiting key employees who leave the Company from competing against the

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Company and from soliciting ABM clients or current employees for a specified period of time after leaving the Company; and

A Compensation Committee consisting of experienced and independent individuals, assisted by an independent compensation consultant that is engaged by the Committee.

We have organized our CD&A into the following four parts which describe how we compensate our NEOs:

Part 1. Our Compensation Philosophy and Overall Goals

Our compensation philosophy is to attract, retain and develop executive talent, reward past performance and motivate future performance so as to align executive compensation with our business strategy and long-term shareholder value. We balance these goals with our desire to improve profitability and control costs. Compensation is provided in the form of salary, annual cash performance incentives, equity awards and benefits. 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. Our executive compensation programs are designed to achieve the following goals, as demonstrated by the characteristics of our pay-for-performance program (all as further described below in this CD&A):

Enhance long-term shareholder value by providing compensation that reflects the performance of the Company and its executives;

Provide compensation opportunities that compare reasonably with those of relevant peer group companies;

Motivate and reward achievement of business objectives, as well as individual contributions;

Attract and retain executives with the qualifications, skills and experience required to provide high-quality leadership;

Link executive rewards to the creation of shareholder value; and

Encourage executive stock ownership.

Part 2. Our Executive Compensation Process and Governance

The following table shows the roles of management, the Compensation Committee and our Board of Directors in recommending or approving actions relating to the compensation of our executive officers.

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The narrative following this table provides more detail about their respective roles and responsibilities. To the extent that our Board is involved in making decisions with respect to executive compensation for our CEO, only those members of the Board who are both independent and "outside" directors for purposes of Section 162(m) of the Internal Revenue Code may take part in these decisions. In this proxy statement, we refer to those directors as the "CEO Committee." In fiscal year 2012, the CEO Committee consisted of all of our incumbent directors except Messrs. Slipsager and Steele.

Action	For the CEO	For Other Executive Officers
Design compensation program	Compensation Committee	Compensation Committee
Establish target and maximum incentive plan awards	Compensation Committee	Compensation Committee
Recommend annual cash incentive awards	Compensation Committee	CEO, with Compensation Committee review and discretion to revise
Approve annual cash incentive compensation	CEO Committee	Compensation Committee
Recommend equity grants	Compensation Committee	CEO, with Compensation Committee review and discretion to revise
Approve equity grants	CEO Committee	Compensation Committee
Performance appraisal	Compensation Committee, after consultation with the independent members of our Board of Directors	CEO, with Compensation Committee review and discretion to revise
Base salary	CEO Committee	Compensation Committee

The Compensation Committee has responsibility for the design of our executive compensation programs, including the determination of performance metrics related to our incentive-based compensation. The Compensation Committee annually reviews and assesses all components of pay in connection with the executive compensation program, including base salary, annual incentives, equity compensation (including accumulated vested and unvested equity compensation) and the value of benefits (including potential severance benefits) and perquisites. It also bases its assessment in part on tally sheets prepared by management for each NEO. A review of tally sheets gives the Compensation Committee detail with respect to the totality of each executive's compensation, as well as the components that comprise the overall compensation package, and how compensation earned by each executive compares to the compensation earned by others. The tally sheets also help the Compensation Committee understand the effect that changing any element of pay will have on total compensation.

Commencing at the end of each fiscal year, the CEO's performance is evaluated by the Board. The Compensation Committee reviews the evaluations and makes recommendations about the CEO's compensation to the CEO Committee. The CEO is not present during the deliberations about his performance or his compensation. This process is discussed in greater detail in Part 3 in connection with CEO 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 with respect to

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the level of base salary, the annual cash incentive awards and long-term equity incentive awards for those NEOs. The Compensation Committee also considers information about compensation levels and programs that it receives from the Senior Vice President-Human Resources, other members of management from whom it may request information and such consultants as may be engaged by the Compensation Committee or management from time to time. The Compensation Committee approves any changes to levels of compensation for the NEOs, other than the CEO, in its sole discretion.

At the Company's annual meeting of shareholders held in March 2012, a substantial majority of the votes cast on the annual advisory vote on executive compensation proposal were voted in favor of the proposal. The Compensation Committee believes that the favorable vote supports the Company's approach to executive compensation, and after considering the outcome of the advisory vote, no significant changes to the executive compensation program were made by the Compensation Committee for fiscal year 2012. The Compensation Committee will continue to consider the outcome of the Company's say-on-pay votes when making future compensation decisions for the NEOs.

Role of Independent Consultants

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. During fiscal year 2012, the Compensation Committee used the services of Exequity LLP ("Exequity") as its independent executive compensation consultant until the end of May 2012 and Semler Brossy Consulting Group, LLC ("Semler Brossy") as its independent executive consultant commencing in June. Both Exequity and Semler Brossy provided advice and ongoing recommendations concerning executive compensation programs to the Committee. From time to time, at the request of the Governance Committee, and with the approval of the Compensation Committee, Semler Brossy also provided information to the Board related to Board compensation. 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 achieve the following objectives:

- Attend meetings of the Committee, as requested;
- Communicate with the chair of the Committee, as requested;
- Provide advice and assistance with respect to the design of our executive compensation programs;
- Supply data and other information necessary to support decisions regarding executive compensation levels;
- Provide general insight into executive compensation practices across markets that are relevant to the Company; and
- Provide support with respect to technical matters that impact executive compensation and benefits.

In December 2012, the Compensation Committee reviewed the independence of its former compensation consultant, Exequity, and its current compensation consultant, Semler Brossy, and concluded that their work did not raise any conflicts of interest.

Management may retain consultants on behalf of the Company, from time to time, to provide benchmarking data, program design review and other services related to the implementation of executive compensation programs.

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Use of Market Data and Benchmarking

The Compensation Committee uses benchmarking as one of its tools in connection with its assessment of our executive compensation programs and levels of compensation. Working with its compensation consultant, the Committee regularly reviews the various criteria by which it benchmarks ABM's pay practices. At the beginning of fiscal year 2012, the Compensation Committee reviewed benchmark criteria and determined to maintain the peer group composition used in fiscal year 2011 except for the elimination of a company which had been acquired by another company. The peer group companies were originally selected with reference to the following criteria:

- companies, like ABM, that provide business-to-business services, such as outsourcing, logistics management, food service, staffing, freight service, cleaning and pest control;
- 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.

The following 24 companies (the "Peer Group") were selected by the Compensation Committee as ABM's primary peer group in reviewing pay and making compensation decisions for fiscal year 2012:

Arkansas Best Corp.	Emcor Group Inc.	Manpower Inc.
Brinker International Inc.	Fiserv Inc.	Rent-A-Center, Inc.
Brinks Co.	G&K Services, Inc.	Republic Services Inc.
C. H. Robinson Worldwide	Hub Group Inc.	Robert Half Intl.
Cintas Corp.	Iron Mountain	Rollins Inc.
Convergys Corp.	J B Hunt Transport Services	Standard Parking
Con-Way Inc.	Johnson Controls	URS Corp.
Corrections Corp. America	Kelly Services	Werner Enterprises

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 Peer Group, as compiled for the Committee by its compensation consultant. This information forms the basis for the analysis the Committee uses to assess the competitiveness of NEO pay. The proxy analysis reviewed by the Committee in fiscal year 2012 compared base salaries, short-term incentives, long-term incentives and total compensation to corresponding Peer Group practices.

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 that we seek in our executives. Compensation for our executives is generally managed within the ranges of compensation paid by companies in the Peer Group and the general industry community. While the Compensation Committee normally references the benchmark group median (50^{th} percentile) for each compensation element, the Committee uses its subjective judgment to determine pay levels necessary to pay for performance and attract and retain executive talent. In exercising its judgment, the Committee looks beyond the competitive data and places significant weight on individual job performance (based on specific financial and operating objectives for each executive, as well as leadership skills), experience, compensation history, future potential, internal comparisons, affordability, retention risk, and, in the case of new hires, compensation at former employers, as well as, in the case of executives other than the CEO, the CEO's recommendations. The Compensation Committee's independent consultant reported that target compensation levels in fiscal 2012 were within the range of benchmark norms, which the Committee generally considers to be between the 25^{th} and 75^{th} percentiles for the Peer Group companies.

The following graph illustrates compensation of our NEOs in relationship to NEO compensation of our Peer Group. Each point on the graph represents three-year realizable compensation (the compensation actually paid, including the market value of equity-based grants) of the NEOs in our Peer Group relative to his or her company's three-year performance in Total Shareholder Return ("TSR") over the 2009-2011 calendar year period.

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Peer Group Pay vs. Performance Analysis

3 Year Named Executive Officer Realizable Pay

About this graph:

This graph is based on the 2012 proxy filings reflecting 2011 compensation of our Peer 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 12/31/11 market value of equity grants as listed:

- 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 paid, for grant cycles beginning and ending between 2009 and 2011; and ii) as granted, for performance cycles that have not yet been completed, assuming target performance.

Peer Group Changes for Fiscal Year 2013

In October 2012, as part of its annual assessment of peer group companies, the Compensation Committee reviewed the Peer Group selected for fiscal year 2012 compensation decisions and, with the assistance of an analysis by its independent consultant, determined that certain changes in the Peer Group were desirable in connection with fiscal year 2013 executive compensation practices. The Committee decided that both Johnson Controls and Manpower Inc. should be removed from the 2013 Peer Group, since their respective revenues were significantly larger than those of the Company, and that Fiserv Inc. and Hub Group Inc. should also be removed as those companies, unlike the Company, do not pay a dividend and therefore reflect a different growth and investor profile than the Company. The Committee also decided to add Insperity Inc. to its Peer Group companies as this company met size and other relevant criteria for Peer Group inclusion.

Part 3. Elements of Compensation and Fiscal Year 2012 Awards

Elements of Compensation

The principal elements of our executive compensation program are:

- Base salary;
- Annual cash performance incentives;
- Long-term equity incentives; and
- Benefits.

The Compensation Committee believes that each of these elements supports one or more of our compensation objectives and considers each element to be part of a total compensation package. For this reason, the Committee considers the impact of each of these elements on an NEO's total compensation when making decisions regarding compensation. The use of each compensation element is based on a subjective determination by the Committee of the importance of each compensation element in supporting ABM's business and talent strategies, as well as the prevalence, weight and value of these elements for executives at other companies. The Committee believes that the overall mix among base salary, cash and noncash incentives effectively balances short- and long-term performance objectives.

Base Salary

The Compensation Committee annually 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 described in the following sections because these other elements are generally based on a percentage of base salary.

Following this review, the Compensation Committee establishes the base salary for the NEOs, other than the CEO, and reviews and recommends the base salary of the CEO to the CEO Committee. In general, base salaries are set at a level that the Committee believes will effectively reward, attract and retain necessary talent, considering the factors described previously. In establishing compensation levels for each NEO, or in the case of the CEO, making a recommendation as to base salary for the CEO to the CEO Committee, the Committee considers the internal relationship of positions based on scope and level of responsibility, impact on the Company or on the business unit, the background and skills required to perform the position responsibilities, and the NEO's experience and individual performance. This consideration also includes the relationship of each NEO's compensation to the CEO's compensation.

After taking into consideration the factors described above, the Committee recommended to the CEO Committee that Mr. Slipsager receive an increase of 1.51%, effective January 1, 2012. The CEO Committee approved this increase. The Committee increased each of Messrs. Lusk, McClure, Price and Ms. McConnell's salary, effective January 1, 2012, by 10.18%, 7.69%, 1.66% and 12.31%, respectively. The larger increases for Messrs. Lusk, McClure and Ms. McConnell reflected, in part, market alignment, and considerations relating to their respective positions and responsibilities.

Annual Cash Performance Incentive Payments

The target bonuses, maximum bonuses, performance factors and weightings, along with the actual fiscal year 2012 bonus awards for the NEOs, are set forth in the following table. In the case of Messrs. Slipsager

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and Lusk, financial performance is assigned a seventy percent (70%) weighting and individual performance is assigned a thirty percent (30%) weighting. The Compensation Committee believes that these weightings are appropriate in that they align the CEO's and CFO's annual cash incentive compensation with the Company's financial performance. For Messrs. McClure and Price, executive officers who have key responsibilities for business units, the Committee assigned weightings of thirty percent (30%) for corporate results, forty percent (40%) for business unit results, and thirty percent (30%) for individual results. The Committee believes that the combined weighting of seventy percent (70%) for corporate and business unit results is appropriate in that it reflects these officers' contributions to Company performance. For Ms. McConnell, who as General Counsel has a key role in directing the Company's legal affairs, the Committee believed that it was appropriate to assign weightings of fifty percent (50%) for corporate results, twenty percent (20%) for legal department results and thirty percent (30%) for individual results. A description of the principles behind our annual cash performance incentive payments and how fiscal year 2012 bonus awards were achieved follows the table.

Fiscal Year 2012 Bonus Targets, Weighting, and Awards

Named Executive Officer	Base Salary ($)	Target Bonus (as Percentage of Salary) (%)	Target Bonus ($)	Maximum Bonus(1) ($)	Performance Factors and Weighting	Achievement (%)	Fiscal Year 2012 Bonus as Percentage of Target (%)	Fiscal Year 2012 Bonus ($)
Henrik Slipsager, Chief Executive Officer	850,000	100	850,000	1,572,500	CEO Financial Objectives, 70% CEO Nonfinancial Objectives, 30%	70.0 90.0	76.0	646,000
James Lusk, Executive Vice President and Chief Financial Officer	535,000	70	374,500	692,825	Corporate Results, 70% Individual Results, 30%	73.4 100.0	81.4	304,843
James McClure, Executive Vice President	645,000	75	483,750	894,938	Corporate Results, 30% Business Unit Results, 40% Individual Results, 30%	73.4 78.8 100.0	83.5	403,931
Tracy Price, Executive Vice President	645,000	75	483,750	894,938	Corporate Results, 30% Business Unit Results, 40% Individual Results, 30%	73.4 68.8 100.0	79.5	384,581
Sarah McConnell, Senior Vice President	450,000	60	270,000	472,500	Corporate Results, 50% Department/Function Results, 20% Individual Results, 30%	73.4 100.0 100.0	86.7	234,090

(1) Maximum bonus for the CEO and executive vice presidents is 185% of target. Maximum bonus for the senior vice president is 175% of target.

In fiscal year 2012, the target bonus for the CEO was 100% of base salary. For the other NEOs, the target ranged from 60% to 75% of base salary. The Committee references the Peer Group median when it establishes an executive's target bonus. In establishing the bonus range for the NEOs, the Committee took into consideration the fact that both financial objectives and nonfinancial objectives are used to measure performance in connection with determining annual cash incentive compensation. The Committee believed that, for the portion of bonus that was based on financial objectives, the range of bonus should be from 0% to 200% of target, which reflects the bonus range median in the Peer Group. For the portion of bonus that was based on more subjective elements, the Committee believed that the range of bonus should be from 0% to 150% of target. It was the view of the Committee that the wider range of 0% to 200% was appropriate for measures that could be objectively determined, but that there should be a narrower range with respect to measures that require subjective measurement.

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CEO Annual Cash Performance Incentive Payment

The CEO's annual cash performance incentive payment is based on an assessment of the CEO's performance against the CEO's performance objectives. The CEO's performance objectives are reviewed and approved in the first quarter of the Company's fiscal year by the Compensation Committee, in consultation with the independent directors, following a discussion of the most important objectives for the Company in the coming year. The CEO participates in this process by providing his proposed objectives to, and reviewing his proposed objectives with, the Committee. The Compensation Committee considers the proposed objectives and may make changes to those objectives, if, in its subjective judgment, changes are desirable. In addition, the Committee may make changes during the year or at the end of year to take into consideration other factors that the Committee, in its discretion, believes are important to a consideration of the CEO's annual cash incentive compensation.

For fiscal year 2012, the Compensation Committee established the potential range of bonus for the CEO as 0% to 185% of target. The target equals 100% of base salary. This bonus range is consistent with the range of bonus established by the Committee for the other NEOs.

For fiscal year 2012, the Compensation Committee continued its practice of utilizing a combination of financial performance objectives and nonfinancial performance objectives in recommending the cash bonus for the CEO, assigning relative weights of 70% to the financial objectives and 30% to the non-financial objectives. At the beginning of the year, the Committee agreed upon Company financial goals on which the CEO's bonus would partly depend. The Committee also agreed upon key leadership and strategic objectives for the CEO. At the end of the year, the Committee first reviewed whether the financial objectives had been met and considered whether other financial measures should be taken into consideration in connection with a determination of the annual cash incentive compensation for the CEO. Then the Committee considered the nonfinancial objectives and also generally whether the CEO had shown effective leadership, including executing strategic objectives, and positioning the Company for future growth in line with these strategic objectives. In connection with this review, each Board member was interviewed by the Committee chair and asked to provide feedback as to the performance of the CEO in connection with both the CEO's financial performance objectives and nonfinancial performance objectives. This feedback was taken under consideration by the Committee in connection with its assessment of the CEO's achievement of his financial and nonfinancial performance objectives, as described below.

Financial Objectives. Mr. Slipsager's 2012 fiscal year financial performance objectives included targets relating to pre-tax income from continuing operations, EBITDA (earnings before interest, taxes, depreciation and amortization) margin, earnings per share from continuing operations, operating cash flow, pro-forma organic growth, return on assets and return on equity. Target levels for these objectives were $119.1 million, 4.2%, $1.31, $125 million, 3.1%, 4.5% and 9.7%, respectively. Actual results relating to these financial objectives were $92.6 million, 3.6%, $1.14, $150.6 million, 0.1%, 4.4% and 9.4%, respectively. The Compensation Committee believed these financial performance objectives were appropriate because they incorporate such important factors as profitability, positive cash flow generation and strengthening the Company's balance sheet through enhanced attention to capital efficiency. The Committee did not assign a specific weight to each metric. For some metrics, the Committee expected results for fiscal year 2012 to be no less than results for fiscal year 2011. In addition, as part of its evaluation process, the Committee considered the relative importance, in its subjective judgment, of each of the CEO financial performance objectives. The Committee also looked at fiscal year 2012 income from continuing operations compared to 2012 budget and compared to fiscal year 2011 actual income from continuing operations. The Committee took note of the fact that the other NEOs' incentive cash compensation is measured in part by income from continuing operations. The Committee considered the fact that fiscal year 2012 income from continuing operations against the 2012 budget resulted in an incentive funding factor of 68.8% and fiscal year actual 2012 income from continuing operations against actual fiscal year 2011 income from continuing operations resulted in an incentive funding factor of 78%, for a combined funding factor of 73.4% for the other NEOs. After reviewing all of the CEO's financial measures, as well as those described above as used for the other NEOs, the Committee decided that an overall attainment level of 70% should be assigned to the achievement of the CEO's financial performance objectives. In arriving at this determination, the Committee did not apply a strict mathematical formula but instead considered the achievement levels relating to the various CEO financial performance objectives and the metrics described above.

Nonfinancial Objectives. Mr. Slipsager's fiscal year 2012 nonfinancial performance objectives were to: work with the Board to update the Company's five-year plan and regularly report on progress towards strategic goals; develop and implement a leadership growth and management succession plan and keep the Board apprised of relative skill sets of senior management and implement development strategies for candidates for key positions; work with operating executives to further develop their business acumen and leadership potential; engage in ongoing discussions with the Board about associated enterprise risk management and the Company's capital consistent with the Company's risk profile and five-year plan; and opportunistically pursue and ensure the successful and timely integration of value-added acquisitions.

The Compensation Committee met in executive session and reviewed Mr. Slipsager's interactions and communications with the Board relative to the Company's five-year plan, noting that these interactions and communications were generally positive and productive. The Committee also reviewed the development of his leadership team and evaluated his role in working to develop bench strength and the talents of the Company's management. The Committee further noted the progress made relative to the review of the Company's capital structure in light of recent acquisitions and potential future growth as well as the strategic acquisitions of Air Serv and HHA Services, Inc. After considering these factors, and feedback received from other Board members, as well as the CEO's self-assessment, the Committee concluded that Mr. Slipsager had continued to build on the foundation of earlier acquisitions and significantly developed the Company's executive talent. The Committee assigned a 90% achievement out of a possible 150% with respect to these nonfinancial objectives. Given the nature of the decisions involved in evaluating the CEO's performance relating to nonfinancial objectives, the Committee did not use a formula to arrive at the percentage achievement level relating to non-financial objectives but instead used its subjective judgment.

Overall Bonus Determination. For fiscal year 2012, based upon the weighting of the CEO's financial goals at 70% and nonfinancial goals at 30%, the Compensation Committee recommended an overall achievement of 76% to the other members of the CEO Committee. The CEO Committee agreed with the conclusion that the financial objectives had been achieved at 70% and the nonfinancial objectives had been achieved at 90% and approved an annual cash incentive payment equal to $646,000 (76% of target) for Mr. Slipsager.

Other NEOs' Annual Cash Performance Incentive Payments

Annual cash performance incentive payments for the NEOs other than Mr. Slipsager are governed by the annual cash performance incentive program (the "PIP"). The PIP is an incentive cash program for executives and key employees that is designed to motivate and reward achievement of annual financial and individual performance objectives and provide a competitive total compensation opportunity in support of our compensation objectives. In the case of NEOs having responsibility for business units, awards under the PIP are based on the Company's financial performance ("Corporate Results"), business unit performance ("Business Unit Results"), and individual performance ("Individual Results"). Our Chief Financial Officer's award is based on Corporate Results and Individual Results and our General Counsel's award is based on Corporate Results, Department Results, and Individual Results. The Compensation Committee establishes a target bonus for each NEO in the first quarter of the fiscal year based on a percentage of base salary. The Committee also assigns a relative weight to the components of the bonus amount. The CEO approves the individual performance objectives for the NEOs (other than himself). Generally, the performance criteria associated with the Company and business unit performance are objective, while those associated with department results and individual performance objectives are more subjective in nature.

In connection with its establishment of target bonus levels for these NEOs, the Compensation Committee evaluated the current duties and responsibilities of the NEOs and comparative compensation information with the Committee's independent compensation consultant. The following criteria were used in determining payments for NEOs under the 2012 fiscal year PIP:

Corporate Results: Company performance based on targets for income from continuing operations, subject to discretionary strategic results modifiers such as revenue growth, days sales outstanding, operating profit margins, cash flow, cost reduction and other strategic performance targets.

Business Unit or Department Results: Performance of our operating subsidiaries in the case of executives having responsibilities for operating subsidiaries (Messrs. McClure and Price) or department performance, in the case of Ms. McConnell.

Individual Performance: Individual performance in providing strategic leadership, employee leadership, and compliance and administration.

Since positions held by the NEOs participating in the PIP differ in terms of areas of focus, scope and impact on the Company, the relative weightings of these criteria may vary based on position and responsibilities. Similarly, the individual performance objectives for these NEOS may vary depending on the nature of the responsibilities of each executive.

Following the end of the fiscal year, Corporate Results and Business Unit Results are determined and submitted to the Committee. The CEO provides the Committee with his assessment of the achievement of Department Results and Individual Results. The Committee discusses the CEO's assessments of the other NEOs with the CEO and has discretion to modify his assessments. The Committee may adjust Corporate Results and Business Unit Results to take into consideration unusual items such as acquisitions or divestitures. Determining Individual Results and, to some extent, Department Results, involves subjective judgments by the Committee.

Corporate Results. Under the 2012 fiscal year PIP, Corporate Results were measured by the Company's fiscal year 2012 income from continuing operations relative to (1) fiscal year 2012 budget and (2) fiscal year 2011 income from continuing operations, each weighted equally. The chart below reflects the 2012 fiscal year PIP as it relates to award funding and target levels for Corporate Results.

2012 Fiscal Year PIP Corporate Results

Award Funding Corporate	% Budget for Fiscal Year 2012	% Prior Fiscal Year
175%	≥125%	≥125%
150%	≥120%	≥120%
100%	≥100%	≥100%
50%	≥80%	≥80%
0%	<80%	<80%

No bonus would be earned with respect to the portion of the bonus based on corporate results if corporate results were below 80% of budget for fiscal year 2012 and below 80% of actual performance for fiscal year 2011. In fiscal year 2012, the Company's income from continuing operations was 87.5% of budget and

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91.3% of fiscal year 2011 income from continuing operations, which, on an interpolated basis, translated into funding levels of 68.8% and 78.0%, respectively, resulting in a Corporate Results funding level of 73.4%.

Business Unit or Department Results

Janitorial. With respect to Mr. McClure, Business Unit Results were measured by reference to the Janitorial business and were based on Janitorial's 2012 fiscal year operating profit relative to (1) budget for fiscal year 2012 and (2) fiscal year 2011 operating profit, with the two factors weighted equally.

The chart below shows possible award funding for the Janitorial business based on these factors.

2012 Fiscal Year PIP Janitorial Results

Award Funding	Actual 2012 Operating Profit as % of Budget for Fiscal Year 2012	Actual 2012 Operating Profit as % of Prior Fiscal Year Operating Profit
175%	≥125%	≥120%
150%	≥120%	≥115%
100%	≥100%	≥105%
50%	≥85%	≥85%
0%	<85%	<85%

In fiscal year 2012, Janitorial's operating profit was 93.5% of budget and 96.7% of Janitorial's fiscal year 2011 operating profit, which, on an interpolated basis, translated into funding levels of 78.3% and 79.3%, respectively, for an overall funding level of 78.8%. Based on these results, the Committee approved funding of the Business Unit Results portion of Mr. McClure's bonus at 78.8% of target.

Facility Solutions. With respect to Mr. Price, Business Unit Results were measured by reference to the Facility Solutions segment and were based on fiscal year 2012 operating profit relative to (1) budget for fiscal year 2012 and (2) fiscal year 2011 operating profit, with the two factors weighted equally.

The chart below shows possible award funding for the Facility Solutions segment based on these factors.

2012 Fiscal Year PIP Facility Solutions Results

Award Funding	Actual 2012 Operating Profit as % of Budget for Fiscal Year 2012	Actual 2012 Operating Profit as % of Prior Fiscal Year Operating Profit
175%	≥125%	≥125%
150%	≥120%	≥120%
100%	≥100%	≥100%
50%	≥80%	≥80%
0%	<80%	<80%

In fiscal year 2012, Facility Solutions' operating profit was 80% of budget and 95% of Facility Solutions' fiscal year 2011 operating profit, which, on an interpolated basis, translated into funding levels of 50% and 87.5%, respectively, for an overall funding level of 68.8%. Based on these results, the Committee approved funding of the Business Unit Results portion of Mr. Price's bonus at 68.8%.

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Legal Department. Ms. McConnell's responsibilities in fiscal year 2012 included the Company's legal department. Her department performance objectives included components related to enterprise risk management, corporate governance and records management. After taking into consideration Ms. McConnell's self-assessment and the CEO's assessment with respect to Ms. McConnell's department objectives, the Committee reviewed the legal department's performance against these objectives. The Committee did not assign numerical values to these objectives but rather assessed performance on a qualitative standard ranging from "Outstanding" to "Unsatisfactory." After considering the CEO's assessment of Ms. McConnell's overall success in achieving Department Results, the Committee agreed with the CEO that a multiplier of 100% was appropriate for the Department Results portion of her bonus.

Individual Performance. For each of Messrs. Lusk, McClure and Price and for Ms. McConnell, points were assigned to particular elements of each person's individual performance objectives, tailored to each NEO's particular responsibilities. The CEO assesses each NEO's performance and provides the Compensation Committee with his judgment of the NEO's achievement of his or her objectives, with a maximum possible score of 150%. In addition to the assessment by the CEO, each NEO completes a self-assessment, which is reviewed by the Compensation Committee. The Committee then finalizes its assessment of each NEO's Individual Results. The following describes each NEO's individual performance objectives and results:

Mr. Lusk's objectives included components relating to general management, customer/market development, and compliance/administration. This included business strategy, safety and information technology. The CEO noted Mr. Lusk's strong performance in all areas of responsibility. Specifically, he noted his excellent relationship with Operations. Based on the CEO's assessment of Mr. Lusk's performance and its agreement with this assessment, the Committee approved a multiplier of 100% for Individual Results.

Mr. McClure's objectives included components relating to general management, sales and marketing, and compliance/administration. This included operational improvement goals. The CEO noted Mr. McClure's strong leadership abilities and excellent cash flow management. Based on the CEO's assessment of Mr. McClure's performance and its agreement with this assessment, the Committee approved a multiplier of 100% for Individual Results.

Mr. Price's objectives included components relating to general management, sales and marketing, and compliance/administration. This included vertical markets and government relations. The CEO noted Mr. Price's success in the mobile and energy businesses. Based on the CEO's assessment of Mr. Price's performance and its agreement with this assessment, the Committee approved a multiplier of 100% for Individual Results.

Ms. McConnell's objectives included components relating to enterprise risk management, corporate governance, and records management. The CEO noted Ms. McConnell's excellence in leading strong corporate governance and managing the legal department. Based on the CEO's assessment of Ms. McConnell's performance and its agreement with this assessment, the Committee approved a multiplier of 100% for Individual Results.

Equity Incentives

Equity incentives create a direct link between executive compensation and shareholder returns by tying a significant portion of total compensation to the performance of the Company's stock. In addition, the Committee believes equity incentives encourage executives to remain at the Company. Equity awards may be granted to senior executives annually (or, in the case of newly hired executives, at the time they join ABM) but may also be granted from time to time in connection with promotions or assumption of additional responsibilities, as well as to promote retention, and/or to encourage focus on specific performance objectives. We grant the following types of equity awards:

Performance Shares: Performance shares are earned based on specified performance results combined with service requirements. Typically, our performance shares are based on performance over a three-year period and vest on the third anniversary of the grant date. The threshold, target and maximum performance goals are established with reference to the Company's budgeted growth rate for the relevant periods and other factors determined by the Committee for the applicable performance period. The Committee believes that these awards align employee and shareholder interests by tying value to both business results and future stock price.

Restricted Stock Units ("RSUs"): To meet the Company's objective to retain key executive talent, the Company generally grants RSUs, representing full value shares of our common stock, that vest based on continued service with the Company. Typically, 50% of the RSUs vest two years from the grant date and the remaining 50% vest four years from the grant date. However, the Committee may provide a different vesting schedule if it determines, in its subjective judgment, that a different vesting schedule is appropriate. RSUs are intended to promote retention and alignment of executive interests with the interests of shareholders. The Committee believes that RSUs enhance retention because they offer compensation opportunities over a long-term vesting period.

Stock Options: The Committee believes that stock options focus executives on managing the Company from the long-term perspective of an owner with an equity stake in the business. Stock options provide value to the recipient only if the price of the Company's common stock increases above the option exercise price, which is the fair market value of the stock on the date of grant. Typically, our stock options vest ratably over four years. However, the Committee may provide a different vesting schedule if it determines, in its subjective judgment, that a different vesting schedule is appropriate. Our stock options are granted for a maximum term of seven years and are subject to earlier termination three months following a termination of employment.

The Compensation Committee believes that a significant portion of equity grants to our NEOs should be tied to performance, which it believes increases alignment between executive and shareholder interests. The Committee considers both grants of performance shares and stock options to be performance-based since performance shares are only earned if certain performance targets are met and stock option value to an executive is tied to the performance of the Company's stock.

Fiscal Year 2012 Equity Incentives

Generally, at the beginning of each fiscal year, the Compensation Committee will review an NEO's target compensation which includes base salary, possible short-term cash incentive compensation, and equity grants. The Committee also generally reviews the equity grant mix for the population eligible for equity grants. The Committee views the combined potential equity awards as a "pool" available for grant in connection with the Company's regular equity grant cycle, although the Committee does not consider itself limited to the precise number of shares in the pool. When determining the number of equity awards granted to individual NEOs, the Committee looks to various factors, including Peer Group practices. Generally, the Committee reviews the 50th percentile of Peer Group practices and takes into account how equity grants to our NEOs compare to equity grants equal in size to the 50th percentile Peer Group awards to executives having comparable roles. In its subjective judgment, the Committee believes that the 50th percentile signifies the "typical" award level in the external market and is the appropriate reference point by which to assess equity grants to the NEOs. In addition, although there is not an exact formula, the Committee considers each individual's accumulated vested and unvested awards, the current value of the awards, comparison of individual awards between executives and in relation to other compensation elements, and total accounting expense of existing awards (because it considers share-based expense to be part of the Company's internal cost structure). The Committee also looks at the total mix of compensation (salary, cash bonus and long-term equity incentives) both by internal peer comparison and on an individual basis when it approves grants to the NEOs. The Committee uses its subjective judgment to determine grant amounts that are appropriate to retain and motivate executive officers while maintaining acceptable levels of compensation expense.

The Compensation Committee typically awards performance shares in January of each year to NEOs and other eligible employees, and in the fourth fiscal quarter of the year, the Committee awards RSUs and stock options to NEOs and other eligible employees. In fiscal year 2012, the Committee approved the performance objectives for the Company's 2012-2014 performance share program in January but did not make grants until March 2012, after shareholders had approved additional shares for issuance under the Company's 2006 Equity Incentive Plan. The performance metrics relating to these performance shares are described below. The number of performance shares granted was based on the fair market value of the Company's stock on March 6, 2012, the date of grant.

In October 2012, also as part of the Company's regular grant cycle, the Committee made equity grants of RSUs and stock options to Messrs. Lusk, McClure and Price and Ms. McConnell and other eligible employees as described below. The Committee approved these awards at a meeting on October 8, 2012 but as the Company had not yet announced the entry into a definitive agreement to acquire Air Serv, in accordance with Company policy not to grant equity awards when the trading window is closed due an impending acquisition of this nature, the grants were not effective until October 11, 2012, which was the third business day following the Company's release of the Air Serv announcement. The number of RSUs awarded was based on the fair market value of ABM stock on October 11, 2012 and the number of stock options awarded was calculated based on the Black-Scholes value on this date.

The dollar value of the regular equity awards made in March 2012 and October 2012 was distributed among performance shares, RSUs and stock options. Generally, it is the Committee's belief that 50% of an NEO's regular equity grant should be in the form of performance shares, and RSUs and stock options should each constitute 25% of an NEO's regular equity grant. This allocation is based on the Committee's subjective judgment that generally, 75% of equity grants should be related to Company performance: i.e*.,* in the case of performance shares, the shares would be earned if the Company met targets specified in the 2012-2014 Fiscal Year Performance Share Program, and, in the case of stock options, the value of the stock option to the recipient of the award would ultimately be based on Company share price exceeding the exercise price of the option on the date of vesting. The Committee believes that this allocation serves to align the interests of the NEOs with shareholder interests.

In connection with the grant of RSUs and stock options in October 2012, Mr. Slipsager specifically requested that he not receive a grant. He explained to the Committee that he would prefer that the RSUs and stock options that would normally be allocated to the CEO, be allocated among certain employees below the NEO level who are considered instrumental to the Company's strategic growth. Mr. Slipsager explained that he believed this was important to motivate and retain those employees and that he did not want to increase compensation expense by increasing the aggregate amount of equity awards utilized for the grant. After reviewing Mr. Slipsager's request, the Committee agreed with his recommendation, noting that this agreement was not an expression of an unfavorable view of Mr. Slipsager's performance or leadership.

In connection with regular equity grants, the Committee generally approves an equity award of a specific dollar value for each recipient based on a multiple of the recipient's base salary. For executive vice presidents, the awards may range from 0% to 140% of base salary, and for senior vice presidents, the awards may range from 0% to 100% of base salary.

Our Performance Share Programs. Our Performance Share Programs are designed to motivate and reward long-term strategic management that results in profitable growth and sustained shareholder value creation. Each of our current Performance Share Programs are based on three-year periods during which performance shares may be earned based on performance during each of the three fiscal years in the program. Earned shares vest on the third anniversary of the grant date so long as the grantee is still employed by the Company. Sixty percent (60%) of the award (20% per year) is based on "Value Creation," whereby shares may be earned annually based on a measurement which looks at annual budgeted operating cash flow and changes in EBITDA from the prior year multiplied by five. The remaining 40% is based on continued growth and determined by the compounded three-year EBITDA growth result, which is measured at the end of the three-year performance period. As used in our performance share program, EBITDA is earnings before interest, depreciation and amortization, adjusted to exclude items impacting comparability and discontinued operations. Both the calculation of EBITDA and operating cash flow are subject to adjustments relating to major acquisitions, major divestitures and certain other defined items. In addition, the calculation of EBITDA and operating cash flow are also subject to adjustment for certain defined items or events. At the beginning of each three-year program, the Compensation Committee establishes the EBITDA and operating cash flow targets for the years covered by the program and determines what adjustments, if any, shall be made to the calculation of EBITDA and operating cash flow. Results are measured at the end of each program year, in the case of objectives that are based on one-year performance, and at the end of the three-year period in connection with results that are based on cumulative years.

The following tables and narrative summarize the results for fiscal year 2012 in each of our 2010-2012, 2011-2013 and 2012-2014 Fiscal Year Performance Share Programs. Yearly targets under different performance share programs may be different for the same fiscal years as a result of the then-current Company conditions when the targets were established.

2010-2012 Fiscal Year Performance Share Program

		60%				40%	
Year	**Annual Operating Cash Flow**	**EBITDA**	**Value Creation***	**Weight**		**EBITDA Growth**	**Weight**
2010	$ 113.7 million	$ 161.3 million	$ 195.2 million	20%			n/a
2011	$ 100.6 million	$ 169.4 million	$ 141.1 million	20%			n/a
2012	$ 84.3 million	$ 177.8 million	$ 126.3 million	20%		$ 177.8 million	40%

* Value Creation = Operating Cash Flow + (change in EBITDA × 5)

For fiscal year 2012, performance shares under the 2010-2012 Fiscal Year Performance Share Program were earned at 0% for the Value Creation measure since Value Creation, as adjusted, was approximately $61.5 million compared to the target of $126.3 million. In addition, for fiscal year 2012, performance shares were earned at 56.0% of target for the EBITDA Growth measure since EBITDA was approximately $137.9 million compared to the target of $177.8 million. Overall, for the aggregate three-year performance period from 2010-2012, performance shares were earned at 52.8%.

2011-2013 Fiscal Year Performance Share Program

		60%				40%	
Year	**Annual Operating Cash Flow**	**EBITDA**	**Value Creation***	**Weight**		**EBITDA Growth**	**Weight**
2011	$ 84.6 million	$ 208.1 million	$ 355.1 million	20%			n/a
2012	$ 91.4 million	$ 218.5 million	$ 143.4 million	20%			n/a
2013	$ 90.2 million	$ 229.4 million	$ 144.7 million	20%		$ 229.4 million	40%

* Value Creation = Operating Cash Flow + (change in EBITDA × 5)

For fiscal year 2012, performance shares under the 2011-2013 Fiscal Year Performance Share Program were earned at approximately 58.2% of target since Value Creation was approximately $112.6 million compared to the target of $143.4 million. The earned shares do not vest until January 2014.

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2012-2014 Fiscal Year Performance Share Program

		60%			40%	
Year	Annual Operating Cash Flow	EBITDA	Value Creation*	Weight	EBITDA Growth	Weight
2012	$ 125.0 million	$ 197.1 million	$ 190.5 million	20%		n/a
2013	$ 117.2 million	$ 207.0 million	$ 166.7 million	20%		n/a
2014	$ 112.7 million	$ 217.3 million	$ 164.2 million	20%	$ 217.3 million	40%

* Value Creation = Operating Cash Flow + (change in EBITDA × 5)

For fiscal year 2012, no performance shares under the 2012-2014 Fiscal Year Performance Share Program were earned since Value Creation, as adjusted, was approximately $112.6 million compared to the target of $190.5 million, which meant that the minimum target was not achieved.

The table below supplements the 2012 Summary Compensation Table that appears on page 41. This table shows the compensation actually realized in fiscal years 2012, 2011 and 2010 by our NEOs. In contrast, the Realizable Pay graph on page 26, reflects the current value of all pay granted over the relevant three-year period. 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 2012 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 2012 Summary Compensation Table for the year that they were granted. As a result, a significant portion of the total compensation amounts reported in the 2012 Summary Compensation Table relates to equity grants that have not yet vested 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] ($)	Total Compensation Realized ($)
Henrik Slipsager	2012	847,898	511,521	63,934	490,452	646,000	57,976	2,617,781
President & CEO	2011	833,325	0	297,826	343,385	879,260	9,800	2,363,596
	2010	805,000	246,704	108,483	293,942	1,008,000	21,535	2,483,664
James Lusk	2012	526,763	145,313	12,874	115,766	304,843	28,580	1,134,139
Executive Vice President	2011	483,222	0	60,250	185,427	353,404	23,362	1,105,665
& CFO	2010	465,313	163,545	18,477	64,213	330,075	15,442	1,057,065
James McClure	2012	637,324	202,258	17,712	158,779	403,931	49,167	1,469,171
Executive Vice President	2011	596,038	0	82,383	58,077	464,033	9,800	1,210,331
	2010	576,250	0	43,492	160,127	270,833	11,413	1,062,115
Tracy Price	2012	643,247	0	0	0	384,581	41,543	1,069,371
Executive Vice President	2011	634,480	0	0	0	491,591	41,150	1,167,221
Sarah McConnell	2012	441,778	57,237	4,114	39,163	234,090	13,855	790,237
Senior Vice President,	2011	398,725	0	16,877	47,864	227,380	9,800	700,646
General Counsel & Secretary	2010	380,833	95,960	9,501	14,385	179,407	10,477	690,563

(1) Amounts shown represent the aggregate value of all earned performance shares that vested during fiscal years 2010, 2011, and 2012. 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.

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(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 exercise price and the closing price of ABM's common stock on the vesting date without regard to actual option exercise activity.

(3) Amounts shown represent the aggregate value of all RSU awards (including performance shares) that vested during the applicable fiscal year. The value of vested RSUs is calculated by multiplying the number of shares vested (including dividend equivalent shares) 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.

Part 4. Other Governance and Compensation-Related Matters

Stock Ownership Guidelines

In October 2006, the Compensation Committee adopted stock ownership guidelines for certain officers, including NEOs. These guidelines are based on a multiple of base salary. The Committee periodically reviews the stock ownership guidelines and makes adjustments to these guidelines to the extent that it believes such adjustments are appropriate. Executives are expected to achieve their targets within five years of becoming subject to the ownership guidelines. The Committee periodically assesses the guidelines and the officers' ownership relative to these guidelines. Progress toward targeted ownership levels may be taken into consideration in future grants to executives. Unvested RSUs are taken into consideration when determining if ownership guidelines have been achieved; unearned performance shares and stock options are not included. Current stock ownership guidelines are described below:

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

Prohibition of Hedging and Pledging

Our directors and executive officers are prohibited from using any strategies or products to hedge against the potential changes in the value of ABM stock. In addition, they are prohibited from pledging Company shares.

Window Trading and Rule 10b5-1 Trading Plans

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

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

Compensation Recoupment Policy

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

Benefits and Perquisites

The NEOs are eligible for customary employee benefits, which include participation in ABM's 401(k) Plan, as well as group life, health and accidental death and disability insurance programs and executive health examinations. In addition, Mr. Price receives certain perquisites that have carried over from his employment with The Linc Group, LLC prior to its acquisition by the Company. These perquisites are set forth in the Summary Compensation Table.

Mr. Slipsager and Mr. McClure qualify for benefits under the Supplemental Executive Retirement Plan ("SERP"), an unfunded retirement plan that was closed to new participants prior to the employment of Messrs. Lusk and Price and Ms. McConnell. Messrs. Slipsager and McClure also participate in the Service Award Benefit Plan ("SAB"), which provides participants, upon termination of employment with a minimum of seven days of pay for each year of employment between November 1989 and January 2002. The SAB was closed to new participants prior to the employment of Messrs. Lusk and Price and Ms. McConnell.

The NEOs are eligible to participate in ABM's Employee Deferred Compensation Plan, which is an unfunded deferred compensation plan available to highly compensated employees. The Employee Deferred Compensation Plan benefits are shown in the "Nonqualified Deferred Compensation in Fiscal Year 2012" table, followed by a description of the plan. The Committee regularly reviews the benefits provided under this and other plans, and as a result of such a review, in January 2011, the Company entered into a trust agreement which will fund amounts due under the Employee Deferred Compensation Plan in the event of a change-in-control of ABM.

Change-in-Control and Other Severance Arrangements

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

In addition, our NEOs may be eligible for severance benefits outside of a change-in-control. In particular, the CEO has an employment agreement that provides him with severance payments if he is terminated without cause, and the Board of Directors has adopted a severance policy that provides compensation to executives whose employment is terminated without cause. ABM expects the severance policy to provide consistency of treatment for officers who are at similar levels in the organization and to protect ABM by requiring a release and post-employment non-competition restriction, where legally permissible, as a condition to a severance payment, which we believe helps to retain officers during periods of organizational change and assists in recruiting new executives. The policy was adopted following the Committee's review of similar policies in the Peer Group and general industry.

The potential benefits to executives under these severance and change-in-control arrangements are described and quantified under "Potential Benefits on Termination."

Accounting and Tax Considerations

The Compensation Committee takes into consideration the accounting, tax and related financial implications to the Company and executives when designing compensation and benefit programs. From an accounting perspective, in general, base salary, annual cash incentive bonus payments and the costs related to benefits and perquisites are recognized as compensation expense at the time they are earned or provided, and equity-based compensation expense is recognized over the vesting period of the grant.

Subject to the exceptions and limits described below, the Company deducts for federal income tax purposes payments of compensation and other benefits to executives. The Company does not deduct nonqualified deferred compensation until the year that the deferred compensation is paid to the executive.

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

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

Compensation Committee Report

The Compensation Committee has reviewed the Compensation Discussion and Analysis and discussed the Compensation Discussion and Analysis with management. Based on its review and discussions with management, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in ABM's Annual Report on Form 10-K for the fiscal year ended October 31, 2012 and ABM's 2013 Proxy Statement.

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

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

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Compensation of Executive Officers

The following tables and accompanying narrative describe the compensation of the NEOs.

2012 Summary Compensation Table

Name	Fiscal Year	Salary ($)	Bonus ($)	Stock Awards(1) ($)	Option Awards(2) ($)	Non-Equity Incentive Plan Compensation(3) ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings(4) ($)	All Other Compensation(5) ($)	Total ($)
Henrik Slipsager	2012	847,898	0	999,994	0	646,000	116,433	57,976	2,668,301
President & CEO	2011	833,325	0	1,197,311	406,495	879,260	44,210	9,800	3,370,401
	2010	805,000	0	1,131,722	382,499	1,008,000	87,576	21,535	3,436,332
James Lusk	2012	526,763	0	401,234	133,749	304,843	0	28,580	1,395,169
Executive Vice President	2011	483,222	0	347,130	117,855	353,404	0	23,362	1,324,973
& CFO	2010	465,313	0	738,990	504,349	330,075	0	15,442	2,054,169
James McClure	2012	637,324							